

**Regular Meeting &
Unalaska Crab, Inc.
Tuesday, November 9, 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

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

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

UNALASKA CRAB, INC. Annual Meeting Agenda

1. Call to order
2. Adjourn

Board of Directors Meeting Agenda

1. Call to order
2. Roll call
3. Adopt agenda
4. [Approve minutes September 28, 2021 Board of Directors Meeting](#)
5. [Resolution 2021-02](#), Election of Officers
6. Report from Fisheries Consultant regarding Regional Landing Relief Coordinating Committee Meeting ([agreement in packet](#))
7. Adjourn

UNALASKA CITY COUNCIL AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Recognition of Visitors**
5. **Approve Minutes of Previous Meeting** [October 26, 2021](#)
6. **Reports**
 - a. [City Manager](#)
 - b. [Financials September 2021](#) – Finance Director Jim Sharpe
 - c. [CARES Act Spending Review](#) – Finance Director Jim Sharpe
 - d. [Status of Power Purchase Agreement with OCCP, LLC](#) – City Manager Erin Reinders and Deputy DPU Director Steve Tompkins
7. **Oath of Office** – DPS Officer Andrew Breda
8. **Employee Anniversary Award**
 - a. Nicholai Tutiakoff, 15 years – Dept. of Public Works
 - b. Jim Shaishnikoff, 25 years – Dept. of Public Works
9. **Adoption of Agenda**
10. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
11. **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. Three-minute time limit.*
12. **Work Session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
 - a. [Report from State Lobbyist Dianne Blumer](#) and [Discussion of State Legislative Priorities](#) – with City Manager Erin Reinders
13. **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. [Ordinance 2021-16 \(1st reading\): Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \\$55,000 of surcharge revenue and appropriating \\$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \\$139,000 from Alaska Energy Authority and appropriating \\$139,000 in the Wind Power Development Project; and recognizing \\$2,000,000 of private contributions from OCCP LLC and appropriating \\$2,000,000 in the Makushin Geothermal Project](#)
 - b. [Ordinance 2021-17 \(1st reading\): Amending Unalaska Code of Ordinances § 13.24.090 Regulating Fireworks](#)
 - c. [Ordinance 2021-18 \(1st reading\): Amending UCO §3.44.060 “Recognized City Holidays” to add Juneteenth National Independence Day as an annual floating holiday beginning calendar year 2022 and make minor descriptive edits](#)
 - d. [Resolution 2021-72: Establishing Community Wide COVID-19 Protective Measures](#)
 - e. [Resolution 2021-73: Accepting Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award Agreement](#)
14. **Regular Agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three-minute time limit.*
 - a. [Resolution 2021-71: Adopting priority rankings for the FY23 - FY32 Capital and Major Maintenance Plan Process Guide](#)
15. **Council Directives to City Manager**
16. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
17. **Adjournment**

UNALASKA CRAB, INC.
MINUTES
Board of Directors Meeting Minutes
September 28, 2021

1. **Call to order.** The corporation president, Vincent M. Tutiakoff, Sr., called the meeting to order at 6:00pm.
2. **Roll call.** Board Members Bell, Nicholson, Robinson, Tungul, Coleman and Tutiakoff present in person; Board Member Looby present via telephone. Quorum established.
3. **Adoption of agenda.** Robinson moved to adopt the agenda; second by Tungul. There being no objection, the agenda was adopted by consensus.
4. **Resolution 2021-01:** Authorizing the President of the Corporation to Sign the Regional Landing Requirement Relief Framework Agreement

Robinson moved to adopt Resolution 2021-01; second by Nicholson. Introduction by Erin Reinders. Fisheries Consultant Frank Kelty provided background information. No questions from council.

Roll call vote: Robinson – yes; Tungul – yes; Coleman – yes; Looby – yes; Bell – yes; and Nicholson – yes. Motion passes 6-0.

5. **Adjourn.** Having completed all items on the agenda, Mr. Tutiakoff adjourned the meeting at 6:06pm.

These minutes approved at the Board of Directors Meeting on November 9, 2021.

Erin Reinders, Secretary

**UNALASKA CRAB, INC.
RESOLUTION NO. 2021-02**

WHEREAS, Unalaska Crab, Inc. has adopted Articles of Incorporation and been issued a Certificate of Incorporation by the State of Alaska; and

WHEREAS, Article IV, Section 1 of the Bylaws of Unalaska Crab, Inc. provide for election of a President, Vice-President, Secretary and Treasurer as officers of the Corporation; and

WHEREAS, the election of officers is to be held at the first meeting of the Board of Directors held after the Annual Meeting of the members of the Corporation; and

WHEREAS, the 2021 Annual Meeting of the corporation has been held.

NOW THEREFORE, IT IS HEREBY RESOLVED that that _____ shall serve as President of the Corporation, _____ shall serve as Vice-President of the Corporation and _____ shall serve as Secretary and Treasurer of the Corporation until the next annual election of officers to be held at the first meeting of the Board following the 2022 Annual Meeting of members.

DULY ADOPTED at a meeting of the Board of Directors of Unalaska Crab, Inc., on November 9, 2021.

UNALASKA CRAB, INC.

Vincent M. Tutiakoff, Sr.
President

ATTEST:

Erin Reinders
Secretary

MEMORANDUM TO COUNCIL

To: Board of Directors of Unalaska Crab, Inc.
From: Erin Reinders, Secretary and Treasurer, UCI
Date: November 9, 2021
Re: Resolution 2021-02, Election of Officers

Unalaska Crab, Inc. ("Corporation") was formed in 2005 to serve as the eligible crab community of Unalaska, Alaska, pursuant to 50 CFR part 680.

According to the Bylaws of the Corporation:

- a) The Corporation shall hold an annual meeting.
- b) The Members of the Corporation are the registered voters of Unalaska.
- c) The Board of Directors are the elected Mayor and City Council Members.
- d) The Officers of the Corporation (President, Vice President, Secretary and Treasurer) are to be elected annually at the first meeting of the Board of Directors held after the Annual Meeting and hold office until a successor is elected. Any two or more offices may be held by the same person, except the offices of President and Secretary shall not be held by the same person. Officers do not have to be members of the Board of Directors.

The present officers, elected November 10, 2020, are:

President – Vincent M. Tutiakoff, Sr.
Vice President – Dennis Robinson
Secretary and Treasurer – Erin Reinders

It is suggested that a motion be made and seconded to adopt Resolution 2021-02, followed by a motion to amend the resolution to insert the names of persons nominated as President, Vice President and Secretary/Treasurer.

FRAMEWORK AGREEMENT

October 15, 2021

This Regional Landing Requirement Relief Framework Agreement (“Framework Agreement”) is entered into by and among Central Bering Sea Fishermen’s Association, Unalaska Crab, Inc., Aleutian Pribilof Island Community Development Association, Kodiak Fisheries Development Association (“Community Representatives”), 57 Degrees North, LLC, Alyeska Seafoods, Inc., APICDA Joint Ventures, Inc., Arctic Sea Holdings LLC, Blue Dutch, LLC, Coastal Villages Region Fund, Kodiak Fisheries Development Association, Norquest Seafoods, Inc., Peter Pan Seafood Company, LLC, RAS II, LLC, Royal Aleutian Seafoods, Inc., Trident Seafoods Corporation, Westward Seafoods, Inc. (“IPQ Holders”), and Aleutian Islands Cooperative, Aleutian Pribilof Island Community Development Association, Alternative Crab Exchange, Coastal Villages Crabbing Cooperative, CPH Association, Dog Boat Cooperative, Inter-Cooperative Exchange, R&B Cooperative and Trident Affiliated Crab Harvesting Corporation (“IFQ Holders”) (each individually, a “Party” and together, the “Parties”) as of October 15, 2021 with respect to the following facts:

RECITALS

A. The Bering Sea and Aleutian Islands Crab Rationalization Program adopted by the North Pacific Fishery Management Council (the “Council”) as Amendments 18 and 19 to the Fisheries Management Plan for the Bering Sea and Aleutian Islands crab fisheries, and implemented through National Marine Fisheries Service (“NMFS”) regulations at 50 C.F.R. 680 (the “Crab Rationalization Program”) includes several regional landing requirements (the “Regional Landing Requirements”). The Regional Landing Requirements stipulate that certain amounts of crab harvested pursuant to Individual Fishing Quota (“IFQ”) issued annually must be delivered in certain regions of the fishery based on historical delivery patterns, and regionally designate “Class A” IFQ and corresponding Individual Processing Quota (“IPQ”) accordingly.

B. The Parties acknowledge that the Regional Landing Requirements were included in the Crab Rationalization Program to provide certain Bering Sea and Aleutian Islands communities with protection from adverse economic consequences that could result from changes in crab delivery and processing locations made possible by the Crab Rationalization Program.

C. The Parties intend that the Regional Landing Requirements fulfill their purpose under the Crab Rationalization Program, i.e., providing the beneficiary communities with crab deliveries and processing activity that promotes stable and healthy fisheries economies. However, the Parties acknowledge that circumstances outside of the Parties’ control could impair IFQ holders from making crab deliveries in the designated region within a commercially reasonable period of time after crab harvests, or could prevent IFQ holders from doing so within the related crab fishing season. Under these circumstances, the Regional Landing Requirements could prevent crab that has been harvested from being delivered alive, resulting in loss of the related product value, or could prevent crab from being delivered during the regulatory fishing season. This

would not only result in communities failing to receive the benefit of the intended crab deliveries, but could also result in waste of Bering Sea and Aleutian Islands crab resources, which would be inconsistent with the Crab Rationalization Program’s purposes and National Standard 1 of the Magnuson-Stevens Fishery Conservation and Management Act.

D. Further, in the absence of an exemption to the Regional Landing Requirements, persons harvesting IFQ crab may have incentives to attempt crab deliveries under unsafe or marginally safe conditions, to avoid losing the value of their harvests.

E. The Parties therefore wish to define certain terms and conditions under which a person harvesting crab IFQ may obtain relief from an otherwise applicable Regional Landing Requirement.

AGREEMENT

The Parties agree as follows:

1. Purpose of Agreement. This Agreement defines the general terms and conditions under which an exemption contract may be negotiated and executed among some or all of the Parties and an “Inseason Notice of Exemption” may be filed with NMFS pursuant to 50 CFR 680.4(p)(4)(iii), which, upon filing, will result in NMFS re-designating the Class A IFQ described in the related affidavit and the IPQ with which it is matched as free of any Regional Landing Requirements. This Agreement is entered into to enable the Parties to satisfy the affidavit requirement of 50 CFR 680.4(p)(4)(ii)(B).

2. Eligible Applicants. To be eligible to apply for a regional landing requirement exemption by filing an Inseason Notice of Exemption, a Party must be one of the following, and must have been conducting and be conducting its harvesting and processing operations in a manner consistent with the Fishery Guidelines and Reserve Pool approach (as defined in Section 4, below) then in effect for the Fishery or Fisheries (as defined in Section 2.1, below) for which the exemption is sought, unless the Fishery Guidelines and/or the Reserve Pool Agreement’s terms have been waived in accordance with the applicable conditions of Section 5, below:

2.1 IFQ Holders. A person holding regionally designated IFQ for Bristol Bay red King crab (“BBRKC”), Bering Sea snow crab (“BSS”), St. Matthew blue King crab (“SMB”), Eastern Aleutian Islands golden King crab, Western Aleutian Islands red King crab, Pribilof Island blue King crab or Pribilof Island red King crab (each, a “Fishery,” and together, the “Fisheries”).

2.2 IPQ Holders. A person holding regionally designated IPQ for one or more of the Fisheries.

2.3 Community Representatives.

2.3.1 For communities that hold or formerly held the right of first refusal (“ROFR”) pursuant to 50 CFR 680.41(l), the Eligible Crab Community entity, as defined at 50 CFR 680.2.

2.3.2 For North Region SMB crab processor quota shares (“PQS”) and North Region BSS PQS that was issued without a ROFR, the community representatives for the communities of St. Paul and St. George shall be both the Aleutian Pribilof Island Community Development Association (“APICDA”) and the Central Bering Sea Fishermen’s Association (“CBSFA”), in accordance with 50 CFR 680.4(p)(2)(iii)(B)(2)(i).

3. Fisheries Subject to Agreement. This Agreement establishes the conditions for filing an exemption notice for each of the Fisheries.

4. Actions Taken to Reduce the Need for and Amount of an Exemption. To reduce the need for and amount of a BSS Regional Landing Requirement exemption, the Parties shall adopt annual fishery operational guidelines per Section 4.1, below (the “Fishery Guidelines”) and shall operate under the reserve pool approach described in Section 4.2, below (the “Reserve Pool”). The actions taken to reduce the need for and amount of a Regional Landing Requirement exemption for the crab Fisheries other than the BSS Fisheries shall be developed by the Coordinating Committee (as defined in Section 7, below) from time to time.

4.1 Fishery Guidelines. The Parties holding North region BSS IFQ and IPQ will develop proposed Fishery Guidelines for the BSS Fishery, and will submit them to the Coordinating Committee for review and approval. The Fishery Guidelines will provide general guidance concerning the delivery period for the North region of the BSS Fishery and the types and amounts of harvesting and processing capacity to be employed in the North region of the BSS Fishery, which, absent circumstances outside of the Fishery participants’ control, should enable the Fishery to be conducted without a Regional Landing Requirement exemption being necessary. The Fishery Guidelines will be consistent with the delivery periods and harvesting and processing capacity employed during the 2016-2017 through 2020-2021 seasons of the BSS Fishery, as adjusted to take into account the total allowable catch (“TAC”) for the 2021-2022 BSS Fishery and 2021-2022 BSS market factors.

4.2 Reserve Pool. The Reserve Pool approach set forth in this Section 4.2 establishes a procedure under which North region BSS deliveries are scheduled and made on a basis that reduces the risk that North region ice conditions cause BSS IFQ and IPQ to be stranded, and certain amounts of South Region IFQ and IPQ are reserved to cover frustrated North region deliveries, as set forth below.

4.2.1 As long as the risks associated with delivering in the North region remain acceptable (as determined by vessel masters), on an IPQ holder by IPQ holder basis, reserve pool participants will give North region deliveries priority over South region deliveries.

4.2.2 If the risks associated with delivering in the North region become unacceptable (as determined by vessel masters), South region IFQ will be used first to cover any frustrated North region deliveries, and then used as follows:

4.2.2.1 Immediately following the suspension of North Region deliveries due to adverse conditions, on an IPQ holder by IPQ holder basis, the affected IFQ holder(s) will assign South region IFQ in amounts approximating the remaining balance to be delivered to that IPQ holder (or on its account) in the North region to a “reserve pool.” When all South region IFQ in excess of an IPQ holder’s share of the reserve pool has been delivered, if the North region is still closed to deliveries, the affected IFQ holder(s) and each IPQ holder with whom they are matched may, by mutual agreement, either (i) use such IPQ holder’s share of the South region reserve pool until it has been exhausted or the North region has been re-opened for deliveries, and/or (ii) initiate a request for a Regional Landing Requirement exemption in accordance with Section 5, below, and if it is approved, may deliver North region designated IFQ to the South region for processing.

4.2.2.2 If the North region re-opens during the BSS season, such that there is a reasonable likelihood of delivering a substantial amount of IFQ in the North region prior to season closure, the IFQ holder(s) with remaining North region IFQ will (in consultation with North region IPQ holders) prioritize North region deliveries over South region deliveries. If IFQ holder(s) and an IPQ holder with whom the IFQ holder(s) are matched have been delivering North region IFQ in the South region under an exemption pending such re-opening, they may initiate compensatory landings in the North region.

4.2.2.3 If at any point in time a North region IPQ holder and the North region IFQ holder(s) with whom it is matched conclude in their reasonable discretion that it will not be feasible to make additional landings in the North region in the same crab fishing season, then any remaining balance of such IPQ holder’s and IFQ holder(s)’ compensatory landing obligation will roll over to the following year.

5. Inseason Notice of Exemption Procedure. One or more share-matched IFQ holder(s) and IPQ holder(s) may initiate the request for a Regional Landing Requirement exemption. The determination whether any specific set of circumstances justifies filing an Inseason Notice of Exemption shall be made by the authorized representatives of the “Affected Parties.” For purposes of this Agreement, “Affected Parties” shall mean (i) the community or communities to which the exempted crab would normally be delivered under the regional landing requirements; (ii) the community or communities from which compensatory deliveries would originate; (iii) the IFQ holder(s) whose IFQ would be exempted from otherwise applicable regional landing requirements; and (iv) the IPQ holder(s) whose IPQ would be exempted from otherwise applicable regional landing requirements. No Inseason Notice of Exemption may be filed without the approval of all Affected Parties.

An Inseason Notice of Exemption may not be filed unless and until the Affected Parties determine that each of the following conditions is satisfied or (if permissible) is waived by all Affected Parties.

5.1 Circumstances outside of the Parties' control have resulted in essential crab processing capacity within a designated region becoming inaccessible or unavailable such that there is a risk that the affected IFQ holder(s) will not be able to land all regionally designated crab in such region prior to the end of the crab fishing season.

5.2 If a Regional Landing Requirement exemption is requested for the BSS Fishery, the Fishery Guidelines referenced in Section 4.1, above have been approved by the Coordinating Committee, and the IFQ holder(s) and IPQ holder(s) requesting an exemption have conducted and are conducting their harvesting and processing operations in a manner consistent with such Fishery Guidelines and the Reserve Pool approach described in Section 4.2, above. If a Regional Landing Requirement exemption is requested for a Fishery other than the BSS Fishery, the actions taken to reduce the need for and amount of a Regional Landing Requirement exemption for the Fishery at issue shall be those developed by the Coordinating Committee from time to time, if any.

5.3 The Affected Parties on a processor/IPQ holder by processor/IPQ holder basis have entered into an exemption contract on a processor/IPQ holder by processor/IPQ holder basis that:

5.3.1 Identifies the IFQ amount and IPQ amount, by Fishery, that is subject to the exemption contract;

5.3.2 Describes the circumstances under which the exemption is being exercised;

5.3.3 Specifies the action that the Parties must take to mitigate the effects of the exemption;

5.3.4 Specifies the compensation, if any, that any Party must make to any other Party; and

5.3.5 Specifies any arrangements for compensatory deliveries in that crab fishing year or the following fishing year.

5.4 The Affected Parties may waive one or more of the conditions set forth in Sections 5.1 and 5.2 for good cause shown. If a Party is seeking a waiver of one or more such conditions because it was prevented from satisfying such condition(s) by circumstances outside of its control, such Party must have notified the Affected Parties of such circumstances within ten (10) days of their occurrence. The Affected Parties may not waive the exemption contract requirement set forth in Section 5.3.

6. Mitigating the Effects of an Exemption. The Parties shall take the following actions to mitigate the effects of a Regional Landing Requirement exemption.

6.1 In connection with circumstances involving a BSS Regional Landing Requirement exemption for up to five (5) million pounds of crab, the IFQ and IPQ holders shall

make compensatory landings, which for IPQ holders shall be calculated on a processor/IPQ holder by processor/IPQ holder basis by a qualified independent third-party data collector which will yield a ratio of regionally designated shares for each processor/IPQ holder (regional ratio), in an amount equal, so long as each processor/IPQ holder has the opportunity to seek a portion of the exemption up to its regional ratio, to the amount of crab delivered outside of its originally designated region. Such compensatory landings shall be made during the same crab fishing year that the exemption was obtained and used, or during the following crab fishing year.

6.2 In connection with events involving a BSS Regional Landing Requirement exemption for five (5) million or more pounds of crab, the type and amount of compensation shall be negotiated as part of each individual exemption contract. The compensation may include, but is not limited to, compensatory landings and monetary relief.

6.3 The Coordinating Committee may amend the BSS thresholds set forth in Sections 6.1 and 6.2, above, in particular based on the changing size of the TAC, and may adopt compensation thresholds for other Fisheries from time to time.

7. Coordinating Committee. On or before October 15, 2021, the Parties shall form a “Coordinating Committee,” composed of the Parties or their designees, which shall, before the start of the BSS Fishery: (i) approve the BSS Fishery Guidelines per Section 4.1, above; and (ii) amend the thresholds set forth in Sections 6.2 and 6.3, above, as needed; and may, from time to time: (i) specify the actions to be taken by IFQ and IPQ holders to reduce the need for and amount of a Regional Landing Requirement exemption for one or more of the Fisheries other than the BSS Fishery, and (ii) develop compensation thresholds for Fisheries other than the BSS Fishery. Decisions of the Coordinating Committee at any given meeting shall require the consent of all Coordinating Committee members present either in person or on the telephone conference line. The Coordinating Committee may appoint Fishery subcommittees from time to time, and may delegate its authority to such sub-committee(s) as it deems appropriate.

8. Season Extension. If the re-opening of the North region is delayed such that a season closure could prevent additional landings from being made in the North region in the same crab fishing season, the Affected Parties may seek a season extension from the Alaska Department of Fish and Game if the extension could make it feasible to deliver a substantial amount of IFQ in the North region prior to the extended season’s closure. A decision to seek a season extension shall require the consent of all Affected Parties.

9. Reporting Requirements. Each IFQ holder that is a party to this Agreement shall prepare a “Regional Delivery Exemption Report” (the “Report”) as required under the Crab Rationalization Program regulations. Each IFQ holder shall deliver a copy of its Report to the IPQ holders and community representatives who are party to this Agreement on or before July 15, 2022, and shall deliver a copy of its Report to NMFS on or before July 30, 2022, but no Report shall be submitted to NMFS less than fifteen (15) days after it was delivered to the IPQ holders and community representatives. The Report shall contain all information required by the Crab Rationalization Program regulations, including but not limited to explanations of:

9.1 The amount of IFQ, if any, set aside to reduce the need for, and the amount of, an exemption;

9.2 The mitigation measures employed before submitting an Inseason Notice;

9.3 The number of times an exemption was requested and used;

9.4 The arrangements for any compensatory deliveries, including all compensatory deliveries made during the crab fishing year and any outstanding compensatory delivery obligations for the following crab fishing year;

9.5 Whether the exemption was necessary; and

9.6 Any impacts resulting from the exemption on fishery participants and communities that signed the preseason application.

10. Term and Termination. This Agreement shall take effect as of the date set forth above and shall expire as of midnight, June 30, 2022.

11. Miscellaneous.

11.1 No amendment to this Agreement shall be effective against a Party hereto unless in writing and duly executed by such Party. The Parties agree to amend this Agreement as reasonably necessary to comply with changes in law, and policies and regulations implementing Regional Landing Requirement relief.

11.2 This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Alaska.

11.3 This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Agreement by electronic transmission shall have the same effect as delivering a signed original.

11.4 The Parties agree to execute any documents necessary or convenient to give effect to the intents and purposes of this Agreement.

11.5 All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed electronic transmission to the recipient. **Each Party agrees to provide all other Parties with the name, postal address, email address and fax number of its representative(s) for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.**

11.6 In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

EXECUTED as of the date set forth above.

Community Representatives

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION By: _____ Its: _____	UNALASKA CRAB, INC. By: _____ Its: _____
ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION By: _____ Its: _____	KODIAK FISHERIES DEVELOPMENT ASSOCIATION By: _____ Its: _____

Community Representatives for Non-ROFR IPO

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION By: _____ Its: _____	ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION By: _____ Its: _____
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IPO Holders

57 DEGREES NORTH, LLC By: _____ Its: _____	ALYESKA SEAFOODS, INC. By: _____ Its: _____
ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION By: _____ Its: _____	APICDA JOINT VENTURES, INC. By: _____ Its: _____

IPO Holders Continued

<p>ARCTIC SEA HOLDINGS LLC</p> <p>By: _____ Its: _____</p>	<p>BLUE DUTCH, LLC</p> <p>By: _____ Its: _____</p>
<p>COASTAL VILLAGES REGION FUND</p> <p>By: _____ Its: _____</p>	<p>KODIAK FISHERIES DEVELOPMENT ASSOCIATION</p> <p>By: _____ Its: _____</p>
<p>NORQUEST SEAFOODS, INC.</p> <p>By: _____ Its: _____</p>	<p>PETER PAN SEAFOODS, INC.</p> <p>By: _____ Its: _____</p>
<p>RAS II, LLC</p> <p>By: _____ Its: _____</p>	<p>ROYAL ALEUTIAN SEAFOODS, INC.</p> <p>By: _____ Its: _____</p>
<p>TRIDENT SEAFOODS CORPORATION</p> <p>By: _____ Its: _____</p>	<p>WESTWARD SEAFOODS, INC.</p> <p>By: _____ Its: _____</p>

IFO Holders

<p>ALEUTIAN ISLANDS COOPERATIVE</p> <p>By: _____ Its: _____</p>	<p>ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION</p> <p>By: _____ Its: _____</p>
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IFQ Holders Continued

ALTERNATIVE CRAB EXCHANGE By: _____ Its: _____	COASTAL VILLAGES CRABBING COOPERATIVE By: _____ Its: _____
CPH ASSOCIATION By: _____ Its: _____	DOG BOAT COOPERATIVE By: _____ Its: _____
INTER-COOPERATIVE EXCHANGE By: _____ Its: _____	R&B COOPERATIVE By: _____ Its: _____
TRIDENT AFFILIATED CRAB HARVESTING CORPORATION By: _____ Its: _____	

SIGNATORIES TO 2021-2022 FRAMEWORK AGREEMENT

As of October 11, 2021

Community Representatives

Framework Agreement Party	Signed Agreement	Signed Exemption Application	Designated Representative
Central Bering Sea Fishermen's Association	X	X	Heather McCarty
Unalaska Crab, Inc.	X	X	Vince M. Tutiakoff, Sr. ¹
Aleutian Pribilof Island Community Development Association	X	X	Angel Drobnica ²
Kodiak Fisheries Development Association	X	X	Tyler Schmeil ³

IPQ Holders

Framework Agreement Party	Signed Agreement	Signed Exemption Application	Designated Representative
57 Degrees North, LLC	X	X	Ray Melovidov
Alyeska Seafoods, Inc.	X	X	Sinclair Wilt
APICDA Joint Ventures, Inc.	X	X	Angel Drobnica ⁴
Arctic Sea Holdings LLC	X	X	Eric Deakin ⁵
Blue Dutch, LLC	X	X	Eric Deakin
Coastal Villages Region Fund	X	X	Eric Deakin
Kodiak Fisheries Development Association	X	X	Tyler Schmeil ⁶
Norquest Seafoods, Inc.	X	X	Stefanie Moreland ⁷
Peter Pan Seafood Company, LLC	X	X	Steven Minor
RAS II, LLC	X	X	Kristian Poulsen ⁸
Royal Aleutian Seafoods, Inc.	X	X	Brett Reasor ⁹
Trident Seafoods Corporation	X	X	Stefanie Moreland
Westward Seafoods, Inc.	X	X	Sinclair Wilt

¹ Email to mayortutiakoff@ci.unalaska.ak.us, with a copy to Frank Kelty at fvkelty@gmail.com, Marjie Veeder at mveeder@ci.unalaska.ak.us and Roxanna Winters at rwinters@ci.unalaska.ak.us.

² With a copy to Luke Fanning at lfanning@apicda.com.

³ With a copy to D. McIntosh at Mundt MacGregor L.L.P. dmcintosh@mundtmac.com.

⁴ With a copy to Luke Fanning at lfanning@apicda.com.

⁵ Email to eric_d@coastalvillages.org with a copy to Paul Wilkins at paul_w@coastalvillages.org.

⁶ With a copy to D. McIntosh at Mundt MacGregor L.L.P. dmcintosh@mundtmac.com.

⁷ With a copy to Kaitlyn Knight, Dean Fasnacht and Ray Nomura.

⁸ We have no email address for K. Poulsen; email to Edward Poulsen at edpoulsen@hotmail.com and Edwardpoulsen@gmail.com.

⁹ With a copy to Al Mendoza at al.mendoza@unisea.com.

SIGNATORIES TO 2021-2022 FRAMEWORK AGREEMENT

IFQ Holders

Framework Agreement Party	Signed Agreement	Signed Exemption Application	Designated Representative
Aleutian Islands Cooperative	X	X	Heidi A. Eriksen-Yocom
Aleutian Pribilof Island Community Development Association	X	X	Angel Drobnica ¹⁰
Alternative Crab Exchange	X	X	Gretar Gudmundsson
Coastal Villages Crabbing Cooperative	X	X	Lorena Rosenberger ¹¹
CPH Association	X	X	Kari Toivola ¹²
Dog Boat Cooperative	X	X	Edward Poulsen ¹³
Inter-Cooperative Exchange	X	X	Jake Jacobsen ¹⁴
R&B Cooperative	X	X	Mary Mezich ¹⁵
Trident Affiliated Crab Harvesting Corporation	X	X	Stefanie Moreland

¹⁰ With a copy to Luke Fanning at lfanning@apicda.com.

¹¹ With a copy to Paul Wilkins at paul_w@coastalvillages.org.

¹² Send email to Brenda Clutter at brenda@pnwclutter.com; do not copy Kari Toivola.

¹³ With a copy to CaitlinY@alaskaboatcompany.com.

¹⁴ With a copy to Jamie Goen at jamie@alaskacrabbers.org.

¹⁵ Email to rmezich@comcast.net

Regular Meeting
Tuesday, October 26, 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

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

UNALASKA CITY COUNCIL

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

Mayor: Vincent M. Tutiakoff Sr. **City Manager:** Erin Reinders
City Clerk: Marjie Veeder, mveeder@ci.unalaska.ak.us

MINUTES

1. Call to order

Mayor Tutiakoff called the October 26 regular meeting of the Unalaska City Council to order at 6:00 p.m. in Council Chambers, City Hall, Unalaska.

2. Roll call

Acting City Clerk called the roll. Mayor Tutiakoff and all council members were present, with Council Member Tungul attending via ZOOM. Quorum established.

3. Pledge of Allegiance

Council Member Looby led the Pledge of Allegiance.

4. Recognition of Visitors

- U.S. Coast Guard Marine Safety Detachment Unalaska/Dutch Harbor
- Corey Nelson
- Superintendent Dr. Robbie Swint of the Unalaska City School District

5. Legislative

- a. Oath of Office Council Seats CC-D (Looby), CC-F (Tungul) and CC-G (Coleman)
The Acting City Clerk administered the Oath of Office for Council Members Looby, Tungul and Coleman.
- b. Appointment of Vice Mayor
Coleman made a motion to appoint Robinson as Vice Mayor, Bell seconded.
Roll call vote: Looby – yes; Coleman – yes; Tungul – yes; Nicholson – yes; Robinson – yes; Bell – yes
Motion passed 6-0
- c. Oath of Office Police Officer John David Squires
Acting City Clerk administered the Oath of Office for Police Officer John David Squires

6. Approve Minutes of Previous Meetings

- a. October 12, 2021 Regular Meeting; and
- b. October 19, 2021 Special Meeting
Robinson made a motion to approve the minutes of October 12 and October 19, 2021; Nicholson seconded. Adopted by consensus

7. Reports

- a. City Manager – City Manager presented her report.
- b. Financials August 2021- Interim Finance Director Jim Sharpe presented the August Financial Report.

8. Mayoral Proclamation November 1, 2021, “*Extra Mile Day*” in Unalaska

Mayor Tutiakoff declared November 1, 2021 “*Extra Mile Day*” and read the proclamation into the record.

9. Awards

- a. Community Extra Mile Awards

Mayor and Council recognized and awarded plaques to the following Community Extra Mile Awardees:

- o U.S. Coast Guard Marine Safety Detachment Unalaska/Dutch Harbor
- o Corey Nelson

10. Adoption of Agenda

Coleman made a motion to adopt the Agenda; Looby seconded. Adopted by consensus.

11. Community Input & Announcements

- PCR’s Halloween Event, October 31, 2021 4:30-7:30 PM
- Trunk o’ Treat, hosted by Unalaska Visitor’s Bureau and PCR
- Vendor registration is now open for the Holiday Celebration & Bazaar

12. Public Comment on Agenda Items – none

13. Work Session

Nicholson made a motion to move into Work Session; Robinson seconded. The motion passed by consensus.

6:44 p.m. – Entered into Work Session

- a. Review options for Permanent Fund with Alaska Permanent Capital Management
- b. Review and comment CMMP Schedule, FY23 Budget Schedule and Project Ranking Criteria – Bil Homka, Planning Director

Robinson made a motion to reconvene to Regular Session; Coleman seconded. The motion passed by consensus.

8:42 p.m. – Reconvened to Regular Agenda

14. Regular Agenda

- a. Resolution 2021-70: Establishing community wide COVID-19 protective measures.

Robinson made a motion to approve Resolution 2021-70; Nicholson seconded.

City Manager introduced the resolution and provided current statistics as to local active cases, local risk factor, and wastewater viral load.

Roll call vote: Robinson – yes; Tungul – yes; Coleman – yes; Looby – yes; Bell – yes; Nicholson – yes

Motion passed 6-0

15. Council Directives to City Manager – none

16. Community Input & Announcements

- DMV will be closed from November 1 through November 25, 2021. It will reopen on Friday, November 26th.
- Mayor thanked PCR for their Haunted House program.
- Raiders swim team and volleyball team are traveling to compete.

17. Executive Session

a. Haystack Antenna Site

Bell made a motion to adjourn into an executive session to discuss matters related to the Haystack Antenna Site which if discussed in public might negatively impact the financial and legal interests of the City of Unalaska; Nicholson seconded. The motion passed by consensus.

8:58 p.m. – Entered into Executive Session

Robinson made a motion to adjourn from the executive session; Nicholson seconded. The motion passed by consensus.

10:00 p.m. – Reconvened to Regular Agenda

18. Adjournment

Having completed all items on the agenda, Mayor Tutiakoff adjourned the meeting at 10:01 p.m.

These minutes were approved by the Unalaska City Council on November 9, 2021.

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: November 9, 2021
Re: City Manager Report

Fiscal Sustainability: City Council had an in depth discussion regarding a permanent fund with APCM and City Staff on October 26. Key direction that was provided included: a \$40 million starting amount, moderate growth allocation, and a plan to begin distribution at the three year point (starting in July of 2024). Staff plans to meet with APCM folks on Monday, November 8, 2021 to discuss next steps. More to come on the Permanent Fund, the Emergency Fund and their related policies.

Fiscal Impacts of Crab Closures and Reductions: Staff has been working with Fisheries Consultant, Frank Kelty, in an effort to estimate the FY 2022, and beyond, tax impact of the Bristol Bay Red King Crab closure and the Bering Sea Snow Crab 90% reduction in allocation. In an effort to do so we broke the process down into three steps:

- Step I - identify the projected loss in sales tax
- Step II - determine how our original fish landing tax revenue projection was calculated and then update for the latest information
- Step III - determine how the State taxes are calculated and revise projections for FY 2023 and beyond

Interim Finance Director, Jim Sharpe, has provided the following update on these steps.

Step I - Through his various fisheries contacts, Mr. Kelty was able to determine specific inputs that have an impact on the amount of fuel purchased from the City of Unalaska, and therefore, the resulting tax. We also discussed how the closure/reduction would impact non-marine fuel sales within the City. Unfortunately, we were unable to gather sufficient information to determine what those impacts might be, both positive and negative. **Marine fuel sales tax impact estimated at \$610,000 reduction.**

Step II - Staff worked with Mr. Kelty to update fishery assumptions that were used to arrive at the FY 2022 budget estimate of \$4,200,000 for the local 2% landing tax. Through this process, we determined that there are some other factors that help the City, including a more robust Pollock B Season than expected. The State will formally release A Season allocations in mid-December; however, we were able to use information that Mr. Kelty has gleaned from his fishery contacts that provided more up-to-date information than what was used in January 2021. **Estimated reduction in FY 2022 local 2% landing tax is \$445,000.**

Step III - Staff continues to work with Mr. Kelty to determine this amount; however, this a more challenging process and will take a bit more time. We expect to have more information on this in the next month or so.

Staff has estimated that the impact of the Bristol Bay Red King Crab closure and Bering Sea Snow Crab reduction to the City's FY 2022 tax revenue to be **\$1,055,000.**

While this amount is not insignificant, the estimated loss will be at least partially offset by budget surpluses for the Alaska Fisheries Resource Landing and Alaska Fisheries Taxes. In September, the City received

nearly \$4,550,000 from the State for the Alaska Fisheries Resource Landing Tax, which exceeds the budget by approximately **\$650,000**, and the City will receive an additional amount in the spring of 2022.

Furthermore, Mr. Kelty spoke with the City's State lobbyist Dianne Blumer regarding the Alaska Fisheries Tax, which is budgeted at \$3,300,000 for FY 2022. While Ms. Blumer did not know the amount the City of Unalaska would receive, she did state it would be at least \$3,600,000, which exceeds the FY 2022 budget by **\$300,000**.

When all FY 2022 fish taxes are evaluated, the impact is summarized as follows:

Reduction in Sales Tax	(\$610,000)
Reduction in Local Landing Tax	(445,000)
Alaska Resource Landing Tax surplus	650,000
Alaska Business Fisheries Tax surplus	<u>300,000</u>
Total net impact	(\$105,000)

NTSB Investigation Update: The NTSB held a virtual public meeting on Tuesday, November 2 regarding the investigation into the 2019 airport accident. The only item was *Investigation Report—Runway Overrun During Landing, Peninsula Aviation Services Inc., d.b.a. PenAir flight 3296, Saab 2000, N686PA, Unalaska, Alaska, October 17, 2019*. I have attached the meeting abstract which outlines a summary of what happened and the probable cause, 17 findings and 10 recommendations. I suspect the findings and recommendations will delay the plans for Aleutian Air and the Saabs. The State's Airport Master Plan was mentioned in the meeting, specifically EMAS system that is currently the preferred alternative. 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. The statement was made that the EMAS would have stopped this plane overrunning the runway. Our State and Federal lobbyists are aware of these activities, and our Federal Lobbyist are adding this to our trip memo.

Environmental Assessment Grant: The Planning Department issued an RFP for environmental consulting services in preparation of an application to the EPA for an environmental assessment grant. If awarded, the \$500,000 grant can be used to sample property suspected of contamination, as well as to assist with redevelopment/development plans for contaminated property. Proposals were received from two consulting firms, Stantec Associates and SLR Consulting. Both are worldwide companies with offices in Alaska. Both proposals were strong in terms of services for applying to the EPA as well as implementing/administering the grant and associated program. Stantec stood apart because it offered the grant writing component of the contract at zero cost to the city. SLR's proposal would have cost the city \$40,000 for the grant writing. The next step is to work with Stantec to provide needed information for the grant submittal which is due December 1, 2021. This was the grant opportunity that was mentioned during the update from the Federal lobbyist team.

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. HDR Engineering conducted on-site stakeholder interviews and a meeting with Public Works staff October 6-9. Stakeholders interviewed include Matson, Westward Seafoods, APL, Kloosterboer, Alaska Chadux Network, North Pacific Fuel, Pacific Stevedoring, Offshore Systems, Inc., Trident, and Roger Rowland. Maintenance and operating costs as well as potential benefits were discussed with each stakeholder. Accident locations, rock fall locations, and pedestrian safety issues were reviewed. HDR is in contact with DPS for more detail on Captains Bay Road traffic incidents. Since returning to Anchorage, HDR began the analysis by developing an initial list of project benefits that could be

potentially realized including reduced road maintenance costs, reduced vehicle maintenance costs, improved safety, travel time savings, reduced emissions, residual value of assets, and avoided road closures. HDR Economists are reviewing the input from the stakeholder meetings to assess the degree to which the data available will support the quantification of benefits. The cost-benefit model template is under development which incorporates information and data obtained through the initial interviews with stakeholders. A review of potential funding sources for non-transportation projects was also reviewed to identify possible funding sources for the utilities component of the roadway improvements. Economists are also assessing potential for quantification of the utilities benefits. In the past 2 weeks, HDR met with City Staff to discuss project phasing and costs. Follow-up meetings with HDR are planned. HDR reached out to DPS to further discuss accident history along CBR. And, HDR is also scheduling a meeting with DPW staff to finalize project phasing options and to have an initial discussion of project benefits in mid-November.

- *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 already 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. The Planning Director has provided the following status report on this directive. Staff presented an update of the current complex situation on Haystack at the September 14 Council work session and again in Executive Session on October 26, 2021. Staff is pursuing the legal options available to address Alascom/AT&T’s perpetual easement and preparing to call TelAlaska and Alascom concerning their leases. City Council indicated its preference for calling the telecoms and requesting they voluntarily revise / amend their leases and/or lease areas. OptimERA requested a new tower lease application, which was sent to them on Friday, October 15, 2021. Staff has not received a completed application as of November 4, 2021. Staff continues to move forward with the city attorney to clean up leases on Haystack.

**NATIONAL TRANSPORTATION SAFETY BOARD
Virtual Meeting of November 2, 2021
(Information subject to editing)**

**Runway Overrun During Landing
Unalaska, Alaska
October 17, 2019
DCA20MA002**

This is a synopsis from the NTSB's report and does not include the Board's rationale for the findings, probable cause, and safety recommendations. NTSB staff is currently making final revisions to the report from which the attached findings and safety recommendations have been extracted. The final report and pertinent safety recommendation letters will be distributed to recommendation recipients as soon as possible. The attached information is subject to further review and editing to reflect changes adopted during the Board meeting.

Executive Summary

What Happened

On October 17, 2019, a Saab 2000 airplane, operated by Peninsula Aviation Services Inc. d.b.a. PenAir flight 3296, overran the end of runway 13 at Unalaska Airport (DUT), Unalaska, Alaska. The flight crew executed a go-around during the first approach to runway 13; the airplane then entered the traffic pattern for a second landing attempt on the same runway. Shortly before landing, the flight crew learned that the wind at midfield was from 300° at 24 knots, indicating that a significant tailwind would be present during the landing. Because an airplane requires more runway length to decelerate and stop when a tailwind is present during landing, a landing in the opposite direction (on runway 31) would have favored the wind at the time. However, the flight crew continued with the plan to land on runway 13.

Our postaccident calculations showed that, when the airplane touched down on the runway, the tailwind was 15 knots. The captain reported after the accident that the initial braking action after touchdown was normal but that, as the airplane traveled down the runway, the airplane had "zero braking" despite the application of maximum brakes. The airplane subsequently overran the end of the runway and the adjacent 300-ft runway safety area (RSA), which was designed to reduce airplane damage during an overrun, and came to rest beyond the airport property. The airplane was substantially damaged during the runway overrun; as a result, of the 3 crewmembers and 39 passengers aboard, 1 passenger sustained fatal injuries, and 1 passenger

sustained serious injuries. Eight passengers sustained minor injuries, most of which occurred during the evacuation, and the remaining 32 occupants were not injured.

What We Found

Postaccident examination of the airplane's antiskid brake system found that the wire harnesses for the left main landing gear (MLG) wheel speed transducers were incorrectly routed; the harness that should have been routed to the left inboard wheel was instead routed to the left outboard wheel (and vice versa). As a result of the incorrect (crossed) wiring, the antiskid system performance was substantially compromised. Specifically, during most of the landing rollout, the left outboard tire was in a skid. However, because of the crossed wiring, the antiskid system perceived that the left inboard wheel was skidding and released the brake pressure to that wheel and the right inboard wheel (due to the paired-wheel design of the antiskid system). The system also perceived that the left outboard wheel was operating properly, even though the tire was skidding. As a result, the left outboard tire continued to skid and then burst, causing an additional loss of MLG wheel braking.

The incorrect wheel speed transducer wiring most likely occurred during the overhaul of the left MLG at the landing gear manufacturer's facility in January 2017, more than 2.5 years before the accident. This cross-wiring condition was not discovered until after the accident in part because the airplane was not in revenue service between the time of left MLG overhaul and PenAir's first revenue flight in June 2019. Also, the antiskid system does not generate a fault based on incorrect wiring. For a cross-wiring condition to potentially be detected, a significant skid event would have to occur for more than 2 seconds (based on the antiskid system's logic) and not be relieved. Saab's design of the wheel speed transducer wire harnesses did not consider that the harnesses could be incorrectly installed during maintenance and overhaul. In addition, three incidents that we investigated showed the potential for cross-wiring of antiskid system components in other airplane types.

The airplane should have had the landing performance capability to stop within the landing distance available on runway 13 or the RSA distance given the airplane's energy state, MLG touchdown location, environmental conditions, and runway surface conditions. However, the Saab 2000 could not tolerate the loss of MLG wheel braking in excess of 50%. Thus, the combined loss of left and right inboard and left outboard MLG wheel braking prevented the flight crew from stopping the airplane on the runway.

During postaccident interviews, the flight crewmembers stated that they were aware of the airplane manufacturer's 15-knot tailwind limit but thought that the reported wind direction and speed (300° at 24 knots) did not warrant a change of the runway for landing. The flight crew's continuation with the planned landing on runway 13 despite

the knowledge of a tailwind that exceeded the manufacturer's limit was inappropriate and was consistent with plan continuation bias, which is an unconscious cognitive bias to continue with an original plan despite changing conditions.

Further, we found that PenAir designated DUT as an airport that required a company-specific qualification for pilots-in-command (PIC) because of the surrounding terrain and complex approach and departure procedures. At the time that PenAir qualified the accident captain as a PIC to operate at DUT (about 2 months before the accident), he did not meet the total flight time in the Saab 2000 that the company's PIC airport qualification policy required. Because PenAir allowed the captain to operate at DUT without gaining the experience that the company's policy intended, the captain might not have fully understood the challenges associated with landing the Saab 2000 at the airport.

In addition, we found that the Federal Aviation Administration (FAA) approved PenAir's use of the Saab 2000 on DUT runway 13/31 without considering whether the RSA at the airport was suitable, according to FAA guidance, for an airplane with the approach speed and size of the Saab 2000. No evidence indicated that either PenAir or the FAA was aware of the RSA standards for the Saab 2000 or the inconsistency between the standards and the existing RSA dimensions at DUT. Further, neither PenAir nor the FAA considered potential mitigations to ensure that the Saab 2000 could safely operate at the airport.

Probable Cause

We determined that the probable cause of this accident was the landing gear manufacturer's incorrect wiring of the wheel speed transducer harnesses on the left MLG during overhaul. The incorrect wiring caused the antiskid system not to function as intended, resulting in the failure of the left outboard tire and a significant loss of the airplane's braking ability, which led to the runway overrun. Contributing to the accident were (1) Saab's design of the wheel speed transducer wire harnesses, which did not consider and protect against human error during maintenance; (2) the FAA's lack of consideration of the RSA dimensions at DUT during the authorization process that allowed the Saab 2000 to operate at the airport; and (3) the flight crewmembers' inappropriate decision, due to their plan continuation bias, to land on a runway with a reported tailwind that exceeded the airplane manufacturer's limit. The safety margin was further reduced because of PenAir's failure to correctly apply its company-designated PIC airport qualification policy, which allowed the accident captain to operate at one of the most challenging airports in PenAir's route system with limited experience at the airport and in the Saab 2000.

What We Recommended

As a result of this investigation, we recommended that the FAA and the European Union Aviation Safety Agency review system safety assessments for landing gear systems on currently certificated transport-category airplanes to determine whether the assessments evaluated and mitigated human error that could lead to cross-wiring of antiskid brake system components, including the wheel speed transducers, and then require transport-category airplane manufacturers without such assessments to implement mitigations. We also recommended that the FAA and the European Union Aviation Safety Agency require system safety assessments addressing the landing gear antiskid system for the certification of future transport-category airplane designs; the certification should ensure that the system safety assessments evaluate and mitigate the potential for human error that can lead to a cross-wiring error. Further, we recommended that Saab redesign the wheel speed transducer wire harnesses for the Saab 2000 to prevent the harnesses from being installed incorrectly during maintenance and overhaul and that the FAA and the European Union Aviation Safety Agency require organizations that design, manufacture, and maintain aircraft to establish a safety management system.

We also recommended that the FAA notify certificate management team personnel about the circumstances of this accident and emphasize the importance of detecting and mitigating the safety risks that can result when certificate holders experience significant organizational change, such as bankruptcy, acquisition, and merger, all of which PenAir was experiencing for more than 2 years before the accident. We further recommended that the FAA revise agency guidance to include a formalized transition procedure to be used during a changeover of certificate management team personnel responsible for overseeing a certificate holder that is undergoing significant organizational change to ensure that incoming personnel are fully aware of potential safety risks.

In addition, we recommended that the FAA include the runway design code for runways of intended use among the criteria assessed when authorizing a scheduled air carrier to operate its airplanes on a regular basis at an airport certificated under Title 14 Code of Federal Regulations Part 139.

Findings

1. None of the following were factors in this accident: (1) flight crew qualifications and airplane certification, which were in accordance with US regulations; (2) flight crew medical conditions; and (3) the airworthiness of the airplane's structures and engines.

2. The flight crew's decision to land on a runway with a reported tailwind that exceeded the airplane manufacturer's limit was intentional, inappropriate, and indicative of plan continuation bias.
3. The captain demonstrated inadequate aeronautical decision-making skills regarding which runway to use for landing and a lack of flight deck leadership by continuing the landing to a runway with a significant tailwind.
4. The evacuation delay for the crewmembers and some passengers was reasonable given the need to provide emergency medical attention to the critically injured passenger, and the emergency response was timely and effective.
5. The incorrect routing of the wheel speed transducer wire harnesses most likely occurred during the landing gear manufacturer's overhaul of the left main landing gear and was undetected by PenAir because such incorrect routing cannot be discovered unless a significant unrelieved skid event happens.
6. As a result of the crossed wiring of the left main landing gear (MLG) wheel speed transducers, the antiskid system responded to the left outboard tire skid by completely releasing the brake pressure to the left and right MLG inboard wheels.
7. Because the antiskid system could not alleviate the left main landing gear (MLG) outboard tire skid, the tire subsequently burst and resulted in an additional loss of MLG wheel braking.
8. The Saab 2000 could tolerate all the conditions at the time of the accident except for a loss of main landing gear (MLG) wheel braking in excess of 50%; thus, the combined loss of left and right inboard and left outboard MLG wheel braking prevented the flight crew from stopping the airplane on the runway.
9. A more robust design for the Saab 2000 wheel speed transducer wire harnesses that protects against human error could mitigate the potential for the incorrect installation of the harnesses.
10. The potential for cross-wiring of wheel speed transducer harnesses during installation or maintenance exists for other airplane types.
11. Safety management systems for aircraft designers, manufacturers, and repair stations would help identify and manage safety risks that current safety processes might not effectively mitigate.

12. PenAir's decision to allow the captain to operate at Unalaska Airport as a pilot-in-command (PIC) without meeting the PIC airport qualification criteria was inconsistent with company policy to ensure the necessary skill and experience level to operate at the airport.
13. The captain might not have fully understood the challenges associated with landing the Saab 2000 at Unalaska Airport because he had not achieved the experience that the company-designated pilot-in-command airport qualification policy intended.
14. Deficiencies associated with PenAir's safety management system decreased its effectiveness and resulted in reduced pilot feedback to management about safety concerns.
15. The Federal Aviation Administration's oversight of PenAir during the 2 years before the accident was insufficient to identify safety risks resulting from the company's bankruptcy, reduced route structure, loss of experienced pilots, acquisition, and merger.
16. The accident airplane would have been able to stop within a runway safety area that was suitable for the approach speed and size of the Saab 2000.
17. During the process of authorizing an air carrier to operate its aircraft at specific airports, the consideration of runway safety area dimensions for runways of intended use could help increase the aircraft's margin of safety if a runway excursion were to occur.

Recommendations

To the Federal Aviation Administration:

1. Identify all currently certificated transport-category airplanes for which system safety assessments for landing gear systems did not consider human error that could lead to cross-wiring of antiskid brake system components, including the wheel speed transducers, and require manufacturers of transport-category airplanes without such assessments to perform the assessments and then implement mitigations to prevent cross-wiring of antiskid brake system components.
2. Require the submission and consideration of system safety assessments addressing the landing gear antiskid system for the certification of future transport-category airplane designs. The certification should ensure that the

system safety assessments are consistent with the intent of Advisory Circular 25.1309, System Design and Analysis, and that the assessments evaluate and mitigate the potential for human error that can lead to a cross-wiring error.

3. Require organizations that design, manufacture, and maintain aircraft to establish a safety management system.
4. Notify principal operations inspectors and frontline managers about the circumstances of this accident and emphasize the importance of existing Federal Aviation Administration guidance for detecting and mitigating the safety risks that can result when certificate holders experience significant organizational change, such as high personnel turnover, a reduction to route structures or flight schedules, bankruptcy, acquisition, and merger.
5. Revise Order 8900.1, Flight Standards Information Management System, to include a formalized transition procedure to be used during a changeover of certificate management team personnel responsible for overseeing a certificate holder that is undergoing significant organizational change (for a reason described in volume 6, chapter 2, section 18 of the order) to ensure that incoming personnel are fully aware of potential safety risks.
6. Include the runway design code for runways of intended use among the criteria assessed when authorizing a scheduled air carrier to operate its airplanes on a regular basis at an airport certificated under Title 14 *Code of Federal Regulations* Part 139.

To the European Union Aviation Safety Agency:

7. Identify all currently certificated transport-category airplanes for which system safety assessments for landing gear systems did not consider human error that could lead to cross-wiring of antiskid brake system components, including the wheel speed transducers, and require manufacturers of transport-category airplanes without such assessments to perform the assessments and then implement mitigations to prevent cross-wiring of antiskid brake system components.
8. Require the submission and consideration of system safety assessments addressing the landing gear antiskid system for the certification of future transport-category airplane designs. The certification should ensure that the system safety assessments are consistent with the intent of Acceptable Means of Compliance 25.1309, Systems Design and Analysis, and that the

assessments evaluate and mitigate the potential for human error that can lead to a cross-wiring error.

9. Require organizations that design, manufacture, and maintain aircraft to establish a safety management system.

To Saab:

10. Redesign the wheel speed transducer wire harnesses for the Saab 2000 airplane to prevent the harnesses from being installed incorrectly during maintenance and overhaul.

General Fund Operating Monthly Summary - Month Ending September 2021

	FY2022 Budget	September	FY2022 YTD	% OF BUD	FY2021 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	4,200,000	661,634	2,015,281	48%	1,243,450	771,831
AK Fisheries Business	3,300,000	0	0	0%	0	0
AK Fisheries Resource Landing	3,900,000	4,549,661	4,549,661	117%	0	4,549,661
Property Taxes	7,100,000	153,575	4,230,759	60%	3,767,640	463,120
Sales Tax	6,000,000	14,277	1,946,076	32%	1,158,182	787,894
Investment Earnings	1,800,000	(83,918)	134,696	7%	210,219	(75,522)
Other Revenues	2,806,749	174,384	1,274,415	45%	1,154,844	119,571
Appropriated Fund Balance	5,892,342	0	0	0%	0	0
Total General Fund Revenues	34,999,091	5,469,613	14,150,889	40%	7,534,334	6,616,555
EXPENDITURES						
Mayor & Council	473,898	16,125	92,824	20%	57,149	35,675
City Administration						
City Manager's Office	449,980	53,652	119,230	26%	93,821	25,410
Administration	1,524,493	73,498	652,235	43%	610,074	42,161
Total City Administration	1,974,473	127,150	771,465	39%	703,895	67,571
City Clerk	582,081	41,070	115,971	20%	109,735	6,235
Finance						
Finance	1,130,466	116,165	280,238	25%	228,536	51,703
Information Systems	1,046,565	168,148	333,899	32%	336,184	(2,285)
Total Finance	2,177,031	284,313	614,137	28%	564,720	49,418
Planning	766,085	53,633	158,963	21%	125,640	33,323
Public Safety						
Police and Admin	4,218,285	224,099	683,229	16%	709,768	(26,540)
Police Communications	905,615	60,803	188,034	21%	189,000	(965)
Police Corrections	1,113,288	76,641	229,748	21%	198,832	30,916
Total Public Safety	6,237,188	361,542	1,101,011	18%	1,097,600	3,411
Fire & EMS						
Fire and Emergency Services	1,734,623	122,467	350,594	20%	271,660	78,933
Total Fire & EMS	1,734,623	122,467	350,594	20%	271,660	78,933
Public Works						
DPW Admin & Engineering	829,483	57,877	167,860	20%	167,576	284
Streets and Roads	2,789,694	261,142	545,736	20%	378,546	167,191
Receiving and Supply	309,214	25,730	73,540	24%	58,110	15,429
Veh & Equip Maintenance	1,225,006	80,914	253,960	21%	282,106	(28,146)
Facilities Maintenance	1,313,423	126,871	311,052	24%	328,145	(17,093)
Total Public Works	6,466,819	552,534	1,352,148	21%	1,214,483	137,665
Parks, Culture & Recreation						
PCR Administration	265,679	17,377	59,410	22%	51,178	8,231
Recreation Programs	831,443	53,547	153,031	18%	129,894	23,136
Community Center Operations	1,056,979	73,949	213,640	20%	228,423	(14,783)
Library	966,877	87,736	232,894	24%	200,817	32,078
Aquatics Center	505,232	36,568	117,601	23%	131,248	(13,648)
Parks	42,500	6,420	45,175	106%	33,478	11,697
Total Parks, Culture & Recreation	3,668,710	275,597	821,750	22%	775,038	46,712
Other Expenses	5,833,557	477,880	1,532,639	26%	1,401,767	130,872
Total Operating Expenditures	29,914,466	2,312,311	6,911,502	23%	6,321,688	589,815
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	1,896,013	0	1,896,013	100%	1,104,658	791,355
Transfers To Enterprise Funds	0	0	0	0%	0	0
Transfers To Enterprise Capital	3,494,500	0	3,494,500	100%	0	3,494,500
	5,390,513	0	5,390,513	100%	1,104,658	4,285,855
	35,304,979	2,312,311	12,302,015	35%	7,426,346	4,875,670
Surplus/(Deficit)	(305,888)	3,157,302	1,848,874	38%	107,988	1,740,885

	FY2022 Budget	September	FY2022 YTD	% OF BUD	FY2021 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	11,653,995	1,676,446	4,744,979	41%	2,863,886	1,881,093
Electric Line Repair & Maint	1,379,092	135,519	224,753	16%	157,143	67,610
Electric Production	8,309,188	861,680	2,683,076	32%	1,545,002	1,138,074
Facilities Maintenance	133,699	6,787	15,744	12%	12,866	2,878
Utility Administration	5,859,086	766,994	1,744,766	30%	1,731,067	13,699
Veh & Equip Maintenance	66,220	3,584	11,636	18%	4,943	6,693
Transfers Out	715,000	0	715,000	100%	2,052,338	(1,337,338)
EXPENSES	16,462,284	1,774,563	5,394,974	33%	5,503,359	(108,385)
NET EARNINGS/(LOSS)	(4,808,290)	(98,117)	(649,996)		(2,639,474)	1,989,478
Water Proprietary Fund						
REVENUES	2,563,057	241,332	989,962	39%	863,801	126,162
Transfers Out	1,915,500	0	1,915,500	100%	259,735	1,655,765
Facilities Maintenance	61,556	1,327	6,223	10%	14,227	(8,004)
Utility Administration	1,853,406	140,901	527,028	28%	529,802	(2,774)
Veh & Equip Maintenance	41,016	648	6,685	16%	6,032	653
Water Operations	1,792,161	146,142	325,033	18%	320,430	4,603
EXPENSES	5,663,639	289,017	2,780,468	49%	1,130,226	1,650,242
NET EARNINGS/(LOSS)	(3,100,583)	(47,686)	(1,790,506)		(266,425)	(1,524,081)
Wastewater Proprietary Fund						
REVENUES	2,452,806	256,839	711,870	29%	663,037	48,833
Transfers Out	43,000	0	43,000	100%	0	43,000
Facilities Maintenance	65,492	3,156	13,931	21%	14,817	(886)
Utility Administration	2,058,375	241,066	581,113	28%	586,985	(5,871)
Veh & Equip Maintenance	30,921	4,617	8,997	29%	7,314	1,683
Wastewater Operations	2,655,679	589,038	828,415	31%	330,406	498,009
EXPENSES	4,853,467	837,877	1,475,456	30%	939,521	535,935
NET EARNINGS/(LOSS)	(2,400,661)	(581,039)	(763,586)		(276,484)	(487,102)
Solid Waste Proprietary Fund						
REVENUES	2,385,699	259,655	801,072	34%	683,613	117,459
Facilities Maintenance	103,885	4,654	11,742	11%	10,839	903
Solid Waste Operations	2,308,957	107,193	280,432	12%	235,985	44,447
Utility Administration	1,701,420	103,819	339,289	20%	416,963	(77,674)
Veh & Equip Maintenance	147,476	7,678	15,138	10%	11,881	3,257
Transfers Out	1,171,100	0	1,171,100	100%	100,000	1,071,100
EXPENSES	5,432,838	223,344	1,817,700	33%	775,668	1,042,032
NET EARNINGS/(LOSS)	(3,047,139)	36,311	(1,016,628)		(92,055)	(924,573)

	<u>FY2022 Budget</u>	<u>September</u>	<u>FY2022 YTD</u>	<u>% OF BUD</u>	<u>FY2021 YTD</u>	<u>INC/(DEC) Last Year</u>
Ports & Harbors Proprietary Fund						
REVENUES	8,651,862	833,638	2,088,870	24%	1,479,412	609,458
Bobby Storrs Small Boat Harbor	196,004	8,266	33,779	17%	38,693	(4,914)
CEM Small Boat Harbor	701,825	47,542	195,315	28%	171,330	23,985
Facilities Maintenance	52,415	1,559	10,446	20%	17,355	(6,909)
Harbor Office	7,299,689	583,825	1,695,627	23%	1,716,402	(20,775)
Ports Security	68,855	788	2,536	4%	1,615	920
Spit & Light Cargo Docks	545,262	31,211	170,132	31%	174,645	(4,513)
Unalaska Marine Center	1,087,467	56,093	367,718	34%	370,839	(3,121)
Veh & Equip Maintenance	64,512	1,952	9,154	14%	13,620	(4,465)
Transfers Out	6,045,000	0	6,045,000	100%	0	6,045,000
EXPENSES	16,061,030	731,235	8,529,707	53%	2,504,499	6,025,208
NET EARNINGS/(LOSS)	(7,409,168)	102,402	(6,440,837)		(1,025,087)	(5,415,750)
Airport Proprietary Fund						
REVENUES	560,341	38,972	116,867	21%	116,882	(15)
Airport Admin/Operations	617,801	40,245	177,877	29%	166,308	11,569
Facilities Maintenance	208,429	10,361	24,460	12%	22,075	2,385
EXPENSES	826,230	50,606	202,336	24%	188,382	13,954
NET EARNINGS/(LOSS)	(265,889)	(11,635)	(85,469)		(71,500)	(13,969)
Housing Proprietary Fund						
REVENUES	254,168	20,451	56,069	22%	71,253	(15,185)
Facilities Maintenance	223,475	11,052	35,264	16%	31,550	3,714
Housing Admin & Operating	379,702	25,941	104,240	27%	100,679	3,561
EXPENSES	603,177	36,993	139,504	23%	132,229	7,275
NET EARNINGS/(LOSS)	(349,009)	(16,542)	(83,436)		(60,975)	(22,460)

City of Unalaska
Utility Revenue Report
Summary

09/30/21

FY22 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY22 Revenue	FY21YTD Revenue	YTD Inc/(Dec)
Jul-21	1,399,291	359,168	211,269	276,036	2,245,764	2,245,764	1,513,394	732,370
Aug-21	1,669,241	389,462	243,763	265,382	2,567,848	4,813,611	3,269,482	1,544,129
Sep-21	1,676,446	241,332	256,838	259,655	2,434,272	7,247,883	5,074,336	2,173,547
Oct-21	0	0	0	0	0	0	6,801,353	0
Nov-21	0	0	0	0	0	0	8,185,405	0
Dec-21	0	0	0	0	0	0	9,593,115	0
Jan-22	0	0	0	0	0	0	11,138,514	0
Feb-22	0	0	0	0	0	0	13,078,475	0
Mar-22	0	0	0	0	0	0	15,607,971	0
Apr-22	0	0	0	0	0	0	17,800,715	0
May-22	0	0	0	0	0	0	19,246,941	0
Jun-22	0	0	0	0	0	0	20,929,290	0
YTD Totals	4,744,979	989,962	711,870	801,072	7,247,883			
FY22 Budget	11,487,017	2,482,312	2,412,344	2,347,730	18,729,403			
% to budget	41.3	39.9	29.5	34.1	38.7			

City of Unalaska
Electric Revenue Report
Electric Fund

09/30/21

FY21 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	122,433	94,115	151,539	983,163	45,222	2,820	1,399,291	1,399,291	820,666	578,625
Aug-21	117,811	94,945	159,679	1,242,862	49,679	4,265	1,669,241	3,068,532	1,857,995	1,210,537
Sep-21	116,974	90,412	144,982	1,266,591	53,231	4,257	1,676,446	4,744,979	2,863,886	1,881,093
Oct-21							0	0	3,815,764	0
Nov-21							0	0	4,747,815	0
Dec-21							0	0	5,678,415	0
Jan-22							0	0	6,667,464	0
Feb-22							0	0	7,788,058	0
Mar-22							0	0	9,370,070	0
Apr-22							0	0	10,761,377	0
May-22							0	0	11,788,336	0
Jun-22							0	0	12,807,598	0
YTD Totals	357,217	279,472	456,200	3,492,616	148,132	11,341	4,744,979			
FY22 Budget	1,141,528	1,002,442	1,489,361	7,441,686	361,411	50,589	11,487,017			
% of Budget	31.3	27.9	30.6	46.9	41.0	22.4	41.3			

Kwh Sold

FY 22 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY22 Kwh Sold	Total FY21 Kwh Sold	Increase (Decrease)
July	267,515	244,069	383,322	2,714,555	3,609,461	3,018,921	590,540
August	292,983	254,648	430,646	3,440,715	4,418,992	3,711,497	707,495
September	296,853	246,007	394,738	3,534,785	4,472,383	3,511,899	960,484
October					0	3,250,734	0
November					0	3,116,502	0
December					0	2,874,320	0
January *					0	2,882,053	0
February					0	3,772,724	0
March					0	5,036,041	0
April					0	4,346,897	0
May					0	3,100,815	0
June					0	2,923,161	0
Total	857,351	744,724	1,208,706	9,690,055	12,500,836	41,545,564	2,258,519
Percent Sold	6.9%	6.0%	9.7%	77.5%	100.0%		

Generator Fuel	
FY22 Average Price Fuel	FY21 Average Price Fuel
2.6143	1.5393
2.7156	1.5469
2.5013	1.4965
	1.4744
	1.7177
	1.8533
	1.8318
	1.9500
	2.2590
	2.2295
	2.3518
	2.5393
2.6104	1.8991

FY22 Cumulative kwh Sold	FY21 Cumulative kwh Sold
3,609,461	3,018,921
8,028,453	6,730,418
12,500,836	10,242,317
12,500,836	13,493,051
12,500,836	16,609,553
12,500,836	19,483,873
12,500,836	22,365,926
12,500,836	26,138,650
12,500,836	31,174,891
12,500,836	35,521,588
12,500,836	38,622,403
12,500,836	41,545,564

% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

09/30/21

FY22 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	12,767	340,267	6,135	359,168	359,168	258,832	100,336
Aug-21	12,699	376,767	(4)	389,462	748,631	536,701	211,930
Sep-21	12,646	228,712	(27)	241,332	989,962	863,801	126,161
Oct-21				0	0	1,168,166	0
Nov-21				0	0	1,262,602	0
Dec-21				0	0	1,352,364	0
Jan-22				0	0	1,492,203	0
Feb-22				0	0	1,786,891	0
Mar-22				0	0	2,229,665	0
Apr-22				0	0	2,589,578	0
May-22				0	0	2,697,429	0
Jun-22				0	0	2,933,144	0
YTD Totals	38,113	945,746	6,104	989,962			
FY22 Budget	139,081	2,335,813	7,418	2,482,312			
% of Budget	27.4	40.5	82.3	39.9			

Million Gallons Produced

FY22 Month	FY 22 Produced	FY 21 Produced	Increase (Decrease)
July	147.336	112.799	34.537
August	163.373	119.327	44.046
September	104.305	140.934	(36.629)
October		131.744	0.000
November		42.052	0.000
December		47.001	0.000
January		66.272	0.000
February		127.428	0.000
March		175.672	0.000
April		154.863	0.000
May		51.271	0.000
June		104.922	0.000
Total	415.014	1274.285	41.954

FY22 Water Cumulative	FY21 Water Cumulative
147.336	112.799
310.709	232.126
415.014	373.060
0.000	504.804
0.000	546.856
0.000	593.857
0.000	660.129
0.000	787.557
0.000	963.229
0.000	1118.092
0.000	1169.363
0.000	1274.285

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

09/30/21

FY22 Budget Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	41,873	151,880	16,786	730	211,269	211,269	206,365	4,904
Aug-21	41,650	168,905	19,355	13,852	243,763	455,031	421,792	33,239
Sep-21	41,476	199,244	15,997	121	256,838	711,870	663,037	48,833
Oct-21					0	0	888,063	0
Nov-21					0	0	1,077,778	0
Dec-21					0	0	1,306,337	0
Jan-22					0	0	1,535,032	0
Feb-22					0	0	1,754,795	0
Mar-22					0	0	1,985,517	0
Apr-22					0	0	2,189,323	0
May-22					0	0	2,351,839	0
Jun-22					0	0	2,537,519	0
YTD Totals	124,999	520,029	52,138	14,704	711,870			
FY22 Budget	455,848	1,797,311	80,457	78,728	2,412,344			
% of Budget	27.4	28.9	64.8	18.7	29.5			

FY22 Month	FY22 Effluent (Gal)	FY21 Effluent (Gal)	Increase (Decrease)
July	12,412,000	10,512,000	1,900,000
August	10,241,000	11,571,000	(1,330,000)
September	11,063,000	12,188,000	(1,125,000)
October		13,078,000	0
November		13,433,000	0
December		16,204,000	0
January		15,231,000	0
February		16,331,000	0
March		13,890,000	0
April		12,309,000	0
May		12,008,000	0
June		10,900,000	0
Total	33,716,000	157,655,000	(555,000)

FY22 Cumulative	FY21 Cumulative
12,412,000	10,512,000
22,653,000	22,083,000
33,716,000	34,271,000
0	47,349,000
0	60,782,000
0	76,986,000
0	92,217,000
0	108,548,000
0	122,438,000
0	134,747,000
0	146,755,000
0	157,655,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

09/30/21

FY22 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	31,976	188,881	55,178	276,036	276,036	227,531	48,505
Aug-21	31,992	181,682	51,708	265,382	541,417	452,994	88,423
Sep-21	31,961	166,678	61,017	259,655	801,072	683,613	117,459
Oct-21				0	0	929,360	0
Nov-21				0	0	1,097,210	0
Dec-21				0	0	1,255,999	0
Jan-22				0	0	1,443,815	0
Feb-22				0	0	1,748,731	0
Mar-22				0	0	2,022,719	0
Apr-22				0	0	2,260,438	0
May-22				0	0	2,409,337	0
Jun-22				0	0	2,651,029	0
YTD Totals	95,928	537,240	167,904	801,072			
FY22 Budget	325,165	1,548,679	473,886	2,347,730			
% of Budget	29.5	34.7	35.4	34.1			

FY22 Month	FY22 Tons of Waste	FY21 Tons of Waste	Increase (Decrease)
July	643.54	615.03	28.51
August	519.96	649.09	(129.13)
September	739.81	534.39	205.42
October		763.70	0.00
November		431.17	0.00
December		399.72	0.00
January		501.65	0.00
February		788.69	0.00
March		770.95	0.00
April		640.15	0.00
May		390.34	0.00
June		634.64	0.00
Total	1903.31	7119.52	104.80

Cumulative	
FY22 Tons of Waste	FY21 Tons of Waste
643.54	615.03
1163.50	1264.12
1903.31	1798.51
0.00	2562.21
0.00	2993.38
0.00	3393.10
0.00	3894.75
0.00	4683.44
0.00	5454.39
0.00	6094.54
0.00	6484.88
0.00	7119.52

**CITY OF UNALASKA
FY22 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM		Other Rev&Fees	Monthly Revenue	FY22 YTD Revenue	% of Budget	FY21 YTD Revenue	YTD Inc(Dec)	
		Docking/Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/Moorage	Utility Fees							
Jul	2021	105,056	232,499	77,130	15,998	18,991	(1,682)	13,319	412	383	10,341	21,899	16,233	1,343	511,920	511,920	6.0%	412,959	98,960	
Aug	2021	180,089	326,226	77,130	30,170	77,548	4,857	3,461	524	4,989	10,128	6,668	19,204	2,207	743,201	1,255,121	14.6%	973,869	281,252	
Sept	2021	165,544	408,428	77,040	19,335	58,151	4,310	6,481	314	4,275	9,433	68,274	9,609	2,445	833,638	2,088,758	24.3%	1,479,412	609,346	
Oct	2021														0	0	0.0%	2,077,498	0	
Nov	2021														0	0	0.0%	2,506,202	0	
Dec	2021														0	0	0.0%	3,112,613	0	
Jan	2022														0	0	0.0%	3,470,860	0	
Feb	2022														0	0	0.0%	4,061,281	0	
Mar	2022														0	0	0.0%	4,902,143	0	
Apr	2022														0	0	0.0%	5,552,430	0	
May	2022														0	0	0.0%	6,145,016	0	
Jun	2022														0	0	0.0%	6,649,714	0	
Totals		450,689	967,153	231,299	65,503	154,689	7,485	23,260	1,250	9,646	29,902	96,841	45,045	5,995	2,088,758					
Loc total		1,714,644				162,174		24,511		39,549		141,887								
Loc percent		82.1%				7.8%		1.2%		1.9%		6.8%								
FY22 Budget		1,770,006	3,188,469	#####	467,127	430,520	125,000	87,000	6,000	120,000	125,069	647,700	313,000	98,000	8,587,891					
% to Budget		25.5%	30.3%	19.1%	14.0%	35.9%	6.0%	26.7%	20.8%	8.0%	23.9%	15.0%	14.4%	6.1%	24.3%					

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Aug	2021	650,927	62,209	45,069	99,822	858,027	11.6%	594,543
Sept	2021	892,785	96,157	13,433	43,543	1,045,917	4.2%	
Oct	2021					0	0.0%	
Nov	2021					0	0.0%	
Dec	2021					0	0.0%	
Jan	2022					0	0.0%	
Feb	2022					0	0.0%	
Mar	2022					0	0.0%	
Apr	2022					0	0.0%	
May	2022					0	0.0%	
Jun	2022					0	0.0%	
YTD Cash Received								1,130,640

**CITY OF UNALASKA
FY22 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY22 YTD REVENUE	% OF BUDGET	FY21 YTD REVENUE	YTD INC/(DEC)
JUL	2021	38,023	9	26	38,057	38,057	6.9%	38,949	(891)
AUG	2021	38,944	0	26	38,970	77,027	13.9%	77,821	(794)
SEP	2021	38,956	14	2	38,972	115,999	21.0%	116,882	(883)
OCT	2021				0	0	0.0%	156,971	0
NOV	2021				0	0	0.0%	195,487	0
DEC	2021				0	0	0.0%	237,074	0
JAN	2022				0	0	0.0%	279,840	0
FEB	2022				0	0	0.0%	325,065	0
MAR	2022				0	0	0.0%	365,394	0
APR	2022				0	0	0.0%	404,335	0
MAY	2022				0	0	0.0%	443,267	0
JUN	2022				0	0	0.0%	481,450	0
TOTAL		115,922	23	54	115,999		0.0%		
FY22 BUDGET		544,000	3,500	6,000	553,500				
% TO BUDGET		21.3%	0.7%	0.9%	21.0%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2021	34,470	2,997	2,914	(29,080)	11,302	0.0%	53,655
AUG	2021	34,189	3,184	100	(20,821)	16,652	0.0%	37,065
SEP	2021	30,902	3,090	100	(23,535)	10,557	0.0%	
OCT	2021					0	0.0%	
NOV	2021					0	0.0%	
DEC	2021					0	0.0%	
JAN	2022					0	0.0%	
FEB	2022					0	0.0%	
MAR	2022					0	0.0%	
APR	2022					0	0.0%	
MAY	2022					0	0.0%	
JUN	2022					0	0.0%	
YTD TOTAL								90,720

FY 22 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY22 YTD REVENUE	% OF BUDGET	FY21 YTD REVENUE	YTD INC/(DEC)
JUL	2021	14,804	0	14,804	14,804	6.0%	20,475	(5,671)
AUG	2021	20,814		20,814	35,618	14.3%	40,950	(5,332)
SEP	2021	20,451		20,451	56,069	22.6%	71,253	(15,185)
OCT	2021			0	0	0.0%	87,087	0
NOV	2021			0	0	0.0%	106,872	0
DEC	2021			0	0	0.0%	125,096	0
JAN	2022			0	0	0.0%	144,920	0
FEB	2022			0	0	0.0%	167,056	0
MAR	2022			0	0	0.0%	188,067	0
APR	2022			0	0	0.0%	208,571	0
MAY	2022			0	0	0.0%	229,183	0
JUN	2022			0	0	0.0%	257,616	0
TOTAL		56,069	0	56,069				
FY22 Budget		248,500	0	248,500				
% TO BUDGET		22.6%		22.6%				

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: CARES Act Spending Review

SUMMARY: The City of Unalaska received CARES Act funding in the amount of \$13,453,952, of which approximately \$18,000 remains unspent or unencumbered as of October 31, 2021. It is staff's expectation that the remaining funds will be spent prior to the expiration of the award, December 31, 2021. The presentation tonight provides a review of how monies were spent, including the thought process behind each project or large purchase.

PREVIOUS COUNCIL ACTION: City Council discussed CARES Act funding and use of such funds in several work sessions, special meetings and meeting. Below is an overview of the formal action that Council has taken related to CARES Act.

On March 24, 2020, Council approved Resolution 2020-17 requiring certain quarantine measures, closure of non-essential businesses and requiring residents to hunker down and stay at home as much as possible.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that were for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On June 26, 2020, Council approved Resolution 2020-42 establishing the formula to calculate pre-application amounts to be available to nonessential businesses that were forced to close due to COVID-19.

On July 14, 2020, Council approved Resolution 2020-46 establishing formulas to be used in awarding the Unalaska CARES grant funds for local businesses and non-profit organizations who experienced economic impacts due to COVID-19.

On July 14, 2020, Council approved Resolution 2020-47 establishing allocations of CARES Act spending as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arose; if not used for grant purposes prior to September 30, 2020, this amount became available to address any other of the City's response and prevention efforts (\$1,345,395)

On September 22, 2020, City Council approved Resolution 2020-60, establishing a utility credit for Unalaska PCE eligible utility customers in the amount of \$2,070 per eligible customer, distributed on each eligible customers' September, October and November 2020 utility bills.

On October, 27, 2020, Council approved Resolution 2020-67 approving additional CARES Act funding to Iliuliuk Family & Health Services Clinic (IFHS) (\$400,000), the Unalaska City School District (\$500 per student), the Ballyhoo Lions Club (\$63,645) and community flu shots administered by the IFHS clinic (not to exceed \$10,000).

On December 22, 2020, Council approved Resolution 2020-78 providing relief to certain restaurants and bars for December 2020 in the amount of \$30,000 each; total of \$270,000.

BACKGROUND: On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Alaska received \$1,250,000,000 from the CRF, of which \$13,453,952 was awarded to the City of Unalaska for mitigation and recovery efforts related to COVID-19.

Upon receipt of CARES funds, a staff CARES committee was established in order to determine how best to utilize these funds. Staff developed parameters on how the monies received would be utilized to meet the current needs of the City and in the future. Together, we monitored and adapted to the changing grant requirements and Treasury Department guidance with the help of AML, our attorneys and our lobbyists.

During each meeting, especially early on in the pandemic, the following criteria were discussed as committee members wanted to ensure that all grant-associated costs met the CARES Act guidance as shown below:

- Provide grant funding to City residents, businesses and not-for-profits negatively impacted by COVID-19 (Grants)
- Cover the cost associated with the City's response to the Pandemic (Response)
- Cover costs associated with the prevention and anticipation of future COVID-19 related outbreaks (Prevention)

Council provided significant guidance with respect to their views on how the monies would best benefit the community. This was communicated to Staff both through formal resolutions and work session discussions. Over the course of these meetings and work sessions, staff took the time to outline intended uses of the funds and then adjusted our approach based on Council feedback and direction.

Since inception, this committee has met more than 40 times, encompassing hundreds of hours of staff time. Beginning in August 2020, the committee was provided with a CARES spending report that essentially detailed how monies were used and what amounts remained.

Initially, meetings were scheduled weekly in an effort to identify the broad parameters of spending and initiate those efforts. This was a significant undertaking and often included non-committee members identifying needs within their departments to ensure that their specific needs were met through the use of CARES monies. The meetings also allowed staff to identify and track larger purchases, whether a single purchase or an ongoing project.

In the last few months, the focus of the committee has shifted to tracking progress and making decisions with respect to other grant funding sources, such as the State vaccination grant and ARPA. However, the focus of the group has always been on how best the community as a whole could benefit from the CARES monies.

DISCUSSION: As a result of the treasury guidance, City Council direction and feedback, the evolving understanding of and response to COVID-19, and committee meetings, several items were identified for use of the CARES monies.

On a macro level, the overall spending plan approved by Council and the result at this point is outlined below. As you can see, the funding provided directly to the community exceeded the target amount and the City used less than what was allowed.

USE	COUNCIL DIRECTION	CURRENT STATUS
Grants to support Businesses and Non-Profit Organizations (Community Support)	40% (\$5,381,581)	57% (\$7,507,795)
City's Response and Prevention (including qualifying project, purchases, administrative and personnel costs)	50% (\$6,726,976)	43% (\$5,700,531)
Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts	10% (\$1,345,395)	

The attached document provides an overview of CARES Act spending by Fiscal Year, as such spending has spanned FY 20, 21 and 22. The more significant items are mentioned below and their respective categories on the following pages, particularly as they related to the City's expenditures outside of direct community support. The pie chart provides a visual for the CARES Act spending breakdown.

Community support – This area resulted in the greatest amount of CARES Act spending, accounting for \$7,507,795 or 57% of the total grant award. Included in this amount are the following:

- Support to local businesses \$4,408,611
- Support to the Iliuliuk Family and Health Services Clinic 1,400,000
- Utility credits to local residents 928,740
- Payments to local not-for profit organizations 473,478
- Support to Unalaska City School District 206,500

Personnel Costs – This resulted in \$3,418,813 of CARES Act spending or 26% of the total fund used.

- **Public Safety personnel costs** – The CARES Act guidance was clear that all public safety activities were presumptively to mitigate the spread of COVID-19; therefore, public safety personnel costs were considered an allowable expense. Since the initial information indicated that the period of performance would expire on December 31, 2020, the CARES committee determined that it was necessary to reclassify public safety personnel costs from March 1, 2020 to June 30, 2020 in order to ensure all of the monies would be spent prior to grant expiration.
- **Personnel costs as a result of stay home and hunker down orders** – In April, May and December 2020, certain non-essential staff were ordered to stay home and hunker down as a result of COVID-19 concerns. It was determined that this was in the best interest of the City and the employee in order to limit any potential exposure to and spread of COVID-19. It is important to note that this was before the vaccine was available.

Projects and Large Purchases - This has resulted in \$1,097,200 of CARES Act spending or 8% of the total funds used.

- **Improve airflow and air cleaning in City buildings** – Improved airflow and filtration help prevent/reduce the spread of any future airborne illness.
- **Install and implement electronic timekeeping** – Electronic time keeping software to minimize the amount of physical contact with personnel and reduce the amount of paper documents passed among employees, minimizing the potential exposure to COVID-19
- **Computer aided mass assessment** – Municipal Assessment Record System to electronically store property data that limits face to face interaction between assessor, city staff and residents, thus reducing the risk of transmission of COVID-19. The software also allows a more seamless billing and record update process.
- **Improve Council Chambers to better allow for social distancing** – Upgrades make it easier to see information presented at meetings when broadcast on KUCB reducing the need for community members to attend in person. In person attendees can also sit further away and socially distance, while still being able to see materials. The improvements allow for a better viewing experience, whether in person or virtual.
- **Backup generators for certain City locations** – Continuous electrical service is critical to effectively operate technology in and around the City; power loss while employees are on-site or working remotely (in the case of a health crisis, for example) would prohibit an employee to effectively complete their job tasks; furthermore, backup generation will also provide stability in radio communications during public emergencies.
- **Turnout gear** – An additional set of turnout gear provide the Fire Department a clean set of turnout gear in case of exposure.

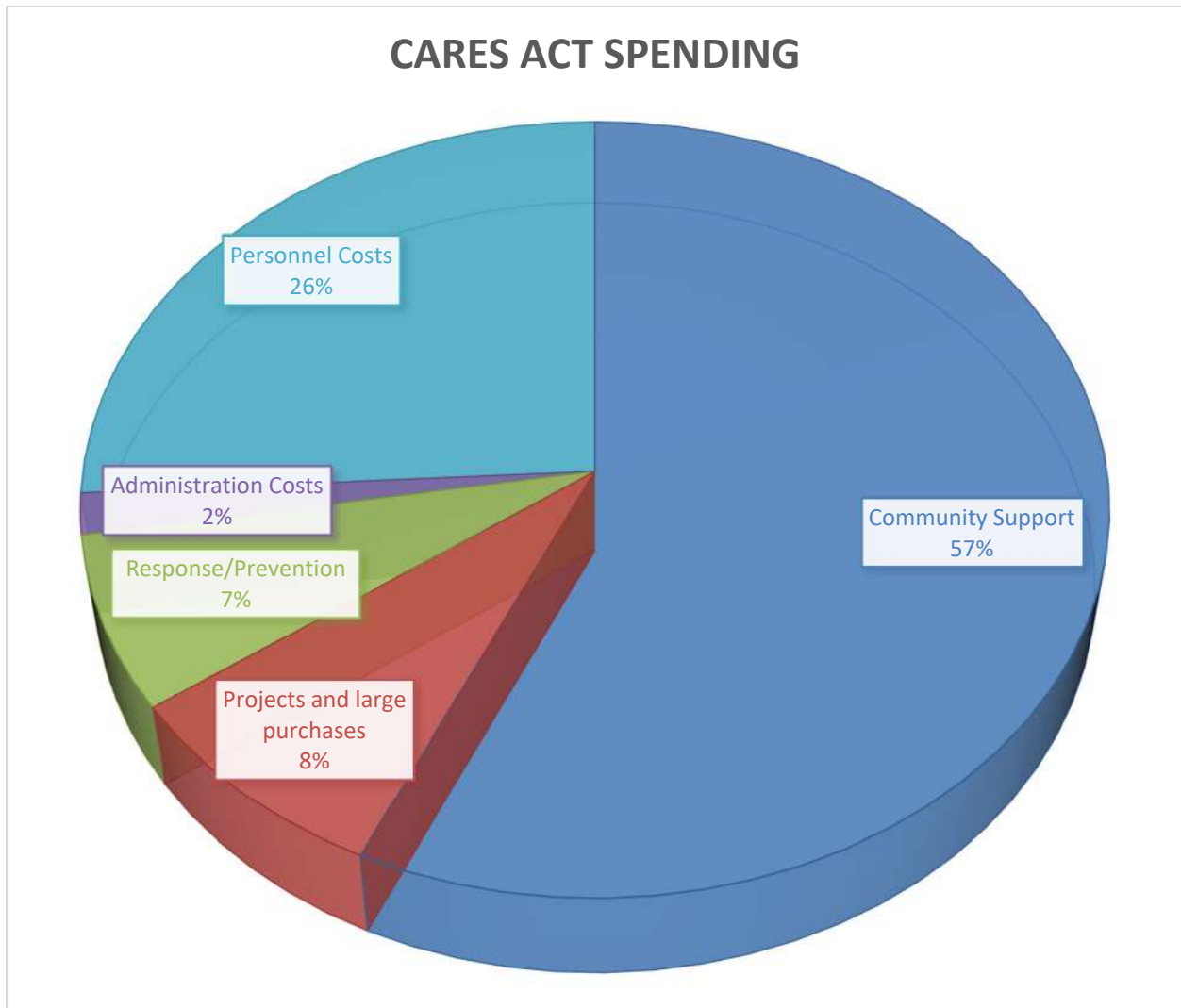
Response/Prevention – This has resulted in \$957,205 of CARES Act spending or 7% of the total funds used.

- **Procurement and maintenance of an isolation site** – Early guidance recommended that the City have an isolation site in order to limit exposure to City residents from individuals that had contracted COVID-19. Costs to operate the isolation site through October 31, 2021 total approximately \$540,000 and include lease, utilities, cleaning and maintenance.

- **Library construction contract cancellation** – The general contractor had begun to mobilize their equipment when the pandemic hit. However, it was determined that the most prudent approach, given the uncertainty, was to not proceed with the contract. Therefore, the contract was cancelled for convenience, resulting in a cost of \$223,662.

Administrative - This has resulted in \$227,313 of CARES Act spending or 2% of the total fund used.

- **Improved Internet bandwidth** – Increased City Internet bandwidth provides a more reliable experience for internet dependent platforms and programs (such as ZOOM) and employees can more easily work from home, if that need arises, particularly in the case of a public health emergency.



FINANCIAL IMPLICATIONS: As of October 31, 2021, the City has spent \$13,208,327, encumbered \$208,844 and \$18,086 earmarked for projects, leaving \$18,695 remaining. The committee is confident these monies will be spent prior to the end of the grant period, which is December 31, 2021. A more detailed listing of costs, by fiscal year, is included as an attachment.

LEGAL: N/A

STAFF RECOMMENDATION: N/A; this is an informational report only.

PROPOSED MOTION: N/A; this is an informational report only.

CITY MANAGER COMMENTS: Thank you to Council for your direction along the way and thank you to City Staff for your attention to detail to ensure funds were used in responsibility.

ATTACHMENTS:

- Detailed spending report
- Resolutions and Council Memos related to previous CARES Act action listed in the Previous Council Action section of this memo
 - Resolution 2020-37
 - Resolution 2020-42
 - Resolution 2020-46
 - Resolution 2020-47
 - Resolution 2020-60
 - Resolution 2020-67
 - Resolution 2020-78

CARES Spending
by Fiscal Year

	FY20	FY21	through 10.31.21 FY22	TOTAL
Community Support				
Planned				
Payments to local businesses	-	4,408,611.03	-	4,408,611.03
Support payments to Clinic	-	900,000.00	-	900,000.00
Rent and utility credits to airport businesses	-	81,929.79	-	81,929.79
Payments to local not-for-profits	-	473,477.73	-	473,477.73
Payment to School District	-	206,500.00	-	206,500.00
Utility Credit to City residents	-	928,740.00	-	928,740.00
Payments to IFHS for community flu clinics	-	572.25	-	572.25
Subtotal Planned Community Support	-	6,999,830.80	-	6,999,830.80
Unplanned				
Emergency funding to Clinic	500,000.00	-	-	500,000.00
Reimburse travel costs for passengers on cancelled Tustumena sailing	7,964.46	-	-	7,964.46
Subtotal Unplanned Community Support	507,964.46	-	-	507,964.46
Projects				
Improve airflow and air cleaning in City buildings	-	207,007.39	-	207,007.39
Electronic timekeeping system	-	91,713.00	6,780.94	98,493.94
Computer aided mass assessment	-	131,330.00	-	131,330.00
Council Chambers social distancing Improvements	-	72,089.60	-	72,089.60
Backup generation	-	303,550.48	-	303,550.48
Emergency Operation and mitigation plan	-	43,970.35	-	43,970.35
Subtotal Projects	-	849,660.82	6,780.94	856,441.76
Large Purchases				
PCR Copier	-	10,444.40	-	10,444.40
Hypo-acid generator – PCR	19,275.00	-	-	19,275.00
Lucas Chest Compression System (2)	19,943.80	19,943.80	-	39,887.60
Turnout Gear (Fire)	-	114,372.45	-	114,372.45
Electrostatic Sprayers	-	56,778.73	-	56,778.73
Subtotal Large Purchases	39,218.80	201,539.38	-	240,758.18
Response/Prevention				
Isolation Site	10,949.83	394,231.22	136,855.08	542,036.13
PPE/Plexiglass/phsycial improvements	45,061.08	103,456.95	(440.60)	148,077.43
Wastewater sampling	-	36,133.18	(63.69)	36,069.49
Cancellation of library construction contract	223,662.13	-	-	223,662.13
Testing Site	2,377.61	3,196.45	-	5,574.06
RAVN Fuel Truck Lease (expenses that exceeded revenues)	1,785.72	-	-	1,785.72
Subtotal Response	283,836.37	537,017.80	136,350.79	957,204.96
Administration Costs				
Telephone/Fax/Internet	25,123.97	82,815.71	-	107,939.68
AML Support	29,148.00	-	-	29,148.00
Legal	52,874.50	30,364.50	6,986.50	90,225.50
Subtotal Admin	107,146.47	113,180.21	6,986.50	227,313.18
Personnel Costs				
Costs associated with EPSL and EFMLA	-	184,376.18	-	184,376.18
Costs incurred as a result of City Closure, employee close contact	1,208,547.79	181,747.16	-	1,390,294.95
Public Safety personnel (3/1/20 to 6/30/20)	1,238,494.01	-	-	1,238,494.01
Response related personnel	288,278.67	258,394.43	-	546,673.10
Temp Firefighter positions (meeting planes at Airport)	-	28,351.76	30,623.31	58,975.07
Subtotal Personnel	2,735,320.47	652,869.53	30,623.31	3,418,813.31
Total	3,673,486.57	9,354,098.54	180,741.54	13,208,326.65

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-37

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN A GRANT AGREEMENT WITH THE STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT AND ACCEPTING CORONAVIRUS RELIEF FUNDS IN THE AMOUNT OF \$13,453,952 FOR COSTS THAT ARE FOR NECESSARY EXPENDITURES INCURRED DUE TO THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO THE CORONAVIRUS DISEASE 2019 (COVID-19)

WHEREAS, the COVID-19 pandemic has generated a public health emergency within the State of Alaska and the City of Unalaska; and

WHEREAS, in an effort to prevent the spread of COVID-19 within the City of Unalaska, the City has, and will continue to, encounter costs that were not included in the City's approved fiscal year 2020 budget as of March 27, 2020; and

WHEREAS, the Department of Treasury has made available monies to the State of Alaska to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the Unalaska City Council wishes to receive the above described funds for the Community of Unalaska; and

NOW THEREFORE BE IT RESOLVED that the City of Unalaska accepts Coronavirus Relief Funds in the amount of \$13,453,952 from the Alaska Department of Commerce, Community and Economic Development


NOW THEREFORE BE IT FURTHER RESOLVED that the City of Unalaska authorizes the City Manager to sign a grant agreement with the State of Alaska Department of Commerce, Community and Economic Development; Division of Community and Regional Affairs.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on May 26, 2020.



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: May 26, 2020
Re: Resolution 2020-37: Authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to the coronavirus disease 2019 (COVID-19)

SUMMARY: The City has been informed that they are eligible to receive up to \$13,453,952 in CARES Act monies from the Federal Government, passed through the State of Alaska. Prior to distributing funds to the City of Unalaska, the State has requested that the City approve a resolution accepting the monies and sign a grant agreement with the State.

PREVIOUS COUNCIL ACTION: The Mayor declared a state of emergency on March 15, 2020, and City Council ratified this declaration of emergency on March 18, 2020. On April 2, 2020, City Council adopted an Emergency Budget Amendment related to COVID-19, including funding for emergency protective measures, an emergency food program and a grant to the IFHS Clinic. Council is currently in the processes of converting this Emergency Budget Amendment to a Regular Budget Amendment which now includes funding associated with the quarantine site and fuel truck. The CARES Act funding is one way to recoup some of these expenses, and other response efforts related to the public health emergency and its economic impacts.

BACKGROUND: On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”.

Alaska has received \$1,250,000,000 from the CRF and will direct \$257,548,754 to communities for mitigation and recovery efforts based on population as distributed through the community assistance program, per AS 26.60.850-879.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of CARES Act funds. Communities will be required to reimburse the State for any misspent funds.

Payments will be made as soon as possible in FY2020 to ensure communities have access to the resources needed to respond to the COVID-19 public health emergency

DISCUSSION: The City has incurred and will continue to incur costs related to the COVID-19 pandemic. The Federal government has provided monies to the State, which are to be passed through to the City to help offset certain of those costs. The City has implemented a cost tracking mechanism to capture these costs associated with our response efforts.

Additionally, staff has discussed various ways in which the City could most likely benefit from these funds, and while nothing has been formalized, it is our hope and expectation that the full amount of the funds will be used responding to the current pandemic as well as implementing preventative measures for City employees and residents on a go forward basis. Some specific items we have identified include:

- Cost to cancel the construction contract for the Library remodel
- Grant provided to the Clinic in April 2020
- Police and Fire personnel costs from March 27, 2020 through December 30, 2020
- Purchase a backup generator for City Hall to protect the City's data during an extended power outage

More broadly, staff has discussed utilizing the CARES Act funding in the following manner:

- Provide grants to not-for-profit organizations and local small businesses that have been negatively impacted by the COVID-19 pandemic and the related economic fallout
- Improve the City's technological capabilities in an effort to reduce the need for in person contact, increase efficiencies, reduce reliance on paper, and minimizing the risk of spreading viruses
- Improvements to the Emergency Operations Center
- Space modifications to City buildings and work spaces to minimize the risk of future transmission of any viruses

Staff will continue to research and brainstorm potential uses of the CARES Act funding but also welcomes Council assistance in identifying areas where these funds could provide the greatest benefit to City employees and City residents.

Staff has also spent time investigating the FEMA Public Assistance (PA) Program, which will provide reimbursement for specific costs, albeit they are also covered by the CARES Act. While the PA Program provides reimbursement, the scope is much narrower than the CARES Act and demands more detailed information regarding each expenditure. It is our intent to utilize the program for specific items, although none have been identified as of yet.

ALTERNATIVES:

1. Council could elect to not agree to the terms of the grant agreement and forfeit the opportunity to recover costs incurred as a result of the City's efforts in responding to the COVID-19 pandemic
2. Council could approve the resolution as presented and accept the CARES Act funding

FINANCIAL IMPLICATIONS: It is unclear at this time when the City will receive CARES Act funds. However, Council's action tonight will begin that process. Additionally, guidance indicates that there will be three distributions and the City must expend at least 80% of each distribution must be spent prior to receiving the next installment.

It is staff's intent to identify additional specific uses of the funds in the next few months, which will require at least one future budget amendment, but most likely two or three.

LEGAL: Charles Cacciola has reviewed the agreement, which is standardized for all entities receiving CARES Act funds. He was not hopeful that the State would be open to negotiating terms. He noted that it is still not clear as to whether the program will be treated as a State of

Alaska program or a Federal program, passed through the State of Alaska. The distinction between the two types of treatment will determine how the program is administered slightly. Federal guidelines provide more complexity and can be more burdensome.

He also noted that the program documents indicate that up to 10% can be held back until all the compliance requirements have been met, which could expose the City to the risk, although minimal, that those funds will no longer be available to draw once the compliance requirements have been met.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to approve Resolution 2020-37.

CITY MANAGER COMMENTS: I support the recommendation for approval. The details on how the CARES Acts will work in practice continue to evolve. We just we heard from AML that the State may be open to removing the provision in the agreement allowing for the State to withheld 10% of the funds for a time. We will work to have this section removed if possible.

ATTACHMENTS: Proposed Grant Agreement.



**DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS**

**CORONAVIRUS RELIEF FUND
Grant Agreement**

Grant Agreement Number		Vendor Number		Amount of Federal Funds	
GAE	Appropriation Unit	Lapse Date	Project Title Section 601(a) of the Social Security Act as added by Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136)		
Grantee			Department Contact Person		
Name			Name Lynn Kenealy		
Street/PO Box			Title Local Government Specialist		
City/State/Zip			Street/PO Box 550 West 7th Ave, Suite 164		
Contact Person			City/State/Zip Anchorage, AK 99501		
Phone		Fax		Phone 907-269-8122	
				Fax 907-269-	
Email			Email ResourceDesk@alaska.gov		

AGREEMENT The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **Insert Name of Locality** (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee the identified amounts under the terms outlined in this Agreement. The amount of the payment is based upon expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$ Insert total amount of grant.**

Section II. The Grantee shall only use the funds provided under this Agreement to reimburse itself, or to pay necessary expenses incurred, as a result of the public health emergency stemming from the Coronavirus Disease 2019 (COVID-19).

Section III. The Grantee may only use the funds provided under this Agreement for expenses that were not accounted for in its most recently approved budget as of March 27, 2020; and that were incurred during the period of March 1, 2020 and December 30, 2020. Unexpended funds must be returned to the State on or before March 30, 2021.

Section IV. The Agreement consists of this page and the following:

- ATTACHMENTS
- Attachment A: Scope of Work
Attachment B: Payment Method
Attachment C: Standard Provisions

AMENDMENTS

Any fully executed amendments to this Agreement

APPENDIX

Appendix A: State Laws and Regulation

Grantee

State of Alaska Approvals

Signature	DCEED Signature
Printed Name and Title	Printed Name and Title
Date	Date
	OMB Signature
	Printed Name and Title
	Date

Reviewed by: _____

Attachment A Scope of Work

1. Authorized Use of Grant Funds

The purpose of the grant funds is to provide Grantee with funding available under Section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Expenditures must be used for actions taken to respond to the public health emergency declared by the Governor on March 11, 2020. Such actions may include expenditures incurred to allow Grantee to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Grant payments may be used only to cover costs that were not accounted for in the Grantee’s budget most recently approved as of March 27, 2020. A cost meets this requirement if either: (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the Grantee, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by the Grantee in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account. A cost is “incurred” when the Grantee has expended funds to cover the cost.

Expenditures using Fund payments must be “necessary.” Funds provided to Grantee as a direct payment from the State of Alaska pursuant to this grant agreement must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. Any funds expended by a political subdivision or its grantee(s) in any manner that does not adhere to official federal guidance shall be returned to the State of Alaska.

Any funds provided pursuant to this grant agreement cannot be used as a revenue replacement for lower than expected tax or other revenue collections.

Funds received pursuant to this grant agreement cannot be used for expenditures for which a local government entity has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

2. Grant Budget

Payment Allotments	Payment Amounts
Payment 1	
Payment 2	
Payment 3	
Total Grant Funds	

3. Grant Management

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For unincorporated communities, the highest- ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.

4. Reporting

The Grantee shall submit a completed COVID-19 Expenditures by Community Report Form provided by the Office of Management and Budget each month, during the life of the Grant Agreement. COVID-19 Expenditures by Community Report Forms are due to the Office of Management and Budget thirty (30) days after the end of the month being reported. The report period is the first of the month through the last day of the month. The final COVID-19 Expenditures by Community Report must be submitted within thirty (30) days following completion of the grant.

Attachment B Payment Method

1. Advance Payment

Payments will be made to Grantees in advance of demonstrated need to respond to the public health emergency in three separate payments. Second and third payments will only be made when at least 80% of the prior payments have been expended. Payments by the State of Alaska to Grantee do not constitute approval of funds expended by Grantee. By making payment to Grantee, the State of Alaska makes no representations, express or implied, that Grantee has complied with the federal requirements governing Coronavirus Relief Funds.

Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

2. Withholding of Ten Percent (10%)

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

Attachment C Standard Provisions

Article 1. Definition

“Department” refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

Article 2. Indemnification

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney’s fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.

Article 3. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute this Grant Agreement by signing the Grant Agreement document. The Grantee’s relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

Article 4. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department’s failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 5. Access to Records

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 6. Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 7. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

Article 8. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

Article 9. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 10. Program Income

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

Article 11. Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

Article 12. Recordkeeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to grant performance and efforts to comply with the provisions of the Grant Agreement.

Article 13. Obligations Regarding Third-Party Relationships

No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 14. Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the Grant is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the Grant during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

Article 15. Political Activity

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 16. Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

Article 17. Prohibition Against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 18. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of the Grant period when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 19. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Article 20. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

Article 21. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the Grant funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

Article 22. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 23. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 24. Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the operation of the Grant and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the operation of the Grant.

Article 25. Site Control

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

Article 26. Insurance

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired with Grant funds be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.
- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this Grant Agreement which result in financial loss to the State. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$100,000 per occurrence/annual aggregate

Article 27. Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska.

Article 28. Governing law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that any permits required under this Grant Agreement by the Federal, State, or Local governments have been obtained.

Article 29. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. .

Article 30. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on Grant funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

Article 31. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

Article 32. Operation and Maintenance

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 33. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 34. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 35. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 36. Performance

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

Article 37. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

Article 38. Audit Requirements

The Grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at http://doa.alaska.gov/dof/ssa/audit_guide.html.

Article 39. Close-Out

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Article 40. Americans with Disabilities Act

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

Appendix A State Laws and Regulations and Permits

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

Restriction on Use—AS 37.05.321

A grant, or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section “influencing legislative action” means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant, or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

Historic Preservation Act—AS 41.35

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

Fire Protection—AS 18.70

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

Alaska Product Preferences—AS 36.15

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

Permits and Environmental Procedures

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste-Water Disposal Permit
- Water Well Permit

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-42

ESTABLISHING THE FORMULA TO CALCULATE PRE-APPLICATION AMOUNTS TO BE MADE AVAILABLE TO NON-ESSENTIAL BUSINESSES THAT WERE FORCED TO CLOSE DUE TO COVID-19

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska wishes to provide initial financial support to qualifying commercial businesses in Unalaska that have been negatively impacted by COVID-19; and

WHEREAS, the City of Unalaska requested preliminary applications from commercial businesses seeking funds from the Unalaska Cares Grant Program for local businesses; and

WHEREAS, the City of Unalaska's online pre-application portal opened on June 17 at 8:00 a.m. and closed on June 22 at noon; and

WHEREAS, the City Council finds that it is important to immediately provide initial financial support to businesses deemed "non-essential" by State or Local COVID-19 Health Mandates, which businesses were negatively impacted due to COVID-19.

NOW THEREFORE BE IT RESOLVED the Unalaska City Council sets out the following formula by which initial grant amounts are to be calculated:

Business daily gross sales revenue amount
(Based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns)
Multiplied by 80 days (the duration of the required closures for non-essential businesses)
That result then multiplied by 0.50
Result equals the Pre-Application Disbursement

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on June 26, 2020.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-46

ESTABLISHING THE FORMULAS TO BE USED IN AWARDING THE UNALASKA CARES GRANT FUNDS FOR LOCAL BUSINESSES AND NON-PROFIT ORGANIZATIONS WHO HAVE EXPERIENCED ECONOMIC IMPACTS DUE TO COVID-19.

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska adopted Resolution 2020-42 on June 26, 2020, establishing the formula to calculate pre-application amounts to be available to nonessential businesses that were forced to close due to COVID19; and

WHEREAS, the City of Unalaska is also eligible to use CARES Act funding to prepare for future COVID-19 related response as well as past related expenses;

WHEREAS, based on the information provided about the total number of essential and non-essential business licenses estimated to be on-island, the City Council sets out the following award formulas for non-essential and essential businesses for the March – May, 2020 mandated closure period,

Formula for Non-Essential Businesses

Business daily gross sales revenue amount (based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns); Multiplied by 80 days (the duration of the required closures for non-essential businesses); That result then multiplied by 0.50 Result equals the Disbursement – or the requested amount – whichever is less.

Formula for Essential Businesses

Business daily gross sales revenue amount (based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns); Multiplied by 80 days (the duration of the required closures for non-essential businesses); That result then multiplied by 0.10 Result equals the Disbursement – or the requested amount – whichever is less.

WHEREAS, for the period commencing on June 1 and ending December 31, 2020 all awards to all approved business applicants are to follow the Stratified Schedule that is attached as Exhibit 'A';

WHEREAS, based on the applications received from nonprofit organizations the City Council awards the total sum of \$909,832.73 per the attached Exhibit 'B';

WHEREAS, the deadline for the grant program is set for noon on July 24, 2020 and awards will be issued pursuant to the CARES Act spending plan approved by City Council, or reduced proportionately if the cumulative application requests exceed the spending cap.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the grant program and awarding the amounts of CARES Act funding to approved business applicants per the above.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 14, 2020.



Dennis M. Robinson
Vice Mayor

ATTEST:



Marjie Veeder, CMC
City Clerk



EXHIBIT A

Stratified Schedule

<i>Annual Revenue of Businesses</i>	<i>Funding Support</i>
<\$50,000	\$5,000
\$50,000-\$100,000	\$15,000
\$100,000-\$300,000	\$25,000
\$300,000-\$500,000	\$40,000
\$500,000-\$700,000	\$60,000
\$700,000-\$900,000	\$80,000
>\$900,000	\$100,000

EXHIBIT B

Nonprofit Organization Request Schedule

Non Profit	Contact	Funding Support
<i>Iliuliuk Family and Health Services, Inc.</i>	<i>Melanee Tiura</i>	<i>\$500,000.00</i>
<i>Unalaska Visitors Bureau</i>	<i>Carlin Enlow</i>	<i>\$132,500.00</i>
<i>Unalaska Community Broadcasting</i>	<i>Lauren Adams</i>	<i>\$71,820.00</i>
<i>Unalaska Christian Fellowship</i>	<i>John Honan</i>	<i>\$47,830.56</i>
<i>Museum of the Aleutians</i>	<i>Virginia Hatfield</i>	<i>\$64,495.00</i>
<i>United Methodist Church of Unalaska</i>	<i>Matt Reinders</i>	<i>\$30,500.00</i>
<i>USAFV</i>	<i>M. Lynn Crane</i>	<i>\$21,418.80</i>
<i>Unalaska Senior Citizens</i>	<i>Daneen Looby</i>	<i>\$14,660.92</i>
<i>Alexandria House Inc.</i>	<i>Susan Honan</i>	<i>\$11,657.45</i>
<i>Russian Orthodox Church</i>		<i>\$6,500.00</i>
<i>Saint Christopher by the Sea</i>	<i>Deacon Dan Winters</i>	<i>\$8,450.00</i>
	Total	\$909,832.73

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-47

A RESOLUTION OF THE UNALASKA CITY COUNCIL PROVIDING SPENDING GUIDELINES
FOR CARES ACT FUNDS

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds in the amount of \$13,453,952, made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, on June 4, 2020, the City received \$5,477,777 in CARES Act funding and must spend at least 80% to receive the second disbursement; and

WHEREAS, the City must spend all of the first disbursement and 80% of the second disbursement to be eligible to receive the third disbursement; and

WHEREAS, any CARES Act monies received and not spent by December 30, 2020, must be returned to the funding agency; and

WHEREAS, the City has incurred costs in their response to the Coronavirus pandemic and has identified projects to assist in limiting the spread and impact of the Coronavirus; and

WHEREAS, certain projects identified to assist in the future protective measures require lead time for completion.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the following allocations of CARES Act spending:

- Grants to support Businesses and Non-Profit Organizations – 40%
- City's Response and Prevention – 50%
- The remaining 10% shall be set aside for potential grant usage if the need arises. If not used for grants prior to September 30, 2020, the amount becomes available to address any other of the City's response and prevention efforts.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 14, 2020.



Dennis M. Robinson
Vice Mayor

ATTEST:



Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-60

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING A UTILITY CREDIT PROGRAM FOR PCE ELIGIBLE UTILITY CUSTOMERS IMPACTED BY STAY AT HOME ORDERS DUE TO COVID-19

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

WHEREAS, on March 24, 2020, the City Council passed Resolution 2020-17 requiring certain quarantine measures, closure of non-essential businesses and requiring residents to "hunker down" and stay at home as much as possible; and

WHEREAS, similar measures protecting public health have remained in effect; and

WHEREAS, the City Council adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska is eligible to use CARES Act funding to prepare for future COVID-19 related response as well as past related expenses; and

WHEREAS, due to stay and home and hunker down orders, City residents' need for utility usage has most likely increased.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves a utility credit to PCE eligible utility customers in the amount of \$2,070, to be issued to eligible utility customers through monthly credits of \$690 in September, October and November 2020.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 22, 2020.


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: September 22, 2020
Re: Resolution 2020-60: Establishing a Utility Credit Program for PCE eligible utility customers impacted by Stay at Home orders due to COVID-19

SUMMARY: City of Unalaska residents were negatively impacted financially by stay at home and hunker down orders from March through May 2020 and could potentially be further impacted should the City issue similar orders at some point during the remainder of 2020. This Resolution provides a utility credit to certain customers in an effort to at least partially mitigate the additional financial burden.

PREVIOUS COUNCIL ACTION: On March 18, 2020, Council passed Resolution 2020-16 declaring a local emergency, instructing City residents to stay home and hunker down. These orders were in place through May 2020 through continuing resolutions.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On July 14, 2020, Council approved Resolution 2020-47 establishing allocations of CARES Act spending as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts (\$1,345,395)

BACKGROUND: On March 27, 2020 Congress passed the federal act known as the Coronavirus Aid Relief and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for "necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)".

The State of Alaska subsequently announced it would distribute CARES Act money to communities throughout the state, and proposed Unalaska would receive \$13,453,952. The money can be used for COVID-19 related expenses or damages resulting from responding to the disease, preparing for the disease, and for assistance to local businesses and residents.

DISCUSSION: As of August 31, 2020, the City’s contribution to local businesses and non-profit organizations totaled \$5,048,444, leaving \$333,137 available, of the original 40% allocated, for Community contributions.

Staff has met regularly to discuss how best to utilize CARES Act monies received by the City. As a result of these discussions, staff has determined that a proper use of these monies would be to provide a utility credit to certain utility customers. The premise behind the credit is that City residents have incurred increased utility costs as a result of the stay at home and hunker down orders issued by Council. Furthermore, there is a chance that, should there be community spread of the coronavirus in the fall of 2020, additional utility costs will be incurred by City residents. As a result, the calculation of the utility credit will cover a nine-month period from March through December 2020.

It was determined that the most appropriate method by which to distribute funds was to provide credits to Price Cost Equalization (PCE) Eligible customers only. PCE is a program established by the Alaska Energy Authority (AEA) in 1985 to provide economic assistance to communities and residents in rural areas of Alaska where, in many instances, the kilowatt hour charge for electricity can be three to five times higher than the average kWh rate. Only residential and community facility customers are eligible for PCE credits and only one PCE credit is allowed per customer. The PCE credit applies only the first 500 kWh consumed. Based on experience, if an electric bill is in the name of a business AEA will not provide PCE credit for that location even though it is a residential service. Furthermore, the ‘one credit per customer’ rule prevents landlords from receiving PCE credit for rental units billed in their names.

As noted above, PCE customers represent residents that are responsible for their electricity bill. While other methods are available, we determined this method provides an avenue by which to provide assistance to community residents that have been negatively impacted by COVID-19. Currently, there are 449 PCE eligible customers in the City of Unalaska.

During our staff discussions, we also determined that implementing a stimulus program for residents would be time consuming to determine eligibility and impose a tremendous burden on staff to administer. The approach included in this memo represented the most cost-efficient method by which we could provide a benefit to residents.

Staff was able to determine that the average monthly residential utility bill is \$230. Based on that, we are presenting three options to Council: issue a utility credit at 50%, 62.5% or 75% of the average monthly residential utility bill. The credit will be issued to eligible customers in equal amounts in each of the remaining 2020 utility bills.

Each option is presented below:

Percentage of average monthly bill	Amount	Total credit provided per eligible customer	Total Cost	Use remaining amount allocated for City contributions?	Amount remaining in contingency
50%	\$115.00	\$1,035.00	\$464,715.00	Y	\$1,213,817
62.5%	\$143.75	\$1,293.75	\$580,893.75	Y	\$1,097,638
75%	\$172.50	\$1,552.50	\$697,072.50	Y	\$981,460

ALTERNATIVES: City Council can choose one of the options above, elect to support residents at a different amount or disapprove the resolution.

FINANCIAL IMPLICATIONS: Each option presented above would allow Council to extinguish the amount allocated for contributions to the City. Additionally, it indicates the amount remaining within the contingency portion of the spending plan.

STAFF RECOMMENDATION: Staff recommends approval of Resolution 2020-60 at an amount equivalent to 50% of the average utility bill for PCE Eligible customers only.

PROPOSED MOTION: I move to adopt Resolution 2020-60.

CITY MANAGER COMMENTS: I support staff's recommendation and appreciate the creative efforts required to bring this proposal forward.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-67

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING ADDITIONAL CARES ACT FUNDING TO ILIULIUK FAMILY & HEALTH SERVICES CLINIC; THE UNALASKA CITY SCHOOL DISTRICT; THE BALLYHOO LIONS CLUB; AND COMMUNITY FLU SHOTS ADMINISTERED BY THE IFHS CLINIC

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

WHEREAS, on March 24, 2020, Council passed Resolution 2020-17, requiring certain quarantine measures, closing non-essential businesses and requiring residents to "hunker down" and stay at home as much as possible; and

WHEREAS, similar public health requirements have remained in effect through continuing Resolutions; and

WHEREAS, Resolution 2020-37 adopted on May 26, 2020, accepted Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, Resolution 2020-47 adopted on July 14, 2020, set out spending guidelines for CARES Act funding; and

WHEREAS, the Iliuliuk Family and Health Services has indicated that financial assistance from the City would assist them in meeting community needs during the pandemic; and

WHEREAS, the Unalaska City School District has indicated that financial assistance from the City would allow them to provide a safer and better learning environment for their students; and

WHEREAS, the Ballyhoo Lions Club, a non-profit service organization serving the needs of Unalaska, requested CARES funds in order to continue to serve the citizens of Unalaska; and

WHEREAS, providing flu vaccinations to community members in Unalaska will protect the health of the community, as well as protect and preserve the limited health care resources available on the island during the COVID-19 pandemic.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves CARES Act funding distributions, as follows:

1. Iliuliuk Family and Health Services Clinic - \$400,000
2. Unalaska City School District - \$500 per student
3. Ballyhoo Lion's Club - \$63,645
4. Community flu vaccinations to be administered by the IFHS Clinic and billed to the City of Unalaska, not to exceed \$10,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on October 27, 2020.



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: October 27, 2020
Re: Resolution 2020-67: Approving additional funding to Iliuliuk Family & Health Services Clinic and the Unalaska City School District

SUMMARY: Council expressed its desire to support the school and clinic with a portion of CARES Act funding that falls into the 10% contingency as identified in Resolution 2020-47. The Unalaska City School District and Iliuliuk Family and Health Services would each benefit from additional funding to offset certain additional costs incurred as a result of the COVID-19 pandemic. Resolution 2020-67 accomplishes this, and staff recommends approval.

PREVIOUS COUNCIL ACTION: On March 18, 2020, Council passed Resolution 2020-16 declaring a local emergency, instructing City residents to stay home and hunker down. These orders were in place through May 2020 through continuing resolutions.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On June 26, 2020, Council approved Resolution 2020-42 establishing the formula for small business grants.

On July 14, 2020, Council approved Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits.

On July 14, 2020, Council approved Resolution 2020-47 establishing spending allocations of CARES Act funds, as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts (\$1,345,395)

On September 22, 2020, Council approved Resolution 2020-60 establishing the utility credit program for PCE eligible utility customers (estimated cost of \$929,430).

BACKGROUND: On March 27, 2020 Congress passed the federal act known as the Coronavirus Aid Relief and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states

for "necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)".

The State of Alaska subsequently announced it would distribute CARES Act money to communities throughout the state, and proposed Unalaska would receive \$13,453,952. The money can be used for COVID-19 related expenses or damages resulting from responding to the disease, preparing for the disease, and for assistance to local businesses and residents.

As of October 20, 2020, the City has spent or earmarked \$5,977,874 out of \$6,726,976 originally allocated to community support and contingency from the City's CARES Act funding; the remaining amount (\$749,102) is sufficient to provide this funding support.

DISCUSSION: In April 2020, the City approved an emergency payment of community support in the amount of \$500,000 to Iliuliuk Family and Health Services to assist with anticipated additional costs associated with the COVID-19 pandemic, which was funded through the CARES Act. In addition, they were awarded \$500,000 in July 2020 as part of the City's community support grant program. Since that time, the clinic has received additional support from other organizations but anticipates future financial challenges as a result of the pandemic. Through discussions with Melanee Tiura at the Clinic, this additional funding support would help the Clinic with ongoing response efforts and testing capabilities, as well as help offset costs as required for capital improvements. The resolution outlines funding support in the amount of \$400,000 for IFHS.

The Unalaska City School District closed public schools in March 2020 and instituted a home-based learning program for the remainder of the 2019-2020 school year. In order to meet the needs of students, additional costs were incurred to provide an appropriate learning environment and delivery method. Over the summer, the School implemented appropriate social distancing measures to keep students and their families safe while providing an in-person learning program. These new protocols and technical advances came at an additional and unplanned cost. Through discussions with John Conwell, superintendent, this funding support would help offset these costs as well and provide them an opportunity to better meet the needs of students, whose families may have been negatively impacted by COVID-19 related job interruptions. The resolution outlines funding support in the amount of \$300,000 to the UCSD.

ALTERNATIVES: City Council can elect to:

- 1) Approve the resolution as presented.
- 2) Take no action.
- 3) Amend the resolution to add or remove recipients. Council is reminded that they received some requests for funding consideration from businesses and non-profits just prior to the October 13 Council meeting.

FINANCIAL IMPLICATIONS: As presented, this resolution will spend nearly all of the remaining funds originally allocated for community support.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2020-67.

CITY MANAGER COMMENTS: I support staff's recommendation.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-78

PROVIDING RELIEF TO CERTAIN RESTAURANTS AND BARS FOR DECEMBER 2020 IN THE AMOUNT OF \$30,000 EACH

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

WHEREAS, on March 24, 2020, the City of Unalaska passed Resolution 2020-17, requiring certain quarantine measures, closing non-essential businesses and requiring "hunker down" and stay at home as much as possible; and

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, On June 26, 2020, the City of Unalaska passed Resolution 2020-42 establishing a formula for small business grants; and

WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits; and


WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City's response/prevention; 10% contingency); and

WHEREAS, On December 1, 2020, the City of Unalaska passed Resolution 2020-74 providing measures to protect public health, including the requirement for no in-person dining at local restaurants and bars.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves additional relief in the amount of \$30,000 to the nine establishments below for a total of \$270,000:

- Airport Restaurant, LLC
- The Norwegian Rat Saloon
- Pho Vy's
- Amelia's Restaurant & Eagle Inn
- Margaret's Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 22, 2020.



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: December 22, 2020
Re: Resolution 2020-78: Providing relief to certain restaurants and bars for December 2020 in the amount of \$30,000 each

SUMMARY: The City of Unalaska received CARES Act funding (\$13,453,952); and staff developed a plan that was consistent with the Treasury Guidance and with City Council Resolution 2020-47 establishing the allocation of the CARES Act Spending.

On December 15, Council provided a directive to the City Manager requesting the City provide \$30,000 to each restaurant and bar affected by the latest City COVID-19 mandate (Resolution 2020-74). This directive was for the month of December 2020 only and stated that it should be worked into a resolution.

PREVIOUS COUNCIL ACTION:

- May 26, 2020 – Approved Resolution 2020-37 receiving CARES Act grant award
- June 26, 2020 – Approved Resolution 2020-42 establishing formula for small business grants
- July 14, 2020 – Approved Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits
- July 14, 2020 – Approved Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City's response/prevention; 10% contingency)
- July 28, 2020 – Approved two budget amendments related to CARES Act funding
- September 22, 2020 – Approved Resolution 2020-60 establishing the utility credit program for PCE eligible utility customers
- October 27, 2020 – Approved Resolution 2020-67 providing financial support to the UCSD, IFHS Clinic and Lions Club as well as support for a flu vaccine clinic
- December 15, 2020 – Council provided a directive to the City Manager to develop a resolution that would provide additional relief to Unalaska restaurants and bars in the amount of \$30,000 each.

BACKGROUND: Generally speaking, CARES Act funds were to be used for the following purposes:

- Provide grant funding to City residents, businesses and not-for-profits negatively impacted by COVID-19 (Grants and Funding Support)
- Cover the cost associated with the City's response to the Pandemic (Response)
- Cover costs associated with the prevention and anticipation of future COVID-19 related outbreaks (Prevention)

The City received \$13,453,952 in CARES Act monies from the Federal Government, passed through the State of Alaska. Based on the allocation method approved by Resolution 2020-47, CARES Act monies were to be spent as follows:

- Community support (local businesses, non-profits, residents) \$5,381,581
- City response and prevention \$6,726,976
- Contingency \$1,345,395

Staff followed the guidance provided by in Resolution 2020-47 and fully spent the combined amounts shown above for Community Support and Contingency (\$6,726,976). As of December 14, 2020, the City has provided \$6,729,259 in community support to businesses and residents of Unalaska.

DISCUSSION: While the directive appears straight forward with respect to providing relief to restaurants and bars, staff discussed this at length and attempted to determine who should receive this additional funding. Our primary question (*below*), created additional questions that needed to be addressed in order to provide a resolution to Council. **Please see the attached spreadsheet for details on the four options.**

Do we provide assistance to local businesses that have indicated on their business license that they are a restaurant or bar through the use of NAICS Code 722 – Food Services & Drinking Places?

The following business licenses were issued by the City of Unalaska under NAICS Code 722:

- Airport Restaurant, LLC
- Grand Aleutian Hotel (Unisea)
- The Norwegian Rat Saloon
- Pho Vy's
- Amelia's Restaurant & Eagle Inn
- Java Heaven
- Helen's Kitchen
- Willow Bean Coffee
- San Diego Tacos To Go

A follow up question then becomes, of those business listed, what if they do not typically provide dine in service?

It is unclear to staff if Council intended to include Java Heaven, Helen's Kitchen, Willow Bean Coffee and San Diego Tacos To Go as part of this relief resolution. Ultimately, we determined that those establishments do not provide dine-in service and most likely do not generate more than \$30,000 per month in revenue.

If Council chooses to fund businesses, based solely by the name on their business license, staff has proposed 2 options. These options are included in the attached spreadsheet and below under financial implications as **Option 1** (*including coffee shops and other entities that do not provide dine-in service*) and **Option 2** (*excluding coffee shops and other entities that do not provide dine-in service*).

An additional follow up question then comes up, about how do we address The Grand Aleutian Hotel (Unisea) that operates multiple individual establishments?

The Grand Aleutian Hotel operates 6 separate dining establishments under their business license. They are:

- Margaret Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi
- Pyramid Coffee

The portion of the City's completed grant program that provided assistance to non-essential businesses based on computed lost revenue, each of the individual entities received relief. However, during the portion of the program that provided a stipend, based on a tiered approach, only Unisea received a payment.

To address this variable, staff is providing 2 additional options. **Option 3** includes all Grand Aleutian dining establishments, as well as coffee shops and other entities that do not provide dine-in service. **Option 4** includes the Grand Aleutian dining establishments and excludes coffee shops and other entities that do not provide dine-in service.

FINANCIAL IMPLICATIONS: As indicated above, staff has presented four options, of which Council can select one or provide their own recommendation. The financial impact of each option is as follows:

- Option 1 - \$270,000 – by business license name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 2 - \$150,000 – by business license name (restaurants & bars only)
- Option 3 - \$420,000 – by individual name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 4 - \$270,000– by individual name (restaurants & bars only)

If Council selects one of the above options, there is sufficient CARES funding available to meet this obligation. Because the funding for both Community Support and Contingency buckets outlined in Resolution 2020-47 have already been disbursed, this funding will come from the City Response and Prevention bucket outlined in Resolution 2020-47.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Option 4 as that was determined to be the alternative that seemed to meet the goals of the directive. Council can select any of the above options or determine another funding determination that they feel best meets the Community needs.

PROPOSED MOTION: I move to adopt Resolution 2020-78.

CITY MANAGER COMMENTS: I support Staff's recommendation.

Backup Detail
Council Memo - Res. 2020-78

Option 1 - Restaurants, bars, coffee shops and other entities that do not provide dine-in service, by license name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	30,000.00
	270,000.00

Option 2 - Restaurants and bars only, by license name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
	150,000.00

Option 3 - Restaurants, bars, coffee shops and other entities that do not provide dine-in service, by individual name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea-Margaret Bay Café	30,000.00
Unisea-Cape Cheerful	30,000.00
Unisea-Chart Room	30,000.00
Unisea-Harborview Bar & Grill	30,000.00
Unisea-Harbor Sushi	30,000.00
Unisea-Pyramid Coffee	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	30,000.00
	420,000.00

Option 4 - Restaurants and bars only, by individual name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea-Margaret Bay Café	30,000.00
Unisea-Cape Cheerful	30,000.00
Unisea-Chart Room	30,000.00
Unisea-Harborview Bar & Grill	30,000.00
Unisea-Harbor Sushi	30,000.00
	270,000.00

MAKING
GEOTHERMAL
PENCIL
OUT



“There is nothing more powerful than an idea whose time has come”

- French poet and author Victor Hugo

City of Unalaska & OCCP

Construction

OCCP has been building a road to the drill site and obtaining necessary permits. The City of Unalaska has begun upgrading the distribution grid to handle the full load of the proposed geothermal plant.



PPA Signed / Amendments

PPA signed on August 31, 2020. Amendment's 1 & 2 gave OCCP an additional year to obtain financing and achieve commercial operation, respectively.



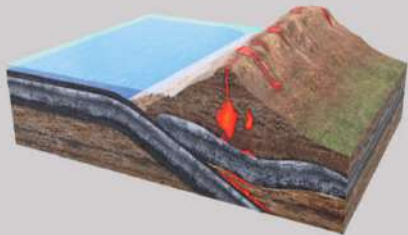
PPA Negotiations

City of Unalaska and OCCP negotiated from January to August 2020 to finalize a Power Purchase Agreement (PPA)



Missing Piece Found

Attempts to develop the Makushin geothermal resource have been on-going since the early 1980's. OCCP was able to pull all the pieces together by acquiring land rights.

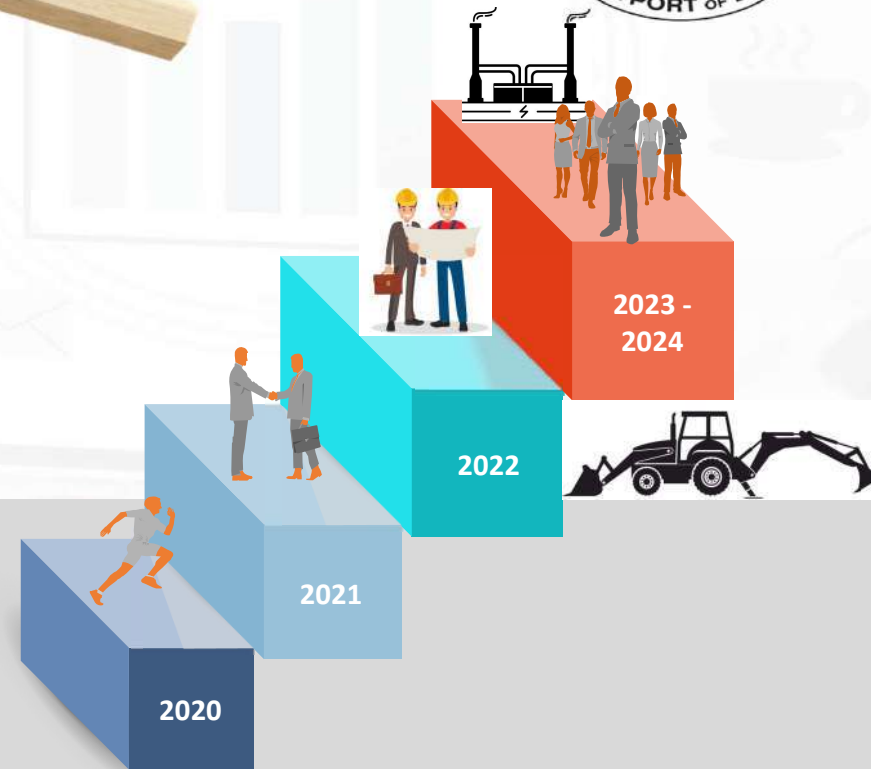


Five Year Action Plan



Overview

- Take a closer look at actions taken to date
- Review other milestones in the years ahead
- Keeping in mind the Four Pillars for Increasing Clean Energy Usage – Technology, Funding, Policy, and People



Our **Value Proposition** is to Support Economic Growth

“Value Proposition” is a marketing term that refers to a promise of value to be delivered, communicated, and acknowledged. For example, McDonald’s value proposition is food of a constant quality served quickly and consistently across the globe.

Year 1 – Establish a Foundation



01

Technology

- OCCP worked on Feasibility Phase.
- OCCP completed summer field work in support of permitting and engineering definition.
- OCCP issued RFP to technology providers.
- OCCP commissioned an Air Source Heat Pump Study within one month of executing the Power Purchase Agreement.
- City issued PO #21400004 to EPS on September 16, 2020 to perform integration study.

02

Funding

- OC advanced funds to OCCP to allow summer field work.
- City began developing a capital project in the CMMP to fund the City portion of the upgrade and integration costs.
- OCCP began financing review and application process.

03

Policy / Process

- City and OCCP signed a Power Purchase Agreement on August 31, 2020. City agrees to pay \$16.3 million annually for 30 years (1% increase per year = \$22 million payment in year 30).

04

People

- Formed a working group for interconnection/integration plan development



Year 2 – Finetuning the Agreement



01

Technology

- EPS issued a Geothermal Plant Electrical Intertie Study Interim Report on April 15, 2021 identifying critical projects needed to connect to the proposed geothermal plant.
- The City and OCCP entered into a Memorandum of Agreement on July 15, 2021 outlining the cost sharing on the needed distribution upgrades required.
- OCCP conducted summer field work involving permitting and road construction.
- OCCP chose Ormat Technologies as their technology provider for the geothermal plant.
- OCCP issued a RFP for the submarine cable for East Channel crossing and from Broad Bay to Unalaska.

02

Funding

- OCCP Submitted their project finances to the Regulatory Commission of Alaska in February, 2021.
- OCCP formally requested a one year extension to obtain financing on February 25, 2021.
- City granted financing extension from June 10, 2021 to requested June 10, 2022 with PPA Amendment #1.
- Qawalangin Tribe applied for IRT support for the geothermal plant road construction.
- OCCP made first payment of \$150,000 to the City on September 1, 2021 towards needed grid improvements.
- OCCP learns they have qualified for Phase II of DOE funding application on September 10, 2021.
- With funding in place, City begins issuing purchase orders for engineering studies and long lead time items.

03

Policy / Process

- PPA Amendment #2 extended commercial operation deadline to May 31, 2025

04

People

- DOE Department of Indian Energy commissioned a study of the socioeconomic impact of geothermal power on Unalaska. The City, OCCP, and areas businesses have been answering structured data requests to assist with the study.



Year 3 – Time to Build!



01

Technology

- Both City and OCCP will be busy with equipment procurement and construction.
- With funding in place, final details on Ormat geothermal plant integration are worked out.
- City teams with DOE National Renewable Energy Lab to perform feasibility studies on electrofuels and other technologies to advance Unalaska to carbon neutral.
- City begins upgrading the distribution backbone to accommodate the increased loads.

02

Funding

- Deadline for OCCP to obtain project funding under PPA is June 10, 2022.
- Year two of City CMMP spending
- City seeks grant funding to implement new technologies.

03

Policy / Process

- Necessary easements will be established for cable landings and new service connections.
- City will research impact of intermittent interruptible power rates.

04

People

- With project funding secured, City will increase marketing efforts to self-generators.
- Hopefully can emphasize positive results from DOE socioeconomic study to increase acceptance.



2022

Years 4 & 5 – Continued Built Out



01 Technology

- City will work closely with OCCP to ensure our distribution network is upgraded sufficiently to accept the full 30 MW output of the geothermal plant in advance of the May 31, 2025 commercial deadline.
- Possibly start implementing Air Source Heat Pump installations under cost share basis with OCCP.

02 Funding

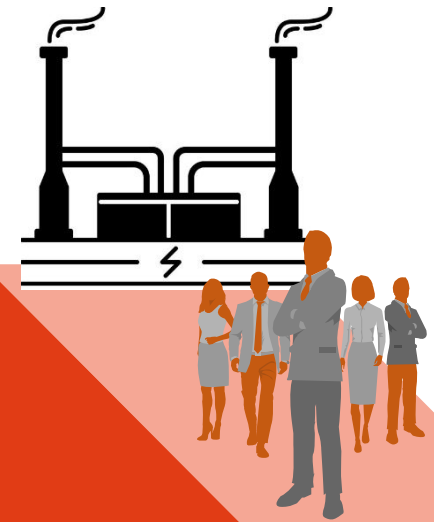
- City may commission an electric-utility-only rate study to reinforce our internal studies relative to rate impacts from geothermal payments to OCCP.

03 Policy / Process

- City may wish to discuss raising the 100 million kWh/year threshold for split revenues with OCCP, in order to pass savings on to customers and achieve project goals.

04 People

- Form a Climate Action Task Force to brainstorm ideas to increase clean energy use in Unalaska.



2023 -
2024

Unalaska Transitions Towards Carbon Neutrality



MGP On-Line
Main focus is on connecting as many customers as possible to renewable energy

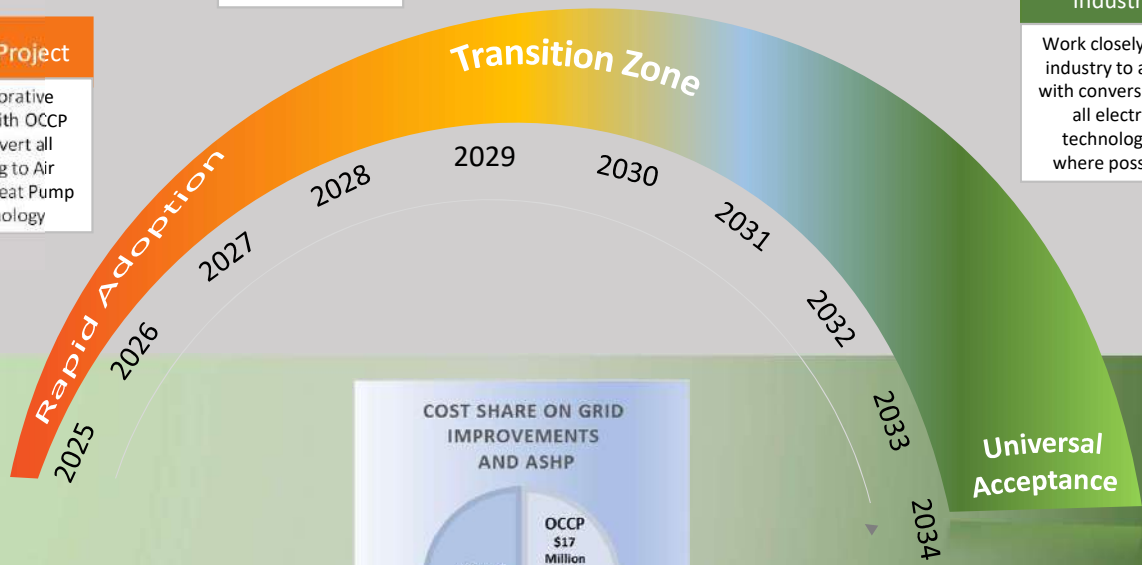
ASHP Project
Collaborative effort with OCCP to convert all heating to Air Source Heat Pump technology

Solid Waste
Anaerobic Digester and Gasifier technology drastically reduce GHG emissions

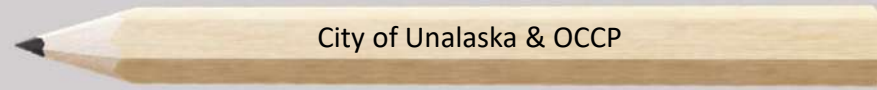
Rolling Stock
Concerted effort to electrify the City fleet, and encourage electric vehicle adoption by all sectors

Industry
Work closely with industry to assist with conversion to all electric technologies where possible

Fine Tuning
Continued fleet conversion and industry integration. Adopt new technologies as needed to achieve carbon reduction goals



So, this all sounds amazing – what is there to pencil out??

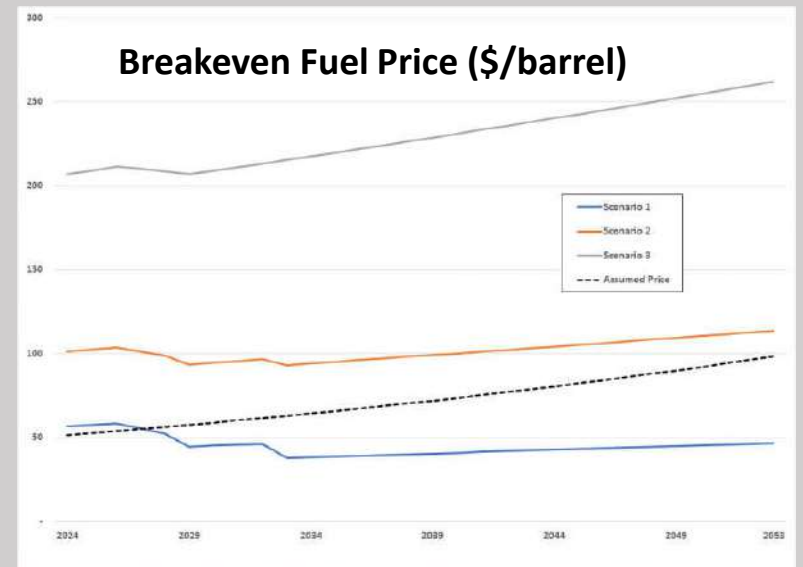
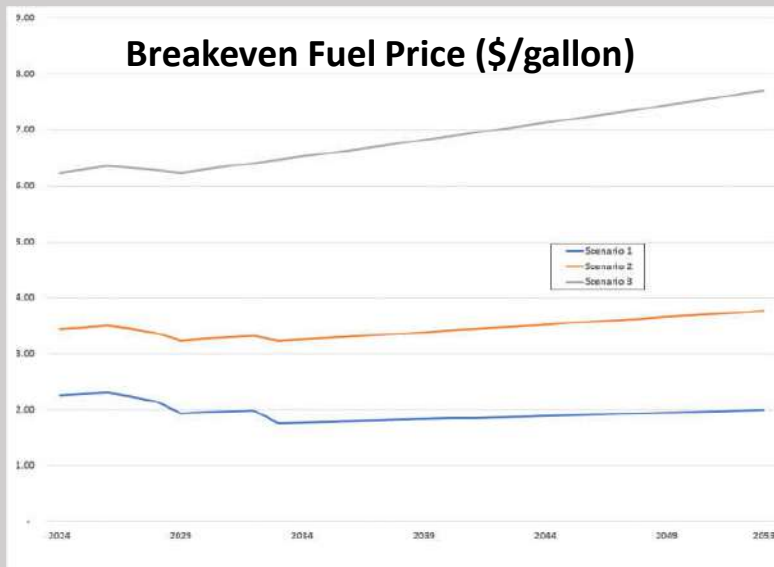


This Might Look Familiar to Some



Sales to Self Gen		Cumulative Combined Benefits (000)						First Op Yr w/ Savings
		5-yr	10-yr	15-yr	20-yr	25-yr	30-yr	
Scenario 1 60,000,000	City	\$ (680)	\$ 4,845	\$ 14,358	\$ 25,791	\$ 39,474	\$ 55,785	5
	Self Gen	4,214	8,399	12,528	19,429	29,635	43,753	1
	Combined	\$ 3,534	\$ 13,244	\$ 26,886	\$ 45,220	\$ 69,109	\$ 99,537	1
Scenario 2 30,000,000	City	\$ (16,001)	\$ (27,610)	\$ (37,306)	\$ (46,022)	\$ (53,472)	\$ (59,330)	>30
	Self Gen	(8,343)	(17,233)	(26,709)	(35,386)	(43,027)	(49,359)	>30
	Combined	\$ (24,344)	\$ (44,843)	\$ (64,015)	\$ (81,408)	\$ (96,499)	\$ (108,690)	>30
Scenario 3 0	City	\$ (52,325)	\$ (103,143)	\$ (155,250)	\$ (208,498)	\$ (262,710)	\$ (317,672)	>30
	Self Gen	-	-	-	-	-	-	>30
	Combined	\$ (52,325)	\$ (103,143)	\$ (155,250)	\$ (208,498)	\$ (262,710)	\$ (317,672)	>30

Presented to City Council on July 21, 2020



When Does Geothermal Power Actually Pencil Out?



Could be Reached by a Combo of New Customers or ASHPs
Pencils Out at **\$2.09 - \$2.39** per Gallon Diesel

\$50 - \$62 per Barrel Oil

**100
Million
kWh
per Year**

100 MWh per year



Most Easily Reached by Adding Westward & Alyeska
Pencils out at **\$3.20 - \$3.83** per Gallon Diesel

\$92 - \$116 per Barrel Oil

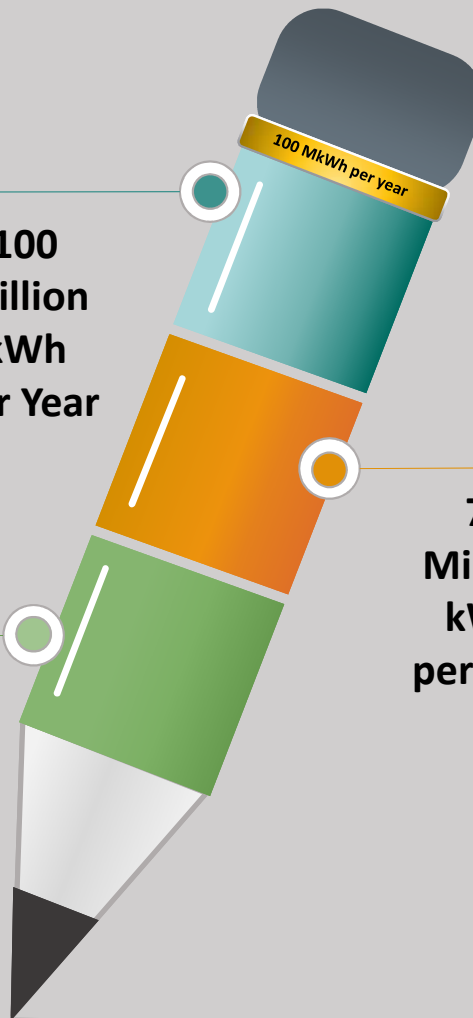
**70
Million
kWh
per Year**



Today's Electrical Sales to Existing Customers
Pencils Out at **\$6.30 - \$7.70** per Gallon Diesel

\$207 - \$262 per Barrel Oil

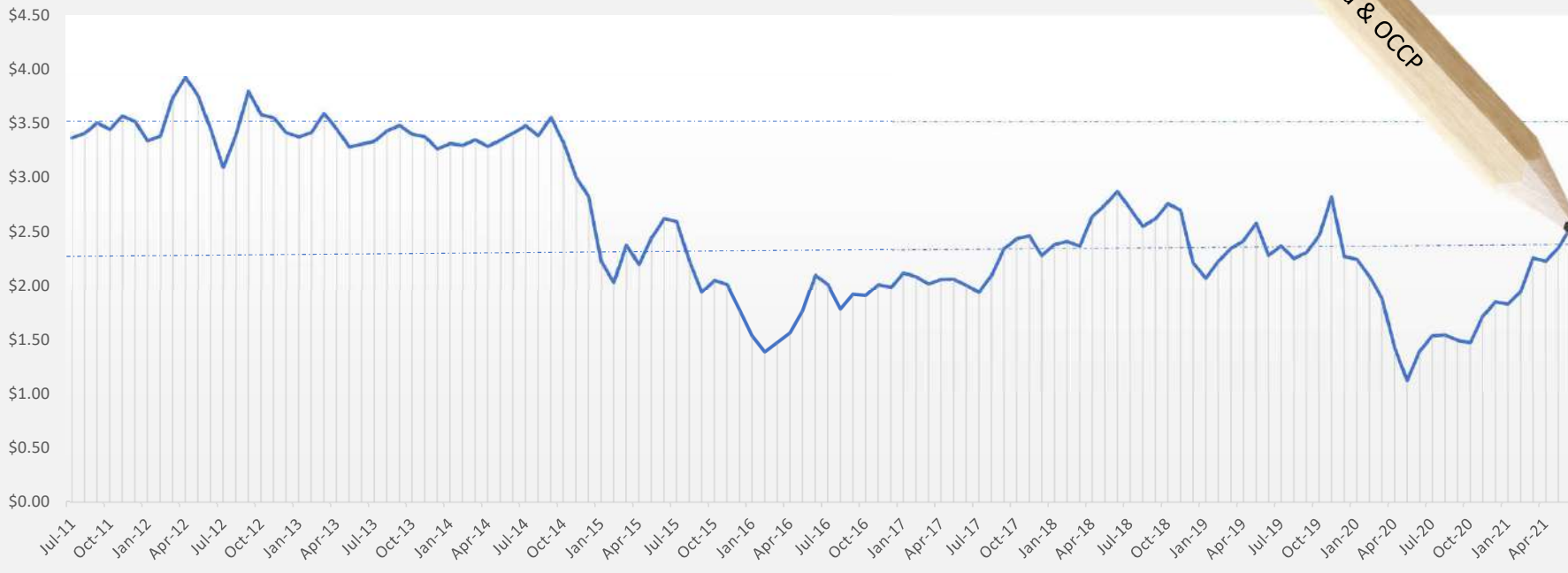
**40
Million
kWh
per Year**



Predicting the future is hard



Unalaska Diesel Price - 10 Years



City of Unalaska & OCCP

70 million kWh per year
100 million kWh per year



Penciling Out the Power Bill Under Diesel Power Generation



City of Unalaska
 Department of Utilities
 ATTN: Utility@ci.unalaska.ak.us
 P.O. Box 610
 Unalaska, Alaska 99685
 (907) 581-1251 FAX (907) 581-3102

UTILITY BILL

Customer Copy

Please keep this portion for your records

AUTO-PAY! DO NOT PAY!

CUSTOMER NAME				SERVICE LOCATION					
BILL NUMBER	BILL DATE	ACCOUNT #	CUSTOMER #	DUE DATE					
240992	07/31/2021	A0126		08/31/2021					
PREVIOUS READ DATE	CURRENT READ DATE	CODE	CHARGE DESCRIPTION	METER NUMBER	READ CODE	PREVIOUS READING	CURRENT READING	USAGE	CHARGE AMOUNT
06/29/2021	07/29/2021	1EL08	ELECTRIC RESIDENTIAL	330958717	A	6782	7101	319	87.70
06/29/2021	07/29/2021	1EL18	PCE RESIDENTIAL						0.00
06/29/2021	07/29/2021	1EL40	ELECT RESIDENTIAL COPA						58.84
06/29/2021	07/29/2021	2WA30	WATER RESIDENTIAL						36.87
06/29/2021	07/29/2021	3WW20	WASTEWATER RESIDENTIAL						121.63
06/29/2021	07/29/2021	4LF01	LANDFILL MAINTENANCE FEE						36.28
									\$146.54

Cost of Power Adjustment = Total Cost of Fuel divided by Total kWh Generated

"Base Rate" per kWh is set by City Ordinance and stays constant for the Fiscal Year.

- This pays for:
- Electric Admin Personnel
 - Electric Admin Operating
 - Power House Personnel
 - Power House Operating
 - Line Crew Personnel
 - Line Crew Operating
 - Bond Payments
 - Electric Asset Depreciation (2/3rds are not related to power generation)

This varies each month with the price of diesel

July 2021 COPA = \$669,002 (fuel cost) / 3,609,461 (kWh sold) = \$0.18535 per kWh

July 2021 Residential Service Rate = \$8.49 (customer charge) + \$0.2483/kWh (energy charge)



Penciling Out the Power Bill Under Geothermal Power



City of Unalaska
 Department of Utilities
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PREVIOUS READ DATE	CURRENT READ DATE	CODE	CHARGE DESCRIPTION	METER NUMBER	READ CODE	PREVIOUS READING	CURRENT READING	USAGE	CHARGE AMOUNT
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06/29/2021	07/29/2021	1EL18	PCE RESIDENTIAL						0.00
06/29/2021	07/29/2021	1EL40	ELECT RESIDENTIAL COPA						58.84
06/29/2021	07/29/2021	2WA30	WATER RESIDENTIAL						36.87
06/29/2021	07/29/2021	3WW20	WASTEWATER RESIDENTIAL						121.63
06/29/2021	07/29/2021	4LF01	LANDFILL MAINTENANCE FEE						30.28
									\$146.54

Cost of Power Adjustment =
 Total Cost of Fuel divided by Total kWh Generated

This varies each month depending on the total kWh sold.

- This still pays for:
- Electric Admin Personnel
 - Electric Admin Operating
 - Power House Personnel
 - Power House Operating
 - Line Crew Personnel
 - Line Crew Operating
 - Bond Payments
 - Electric Asset Depreciation (2/3rds are not related to power generation)
- But will decrease \$0.04 per kWh with vastly reduced O&M costs.

July 2021 COPA = \$1,358,333 ("fuel" cost) / 3,609,461 (kWh sold) = \$0.37633 per kWh

July 2021 Residential Service Rate = \$8.49 (customer charge) + \$0.2083/kWh (energy charge)

\$74.94
 \$120.05
 \$194.99 + \$48.45



Penciling Out the Power Bill Under Diesel Power Generation #2



City of Unalaska
 Department of Utilities
 ATTN: Utility@ci.unalaska.ak.us
 P.O. Box 610
 Unalaska, Alaska 99685
 (907) 581-1251 FAX (907) 581-3102

UTILITY BILL

Customer Copy

Please keep this portion for your records

AUTO-PAY! DO NOT PAY!

CUSTOMER NAME		SERVICE LOCATION							
BILL NUMBER	BILL DATE	ACCOUNT #	CUSTOMER #	DUE DATE					
232699	12/31/2020	A0126		01/29/2021					
PREVIOUS READ DATE	CURRENT READ DATE	CODE	CHARGE DESCRIPTION	METER NUMBER	READ CODE	PREVIOUS READING	CURRENT READING	USAGE	CHARGE AMOUNT
11/29/2020	12/30/2020	1EL08	ELECTRIC RESIDENTIAL	330958717	A	3966	4516	550	136.67
11/29/2020	12/30/2020	1EL18	PCE RESIDENTIAL						-30.15
11/29/2020	12/30/2020	1EL40	ELECT RESIDENTIAL COPA						62.78
11/29/2020	12/30/2020	2WA30	WATER RESIDENTIAL						35.59
11/29/2020	12/30/2020	3WW20	WASTEWATER RESIDENTIAL						114.04
11/29/2020	12/30/2020	4LF01	LANDFILL MAINTENANCE FEE						27.97
									\$199.45

This example is from last December, when residential power usage is up, and overall power sales are down.

Notice also the effect of the PCE credit – it was not applied in this example but is a much needed supplement to our high electrical rates

December 2020 COPA = \$372,630 (fuel cost) / 2,874,320 (kWh sold) = \$0.12964 per kWh

December 2020 Residential Service Rate = \$8.00 (customer charge) + \$0.23395/kWh (energy charge)



Penciling Out the Power Bill Under Geothermal Power #2



This example is from last December, when residential power usage is up, and overall power sales are down.

City of Unalaska
 Department of Utilities
 ATTN: Utility@ci.unalaska.ak.us
 P.O. Box 610
 Unalaska, Alaska 99685
 (907) 581-1251 FAX (907) 581-3102

UTILITY BILL

Customer Copy

Please keep this portion for your records

AUTO-PAY! DO NOT PAY!

CUSTOMER NAME SERVICE LOCATION

BILL NUMBER	BILL DATE	ACCOUNT #	CUSTOMER #	DUE DATE
232699	12/31/2020	A0126		01/29/2021

PREVIOUS READ DATE	CURRENT READ DATE	CODE	CHARGE DESCRIPTION	METER NUMBER	READ CODE	PREVIOUS READING	CURRENT READING	USAGE	CHARGE AMOUNT
11/29/2020	12/30/2020	1EL08	ELECTRIC RESIDENTIAL	330958717	A	3966	4516	550	136.67
11/29/2020	12/30/2020	1EL18	PCE RESIDENTIAL						-30.15
11/29/2020	12/30/2020	1EL40	ELECT RESIDENTIAL COPA						62.78
11/29/2020	12/30/2020	2WA30	WATER RESIDENTIAL						35.59
11/29/2020	12/30/2020	3WW20	WASTEWATER RESIDENTIAL						114.04
11/29/2020	12/30/2020	4LF01	LANDFILL MAINTENANCE FEE						27.97

\$114.67

\$259.92

~~\$199.45~~ → \$374.59

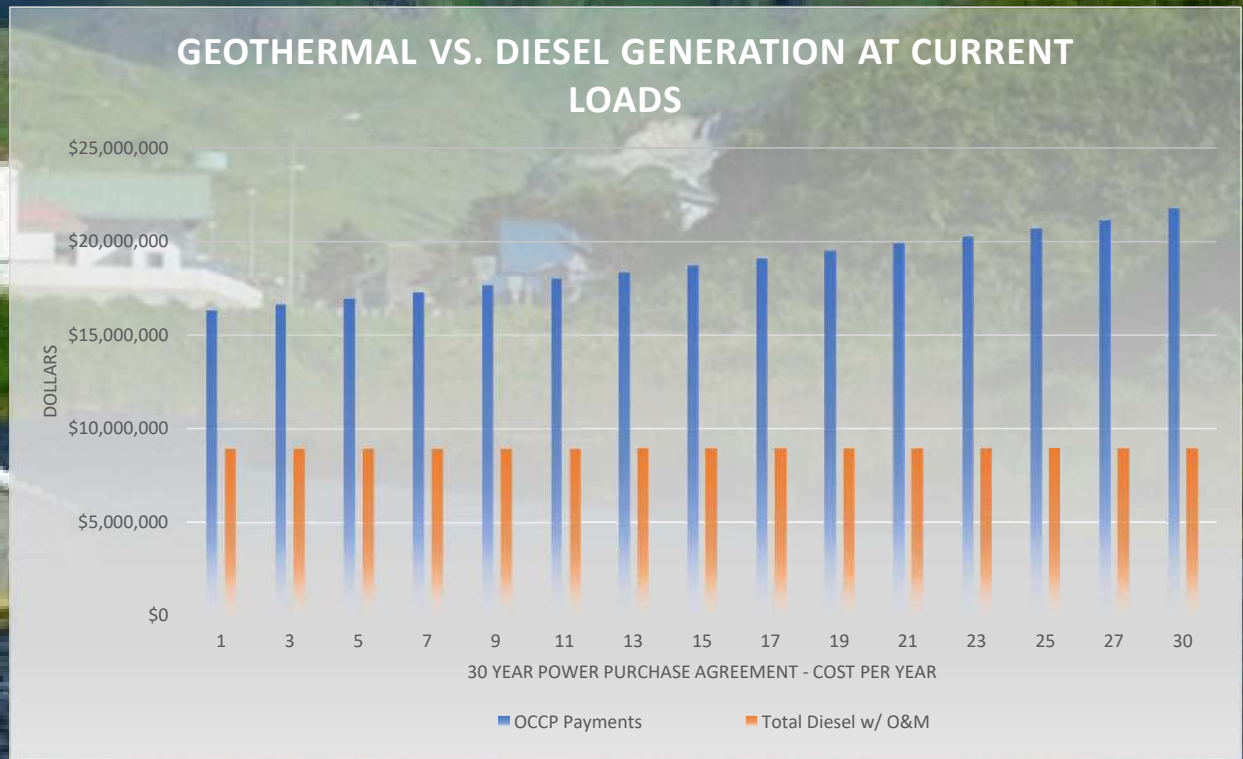
+ \$175.14

December 2020 COPA = \$1,358,333 ("fuel" cost) / 2,874,320 (kWh sold) = \$0.47258 per kWh

December 2020 Residential Service Rate = \$8.00 (customer charge) + \$0.19395/kWh (energy charge)



What if we don't sell more power?



Barriers to Adding New Customers

Price

With no customer PPAs in place, it has been challenging to overcome “wait and see” attitude. Processors are very good at knowing and controlling their costs.

City of Unalaska & OCCP

Contract length

Prospective customers unwilling to enter into long-term purchase arrangements.



Project Financing is Still Unknown

Final resolution on project financing may not come until May of 2022.

Sometimes Processors Burn Fish Oil

May not be reasonable to insist on 100% participation.

Need individualized solutions

Each customer has unique barriers to connecting to geothermal:

- Many have made very large investments in heat recovery projects that use waste heat from their generators to perform other work.
- Many will need to see the geothermal resource proven before they connect
- Most feel there is too much at stake to gamble on an unknown, but will probably connect eventually at the right price.

Less Obvious Barriers

FINDING OUR WAY FORWARD



Solution

- Form a climate action task force to crowd source solutions.
- Positive results from Socioeconomic Study with DOE Department of Indian Energy may help increase acceptance.
- Grow base customer load independently of other large self-generators (i.e. USCG Dock upgrade, intermittent interruptible power rates, adding smaller self-generators).
- Possibly partner with the Tribe and IRT as we move forward.

Problem

- Geothermal power needs a larger customer base to be economical.
- The City does not have Power Purchase Agreements in place to sell more power.



Pencil Points to Remember



We finally have the right team in place to transition to geothermal power!



Renewable energy is a natural fit for our population and location!



Our Value Proposition for Geothermal Power is to support economic growth



Ultimate goal is a transition to carbon neutral with beneficial services for our community



Any Questions?



LEGISLATIVE UPDATE 2021



ORGANIZATION OF THE 32ND LEGISLATURE

- Senate Majority
 - 14 Republican Senators
- Senate Minority
 - 6 Democrat Senators
- House Majority – Bi-partisan Coalition
 - 20 members, 15 Democrats, 4 independents and 2 Republicans
- House Minority
 - 18 Republican Members

Representative Sara Rasmussen (Anchorage) does not caucus with either group

The Legislature will convene on January 18, 2022

Potential legislative fly-in dates for City of Unalaska March 2-4, 2022

LIMITED BILLS PASSED IN 2021

Select bills of interest to the City of Unalaska;

- HB 63 ALASKA MARINE HIGHWAY OPERATIONS BOARD
 - SB 76 ABANDONED VEHICLES; PRIVATE PROPERTY
 - SB 55 EMPLOYER CONTRIBUTIONS TO PERS
 - HB 182 EXTEND FISHERY RESOURCE LAND TAX CREDIT
 - HB 76 EXTENDING COVID 19 DISASTER EMERGENCY
- Budget bills are of interest but not included in above list.

BUDGET FY21/FY22 SHORT FISCAL SUMMARY

Short Fiscal Summary - FY21/FY22 Budget

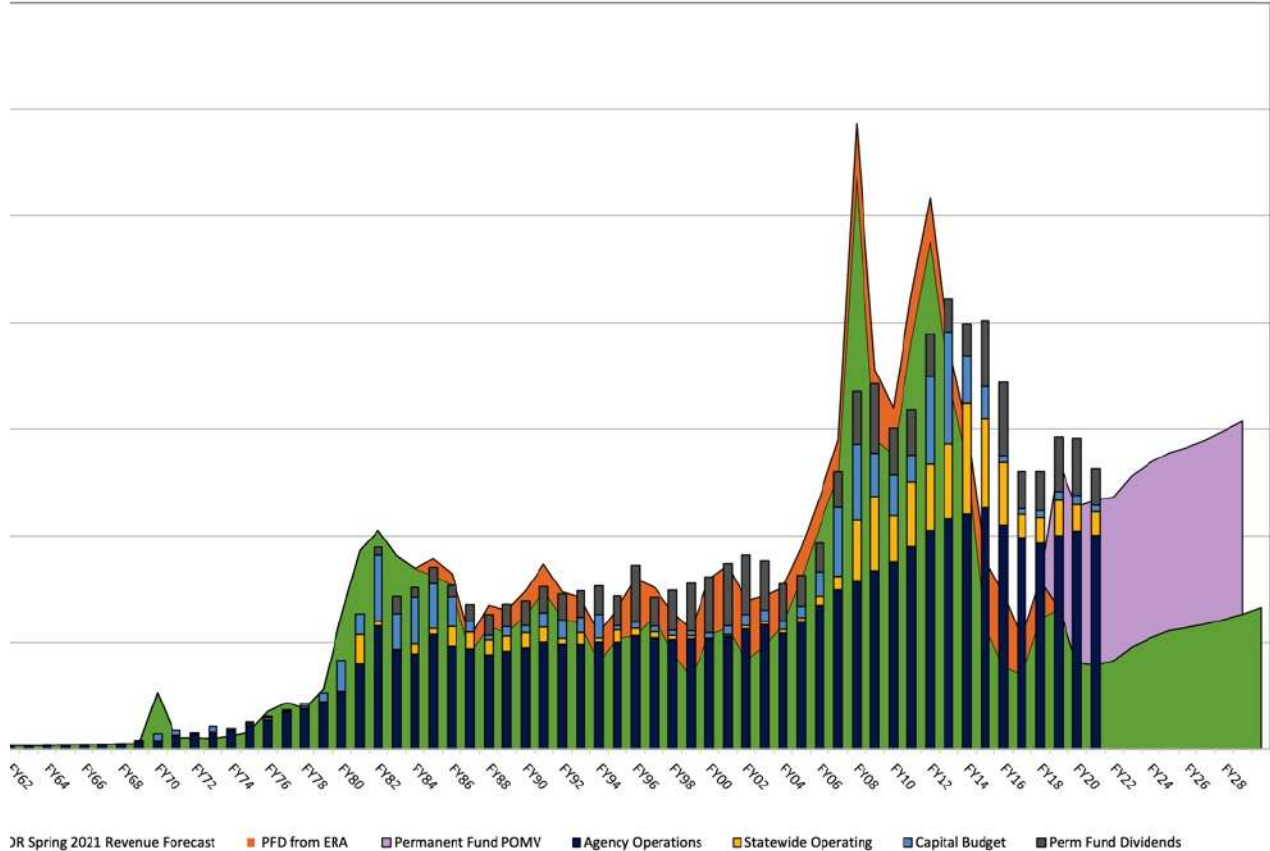
(\$ Millions) (Non-duplicated Funds)	FY21 Budget	FY22 Enacted	Change in UGF	
	UGF	UGF		
Revenue	4,853.0	4,731.6	(121.4)	-3%
UGF Revenue (Spring 2021 Forecast)	1,571.9	1,662.3	90.4	6%
POMV Draw	3,091.5	3,069.3	(22.2)	-1%
Misc/Adjust/Non-UGF Revenue	189.6	-	(189.6)	
Appropriations	5,318.1	5,303.4	(14.7)	0%
Operating Budget	4,502.1	4,321.5	(180.6)	-4%
Agency Operations	4,009.3	3,907.5	(101.8)	-3%
Statewide Items	446.3	414.0	(32.3)	-7%
Supplemental Appropriations	46.6	-	(46.6)	
Capital Budget	136.0	242.9	106.9	79%
Current Year Appropriations	120.3	242.9	122.6	102%
Supplemental Appropriations	15.7	-	(15.7)	
Permanent Fund	680.0	739.0	59.0	9%
Permanent Fund Dividends	680.0	739.0	59.0	9%
Inflation Proofing/Other Deposits*	-	-		
Pre-Transfer Surplus/(Deficit)	(465.1)	(571.8)		
Statutory Budget Reserve	410.7	(410.7)		
Other Fund Transfers	44.0	(235.4)		
Post-Transfer Surplus/(Deficit)	(919.8)	74.2		
CBR Direct Appropriations	(1,054.7)	-		
Surplus/(Deficit) After Direct CBR Appropriations	134.9	74.2		
Total CBR Draw	(919.8)	74.2		

Reserve Balances (EOY)		
	FY21	FY22
SBR	410.7	0.0
CBR	1,009.1	1,133.8
ERA	16,340.7	14,899.0

October 1, 2021

* In FY22 there is an appropriation to transfer \$4 billion from the Permanent Fund earnings reserve account to principal.

Unrestricted General Fund Revenue / Budget History
(millions)



BUDGET HISTORY

CAPITAL BUDGET

FY2021 Authorized with Supplementals						FY2022 Enacted (including HB3003)					FY2021 to FY2022	
Revenues	UGF	DGF	Other	Federal	FY2021 Total	UGF	DGF	Other	Federal	FY2022 Total	UGF Change	UGF %
Unrestricted Revenue	1,571.9	-	-	-	1,571.9	1,662.3	-	-	-	1,662.3	90.4	6%
Petroleum	1,160.8	-	-	-	1,160.8	1,286.5	-	-	-	1,286.5	125.7	11%
Non-Petroleum	389.0	-	-	-	389.0	355.0	-	-	-	355.0	(34.0)	-9%
Investment	22.1	-	-	-	22.1	20.8	-	-	-	20.8	(1.3)	-6%
POMV ERA Draw For Government	2,411.5	-	-	-	2,411.5	2,660.3	-	-	-	2,660.3	248.8	10%
Statutory Draw	3,091.5	-	-	-	3,091.5	3,069.3	-	-	-	3,069.3		
Draw Used for PFDs	(680.0)	-	-	-	(680.0)	(409.0)	-	-	-	(409.0)		
Restricted Revenue	-	924.7	880.9	6,621.9	8,427.5	-	948.7	794.5	5,042.7	6,785.9		
Carryforward and Adjustments	95.8	69.5	8.5	948.9	1,122.7	330.7	-	-	-	330.7	234.9	245%
Total Revenue	4,079.2	994.2	889.4	7,570.8	13,533.6	4,653.3	948.7	794.5	5,042.7	11,439.2	574.1	14%
Expenditures	UGF	DGF	Other	Federal	FY2021 Total	UGF	DGF	Other	Federal	FY2022 Total	UGF Change	UGF %
Total Operating	4,570.4	948.7	847.6	5,303.0	11,669.7	4,336.1	892.2	724.3	3,449.3	9,401.9	(234.3)	-5%
Agency Operations	4,016.4	809.4	766.2	4,027.6	9,619.7	3,907.5	747.6	673.1	3,304.1	8,632.3	(108.9)	-3%
Appropriations	4,009.3	810.5	620.7	2,958.4	8,398.8	3,907.5	747.6	673.1	3,304.1	8,632.3	(101.8)	-3%
RPLs	-	-	-	-	-	-	-	-	-	-		
Supplementals	7.2	(1.0)	145.5	1,069.2	1,220.9	-	-	-	-	-		
Statewide Operations	553.9	139.3	81.4	1,275.4	2,050.0	428.6	144.6	51.2	145.2	769.6	(125.3)	-23%
Appropriations	506.7	133.8	98.9	111.0	850.3	428.6	144.6	51.2	145.2	769.6	(78.1)	-15%
RPLs	-	-	-	1,138.8	1,138.8	-	-	-	-	-		
Supplementals	47.2	5.5	(17.5)	25.7	61.0	-	-	-	-	-		
Total Capital	136.0	45.5	41.7	2,267.8	2,491.0	242.9	56.4	70.2	1,593.5	1,963.0	106.9	79%
Appropriations	120.3	25.2	37.4	1,901.6	2,084.5	242.9	56.4	70.2	1,593.5	1,963.0	122.6	102%
RPLs	-	-	0.3	41.9	42.2	-	-	-	-	-		
Supplementals	15.7	20.3	4.0	324.3	364.4	-	-	-	-	-		
Total Appropriations	4,636.2	969.4	757.0	4,970.9	11,333.5	4,579.0	948.7	794.5	5,042.7	11,364.9	(57.3)	-1%
Total Supplementals and RPLs	70.1	24.7	132.4	2,599.9	2,827.2	-	-	-	-	-		
Final Budget	4,706.3	994.2	889.4	7,570.8	14,160.7	4,579.0	948.7	794.5	5,042.7	11,364.9	(127.4)	-3%
Transfer to SBR	325.0	-	-	-	325.0	-	-	-	-	-		
Surplus/(Deficit)	(952.1)	-	-	-	(952.1)	74.3	-	-	-	74.3		
Reserve Balances					PFD per Alaskan							
Statutory Budget Reserve	FY2021		FY2022		Constitutional Budget Reserve	FY2021		FY2022		FY2021	FY2022	
Beginning Balance	0.0	460.0			Beginning Balance	1,435.0	599.9			\$992	\$1,100	
Deposits & Withdrawals	325.0	(410.7)			Earnings & Deposits	42.0	50.5					
Estimated Lapse Appropriation*	135.0	-			Lapse/Sweep to CBR	75.0	**					
End Balance	460.0	49.3			Surplus/(Deficit)	(952.1)	74.3					
					End	599.9	724.7					

2021 SPECIAL SESSIONS

First Special Session, May 20 – June 18, 2021: 30 Days

HB 69, operating budget
HB 70 or SB 50, capital budget
HB 71, mental health budget
HB 72 or SB 52, \$2 billion appropriation for PFDs
HJR 7 or SJR 6, permanent fund & PFD constitutional amendment

Second Special Session, June 23 – 28, 2021: 6 Days

HB 69, operating & capital budgets

Third Special Session, Amended Calls, August 16 – September 14, 2021: 30 Days

HJR 6, SJR 5, constitutional spending limit
HJR 7, SJR 6, permanent fund, PFD, & PCE constitutional amendment
Legislation to increase state revenues
HB 3003/SB 3001, FY 22 appropriations, PFD
SB 3006, telemedicine, telehealth
HB 83/SB 67, multistate nurse licensure compact

Fourth Special Session, Starting October 4, 2021

Appropriations for a supplemental 2021 PFD
An act or acts relating to the PFD program
HJR 7, SJR 6, or similar measures relating to a permanent fund constitutional amendment
HJR 6, SJR 5, or similar measures relating to a constitutional spending limit
An act or acts relating to ~~a fiscal plan~~ measures to increase state revenues

LONGEST LEGISLATIVE SESSIONS IN ALASKA HISTORY

- Regular sessions and special sessions

- **2021 – 217 days**

- 2017 – 211 days

- 2006 – 188 days

- 2019 – 180 days

- 1981 – 167 days

- 1983 – 162 days

- 1972 – 161 days; 1978 – 161 days

- 2015 – 157 days; 2016 – 157 days

- 1984 – 152 days; 2007 – 152 days

- 1996 – 151 days

- 2008 – 150 days

- 1980 – 148 days

- 1970 – 147 days

- 1982 – 144 days

REOCCURRING CONCERNS

- Community Assistance
- School Bond Debt Reimbursement
- Reverse Sweep
- PERS/TERS Indebtedness
- Cost Shifting of Essential Services to Local Government
- Shared Taxes
- Permanent Fund Dividend Reduction or Elimination
- School Consolidation
- Alaska Marine Highway Systems
- Repeal of Debt Reimbursement for Capital Projects

POWER COST EQUALIZATION (PCE)

“Anchorage Superior Court Judge Josie Garton’s order bars the administration from transferring the roughly \$1.1 billion endowment into the hard-to-access Constitutional Budget Reserve through the fund’s annual sweep provision, which requires previous withdrawals from the fund be repaid with money left over in the general fund”. Now what?

NEW REVENUE FORECAST

Fiscal Year	Millions of Dollars		
	Preliminary Actuals	Preliminary Forecast	
		FY 2021	FY 2022
Unrestricted Revenue Sources			
Unrestricted General Fund Revenue			
1 Investment Revenue	3,120.9	3,090.1	3,389.0
2 Petroleum Revenue ⁽¹⁾	1,217.6	2,510.6	2,235.7
3 Non-Petroleum Revenue ⁽¹⁾	444.3	374.8	503.9
4 Total Unrestricted General Fund Revenue	4,782.8	5,975.5	6,128.6

**POSSIBLE
CONSIDERATIONS –
NEW REVENUES...
AND THIS IS JUST ON
THE HOUSE SIDE**

Bill	Short Title	Prime Sponsor(s)
HB 9	INCOME TAX; PFD PAYMENT/CREDIT	REPRESENTATIVE HANNAN
HB 37	INCOME TAX; PERMANENT FUND; EARNINGS RES.	REPRESENTATIVE WOOL
HB 64	FISHERY DEVELOPMENT ASSOC.; ASSESSMENTS	REPRESENTATIVE STUTES
HB 80	SPT FSH HATCHERY FACIL ACCT; SURCHARGE	HOUSE RULES BY REQUEST OF THE GOVERNOR
HB 81	OIL/GAS LEASE:DNR MODIFY NET PROFIT SHARE	HOUSE RULES BY REQUEST OF THE GOVERNOR
HB 90	VEHICLE RENTALS & VEHICLE RENTAL NETWORKS	REPRESENTATIVE WOOL
HB 104	MOTOR FUEL TAX; VEHICLE REG. FEE	REPRESENTATIVE JOSEPHSON
HB 110	AGE FOR NICOTINE/E-CIG; TAX E-CIG.	REPRESENTATIVE HANNAN
HB 121	EDUC.TAX CREDIT: EMPLOYER CHILD CARE COST	REPRESENTATIVE FIELDS
HB 130	CORP. TAX: REMOVE EXEMPTIONS/CREDITS	REPRESENTATIVE WOOL
HB 132	SCHOOL APPRENTICESHIP PROGS; TAX CREDITS	HOUSE LABOR & COMMERCE
HB 133	AK ED SAVINGS PROGRAMS/ELIGIBILITY	HOUSE LABOR & COMMERCE
HB 167	GOLD AND SILVER SPECIE AS LEGAL TENDER	REPRESENTATIVE MCCABE
HB 188	SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT	REPRESENTATIVE STUTES
HB 189	EMPLOYMENT TAX FOR EDUCATION	HOUSE WAYS & MEANS
HB 214	INCOME TAX	HOUSE WAYS & MEANS
HB3005	OIL AND GAS PRODUCTION TAX	REPRESENTATIVE TARR
HB3006	STATE SALES AND USE TAX	REPRESENTATIVE TARR
HB3007	OIL & GAS PER BARREL TAX CREDIT	HOUSE WAYS & MEANS
HB4002	OIL & GAS PER BARREL TAX CREDIT	HOUSE WAYS & MEANS
HB4004	OIL AND GAS PRODUCTION TAX	REPRESENTATIVE TARR

ELECTIONS 2022

- Governor
- Senators
 - Depends on finalization of redistricting
- House of Representatives
 - All 40 seats up for election

UNALASKA'S PROPOSED STATE PRIORITIES

- **Stabilization of Commercial Flight at Tom Madsen Airport**
- **Captains Bay Road and Utility Improvements Project**
- **Reliable and High-Speed Internet**
- **Robert Storrs Boat Harbor Improvements**
- **Environmental Remediation**
- **Unalaska Marine Center Cruise Ship Terminal**
- **LCD and UMC Dredging**
- **Solid Waste Gasifier**
- **Makushin Geothermal Interconnection Project**
- **Arctic Port Development in Unalaska**

QUESTIONS?



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: November 9, 2021
Re: State Legislative Priorities

SUMMARY: City Council identifies legislative priorities annually. This memo outlines Council's existing state priorities and highlights changes to the updated priorities based on feedback from Council over the course of this past year. Council will also hear from the State lobbyist tonight and consider a formal resolution outlining legislative priorities on December 14, 2021. Staff will develop that resolution for your consideration based on tonight's discussion. No formal action will take place this evening.

PREVIOUS COUNCIL ACTION: Identifying State and Federal legislative priorities is a recurring Council action to express the City's support for certain initiatives; to seek support for capital projects; and in preparation for lobbying trips. Council last approved State Legislative Priorities via Resolution 2020-62 on September 22, 2020. Priorities approved at that time are outlined below.

CURRENT FEDERAL LEGISLATIVE PRIORITIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flight at Tom Madsen Airport*
State Ferry System
Community Assistance Program and Shared Fisheries Tax Program
Reliable and High Speed Internet
Environmental Remediation
Habitat Restoration for Salmon Stock Improvement
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$52 Million Total Estimated Cost
Robert Storrs Boat Harbor Improvements - \$9.5 Million
*Bold indicates that Priority is also identified as a Federal Priority

That resolution also identified the Stabilization of Commercial Flights at Tom Madsen Airport as the number one key critical support need and the Captains Bay Road and Utility Improvements Project as the number one project funding priority.

BACKGROUND: City Council has identified key focus areas. These include capitalizing on partnerships, developing an arctic port, and promoting fiscal sustainability.

Our Federal lobbyists tell us that earmarks may be returning to the Congressional budgeting process and that there seems to be a strong interest in utility and port infrastructure projects. Sebastian O'Kelly suggested we consider adding some of our Capital Projects to the list.

City Council will discuss and consider State Legislative Priorities separately from the Federal Priorities this year. Council has already heard from our Federal Lobbyist team and approved the Federal Priorities.

Our State Lobbyist, Dianne Blumer and our Federal Lobbyist team met together on Friday, October 22, 2021, to discuss how the priorities would be best coordinated.

DISCUSSION: Council will also hear from Dianne Blumer, tonight for a state legislative update and to consider of draft priorities.

Below is a list and overview of draft State legislative priorities for Council’s consideration. Council may also want to consider if the top critical need and the number one priority project for funding support remain as currently designated.

This list has been developed with consideration to Council's existing priorities, lobbyist guidance, and Council’s ideas for goals and focus areas. Much of the information in the overview is from the CMMP and the input of City staff. Changes to the list are described below.

The final list, and associated resolution, will be acted on at the December 14, 2021, City Council meeting.

DRAFT STATE LEGISLATIVE PRIORITIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flights at Tom Madsen Airport (existing State and Fed Priority)*
State Ferry System (existing)
Community Assistance Program and Shared Fisheries Tax Program (existing)
Reliable and High Speed Internet (existing)
Environmental Remediation (existing)
Arctic Port Development in Unalaska (new and newly identified Federal Priority)
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$54 Million (existing State and Fed Priority)
Robert Storrs Boat Harbor Improvements – \$9.5 Million (existing and newly identified Federal Priority)
Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million (new and newly identified Federal Priority)
LCD and UMC Dredging - \$6.65 Million (new and newly identified Federal Priority)
Makushin Geothermal Interconnection Projects - \$5.7 Million (new and newly identified Federal Priority)
Solid Waste Gasifier - \$8.3 Million (new and newly identified Federal Priority)
*Bold indicates that Priority is also identified as a Federal Priority

Critical Needs Support

- 1. Stabilization of Commercial Flights at Tom Madsen Airport.** *This is an existing and unchanged Legislative Priority (both State and Federal) that helps to address Council’s recently identified focus on air transportation.* This item is currently identified as Unalaska’s top critical need.

Air travel is the only way to reasonably access our island community. Direct, safe, reliable, and affordable flights meeting regular and peak season demands of our community is critical. The airport and runway are owned and managed by the Alaska Department of Transportation. Furthermore, the Alaska Department of Transportation, US Department of Transportation, and

the Federal Aviation Administration are responsible for supporting safe and efficient transportation systems and infrastructure.

The grounding of the Saab 2000 for the DUT-ANC route, in the aftermath of the crash of Flight 3296, highlighted the risk of having only one airline with one commercial aircraft authorized to fly passengers directly between Anchorage and Unalaska. This was again recognized when Ravn Air declared bankruptcy and stopped all air service in April of 2020 for a lengthy period of time. We call upon state and Federal delegations and agencies to assist in creating an environment that allows for redundancy in aircraft service in order to meet our island community's transportation needs.

We also support the State of Alaska's efforts as they update and implement their Airport Master Plan for Tom Madsen Airport to address runway improvements. We support the Essential Air Service program, and related programs, as critical tools to ensure the long-term viability of air travel to and from Unalaska.

2. **State Ferry System.** *This is an existing and unchanged State Legislative Priority.* Ferry service to and from our remote island community is identified in the City's Comprehensive plan as a community priority, stressing the importance of advocating for regular and consistent service to meet the needs of residents, businesses and visitors. Alaska Marine Highway System provides a cost-effective way for community members and businesses to travel and ship equipment and materials. The Ferry is how teachers move to this island, this is how our Aleutian Island neighbors access critical stores and services, this is how large families can travel off the island to visit loved ones, this is how the mobile mammogram van comes to our community to provide life altering healthcare. The Alaska Marine Highway System provides an essential service to Unalaska and is necessary for our community health, safety, economic and social wellbeing. The city supports sustained service as well as investment in vessels and related infrastructure.
3. **Community Assistance Program and Shared Fisheries Tax Program.** *This is an existing and unchanged State Legislative Priority.* The City of Unalaska works hard to fulfill its obligations as a local government. Our ability to do so is limited by statute, public interest and available resources. Traditionally those resources have included State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.
4. **Reliable and High Speed Internet Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska's internet speeds impede business growth, access to medical services, remote post-secondary education, and our community's overall quality of life. Residents are unable to fully utilize cloud-based systems to improve efficiencies and effectiveness in personal, educational, medical, and business processes. Improving internet services has long been a priority and the City supports programs and activities that help to bridge this digital divide.
5. **Environmental Remediation Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska has several sites that are subject to the Department of Defense's Formerly Utilized Defense Sites environmental program due to contamination during WWII activities, as well as WWII related contamination that is discovered during construction projects today. Assistance and support at the State and Federal levels is critical to mitigating these contaminated areas.

- 6. Artic Port Development in Unalaska.** *This item is a new Federal Priority and should be considered as a State Priority in support of Council's vision of becoming an arctic port.* Unalaska is strategically located and vibrant Arctic Port community. City of Unalaska is home to the International Port of Dutch Harbor, the largest commercial fishing port in the nation. Unalaska/Dutch Harbor is a vital transportation and economic hub that will only become more key as northern shipping routes expand. The Port of Dutch Harbor is the only deep draft, year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait. Our port has been designated a "Port of Refuge" and provides protection and repair for disabled or distressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands daily. Unalaska is also the home of the western-most container terminal in the United States and is one of the most productive ports for the transshipment of cargo in Alaska. In addition to products shipped domestically to and from this regional hub, the product is shipped to ports around the world with weekly shipments headed to Europe and Asia by container ship and freighter.

Capital Project Funding Support

- 1. Captains Bay Road and Utility Improvements Project - \$54 Million.** *This is an existing Legislative Priority (both State and Federal), identified on the CMMP and submitted for the State's CAPSIS in 2021. The dollar amount has changed from \$52 Million to match the CMMP.* This item is City Council's number one project funding priority.

Captains Bay Road is the primary transportation route for Westward Seafoods, Alaska Chadux Network (oil spill response), North Pacific Fuel, Trident Seafoods, Alaska Marine Lines, Offshore Systems Inc., Bering Shai Rock and Gravel, and small businesses and residences. This high traffic area is a corridor for pedestrians as well as heavy trucks in the fishing, shipping, and support industries vital to Unalaska's economy. Future growth and business activity is expected to occur along Captains Bay Road.

This project includes roadway realignment, utility extension and installation, drainage improvements, lighting, walkways and pavement. The current \$54M cost addresses all these components. Staff continues to consider how the project might be divided into phases, ideally as standalone projects. Given the large dollar value for the overall project, the State DOT advised us that smaller stand-alone projects would increase our likelihood of funding support in the STIP. We are currently working to complete a formal cost benefit analysis to help quantify and communicate the overall project value the various components bring. This analysis will help us with better project phasing, improve project ranking during the STIP evaluations at the state level, and can be used to support other funding opportunities.

- 2. Robert Storrs Boat Harbor Improvements – \$9.5 Million.** *This is an existing State Legislative Priority, identified on the CMMP, was submitted for the State's CAPSIS in 2021, and is a new Federal Priority.* The Robert Storrs Boat Harbor was inherited by the City of Unalaska from the State of Alaska and has served the community well for over 30 years. To ensure the safety of those who use the dock and the vessels that moor at the Storrs Boat Harbor, the floats must be replaced and the dock redesigned. Existing Floats A and B will be removed and reconfigured to accommodate a new float system, ADA gangway, and create uplands for parking and a public restroom. This project includes a fire suppression system, electric, and year round water supply for harbor users. This project qualifies to be a part of State of Alaska's Harbor Facility Grant Program for potential funding support. This is a program that the City of Unalaska has long supported. This reconfiguration will add 30 slips.

3. **Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million.** *This project is identified on the CMMP, was submitted to the State's CAPSIS in 2021, and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port.* This project will provide an open sheet pile dock with mooring dolphins to the south of Unalaska Marine Center Position 7. Prior to the COVID-19 pandemic, cruise ship activity was on the rise in Unalaska and was proving beneficial to local commerce. Cruise ships do not have dedicated dock space to reserve with certainty; the Unalaska Marine Center is designated for industrial cargo and fishing operations. Unalaska has been fortunate to be able to accommodate most of the cruise ship activity, but space will grow more challenging as passenger counts and vessel calls increase. A cruise ship terminal would allow for dedicated cruise ship berthing and eliminate safety issues created from passengers walking through and around cargo operations. During the off season for cruise ships, this facility could be used for fishing vessel offloads. A cruise ship terminal will provide an additional revenue opportunity and still bolster commerce through committed berthing for the cruise ship industry.

4. **LCD and UMC Dredging - \$6.65 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port.* The completion of this dredging will enhance current and future port operations by creating usable industrial dock face that is designed for vessels in varying lengths, draw and tonnage. This project includes the engineering, permitting, and dredging at the faces of the Light Cargo Dock and the Unalaska Marine Center positions 1-7. It will compliment other capital projects in the Port, namely the dredging of the entrance channel. Larger vessels will be able to enter into Dutch Harbor and the depth of the dock face must facilitate the new traffic. The depths at the Unalaska Marine Center vary from -32 and -45 at MLLW. Dredging at the face of the Unalaska Marine Center would create a constant -45 from Positions 1-7. This will accommodate deeper draft vessels throughout the facility. The existing sheet pile is driven to approximately -58 and dredging to -45 will not undermine the existing sheet pile. This project is primarily to accommodate large class vessels. Many of the vessels currently calling the Port must adjust ballast to cross the entrance channel and dock inside the harbor. Dredging in front of the Light Cargo Dock will also make this dock more accessible for current customers. Vessels using the Light Cargo Dock that draw more than 22' must insert another vessel in between the dock face and their vessel in order to get enough water under the keel.

5. **Makushin Geothermal Interconnection Projects - \$5.7 Million.** *This project is directly related to a long time Council priority supporting alternative energy, identified on the CMMP, is required per the PPA with OCCP and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure and could help address Council's recently identified focus on geothermal power and natural resources.* This project is the City of Unalaska's estimated portion of reliability upgrades for the City's electrical distribution system required to accept energy from the Makushin geothermal plant. It requires connecting multiple self-generating industrial customers to the current distribution system, installs more robust intermediate level protections, replaces the aging submarine cable at Iliuliuk Bay, upgrades numerous feeder connections and substations, and improves the current SCADA system and automated controls. This project includes a set aside for legal and consulting fees associated with implementation. A more accurate budget will be determined upon the completion of the interconnection study and after the implications are fully understood. Based on study findings, there may be a Phase II project to accomplish the required upgrades.

6. **Solid Waste Gasifier - \$8.3 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure, and could help address Council's recently identified focus on natural resources.* Current active landfill cells are projected to reach capacity in five or six years. The City of Unalaska worked with the DOE National Renewable Energy Laboratory (NREL) to consider the best waste minimization technology pathway for our location. Combustion, pyrolysis, hydrothermal liquification, gasification, and anaerobic digestion were all considered, factoring in environmental impacts, complexity, waste reduction potential, initial capital costs, and on-going operating costs. Gasification, anaerobic digestion, or a combination of the two processes was deemed to be the best long-term solution. A solid waste gasifier would work for approximately 86% of Unalaska's total waste stream, and could be used to dispose of bales already buried in the landfill cells, vastly increasing the current location's projected lifespan. In keeping with our commitment to clean geothermal power and an overarching goal of becoming carbon neutral, the City is seeking a technology provider that can offer a plant design that uses the syngas production from the gasification process to pre-dry the feedstock, reducing the diesel needed to reach a self-sustaining steady-state operation. Assistance and support at the State and Federal level will help minimize possible landfill fee increases required to fund the construction of this capital project. Operating costs will be eventually recovered by extending the landfill lifespan; each year of additional capacity is valued at \$1.1 million dollars.

ALTERNATIVES: Council may choose to edit, add or remove priorities. Staff will develop a resolution as Council directs.

FINANCIAL IMPLICATIONS: No direct financial impact is associated with the discussion.

LEGAL: None needed.

STAFF RECOMMENDATION: No formal action is taking place at this time.

PROPOSED MOTION: No formal action is taking place at this time.

CITY MANAGER COMMENTS: This list was generated after discussion with both our state lobbyist and our federal lobbyist team. I thank the city team for the assistance in getting this information together. Based on Council's feedback today, I will draft up the final list and associated resolution.

CITY OF UNALASKA
UNALASKA, ALASKA
ORDINANCE 2021-16

CREATING BUDGET AMENDMENT #2 TO THE FISCAL YEAR 2022 BUDGET, ESTABLISHING AN E911 SPECIAL REVENUE FUND WITH \$55,000 OF SURCHARGE REVENUE AND APPROPRIATING \$55,000 FOR AN ENHANCED 911 EMERGENCY REPORTING SYSTEM; ACCEPTING \$139,000 FROM ALASKA ENERGY AUTHORITY AND APPROPRIATING \$139,000 IN THE WIND POWER DEVELOPMENT PROJECT; AND RECOGNIZING \$2,000,000 OF PRIVATE CONTRIBUTIONS FROM OCCP, LLC AND APPROPRIATING \$2,000,000 IN THE MAKUSHIN GEOTHERMAL PROJECT

BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

- Section 1.** Classification: This is a non-code ordinance.
Section 2. Effective Date: This Ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY22 Budget is amended as follows:

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

Amendment #2 to Ordinance #2021-07

	Current	Requested	Revised
I. OPERATING BUDGETS			
A. E911 Special Revenue Fund			
Sources:			
E911 Customer Surcharge	\$ -	\$ 55,000	\$ 55,000
Uses:			
E911 Emergency Reporting System	\$ -	\$ 55,000	\$ 55,000
II. CAPITAL BUDGETS			
A. Electric Capital Project Budgets			
<i>Wind Power Development Project</i>			
Sources:			
AEA Grant	\$ -	\$ 139,000	\$ 139,000
Uses:			
Wind Power Development	\$ 495,000	\$ 139,000	\$ 634,000
<i>Makushin Geothermal Project</i>			
Sources:			
OCCP Contribution	\$ -	\$ 2,000,000	\$ 2,000,000
Uses:			
Makushin Geothermal Project	\$ 2,860,000	\$ 2,000,000	\$ 4,860,000

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

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

City of Unalaska
Summary of Budget Amendment and Schedule of Proposed Accounts
Budget Amendment 2 to the FY22 Budget

- 1) E911 Special Revenue Fund - Operating
 - Add \$55,000 to E911 Enhancement Surcharge to reflect anticipated revenue from telecommunications surcharges
 - Add a total of \$55,000 to expenditures for the establishment of an enhanced 911 emergency reporting system

- 2) Electric Capital Projects
 - Wind Power Development*
 - Add \$139,000 to AEA Grant Revenue
 - Add a total of \$139,000 to personnel, travel, and engineering expenses

 - Makushin Geothermal*
 - Add \$2,000,000 to contributions from private sources to reflect OCCP obligation per agreement
 - Add \$2,000,000 to the Makushin Geothermal project expenditures

	Org	Object	Project	Current	Requested	Revised
1) <u>E911 Special Revenue Fund - Operating</u>						
Sources:						
E911 Enhancement Surcharge	14011040	41425		\$ -	\$ 55,000	\$ 55,000
Uses:						
Training Services	14021052	53260		\$ -	\$ 6,000	\$ 6,000
Other Professional	14021052	53300		\$ -	\$ 1,000	\$ 1,000
Repair/Maintenance Services	14021052	54300		\$ -	\$ 1,500	\$ 1,500
Travel and Related Costs	14021052	55903		\$ -	\$ 3,500	\$ 3,500
General Supplies	14021052	56100		\$ -	\$ 6,000	\$ 6,000
Computer Hardware/Software	14021052	56150		\$ -	\$ 18,500	\$ 18,500
Machinery and Equipment	14021053	57400		\$ -	\$ 18,500	\$ 18,500
2) <u>Electric Capital Projects</u>						
<i>Wind Power Development</i>						
Sources:						
AEA Grant Revenue	501A2141	42199	EL18C	\$ -	\$ 139,000	\$ 139,000
Uses:						
Salaries & Wages	501A2153	51100	EL18C	\$ -	\$ 5,000	\$ 5,000
Health Insurance	501A2153	52100	EL18C	\$ -	\$ 217	\$ 217
FICA & Medicare	501A2153	52200	EL18C	\$ -	\$ 383	\$ 383
PERS Employer Contribution	501A2153	52300	EL18C	\$ -	\$ 1,100	\$ 1,100
Unemployment Insurance	501A2153	52400	EL18C	\$ -	\$ 50	\$ 50
Workers Comp	501A2153	52500	EL18C	\$ -	\$ 200	\$ 200
Travel	501A2153	55903	EL18C	\$ -	\$ 13,900	\$ 13,900
Engineering & Architecture	501A2153	53240	EL18C	\$ -	\$ 118,150	\$ 118,150
3) <u>Makushin Geothermal</u>						
Sources:						
Contributions & Donations - Private Srcs	50115047	47400	EL22B	\$ -	\$ 2,000,000	\$ 2,000,000
Uses:						
Engineering & Architectural	50125053	53240	EL22B	\$ 1,534,700	\$ -	\$ 1,534,700
Other Professional Svcs	50125053	53300	EL22B	\$ 15,000	\$ 600,000	\$ 615,000
Construction Services	50125053	54500	EL22B	\$ -	\$ 1,000,000	\$ 1,000,000
Telephone/Fax/TV	50125053	55310	EL22B	\$ 300	\$ -	\$ 300
General Supplies	50125053	56100	EL22B	\$ 1,310,000	\$ 400,000	\$ 1,710,000

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-16: Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \$55,000 of surcharge revenue and appropriating \$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \$139,000 from Alaska Energy Authority and appropriating \$139,000 in the Wind Power Development Project; and recognizing \$2,000,000 of private contributions from OCCP LLC and appropriating \$2,000,000 in the Makushin Geothermal Project

SUMMARY: The Ordinance has three components, summarized below.

E911 Enhancement. This budget amendment establishes a budget for the newly created E911 Enhancement program. While the City expects to receive \$75,000 to \$85,000 annually, the proposed amendment covers a partial year, reducing the amount requested to \$55,000.

Alaska Energy Authority Grant. This budget amendment places \$139,000 of Alaska Energy Authority Grant Funds into the Wind Power Development Project (EL18C) budget. The grant does not require matching funds. Grant funds will be used to determine how to move onto Phase IV, Turbine Design, and includes identifying the best method to integrate wind power with the Makushin Geothermal project as well as the associated cost.

Makushin Geothermal Project. This budget amendment request will record receivable revenues from OCCP as outlined in a 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 dated July 15, 2021, Stipulation II D (1), and the Power Purchase Agreement between the City of Unalaska and OCCP dated August 31, 2020, Terms and Condition 11 (c).

PREVIOUS COUNCIL ACTION: Previous Council actions related to these three ordinance components are outlined below.

E911 Enhancement. On April 27, 2021, City Council approved Ordinance 2021-06, amending Title 11 of the Unalaska Code of Ordinances to establish an enhanced 911 system and establish enhanced 911 customer surcharges (\$2 per line per month).

Alaska Energy Authority Grant. In 2003, Unalaska City Council approved the Wind Integration Assessment Project through Ordinance 2003-11.

In FY2018, Council funded the Wind Power Development and Integration Assessment Project through Capital Budget Ordinance 2017-07.

In 2017, Council entered into an Agreement with V3 Energy, LLC to perform the Wind Power Development & Integration Assessment Phase II – IV Project in the amount of \$48,481 via Resolution 2017-63, moving forward with Phase II work.

Budget Amendment Ordinance 2018-12, approved and adopted October 23, 2018, added \$220,000 to the Engineering Services line item of the Project's budget to begin the Phase III work.

Budget Amendment Ordinance 2019-17, approved and adopted on January 14, 2020, provided an additional \$75,000 for Phase III.

Makushin Geothermal Project. On August 25, 2020, City Council approved resolution 2020-55 authorizing the City Manager to enter into a power purchase agreement with Ounalashka/Chena Power, LLC.

On March 23, 2021, City Council approved resolution 2021-14 amending the power purchase agreement with Ounalashka/Chena Power, LLC, extending the deadline outlined in the power purchase agreement, to obtain financing.

On July 27, 2021, City Council approved resolution 2021-55 approving amendment 2 to the power purchase agreement with Ounalashka/Chena Power, LLC, extending the Commercial Operations Date by one year.

BACKGROUND: Below is background on each of the three ordinance components.

E911 Enhancement. Unalaska has a diverse and multi-lingual community. The presence of a multiple languages often poses unique challenges during normal day to day conversation and interaction. When you add in the stress of an emergency situation and the crucial need to immediately share or convey specific information, the results can include a long dialogue that results in the rapid passage of time. The benefit of an Enhanced 911 is that the system can take seconds off of the dispatch time, which can be the difference between life and death. 911 service was introduced in the 1960's and Enhanced 911 was introduced in the 1970's. A review of the current shortfalls of the Communications System as it is and the potential integration of existing technology was conducted. The Department of Public Safety has undertaken the process of upgrading its Radio, Repeater Site and CAD Systems. Phase III of this project incorporates the move to VESTA. VESTA is a CAD System that supports the Enhanced 911 features desperately needed to provide a high level of services for the best quality of life for the members of the community.

Alaska Energy Authority Grant. The Wind Energy Assessment project is comprised of 4 phases:

- Phase I: Past Assessments is complete
- Phase II: Pre-Design and Site Selection is complete
- Phase III: Data Collection and Analysis is 80% complete
- Phase IV: Design of Wind Turbines has not begun and is for future Council action

From 2003 to 2005, a Phase 1 analysis of the feasibility for wind energy in Unalaska was conducted by Northern Power Systems, however, Phase II of that project was never realized. Local interest in renewable energy and the availability of new technology led the City of Unalaska Department of Public Utilities to issue a Request for Qualifications for Phase II – IV of the Wind Power Development and Integration Assessment Project. V3 Energy, LLC was awarded the work.

MET towers were set up at four locations around Unalaska and our engineer, Doug Vaught of V3 Energy, is analyzing the data to provide the Phase III Final Report for wind power assessment. The grant funds awarded and accepted by the City through this Budget Amendment will cover the cost of the feasibility analysis as it relates to integrating wind energy into the City's electrical grid and associated costs.

Makushin Geothermal Project. The City of Unalaska and OCCP negotiated for approximately two months to generate a cost reimbursement schedule for OCCP's \$7 million obligation towards electrical infrastructure reliability upgrades and improvements described in the PPA, resulting in the Memorandum of Agreement referenced above.

DISCUSSION: Again, the Ordinance has three components, all outlined below.

E911 Enhancement. Use of E911 Enhancement monies is restricted to E911 equipment, training and staff time. The proposed budget amendment outlines specific costs that are in alignment with the requirements. In future years, the budget for this program will be established through the annual budgeting process.

Alaska Energy Authority Grant. As outlined in the Ordinance and grant documents (see attached), staff is requesting \$139,000 of AEA grant funds be placed into the Wind Power Development Project's Budget.

Makushin Geothermal Project. OCCP's payment schedule for FY22 per the Memorandum of Agreement (copy attached) is detailed below:

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

This budget amendment would allow these revenues to be recorded directly into revenue account 50115047-47400-EL22B.

ALTERNATIVES: Council can approve the budget amendment as presented, alter it, or decide not to approve it. Lack of approval could delay expenditures related to each of the three impacted departments.

FINANCIAL IMPLICATIONS: This budget amendment will accept and allocate funds.

E911 Enhancement. Establishes an E911 Special Revenue Fund with \$55,000 of surcharge revenue and appropriates \$55,000 for an enhanced 911 emergency reporting system.

Alaska Energy Authority Grant. Accepts \$139,000 of grant funds and appropriates funds to the Wind project. Funds will be used to initiate a feasibility assessment to determine the best method to integrate wind power with the planned geothermal power project. Design and construction funding will also be explored during this feasibility phase. The City is not required to provide a funding match for this project.

Makushin Geothermal Project. Recognizes \$2,000,000 of private contributions from OCCP and appropriates \$2,000,000 in the Makushin Geothermal Project.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval

PROPOSED MOTION: I move to adopt Ordinance 2021-16 and schedule it for second reading and public hearing on December 14, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS:

- Copy of Memorandum of Agreement among OCCP, LLC and the COU
- Alaska Energy Authority Grant Agreement

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

Alaska Energy Authority Grant Agreement	
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Grant Agreement Number 7013007		CFDA Number N/A	Amount of Funds: \$ 139,000	AEA use only Managed <input type="checkbox"/> Pass-thru <input checked="" type="checkbox"/>	
Project Code(s) 407116	Proposal Number: RE13007		Period of Performance: From: 07/01/2021 To: 06/30/2022		
Project Title: City of Unalaska Wind Power Feasibility					
Grantee			Grantor		
Name City of Unalaska			Alaska Energy Authority		
Street/PO Box P.O. Box 610			Street/PO Box 813 W. Northern Lights Blvd		
City/State/Zip Unalaska, AK 99685			City/State/Zip Anchorage, AK 99503		
Contact Person Bob Cummings			Contact Person Josi Hartley, Project Manager		
Phone: 907-581-1260	Fax: 907-581-2187	E-mail: bcummings@ci.unalaska.ak.us	Phone: 907-771-3919	Fax: 907-771-3044	E-mail: jhartley@akenergyauthority.org

AGREEMENT

The Alaska Energy Authority (hereinafter 'Authority') and City of Unalaska (hereinafter 'Grantee'), agree as set forth herein.

Section I. The Authority shall grant funds to pay for expenses incurred by the Grantee under the terms and conditions of this Agreement, in an amount not to exceed \$ 139,000, unless the grant amount is amended as provided herein.

Section II. The Grantee shall apply the grant funds to the Project and perform all of the work and other obligations required by this Agreement.

Section III. Performance under this agreement begins 07/01/2021 and shall be completed no later than 06/30/2022.

Section IV. The agreement consists of this page and the following:

Appendices

- Appendix A: General Provisions
- Appendix B: Standard Provisions
- Appendix C: Grantee Proposal/Scope of Work
- Appendix D: Project Management & Reporting Requirements
- Appendix E: Project Budget & Reimbursement Provisions

Attachments/Forms

- Attachment 1: Financial Report/Request for Reimbursement Form
- Attachment 2: Progress Report Form
- Attachment 3: Notice of Project Closeout
- Attachment 4: Grantee Certification
- Attachment 5: Advance Request Form

AMENDMENTS: Any amendments to this Agreement must be signed by authorized representatives of Grantee and the Authority and should be listed here.

Grantee		Authority Project Manager		AEA Director	
Signature	Date	Signature	Date	Signature	Date
Erin Reinders, City Manager		Josi Hartley, Project Manager		Kirk Warren, AEA Director	
Executive Director or Designee		Signature	Date	Curtis Thayer, AEA Executive Director	

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APPENDIX A GENERAL PROVISIONS

1. *Definitions*

In this Grant Agreement, attachments and amendments:

- a) "Authority" means the Alaska Energy Authority, a public corporation of the State of Alaska.
- b) "Authority Project Manager" means the employee of the Authority responsible for assisting the Grantee with technical aspects of the Project and is one of the Grantor's contacts for the Grantee during all phases of the Project.
- c) "Authorized Representatives" means those individuals or entities authorized by an entity to act on its behalf, with delegated authority sufficient to accomplish the purposes for which action is needed.
- d) "Executive Director" means the Executive Director of the Authority or the Executive Director's authorized representative.
- e) "Grantee Project Manager" means the person designated to fulfill the obligations arising under Appendix B, Section 9 "Grantee Project Manager".
- f) "Matching Contributions" means the cash, loan proceeds, in-kind labor, equipment, land, other goods, materials, or services a Grantee provides to satisfy any match requirements of a grant or to complete the Project.
- g) "Project" means City of Unalaska Wind Power Feasibility as defined in Appendix C (Scope of Grant) for which funds have been made available.
- h) "State" means the State of Alaska.

2. **Indemnification**

As a condition of this Grant, the Grantee shall indemnify, hold harmless, and defend the Authority and the State of Alaska from and against any claim of, or liability for, error, omission or negligent act of the Grantee arising out of, or in any way connected with, this Grant Agreement or the project for which the Grant is made. The Grantee shall not be required to indemnify the Authority or State of Alaska for a claim of, or liability for, the independent negligence of the Authority or State of Alaska agency. If there is a claim of, or liability for, the joint negligent error or omission of the Grantee and the independent negligence of the Authority or State of Alaska, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Grantee" and "Authority" and "State of Alaska," as used within this section, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Authority's or State of Alaska's selection, administration, monitoring, or controlling of the Grantee and in approving or accepting the Grantee's work.

3. **Information Technology Risks and Warranties**

Neither the Authority nor the State of Alaska makes any warranty, express or implied or assumes any legal liability or responsibility for the Grantee's use of the software, equipment or other related services provided by this grant or included in the project for which the grant is made. The Grantee understands that although the Authority may procure software services or equipment on behalf of the grantee, the use of this software, equipment or other related services is at the Grantee's own risk. The Grantee bears the entire risk of using these services, such as any damages or liabilities

resulting from a cyber-attack or computer virus on its own computers, communication systems and networks.

The Grantee acknowledges that computer, communications systems and networks are not fault-free and occasional periods of downtime occur. The Authority and the State of Alaska do not guarantee these services will be uninterrupted, timely, secure or error-free.

4. *Workers' Compensation Insurance*

The Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30.

5. *Insurance*

The Grantee is responsible for obtaining and maintaining any necessary insurance and endorsements as defined in Appendix B Standard Provisions

6. *Equal Employment Opportunity (EEO)*

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state in all solicitations or advertisements for employees to work on Authority funded projects, that it is an Equal Opportunity Employer (EEO) and that all qualified applications will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

7. *Public Purposes*

The Grantee agrees that the Project to which this Grant Agreement relates shall be dedicated to public purposes and any project constructed or equipment or facilities acquired, shall be owned and operated for the benefit of the general public. The Grantee shall spend monies appropriated under this grant only for the purposes specified in the Grant Agreement. The benefits of the Project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

8. *Officials Not to Benefit*

No member of or delegate to Congress or the Legislature, or officials or employees of the Authority or Federal government may share any part of this agreement or any benefit to arise from it.

9. *Governing Law*

This Grant Agreement is governed by the laws of the State of Alaska. Any civil action arising from this Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage.

10. Compliance with Applicable Law and Funding Source Requirements

The Grantee shall comply with all applicable local, state and federal statutes, regulations, ordinances and codes, whether or not specifically mentioned herein. Refer to Appendix B Standard Provisions for more specific requirements.

11. Severability

If any section, paragraph, clause or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall be unaffected and enforced to the fullest extent possible, and the invalid or unenforceable provision shall be deemed replaced with a valid and enforceable provision that is as similar as possible to such invalid or unenforceable provision.

12. Non-waiver

The failure of either party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement, or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

13. Integration

This instrument and all appendices, amendments, attachments, hereto embody the entire Agreement of the parties concerning the grant funds granted hereunder. There are no promises, terms, conditions, or obligations regarding said funds other than those contained in the documents described above; and such documents shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto. To the extent there is any conflict between the provisions of Appendix A and B and the Grantee's application or proposal, the provisions of Appendix A and B prevail.

14. Grantee Not Agent of Authority

The Grantee and any agents and employees of the Grantee act in an independent capacity and are not officers or employees or agents of the Authority in the performance of this Grant Agreement.

15. Disputes

Any dispute arising under this Grant Agreement which is not disposed of by mutual agreement must be dealt with in accordance with 3 AAC 108.915.

16. Termination

- a) The Grantee shall have no rights to compensation or damages for termination except as provided in this Section.
- b) In addition to all other rights available under law, the Authority may terminate this Agreement or stop work on the Project for the convenience of the Authority or for cause upon ten (10) days written notice.
- c) "Cause" for termination shall exist when the Grantee has failed to perform under this Agreement, has been stagnant on progression of the project for 2 years, has provided incorrect or misleading information or has failed to provide information which would have influenced the Authority's actions. In order for termination to be for cause, the Grantee's failure to perform or the Grantee's provision of incorrect, misleading, or omitted information must be material.

- d) If this Agreement is terminated for cause, the Grantee shall be entitled to no compensation. The Grantee shall reimburse the Authority for all grant funds expended under this Agreement by the Grantee or on the Grantee's behalf including interest accrued from the date of disbursement. The Grantee shall also reimburse the Authority for any costs incurred to collect funds subject to reimbursement, and for any damages incurred by the Authority as a result of the Grantee's failure to perform or provision of incorrect or misleading information. The Authority may require the Grantee to return to the Authority some or all of the Project assets and the fair market value of the returned Project assets will be applied to reduce the amount of reimbursement the Grantee owes the Authority under this subsection d.
- e) If this Agreement is terminated at the sole request of the Authority for the sole reason of its convenience, the Grantee is not required to reimburse the Authority for funds expended prior to the date of termination. If the Grantee has incurred costs under this agreement, the Grantee shall only be reimbursed by the Authority for eligible costs the Grantee incurred prior to the date of termination of the Agreement. However, prior to making any claim or demand for such reimbursement, the Grantee shall use its best effort to reduce the amount of such reimbursement through any means legally available to it. The Authority's reimbursement to the Grantee shall be limited to the encumbered, unexpended amount of funds available under this Agreement.
- f) If the basis for the termination of the Agreement or stop work under Section 16(b) is capable of being cured, the Authority shall provide the Grantee thirty (30) days from the date the termination or stop work becomes effective for the Grantee to cure the basis for the termination or stop work. If the Grantee cannot reasonably cure the basis for the termination or stop work within this thirty (30) day period, but the Grantee promptly undertakes and diligently pursues such cure, the cure period shall be extended to sixty (60) days. The Authority may further extend the cure period if the Grantee demonstrates that it is prohibited from curing the basis for termination or stop work by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceedings. If the Grantee cures the basis for the stop work, the stop work will be lifted. Until the Agreement is reinstated or stop work lifted, the Authority may not disburse any amount under this Agreement to the Grantee except as otherwise specifically provided in this section.

17. Termination Due to Lack of Funding

In the event funding from the Authority, federal or other sources is withdrawn, reduced, or limited in any way after the effective date of this agreement and prior to normal completion, the Authority may terminate the agreement, reduce funding, or re-negotiate subject to those new funding conditions.

18. No Assignment or Delegation

The Grantee may not assign or delegate this Grant Agreement, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Executive Director or Designee.

19. No Third Party Beneficiaries

Except as otherwise specified in this agreement, no person is a third party beneficiary of this Agreement and this Agreement creates no third party rights. Specifically, any person who is not a party to this Agreement shall be precluded from bringing any action asserting the liability of a party or asserting any right against a party to this Agreement, through the terms of this Agreement. No person, other than a party to this Agreement, may bring any action based upon this Agreement for personal injuries, property damages, or otherwise.

20. No Additional Work or Material

No claims will be allowed for additional work, materials, or equipment, not specifically authorized in this Grant Agreement, which are performed or furnished by the Grantee.

21. Changes

Any changes which have been agreed to by both parties will be attached and made a part of this Grant Agreement by use of a written Amendment. Any such Amendment must be dated and signed by Authorized Representatives of the Authority and the Grantee.

22. Right to Withhold Funds

The Authority may withhold payments under this Grant Agreement for non-compliance with any of the provisions of this Grant Agreement.

23. Remission of Unexpended Funds

The Grantee shall return all unexpended grant monies to the Authority within 90 days of the Project completion.

24. Tax Compliance Responsibilities of Grantee

The Grantee is responsible for determining applicable federal, state, and local tax requirements, for complying with all applicable tax requirements, and for paying all applicable taxes. The Authority may issue an IRS Form 1099 for Grant payments made. The Grantee shall pay all federal, state and local taxes incurred by the Grantee and shall require the payment of all applicable taxes by any contractor or any other persons in the performance of this Grant Agreement.

25. Lobbying Activities

In accepting these funds, the Grantee agrees and assures that none of the funds will be used for the purpose of lobbying activities before the United States Congress or Alaska Legislature. No portion of these funds may be used for lobbying or propaganda purposes as prohibited in AS 37.05.321, 18 U.S.C. 1913, 31 U.S.C. 1352, or other laws as applicable.

26. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles. In addition, the accounting system must keep separate all grant funds awarded under this grant agreement.

27. Procurement Standards

Grantees will follow competitive purchasing procedures that: 1) provide reasonable competitive vendor selection for small dollar procurements; 2) provide for competitive bids or requests for proposals for contracts and procurements greater than \$100,000; 3) provide a justification

process for non-competitive procurements or contracts; 4) document the source selection methods used for all contracts, equipment, or material transactions greater than \$10,000. Grantees who have questions about their procurement procedures or a specific procurement should contact the Authority's Grant Manager.

28. Reporting Requirements

The Grantee shall submit progress reports to the Authority according to the schedule established in Appendix D of this Grant Agreement.

29. Ownership of Documents and Products

Except as otherwise specifically agreed, all designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with grant funds in the performance of this agreement are public domain and may be used by the Authority and/or public without notice or compensation to the Grantee. The Grantee agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract. For purposes of clarity, nothing in this section precludes Grantee from using any document or product with respect to the Project or other Grantee uses.

30. Inspections and Retention of Records

The Grantee shall keep a file for financial, progress and other records relating to the performance of the grant agreement. The file must be retained for a period of four years from the fully executed close out of the grant agreement or until final resolution of any audit findings claim or litigation related to the grant. The Authority may inspect, in the manner and at reasonable times it considers appropriate, records and activities under this Grant Agreement.

31. Audits

This Grant Agreement is subject to 2 AAC 45.010 single audit regulations for State Grants. The Grantee must comply with all provisions of 2 AAC 45.010 and any additional audit requirements outlined in Appendix D.

Commercial (for-profit) entities shall obtain an audit by an independent auditing firm similar to a program audit prepared under 2 CFR 200. The auditee and auditor shall have basically the same responsibilities for the federal or state program as they would have for an audit of a major program in a single audit. The expenditure threshold is \$750,000 in the commercial entity's fiscal year.

32. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds from the State of Alaska and to execute the Project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Authority and the State of Alaska shall be at all times as an independent Grantee.

33. Grant Close out

Upon completion of all work and expenditure of all grant funds related to the Project the Authority will provide written notice to the Grantee that the Grant will be closed. The Grantee shall sign the Notice of Project Closeout within 30 days after it is delivered by the Authority. The Grant will be considered closed upon receipt of the signed Notice of Project Closeout.

The Grant will be administratively closed if the Grantee fails to return the Notice of Project Closeout within 30 days after it is delivered by the Authority. If the Grantee has a valid reason for the Grant to remain open, they must contact the Authority in writing within 30 days.

No additional reimbursements will be made to the Grantee after the grant is closed out.

Appendix B Standard Provisions

1. Grant Funding Sources

This Grant is subject to appropriation and availability of funds as listed below:

State of Alaska \$ 139,000 TSSLA2021 Ch. 1, Sec. 7, Pg. 90, Ln. 15-17

Grantee acknowledges that if additional grant funds are made available they are subject to the terms and conditions of this Agreement and any amendment.

2. Governing Laws

The Grantee shall perform all aspects of this Project in compliance with all applicable state, federal and local laws.

3. Documentation and Record Keeping

The Grantee shall maintain the following in their files:

- Grant application;
- Grant agreement and any amendments;
- All written correspondence or copies of emails relating to the Grant;
- Reports, including any consultant work products;
- A separate accounting of grant income and expenditures;
- Supporting documentation for the expenditures charged to the grant (including supporting documentation for all required matching contributions).

The Authority and any authorized federal representative may inspect, in the manner and at any reasonable time either considers appropriate, the Grantee's facilities, records, and activities funded by this Grant Agreement.

4. Eligible Costs

The Authority, as Grantor, shall have sole discretion to determine which project costs are eligible to be paid from Grant monies under this agreement. Only direct costs of the Project are eligible for payment or reimbursement from grant funds. Indirect costs are not allowed under this grant unless approved by the Authority in Appendix E.

The eligible costs will be determined in accordance with 3 AAC 107.600 – 695 and the Request for Applications dated July 20, 2020; which is incorporated by reference into this grant agreement.

5. Insurance Requirements

The following insurance requirements are in effect for this Project. Grant funds may be used to procure Project related insurance and the Authority will work with the Grantee to ensure that these requirements are met. Insurance will be obtained with an insurance carrier or carriers covering injury to persons and property suffered by the State of Alaska, Alaska Energy Authority or by a third party as a result of operations under this grant. The insurance shall provide protection against injuries to all employees of the Project engaged in work under this grant. All insurance

policies shall be issued by insurers that (i) are authorized to transact the business of insurance in the State of Alaska under AS 21 and (ii) have a Bests Rating of at least A-VII and be required to notify the Authority, in writing, at least 30 days before cancellation of any coverage or reduction in any limits of liability.

Where specific limits and coverage are shown, it is understood that they shall be the minimum acceptable and shall not limit the Grantee's indemnity responsibility. However, costs for any coverage in excess of specific limits of this agreement are the responsibility of the Grantee and may not be charged to this grant agreement.

The following policies of insurance shall be maintained with the specified minimum coverage and limits in force at all times during the performance work under this Project:

- a. Workers' Compensation: as required by AS 23.30.045, for all employees engaged in work under this Project. The coverage shall include:
Waiver of subrogation against the State and the Alaska Energy Authority and Employer's Liability Protection at \$500,000 each accident/each employee and \$500,000 policy limit;
- b. Commercial General Liability: on an occurrence policy form covering all operations under this Project with combined single limits not less than:
\$1,000,000 Each Occurrence;
\$1,000,000 Personal Injury;
\$1,000,000 General Aggregate; and
\$1,000,000 Products-completed Operations Aggregate.

The State of Alaska and Alaska Energy Authority shall be named as an Additional insured.

- c. Automobile Liability: covering all vehicles used in Project work, with combined single limits no less than \$1,000,000 each occurrence.

All of the above insurance coverage shall be considered to be primary and non-contributory to any other insurance carried by the State of Alaska and Alaska Energy Authority, whether self-insurance or otherwise.

The Authority's acceptance of deficient evidence of insurance does not constitute a waiver of Grant requirements.

6. Procurement and Suspension and Debarment

When the Grantee enters into a transaction with an entity for the purchase of goods or services that are expected to equal or exceed \$25,000, or meet other special criteria as specified in 2 CFR section 180.220, the grantee is required to verify that the entity and its principals as defined in 2 CFR section 180.995, are not suspended or debarred or otherwise excluded from participating in the transaction. The Grantee must verify the eligibility of the entity and its principals by one of the following: (1) checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA) (Note: EPLS is no longer a separate system; however, the OMB guidance and agency implementing regulations still refer to it as EPLS) and available at <https://www.sam.gov/portal/public/SAM/>), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity stating it is not suspended or debarred from participating in the transaction (2 CFR section 180.300).

7. Declaration of Public Benefit

The parties acknowledge and agree that the Project shall be constructed, owned and operated for the benefit of the general public and will not deny any person use and/or benefit of Project facilities due to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

8. Contracts for Engineering Services

In the event the Grantee contracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska and provide proof of licensing and required professional liability insurance.

Unless otherwise agreed by the Authority, the insurance required by this section shall, at a minimum, included professional liability insurance covering all errors, omissions or negligent acts in the performance of professional services under this agreement, with limits required per the following schedule:

<u>Contract Amount</u>	<u>Minimum Required Limits</u>
Under \$ 100,000	\$ 300,000 per Occurrence/Annual Aggregate
\$ 100,000-\$ 499,999	\$ 500,000 per Occurrence/Annual Aggregate
\$ 500,000-\$ 999,999	\$ 1,000,000 per Occurrence/Annual Aggregate
\$ 1,000,000 or over	Refer to Risk Management

9. Site Control

If the grant Project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property. The Grantee is responsible for securing the real property interests necessary for the construction and operation of the Project, through ownership, leasehold, easement, or otherwise, and for providing evidence satisfactory to the Authority that it has secured these real property interests before site construction begins.

10. Permits

It is the responsibility of the Grantee to identify and ensure that all permits required for the construction and operation of this Project by the Federal, State, or Local governments have been obtained unless otherwise stated in Appendix C. These permits may include, but are not limited to, Corps of Engineers, Environmental Protection Agency, Alaska Department of Environmental Conservation, State Historic Preservation Office, State Fire Marshal, Alaska Department of Natural Resources, Alaska Department of Fish and Game and Boroughs.

11. Exclusion of Existing Environmental Hazards

Grant funds for investigation, removal, decommissioning, or remediation of existing environmental contamination or hazards, are not allowed unless specifically specified and approved in Appendix C.

12. Environmental Standards

The Grantee will comply with applicable environmental standards, including without limitation applicable laws for the prevention of pollution, management of hazardous waste, and evaluation of environmental impacts.

13. Tariffs & Rates for Use of Grant-Funded Assets

Rates for power provided as a result of generation or transmission facilities built with grant funds may be subject to review and approval by the Regulatory Commission of Alaska (RCA), or if the rates are not subject to RCA review and approval, they may be subject to review and approval by the Authority to ensure reasonable and appropriate public benefit from the ownership and operation of the Project.

As a condition of the grant, Independent Power Producers will agree to sell energy resources for electricity and heat at a cost-based rate for the economic life of the project. The Authority will hire an independent economist to provide guidance in developing a cost-based rate for electric sales with an appropriate rate of return on equity.

The allowable cost-based rate represents the highest rate that the Independent Power Producer will be allowed to charge. Because the cost-based rates are a grant condition, avoided costs rates or Public Utility Regulations Policies Act (PURPA) rates will not apply for projects which obtain grant funding.

Application for a Certification of Public Convenience and Necessity (CPCN) is also a grant condition. RCA action related to the issuance of the CPCN must be completed prior to the issuance of any construction grant funding.

14. Grant-funded Assets Not Included with PCE

The Grantee agrees that it will not include the value of facilities, equipment, services, or other benefits received under this grant as expenses under the Power Cost Equalization Program or as expenses on which wholesale or retail rates or any other energy tariffs are based.

Appendix C Grantee Proposal/Scope of work

Building on the self-funded wind resource study initiated in 2017 (COU has expended \$420,000 to date, with an additional \$75,000 allocated) that is in final stages of completion, COU will undertake a detailed feasibility and conceptual design effort to determine the potential benefit and optimal capacity of wind power to complement the planned 30 MW geothermal project to meet the electrical and thermal (via conversion of fuel oil heat to air-source heat pumps) power needs of the community. COU anticipates that seafood processors and other commercial entities that presently selfpower will connect to the COU grid. Based on conclusions of the draft wind resource assessment report, wind turbines would be installed in lower Pyramid Valley near the community water plant.

COU will compare three alternatives in the feasibility study:

1. Geothermal power with an energy storage system (ESS) (diesel generators in standby or possibly low load to provide spinning reserve; diesels-off is preferred)
2. Geothermal with wind power and an ESS
3. No geothermal power; wind-diesel and an ESS.

During the feasibility and conceptual design phase of the project, COU will plan to visit Kodiak Electric Association (KEA) in Kodiak to tour their power generation facilities as KEA’s hydro-wind-ESS system is an analogue to a possible geothermal-wind-ESS system in Unalaska.

Major Deliverables

The following table presents the major deliverables that the project’s product, service or result must meet in order for the project objectives to be satisfied.

Task #	Milestones	Tasks	Start Date	End Date	Deliverables
Feasibility and Conceptual Design					
1	Project scoping and contractor solicitation and selection	Delineate scope of work by contractor specialty, identify and hire contractors	10/1/21	10/15/21	Establish contracts with project contractors; kickoff meeting (internal deliverable)
2	Detailed resource assessment	Completion of wind resource study initiated in Oct. 2017	10/1/17	12/31/20	Wind resource report (funded by COU, in progress, draft WRA completed (final WRA/COU wind project Ph. III report to AEA)
3	Identification of land and regulatory issues	Research land use restrictions of non-COU land; site area of primary interest is COU land in Pyramid Valley	10/18/21	12/31/21	Review of turbine site options, COU or private in Pyramid Valley (internal deliverable)
4	Permitting and environmental analysis	Review FAA and environmental	11/1/21	12/31/21	FAA approval for 60 m met tower and environmental report completed for WRA

Task #	Milestones	Tasks	Start Date	End Date	Deliverables
		analyses; model turbine layout visual impact			project (COU wind project Ph. II report to AEA); submit 7460-1 for prospective wind turbine locations/heights; revisit environmental study of Pyramid Valley
5	Detailed analysis of current cost of energy and future market	Compare current power system with existing market to planned geothermal power system with enhanced load market; latter with and without addition of wind power and ESS	11/1/21	1/31/22	Modification of cost modeling prepared for geothermal power project with inclusion of wind power (internal deliverable) and ESS
6	Assessment of alternatives	Geothermal power development in progress with a signed PPA. Primary FS project task is demonstrating optimal wind power capacity to complement geothermal with the planned electric load increase (new electric customers and conversion of thermal loads from fuel oil to electric power for air-source heat pumps).	11/1/21	2/15/22	Homer software modeling reports and additional analysis (internal deliverable)
7	Conceptual design and costs estimate	Energy balance and cost optimization modeling of turbine capacity and site location options (Homer software)	1/3/22	4/1/22	Discussions of preferred alternatives internally and with project consultants (internal deliverable)
8	Detailed economic and financial analysis	Refinement of Homer model with further analysis of PCE cost impacts	1/3/22	4/1/22	Cost modeling, assuming with and without construction of geothermal powerplant (internal deliverable)
9	Conceptual business and operations plan	Same analysis as Task 8 plus options for wind turbine operations and maintenance	2/28/22	4/29/22	Recommendations report (internal deliverable)
10	Final report and recommendations	Conceptual design report to summarize and present project information, analyses, and conclusions	3/15/22	6/3/22	Conceptual Design Report with COU decision to proceed to design phase (to AEA)

SCHEDULE:

Milestone	Task	Start	End	Deliverable
1	Planning			
	Project Scoping	10/1/21	12/31/21	Project Charter, Grant
	Permitting and Environmental Analysis	11/1/21	12/31/21	FAA Approval
2	Conceptual Design Report			
	Options Analysis	11/1/21	2/15/22	Homer Modeling and Analysis
	CDR and Cost Estimate	1/3/22	4/1/22	Discussion of results with consultants
	Economic and Financial Analysis	1/3/22	4/1/22	Cost Modeling with and without geothermal plant.
	Conceptual Business and Operations Plan	2/28/22	4/29/22	Recommendations Report
	Final Report and Recommendations	3/15/22	6/3/22	CDR delivered to COU.
3	Project close-out	6/3/22	8/3/22	Final Report and Closeout

Appendix D Project Management & Reporting Requirements

1. Project Management

The Grantee will notify the Authority immediately of any significant organizational changes during the term of the grant, including changes in key personnel or tax status, any unforeseen problem or project delay that may cause a change to the work plan or budget or that may otherwise affect the Grantee’s ability to perform its commitments under this Grant Agreement. Any unreported or unapproved changes to the work plan or budget evident in reports may result in an amendment being required, costs disallowed, suspension or termination of the grant as described in Appendix A.

2. Contact Persons

For the Grantee	For The Authority
<p>Grant Manager</p> <p>Bob Cummings P.O. Box 610 Unalaska, AK 99685 bcummings@ci.unalaska.ak.us 907-581-1260</p>	<p>Grant Manager</p> <p>Karin St. Clair, Grants Coordinator 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 kstclair@akenergyauthority.org 907-771-3081</p>
<p>Project Manager</p> <p>Bob Cummings 1035 E Broadway Avenue Unalaska, AK 99685 bcummings@ci.unalaska.ak.us 907-581-1260</p>	<p>Project Manager</p> <p>Josi Hartley 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 jhartley@akenergyauthority.org 907-771-3919</p>

3. Quarterly Progress and Financial Reports

The Grantee will provide quarterly progress and financial reports by email (or other method allowed by the Authority, if email is not available) to the Authority Project Manager. Reports are due January 31st; April 30th; July 31st, and; October 31st of each year this Agreement is in place. If the due date is a weekend or holiday, reports are due the following business day.

This report must update the Authority on the Project’s progress, regulatory and compliance issues, possible delays, and grant expenditures during the quarter. These Quarterly Progress Reports must summarize, in one or two pages, the progress made on grant tasks during the quarter and identify any difficulties in completing tasks or meeting goals or deadlines. The Grantee must also include with the report copies of any work products due to the Authority during this period.

Reports are considered late five (5) days after the due date. No further payments will be made without submission and approval of required reports. Work completed after the twenty-day period when required reports have not been submitted is at the Grantee’s risk, and costs incurred may be disallowed. Repeated failure to submit reports in a timely manner could result in suspension or termination of the grant.

All reports and deliverables required in this agreement must have been submitted and approved by the Authority prior to the final payment being released.

Appendix E Project Budget & Reimbursement Provisions

1. Allowable Costs

Allowable costs under this grant include all reasonable and ordinary costs for direct labor & benefits, travel, equipment, supplies, contractual services, construction services, and other direct costs identified and approved in the Project budget that are necessary for and incurred as a direct result of the Project and consistent with the requirements noted in Appendix B 3 Eligible Costs.

A cost is reasonable and ordinary if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Allowable costs are only those costs that are directly related to activities authorized by the Grant Agreement and necessary for the Project. The categories of costs and additional limits or restrictions are listed below:

a. Direct Labor & Benefits

Include salaries, wages, and employee benefits of the Grantee's employees for that portion of those costs attributable to the time actually devoted by each employee to, and necessary for the Project. Direct labor costs do not include bonuses, stock options, other payments above base compensation and employee benefits, severance payments or other termination allowances paid to the Grantee's employees.

b. Travel, Meals, or Per Diem

Include reasonable travel expenses necessary for the Project. These include necessary transportation and meal expenses or per diem of Grantee employees for which expenses the employees are reimbursed under the Grantee's standard written operating practice for travel and per diem or the current State of Alaska Administrative Manual for employee travel.

c. Equipment

Include costs of acquiring, transporting, leasing, installing, operating, and maintaining equipment necessary for the Project, including sales and use taxes.

Subject to prior approval by the Authority Project Manager, costs or expenses necessary to repair or replace equipment damage or losses incurred in performance of work under the grant may be allowed. However, damage or losses that result from the Grantee's employees, officer's, or contractor's gross negligence, willful misconduct, or criminal conduct will not be allowed.

d. Supplies

Include costs of material, office expenses, communications, computers, and supplies purchased or leased by the Grantee necessary for the Project.

e. Contractual services

Include the Grantee's cost of contract services necessary for the Project. Services may include costs of contract feasibility studies, project management services, engineering and design, environmental studies, field studies, and surveys for the project as well as costs incurred to comply with ecological, environmental, and health and safety laws.

f. Construction Services

For construction projects this includes the Grantee's cost for construction contracts, labor, equipment, materials, insurance, bonding, and transportation necessary for the Project. Work performed by the Grantee's employees during construction may be budgeted under direct labor and benefits. Contracted project management or engineering may be budgeted under contractual services and major equipment purchases made by the Grantee may be budgeted under equipment.

g. Other Direct Costs

In addition to the above the following expenses necessary for the Project may be allowed.

- Net insurance premiums paid for insurance required for the grant Project;
- Costs of permits and licenses for the grant Project;
- Non-litigation legal costs for the Project directly relating to the activities; in this paragraph, "non-litigation legal costs" includes expenses for the Grantee's legal staff and outside legal counsel performing non-litigation legal services;
- Office lease/rental payments;
- Other direct costs for the Project directly relating to the activities and identified in the grant documents; and/or
- Land or other real property or reasonable and ordinary costs related to interests in land including easements, right-of-ways, or other defined interests.

2. Specific Expenditures not allowed

Ineligible expenditures include costs for overhead, lobbying, entertainment, alcohol, litigation, payments for civil or criminal restitution, judgments, interest on judgments, penalties, fines, costs not necessary for and directly related to the grant Project, or any costs incurred before the beginning date of the grant as indicated on the signature page.

Overhead costs described in this section include:

- salaries, wages, applicable employee benefits, and business-related expenses of the Grantee's employees performing functions not directly related to the grant Project;
- office and other expenses not directly related to the grant Project; and
- costs and expenses of administration, accounting, human resources, training, property and income taxes, entertainment, self-insurance, and warehousing.

3. Match

The Grantee is required to provide \$0 in match for this Project. Cash match will be applied based on a percentage basis unless otherwise specified in the budget in Appendix C. In-kind match will be applied based on the budget in Appendix C.

4. Cost Share Match Requirements

Cost sharing or matching is that portion of the Project costs not borne by the Authority. The Authority will accept all contributions, including cash and in-kind, as part of the Grantees' cost sharing or matching when such contributions meet the following criteria:

- Are provided for in the Project budget;
- Are verifiable from the Grantee's records;
- Are not included as contributions for another state or federally assisted project or program; (The same funds cannot be counted as match for more than one program.)
- Are necessary and reasonable for proper and efficient accomplishment of the Project or program objectives;
- Are allowable costs;
- Are not paid by the State or federal government under another award, except for those authorized by the State or federal statute to be used for cost sharing or matching;
- Must be incurred within the grant eligible time period. The Authority may allow cost sharing or matching contributions that occurred prior to the grant eligible time period for projects that involve construction.

5. Valuing In-Kind Support as Match

If the Grantee chooses to use in-kind support as part of or its entire match, the values of those contributions must be approved by the Authority at the time the budget is approved. The values will be determined as follows:

- The value of real property will be the current fair market value as determined by an independent third party or a valuation that is mutually agreed to by the Authority and the Grantee and approved in the grant budget.
- The value assessed to Grantee equipment or supplies will not exceed the fair market value of the equipment or supplies at the time the grant is approved or amended.
- Equipment usage will be valued based on approved usage rates that are determined in accordance with the usual accounting policies of the recipient or the rates for equipment that would be charged if procured through a competitive process. Rates paid will not exceed the fair market value of the equipment if purchased.
- Rates for donated personal services will be based on rates paid for similar work and skill level in the recipient's organization. If the required skills are not found in the recipient organization, rates will be based on rates paid for similar work in the labor market. Fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- Transportation and lodging provided by the Grantee for non-local labor will not exceed the commercial rates that may be available within the community or region.

6. Grant Disbursements

The Grantee must request disbursement of grant funds in the form and format required by the Authority with appropriate back-up documentation and certifications. (See Attachment 1).

Reimbursements are made for actual costs incurred and must be for approved milestones. The back-up documentation must demonstrate the total costs incurred are allowable, and reflect the amount being billed. Documentation must include:

- A ledger summarizing cost being billed;
- A summary of direct labor costs supported by timesheets or other valid time record to document proof of payment;
- Travel and per-diem reimbursement documentation;
- Contractor or vendor pay requests;
- Itemized invoices and receipts; and
- Detailed ledger of costs being charged to this grant.

Additionally, the Grantee may be required to provide proof of payment of the incurred costs at the request of the Authority.

Payment of grant funds will be subject to the Grantee complying with its matching contribution requirements of the Grant.

Payment of grant funds will be made by the Authority to the Grantee within 30 days from receipt of a properly completed, supported, and certified Reimbursement Request (See Attachment 1).

7. Withholding of Grant Funds

If, upon review of the monthly billings, the Authority discovers errors or omissions in the billings it will notify the Grantee within thirty (30) days of receipt of the billing. Payment for the portion of billings for which there is an error or omission may be withheld pending clarification by Grantee.

Grant funds may be withheld for the following reasons:

- The Grantee fails to provide adequate back-up documentation.
- The Authority determines that a specific expense is not allowed under the grant.
- The Grantee's matching contribution requirements are not met.

Up to 10% of the Authority's contribution of grant funds may be retained by the Authority until the Project is completed and all required final documentation and reports are received and accepted by the Authority.

8. Advance Disbursements

In most instances, payments to a Grantee will be made on a cost reimbursable basis. If the Authority determines that cost reimbursement will significantly inhibit the Grantee's ability to perform the Project and determines that an advance is in the public interest, the Authority may recommend an advance to the Grantee of an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the grant amount, whichever amount is less.

Before the Authority will issue an advance, the Grantee must provide in writing, and the Authority must approve a "Request for Advance Payment" form which includes:

- justification of the need for the advance;
- documentation of anticipated line item costs associated with the advance.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Authority when requested to do so by the Authority, or at termination of the Grant Agreement.

9. *Unexpended Grant Funds and Interest Earned*

Any grant funds not expended under this agreement and any interest accruing on the grant funds belong to the Authority and shall be returned to the Authority.

10. *Budget Adjustments and Changes*

When a Grantee faces increased unbudgeted costs, the Grantee should contact the Authority Project Manager. Budget adjustments **cannot** increase the grant award amount. Cost overruns that may require reduced scope of work will require Authority approval and an amendment to the grant. If a budget adjustment or other changes indicate to the Authority Project Manager that the project cannot be completed as currently planned and budgeted for, the Authority Project Manager will not approve the release of additional grant funds until the Grantee provides sufficient information on how the Grantee intends to complete the revised project.

Budget Adjustments

The Grantee shall identify budget changes on its Financial Reports submitted to the Authority.

At least quarterly, the Authority will compare actual costs to budgeted distributions based on the Financial Report/Request for Reimbursement form. Costs charged to grant funds must reflect adjustments made as a result of the activity actually performed. The budget estimates or other distribution percentages must be revised at least quarterly, if necessary, to reflect changed circumstances.

Attachment 1 Financial Report/Request for Reimbursement Form

THIS REQUEST IS FOR FINAL PAYMENT

Grantee: City of Unalaska Feasibility

Project: City of Unalaska Wind Power

Period: _____ to _____

Grant Number: 7013007

BUDGET SUMMARY	GRANT BUDGET	B	C	D = B + C	E = A - D
		PRIOR EXPENDITURES	EXPENDITURES THIS PERIOD	TOTAL EXPENDITURES	GRANT BALANCE
BY TASK OR MILESTONE					
Direct Labor and Benefits	\$ 6,950				\$ 6,950
Travel	\$ 13,900				
Equipment					\$ 13,900
Contractual Services	\$ 118,150				
Construction Services					\$ 118,150
Other					
TOTAL	\$ 139,000				\$ 139,000
BY FUND SOURCES					
Grant Funds	\$ 139,000				\$ 139,000
(Less) advance payments					
TOTAL	\$ 139,000				\$ 139,000

Please submit this form and the supporting documentation to aeapayables@aidea.org

CERTIFICATION

Form requires two original signatures. The person certifying must be different from the person preparing the report. One signature should be the authorized representative of the Grantee organization or highest ranking officer; the other should be the person who prepared the report.

I certify to the best of my knowledge and belief that the information reported on both the Financial Report above and the attached Progress Report are correct. In addition, funds were spent and work performed in accordance with the grant agreement terms and conditions.

Certified By: _____

Prepared By: _____

Printed Name: _____

Printed Name: _____

Title: _____ Date: _____

Title: _____ Date: _____

Attachment 2 Progress Report Form

Project Name: City of Unalaska Wind Power Feasibility

Grantee: City of Unalaska

Grant # 7013007

Period of Report: _____ to _____

Project Activities Completed:

Existing or Potential Problems:

Activities Targeted for Next Reporting Period:

Prepared By: _____ Date: _____

Printed Name: _____

Attachment 3 Notice of Project and Grant Closeout

**NOTICE OF PROJECT AND GRANT CLOSEOUT
ALASKA ENERGY AUTHORITY**

Project Name: City of Unalaska Wind Power Feasibility

Grantee: City of Unalaska

Grant Number: 7013007

The Alaska Energy Authority certifies and acknowledges that the Project referenced above has been completed, and that all tasks have been satisfactorily carried out in accordance with the terms and conditions of Agreement Number: 7013007.

Project Manager
Alaska Energy Authority

Date

City of Unalaska certifies that the Project named above is complete in accordance with the terms and conditions of Alaska Energy Authority Agreement Number: 7013007.

City of Unalaska also certifies that, we have been reimbursed for all eligible expenses pertaining to 7013007, and that as of the date of signature, no further reimbursements will be requested for any activity related to the Project identified above.

Total project cost \$_____

The total project cost should include all expenses related to this grant funded project (grants, loans, match, etc.). It should include design and construction costs, but should not include feasibility and reconnaissance work.

Notes/comments: Please attach on a separate page_____

Authorized Signature

Title

Printed Name

Date

Attachment 4 Grantee Certification

**CERTIFICATION OF GRANTEE AND LOWER-TIER PARTICIPANTS
REGARDING DEBARMENT, SUSPENSION, AND OTHER INELIGIBILITY AND
VOLUNTARY EXCLUSION**

Grantee

City of Unalaska
P.O. Box 610
Unalaska, AK 99685

I, _____ hereby certify on behalf
(Name and title of official)
of City of Unalaska that:

- (1) The prospective Grantee and lower tier participant certifies, by submission of this letter, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. In the event, your company or any principals become ineligible from participating in federally funded transactions, you are required to notify us immediately.
- (2) When the prospective Grantee and lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Executed this _____ day of _____, 20____

By: _____

(Signature of authorized official)

(Title of authorized official)

DEBARMENT, SUSPENSION, INELIGIBILITY & VOLUNTARY EXCLUSION - 49 CFR Part 29; Executive Order 12549
[Applicable to all Federal-aid contracts which exceed \$25,000]

Instructions for Certification:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective Grantee and lower tier participants knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, THE AUTHORITY may pursue available remedies, including suspension and/or debarment.
2. The prospective Grantee and lower tier participants shall provide immediate written notice to THE AUTHORITY if at any time the prospective Grantee and lower tier participants learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
3. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "persons," "lower tier covered transaction," "principal," "proposal," and voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29]. You may contact THE AUTHORITY for assistance in obtaining a copy of those regulations.
4. The prospective Grantee and lower tier participants agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by THE AUTHORITY.
5. The prospective Grantee and lower tier participants further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List issued by U.S. General Service Administration.
7. Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to all remedies available to the Federal Government, THE AUTHORITY may pursue available remedies including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction

- (1) The prospective Grantee and lower tier participants certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 CFR §29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) When the prospective Grantee and lower tier participants is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The Grantee, City of Unalaska certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Grantee understands and agrees that the provisions of, 49 CFR §29 apply to this certification and disclosure, if any.

Signature of Grantee's Authorized Official: _____

Name and Title of Grantee's Authorized Official: _____

Date: _____

Attachment 5 Advance Request Form



GRANTS SECTION

REQUEST FOR ADVANCE PAYMENT

Instructions:

- (1) Fill in the Grantee, Grant Number, Project Title, Amount Requested, and Date.
- (2) Read the language in Appendix E of the Grant Agreement (Advance Disbursements provision).
- (3) Check the boxes to confirm that the advance is justified and that you have read and understood the conditions under which the advance will be approved and recovered by the Authority.
- (4) Provide a brief narrative explaining the proposed use of the advanced funds.
- (5) Attach documentation of costs associated with the requested advance (i.e., price quotes or cost estimates, invoices, a spreadsheet outlining projected payroll, etc.)

Grantee: City of Unalaska	Grant Number: 7013007
Project Title: City of Unalaska Wind Power Feasibility	Date:
Amount Requested:	

- The Grantee confirms that the advance is necessary due to a lack of cash on hand to administer the grant on a cost-reimbursable basis.
- The Grantee understands the conditions under which the Authority will recover the advance.

Explain how the advance will be used. Attach additional pages if necessary.

Grantee Certification: *I certify that the above information is true and correct, and that expenditures will be made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.*

Signature

Date

Name and Title

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-17

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES § 13.24.090 REGULATING FIREWORKS

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 Section 13.24.090. Section 13.24.090 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~overstruck~~.]

§ 13.24.090 FIREWORKS.

No person, ~~firm, corporation~~ shall offer for sale, expose for sale, sell at retail, keep with intent to sell at retail or use or explode any fireworks except as herein provided:

- (A) A fireworks display carried out pursuant to a fireworks display permit issued by the Alaska State Fire Marshal's Office;
- (B) Wire sparklers and snakes;
- (C) Use of class 1.4G fireworks (Class C common fireworks) ~~fireworks~~ by a person who is ~~over the age of 18 years of age or older only~~, with the consent of the owner of the property upon which the fireworks are ~~is~~ being activated, shall be permitted on the following dates ~~after City Manager and DPS fire hazard review~~:
 - (1) December 31 between sunset and 0100 hours (1:00 a.m.) on January 1;
 - (2) January 1 between sunset and 2200 hours (10:00 p.m.);
 - (3) July 3 between 2330 hours (11:30 p.m.) and 0100 hours (1:00 a.m.) on July 4; and
 - (4) July 4 between 0800 hours (8:00 a.m.) and 0100 hours (1:00 a.m.) on July 5.
- (D) The City may grant a variance from the listed dates in Section (C) of this ordinance due to inclement weather or other circumstances which may impact the safety and advisability of activating fireworks. Such variance shall be reasonably noticed to the public, including posting on the City web site and notifying local news media.
- (E) A person may apply for permission from the City Manager or designee to activate class 1.4G fireworks (Class C Common fireworks) on dates and times not included in Section (C) of this ordinance, as follows:
 - (1) Application shall be submitted to the City Manager or designee on a form provided by the City no later than seven (7) calendar days prior to the event.

- (2) Applications must include the specific date and time the fireworks are to be activated; proof of consent of the property owner from which the fireworks will be activated; and identification and proof of age for the person activating the fireworks.
- (3) Applications will be reviewed by both the Fire Chief and Police Chief, who shall both indicate in writing whether approval is recommended. If approval is not recommended, they shall indicate in writing, including the reasons for recommended denial.
- (4) The City Manager or designee shall make the final decision whether to approve the application.
- (5) The original application will be filed as a permanent record maintained by Fire and Emergency Medical Services.
- (6) A digital (scanned) copy of the application indicating approval or denial will be emailed to the applicant no later than two (2) calendar days prior to the event.

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 _____, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J.E. King, Director of Public Safety
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-17: Amending Unalaska Code of Ordinances §13.24.090
Regulating Fireworks

SUMMARY: The current City of Unalaska Ordinance governing the sale, possession and use and/or detonation of fireworks does not have a provision which would allow the City or its citizens to utilize fireworks except on three identified dates in the form of exceptions or variances. This absence of an exception or variance rule places the City and its citizenry at a disadvantage in cases of weather, special events and/or special occasions which may occur on dates other than those identified. Ordinance 2021-17 has been developed in an effort to provide the City with the capability to include variances and approve special permitted occasions during which fireworks could be utilized on specified dates and times other than those currently afforded. Staff recommends approval.

PREVIOUS COUNCIL ACTION: City Council approved Ordinance 2016-16 on July 12, 2016, which amended section 13.24.090 of Code to allow for the use of fireworks on December 31, January 1 and July 4 under certain conditions. In addition, the ordinance allows for fireworks to be used when permitted by the Alaska State Fire Marshal's Office.

BACKGROUND: The City of Unalaska passed its existing ordinance to address the use of fireworks in an effort to provide for the safe deployment of fireworks by responsible person(s) for community safety. The City identified three specific dates on which members of the community could deploy common fireworks. These dates were identified as New Year's Eve, New Year's Day and the 4th of July.

There have been instances where weather has not allowed for fireworks to be deployed on these limited days. And, recently, City Council has supported ASFA in their efforts to put on a New Year's Eve fireworks show. Hopefully the weather works out for the planned day, but that is not guaranteed. Unalaska has a very diverse community along with the existence of a multi-cultural community. Typically, the presence of a multi-cultural community often poses unique challenges related to honoring cultural celebrations and festivities. The use of fireworks often play a part in various cultures' celebrations unique to the manner in which the culture celebrates a birth, celebration of life, marriage and etc. Many of these culturally unique celebrations do not fall on any of the current limited approved dates for the use of fireworks.

DISCUSSION: The ordinance have been developed with input from both the Fire and Police. The passage of the amendment to the current fireworks ordinance would grant the City a means to approve the use of fireworks after a review process. This continues the City's focus on providing for the safe deployment of fireworks by responsible person(s) for community safety, but accounts for weather and other celebrations.

A specific challenge in regards to the approved dates for the use of fireworks, is the lack of approved time period. This often results in the deployment of fireworks during hours normally reserved for sleeping by a large number of the members of the community. The amendment to the ordinance would also limit the deployment of fireworks to reasonable hours taking into consideration the time of year and level of expected sunlight for that period of year.

ALTERNATIVES: If Council finds it is not in the best interest of the community to approve this ordinance as written, Council has the following alternatives to consider:

1. The Council may disapprove the ordinance change.
2. The Council may amend the time period for the already approved dates, and/or
3. The Council may remove the variance or approval portion

FINANCIAL IMPLICATIONS: Salaries and/or supplies associated with the normal day to day operations of the departments that would play a role in the acceptance, review and approval or denial of a request.

LEGAL: The City Attorney reviewed the proposed changes and provided insight as to wording.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2021-17.

PROPOSED MOTION: I move to schedule Ordinance 2021-17 for public hearing and second reading on December 14, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-18

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UCO §3.44.060 "RECOGNIZED CITY HOLIDAYS" TO ADD JUNETEENTH NATIONAL INDEPENDENCE DAY AS AN ANNUAL FLOATING CITY HOLIDAY BEGINNING CALENDAR YEAR 2022 AND TO MAKE MINOR DESCRIPTIVE EDITS

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 Section 3.44.060 Recognized City Holidays. Section 3.44.060 of the Unalaska Code of Ordinances is hereby amended to read as follows (new language is underlined; and language to be deleted is ~~overstruck~~):

§ 3.44.060 RECOGNIZED CITY HOLIDAYS.

(A) The following days shall be recognized as holidays with pay for all employees in regular full-time and regular part-time positions who are in pay status the day before and the day following such days:

New Year's Day - January 1

Martin Luther King's Birthday - Third Monday in January

President's Day - Third Monday in February

Memorial Day - Last Monday in May

Independence Day - July 4

Labor Day - First Monday in September

Veteran's Day - November 11

Thanksgiving Day - Fourth Thursday in November

Christmas Day - December 25

(B) Each regular full-time and regular part-time employee is entitled to up to ~~three~~ four floating holidays. An employee will be entitled to a floating holiday if the employee is in a regular full-time or regular part-time position in pay status the day before and the day following Lincoln's Birthday (2/12), Seward's Day (last Monday in March), Juneteenth National Independence Day (6/19), or Alaska Day (10/18). Floating holidays may be used only on or after the holiday itself, and upon approval of the Department Director. Floating holidays do not accrue past December 31 of the year in which they occur. Hours not used by this date will be cashed out to the employee in the pay period ending December 31. This cash out will be based on the employee's rate of pay on December 31 and will not be counted as one of the employee's Personal Leave cash outs. Employees must be employed with the City on December 31 to receive the cash out for unused floating holiday hours. Unused hours are eligible for cash out at the time of employment separation if the holiday

itself has passed.

Section 3: Effective Date. This ordinance is effective upon passage.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J. R. Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-18: Amending UCO § 3.44.060 RECOGNIZED CITY HOLIDAYS to add Juneteenth National Independence Day as an annual floating City holiday beginning Calendar Year 2022 and to make minor descriptive edits

SUMMARY: On June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law. Following that, on June 22, 2021, City Council approved Resolution 2021-49 to recognize this as annual holiday for the City of Unalaska, and award employees a floating holiday for calendar year 2021. This ordinance formally amends UCO § 3.44.060 to add Juneteenth National Independence Day as an annual floating City holiday. A few minor descriptive edits were included for consistency. Staff recommends approval.

PREVIOUS COUNCIL ACTION: On June 22, 2021, City Council approved Resolution 2021-49 unanimously to recognize this new holiday and provide a floating holiday for city employees to honor Juneteenth in 2021.

BACKGROUND: On June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law, recognizing the historical significance of the Juneteenth National Independence Day to the United States and that (1) history should be regarded as a means for understanding the past and solving the challenges of the future; and (2) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States.

There is a common misconception among Americans that Abraham Lincoln freed all the slaves when he signed the Emancipation Proclamation. Although the Emancipation Proclamation went into effect on January 1, 1863, it was two and a half years later, on June 19, 1865, when Union soldiers arrived in Galveston, Texas. It was then when they announced the end of the Civil War, and read aloud a general order freeing the quarter-million slaves residing in the state. It is likely that none of them had any idea that they had actually been freed more than two years before. It was truly a day of mass emancipation. This day has become known as Juneteenth.

DISCUSSION: The City of Unalaska recognizes nearly all Federal holidays with the exception of Columbus Day. Three additional holidays: Lincoln's Birthday, Seward's Day, and Alaska Day are recognized as floating holidays for City employees.

On June 22, 2021, City Council approved Resolution 2021-49 to recognize this as an annual holiday for the City of Unalaska, and grant employees a floating holiday for calendar year 2021. Ordinance 2021-18 is the next step in formalizing this recognition.

Adoption of this ordinance will amend UCO § 3.44.060 to recognize Juneteenth as an annual floating City holiday beginning calendar year 2022. Following approval of this ordinance, staff would also seek to amend CBAs to include this holiday beginning calendar year 2022.

ALTERNATIVES: Council may choose not to adopt Ordinance 2021-18.

FINANCIAL IMPLICATIONS: If this ordinance is adopted, this new holiday will need to be considered in personnel budgets.

LEGAL: Not needed at this time.

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2021-18.

PROPOSED MOTION: I move to schedule Ordinance 2021-18 for public hearing and second reading on December 14, 2021.

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

ATTACHMENTS:

- Resolution 2021-49

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-49

A RESOLUTION OF THE UNALASKA CITY COUNCIL 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

WHEREAS, Juneteenth commemorates June 19, 1865, when enslaved people in Galveston, Texas first learned about the Emancipation Proclamation formally freeing all enslaved individuals two and a half years earlier; and

WHEREAS, Juneteenth is a day to celebrate freedom and renew our efforts for a better future; and

WHEREAS, on June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law, recognizing the historical significance of the Juneteenth National Independence Day to the United States and that (1) history should be regarded as a means for understanding the past and solving the challenges of the future; and (2) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States; and

WHEREAS, the City Council is recommending that Juneteenth National Independence Day be a recognized as an annual holiday by the City of Unalaska.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council recognizes Juneteenth National Independence Day as a holiday and grants regular full-time and part-time employees an additional paid floating holiday in calendar year 2021, effective upon adoption of this resolution.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on June 22, 2021.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-72

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING COMMUNITY WIDE
COVID-19 PROTECTIVE MEASURES

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

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

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

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

WHEREAS, on February 14, 2021, Governor Dunleavy issued four Health Advisories with guidance and recommendations on general safety and best practices, international and interstate travel (modified April 26, 2021), intrastate travel (modified April 26, 2021), and critical infrastructure (modified May 27, 2021); and

WHEREAS, the Commissioner of the State of Alaska, Department of Health and Social Services, Adam Crum, pursuant to and in accordance with the authority granted by the Alaska State Legislature in House Bill 76, Chapter No. 2, SLA 2021, declared a Public Health Emergency effective at 12:02 a.m. on May 1, 2021, which shall remain in effect until rescinded or until the federal public health emergency issued under Section 319 of the Public Health Services Act expires, whichever is sooner; and

WHEREAS, on June 22, 2021, the Unalaska City Council passed Resolution 2021-47, extending the local emergency declaration through December 31, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, local health officials have advised that protective measures are beneficial given Unalaska's remoteness and lack of road access to the mainland; and

WHEREAS, the State of Alaska has specifically recommended communities with limited health care infrastructure or high-risk populations may consider more restrictive protective measures than the State; and

WHEREAS, as of November 3, 2021, there were 140,701 cumulative known COVID-19 cases statewide; and

WHEREAS, there are 7 known active COVID-19 cases in Unalaska as of November 3, 2021, 3 of which are categorized as community cases and 4 are industry-quarantined cases; and

WHEREAS, the City's Emergency Response Plan was modified on September 1, 2021, after careful consideration and consultation with medical professionals and other subject matter experts; and

WHEREAS, on October 6, 2021, Unalaska's Local Risk Level went to Low in accordance with the updated Emergency Response Plan and remains at Low as of November 3, 2021; and

WHEREAS, as of November 3, 2021, the Aleutians West Census Area is at 65% of residents 12 and older fully vaccinated and 76% of residents 12 and older have at least one dose of the vaccine; and

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

WHEREAS, the CDC continues to recommend masking in indoor public places to slow the spread of COVID-19; and

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

NOW THEREFORE BE IT RESOLVED:

1. **State Health Advisories.** Everyone in the City of Unalaska (the City) is encouraged to follow current Health Advisories issued by the State of Alaska related to COVID-19.
 - a. For individuals, as outlined in State Health Advisory Nos. 1-3, this includes practicing social distancing and good hygiene, staying at home if sick, isolating if tested positive for COVID-19, testing before and after travel, quarantining after travel if unvaccinated, and not traveling if currently COVID-19 positive.
 - b. People traveling for critical business purposes should follow their employer's plan according to State Health Advisory No. 4.
 - c. Businesses identified as "essential services" or "critical infrastructure" that are recommended to develop plans to mitigate the spread of COVID-19 within their workforce and to their customers under the State of Alaska under Health Advisory No. 4 or its appendices are encouraged to submit COVID-19 plans directly to the City if operating in Unalaska. Such businesses may submit their plans, protocols, or relevant notifications to the City of Unalaska by email to COVID19PLANS@ci.unalaska.ak.us.
2. **Face Coverings.** To help reduce the community spread of COVID-19 and to protect customers, visitors, workers and volunteers of businesses and organizations, individuals are encouraged to wear face coverings when interacting with others. A face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A face covering may be factory-made or sewn by hand. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by their posted organizational protective protocols.

3. **Reserved.**

4. **Marine Tourism.** Marine tourism includes travel to Unalaska for non-essential purposes by state ferry, a cruise ship of any kind, or private vessel. Marine tourism passengers and providers are required to adhere to resolutions, ordinances, orders of the City Manager, or any other local mandates related to public safety during the COVID-19 pandemic. Local requirements are in addition to any laws, regulations, agreements or plans that apply to travelers, vessels, or businesses through the State of Alaska, the Center for Disease Control and Prevention (CDC), or the US Department of Homeland Security.

5. **Reserved.**

6. **Effective Date; Expiration.** This resolution shall be effective at noon on Wednesday, November 10, 2021, and expires at noon on Wednesday, December 15, 2021. The City Council may extend it as necessary, or the City Manager may extend it or amend it pursuant to the emergency management powers under Unalaska Code of Ordinances § 2.96, and Resolutions 2020-71 and 2021-47. This resolution repeals and replaces any other inconsistent resolution or ordinance.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 9, 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: November 9, 2021
Re: Resolution 2021-72: Establishing community wide COVID-19 protective measures

SUMMARY: This resolution was developed based on Unalaska's COVID-19 Emergency Response Plan. We are currently at the Low Risk Level. This resolution is set to expire on December 15, 2021, and continues to focus on recommended actions.

PREVIOUS COUNCIL ACTION: Since originally declaring a local state of emergency in March of 2020, now extended to December 31, 2021, City Council has responded to the local situation in the form of Resolutions setting out community wide protective measures.

BACKGROUND: Pursuant to HB 76 and the Department of Health and Human Services COVID-19 Declaration of Public Health Emergency dated April 30, 2021, the State continues to assist with testing, vaccinations, contact tracing, and taking other limited, necessary actions. The State has issued four health advisories, listed below, addressing general safety, travel and critical infrastructure, with appendices focusing on the seafood industry.

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

Health Advisory 2 – International and Interstate Travel – Other than prohibiting persons who are currently positive with COVID-19, the State no longer has entry or travel testing requirements. The existing airport testing infrastructure will remain in place to protect Alaskans and visitors alike, but testing is voluntary.

Health Advisory 3 – Intrastate Travel – Like Health Advisory 2, the State's guidance regarding intrastate travel was modified April 26. It continues to permit local travel restrictions, and outlines expectations of communities for allowing travel of Critical Infrastructure personnel, as well as for community members and those traveling for critical personal needs.

Health Advisory 4 – Critical Infrastructure – The advisory provides guidance for Critical Infrastructure businesses operating in Alaska to protect both communities and industries. There is an appendix specifically applicable to Seafood Processing Workers.

On September 1, 2021, Unified Command finalized the update to Unalaska's COVID-19 Emergency Response Plan. Changes were necessary due to the wide availability of vaccines for COVID-19 and new information learned about the virus. There are now four levels outlining thresholds of risk associated with overwhelming medical facilities: Low, Moderate, Substantial and High Risk. Once the risk level is elevated, it will remain for two weeks, at which point the level will be reassessed. The Response Plan also identifies recommended protective measures associated with each risk level. The general purpose of the plan is to provide guidance to

individuals for their personal decision making; to organizations as they make operational decisions; and to the City Council as it considers Community Wide Protective Measures.

Based on the number of current active cases as of November 3, 2021, the community is at Low Risk under the Response Plan. Low Risk is defined as having few COVID-19 cases present in the community. Generally, this is defined as less than 10 cases, which are community acquired, travel acquired, and/or household acquired, with consideration for the inclusion of industry-related cases that are a part of the community or who have traveled commercially and test positive upon arrival.

The CDC continues to recommend masking in indoor public places to slow the spread of COVID-19. CDC has produced a science brief on the community use of masks to help control the spread of the virus. This information can be found on the CDC website at this link: <https://www.cdc.gov/coronavirus/2019-ncov/science/science-briefs/masking-science-sars-cov2.html>.

DISCUSSION: In accordance with the COVID-19 Emergency Response Plan developed early on in this pandemic, and recently updated, this is the time where Council might consider measures to limit community spread.

As drafted, this resolution is set expire December 15, 2021 and will be revisited at the Council Meeting on December 14, 2021. This date coincides with a regularly scheduled City Council meeting. Council will likely not have a meeting on November 23, 2021, but Council could reconsider the community wide COVID-19 protective measures and schedule a meeting before December 14, 2021 if deemed necessary.

The key sections of the Resolution are outlined below.

- **State Health Advisories** – *This section has not changed from the previous resolution.* Everyone in the City is encouraged to follow the State’s Health Advisories. These are not mandated locally.
- **Face Coverings** – *This section has not changed from the previous resolution.* Customers, visitors, workers and volunteers of businesses and organizations are encouraged to wear face coverings when interacting with others. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by their organizational protective protocols.
- **Marine Tourism** – *This section has not changed from the previous resolution.* This section provides guidance for those traveling for non-essential purposes on the state ferry, cruise ships or private vessels and clarifies that local safety protocols in this resolution apply.

If the risk level changes prior to the November 9, 2021 Council meeting, additional measures may be appropriate to consider. If the risk level is increased to Substantial, the Response Plan recommends requiring face coverings. Additionally, if the risk level were to increase to High, the Response Plan recommends requiring limits to indoor public gatherings and building capacities.

ALTERNATIVES: Council may choose to approve, amend or disapprove this resolution. The decisions on what is contained in the resolutions addressing community wide protective measures, including the expiration date, are ultimately policy decisions made by Council.

If City Council wished to require face coverings, as it has with the previous resolution, Council could replace the existing sections 2 and 5 of the resolution with the wording provided below.

2. **Face Covering Requirement.** *To help reduce the community spread of COVID-19 and to protect customers, visitors, workers and volunteers of businesses and organizations, individuals shall wear face coverings in certain situations, with limited exemptions, as outlined below. A face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A face covering may be factory-made or sewn by hand.*
 - a. *Individuals are required to wear face coverings in the following situations:*
 - i. *Employees or volunteers interacting in-person with any member of the public, customer or visitor;*
 - ii. *Customers or visitors of any business or organization open to the public;*
 - iii. *While obtaining services in a healthcare facility;*
 - iv. *Working in or walking through indoor common areas, such as hallways, stairways, and elevators;*
 - v. *In any room or enclosed area of a business or organization where other people (except for members of the person's own household or residence) are present and when unable to physically distance; or*
 - vi. *When driving or riding in a taxi or shuttle service.*
 - b. *The following individuals are exempt from wearing a face covering:*
 - i. *Persons younger than two years old;*
 - ii. *Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance;*
 - iii. *Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication;*
 - iv. *Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service, such as medical services; or*
 - v. *Persons who are seated at a restaurant or other establishment that offers food or beverage service, while they are eating or drinking.*
 - c. *Business owners or operators shall post signage requiring face coverings at building entrances or vehicle doors or windows. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by this resolution.*
5. **Penalties.** *Violation of this resolution is punishable as a misdemeanor under Unalaska Code of Ordinances § 2.96.090 and is a Public Nuisance, subject to the remedies in Unalaska Code of Ordinances, Title 11, Chapter 8, including prosecution as a minor offense.*

FINANCIAL IMPLICATIONS: Unknown at this time.

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

STAFF RECOMMENDATION: The City Manager recommends approval of the form of this resolution, as it has been developed based on past Council discussions, consultation with local health officials, our attorney, and with the guidance outlined in our COVID-19 Emergency Response Plan. Council may wish to alter some of the details based on further discussion.

PROPOSED MOTION: I move to adopt Resolution 2021-72.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-73

A RESOLUTION OF THE UNALASKA CITY COUNCIL ACCEPTING AMENDMENT #1 TO THE
CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS AWARD AGREEMENT

WHEREAS, the municipality wishes to provide the above described funds for the community of Unalaska; and

WHEREAS, the municipality total operating budget revenue in effect as of January 27, 2020 was \$70,523,574; and

WHEREAS, the municipality entered into a grant agreement with the State of Alaska Department of Commerce, Community and Economic Development in the original amount of \$1,069,850; and

WHEREAS, the Unalaska City Council approved Resolution 2021-50 on June 22, 2021 accepting the award and authorized the City Manager to sign related agreements; and

WHEREAS, the municipality has received Amendment #1 to the original agreement, which will provide an additional \$894,688 in coronavirus relief funding to the City of Unalaska.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby accepts the terms of Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award from the State of Alaska and Erin Reinders, City Manager, is also authorized to execute subsequent amendments to said agreement, based on the needs of the grant.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 9, 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: November 9, 2021
Re: Resolution 2021-73: Accepting Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award

SUMMARY: The City received notification of eligibility to receive America Rescue Plan Act (ARPA) funding in the amount of \$894,688. This amount is in addition to the amount previously awarded (\$1,069,850) and is specifically for Non-Units of General Local Governments (Non-UGLG). The current amount is being awarded as an amendment to the original State award. This resolution also includes authorization for the City Manager to sign on behalf of the City accepting the funds. Staff recommends approval.

PREVIOUS COUNCIL ACTION: On June 22, 2021, the Council approved Resolution 2021-50 accepting \$1,069,850 for the Coronavirus Local Fiscal Recovery Funds award to non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development.

BACKGROUND: On March 11, 2021, Congress passed the federal act known as the American Rescue Plan Act of 2021 (Rescue Act). The Act is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. A portion of the package (\$350,000,000,000) is to be distributed to cities, states tribal governments and U.S. Territories.

In June 2021, the City was awarded \$1,069,850 in Coronavirus Local Fiscal Recovery Funds to non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development. The first tranche of funding was received in August 2021 with the second tranche to be received in 2022.

As with the original grant monies, communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of Rescue Act funds. Communities will be required to reimburse the State for any misspent funds.

Payments will be received by the City in two equal tranches. The first tranche is expected within the next month or two, with the second to be received one year later. The delay in receiving the second tranche does not prohibit the City from committing the entire amount through a spending plan, but will not be reimbursed until the second tranche has been received.

DISCUSSION: Resolution 2021-73 formally accepts Coronavirus Local Fiscal Recovery Funds Award to Non-Units of General Local Governments (Non-UGLG) Relief Funds in the amount of \$894,688 for costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Additionally, the resolution authorizes the City Manager to sign amendments to the grant agreement with the State of Alaska Department

of Commerce, Community, and Economic Development; Division of Community and Regional Affairs.

The City's costs related to the COVID-19 have largely been encountered and our current local state of emergency is set to expire at the end of 2021. We anticipate that future related costs will be due to the availability and maintenance of the isolation site, which is expected through the end of 2021. Other related expenses are staffing at the airport to assist with contact tracing forms, additional disinfection at PCR and the airport and attorney consultation as needed. If the state of emergency expires, these activities and related expenses would likely be reduced.

ARPA funding has many different allowable uses and the COVID committee plans to review those uses, including infrastructure type projects in addition to previously discussed allowable uses. Staff will discuss the best use of these funds and bring forth a budget amendment at a future date that provides more detailed information on how the new funds will be used for Council's consideration. As previously communicated, the City has implemented a cost tracking mechanism to capture these costs.

ALTERNATIVES:

1. Council could elect to not agree to the terms of the grant amendment and forfeit the opportunity to recover costs incurred as a result of the City's efforts in responding to the COVID-19 pandemic; or
2. Council could approve the resolution as presented and accept the amendment to the original grant agreement.

FINANCIAL IMPLICATIONS: The proposed amendment will provide additional funds to the City for uses to be determined at a later date.

LEGAL: The original agreement was reviewed by one of the city's attorneys, Charles Cacciola. The amendment to that agreement follows all of the same requirements as the original agreement. Therefore, further review is unnecessary.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-73.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: Amendment #1 to American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF)

**AMERICAN RESCUE PLAN ACT (ARPA)
CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF)
AMENDMENT**

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Non-Units of General Local Government: (Non-UGLG) Local Gov't Name City of Unalaska		NEU Recipient Number: AK0137	Unique Identifier Number: AK0137-N	
CFDA: 21.027	EIN Number 92-0036399	DUNS Number 060037488	Vendor Number: CIU84215	Appropriation Unit: 085601269

Amendment # 1

EFFECTIVE THE DATE SIGNED BELOW THIS GRANT IS HEREBY AMENDED AS FOLLOWS:

1. This Coronavirus Local Fiscal Recover Fund distribution is modified to include an increase of **\$894,688.44** as reflected below:

	CLFRF to NEU	Additional CLFRF to Non-UGLG	TOTAL CLFRF Amount:
ARPA Funds:	\$1,069,850.42	\$894,688.44	\$1,964,538.86

2. The city's first payment will be half of the Coronavirus Local Fiscal Recovery Fund to Non-Units of General Local Government (Non-UGLG), this allocation will be using the Unique Identifier Number identified above.
3. By signing this amendment, the city agrees to US Department of Treasury's reporting requirements, which must include the combined funding received under the program including ARPA, NEU and Non-UGLG Coronavirus Local Fiscal Recovery Funds.

**ALL OTHER TERMS AND CONDITIONS OF THE GRANT AGREEMENT REMAIN IN
FULL FORCE AND EFFECT.**

Non-Units of General Local Government	Department
Signature:	Signature:
Printed Name and Title of Authorized Representative: Erin Reinders, City Manager	Printed Name and Title: Pauletta Bourne, Grants Administrator III
Date:	Date:

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-71

A RESOLUTION OF THE UNALASKA CITY COUNCIL ADOPTING PRIORITY RANKINGS FOR THE FY23 - FY32 CAPITAL AND MAJOR MAINTENANCE PLAN PROCESS GUIDE

WHEREAS, the purpose of the Capital and Major Maintenance Plan (CMMP) is to formalize the process of identifying and completing capital projects and major maintenance projects; and

WHEREAS, the CMMP Process Guide has eight (8) priority areas that serve as a tool to help City staff review, analyze and assign values to projects based on direction from City Council to effectively address the City's needs; and

WHEREAS, the eight (8) priority areas are: Plans/Comprehensive Plan; Regulatory Compliance; Infrastructure/Public Safety; Quality of Life/Health and Wellness; Impact on Operational Budget; External Funding; Timing/Location; and Innovation; and

WHEREAS, on October 26, 2021 the City Council was invited to individually rank the eight (8) priority areas and submit them to the Planning Department for summary analysis; and

WHEREAS, the Planning Department entered the values into a matrix to produce the priority weights for this year's CMMP Process Guide. In order of priority, they are:

1. Regulatory Compliance; and Impact on Operational Budget
2. External Funding
3. Plans/Comprehensive Plan; Infrastructure/Public Safety; and Quality of Life/Health and Wellness
4. Timing/Location; and Innovation

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves and adopts the above priority rankings for this year's CMMP Process Guide.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 9, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, Planning Director
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Resolution 2021-71: Adopting priority rankings for the FY23 - FY32 Capital and Major Maintenance Plan Process Guide

SUMMARY: This memorandum is supplemental to the last City Council work session regarding the Capital and Major Maintenance Plan (CMMP) Process Guide, which proposes a schedule of deadlines and meeting dates involving the CMMP and its preparation and adoption. In addition to the schedule, the guide also maintains eight (8) project categories for evaluating and ranking projects according to city priorities as well as an incentive for planning out 10 years in advance. Planning has also added point values to the Process Guide that reward projects that address Federal and State priorities and focus areas which the Council establishes annually. This year we are presenting the resulting priorities to City Council for adoption via Resolution 2021-71.

PREVIOUS COUNCIL ACTION: City Council reviews the 10 year CMMP annually in the month of March of each year and typically adopts it in April. Last year the Planning Department introduced the ranking exercise to City Council to provide each council member the opportunity to weight each criterion. At the last City Council meeting, Staff briefed the City Council on this year's changes and introduced this year's ranking exercise.

BACKGROUND: Title 6 of the Unalaska City Code requires the City Manager to submit a five-year capital improvement plan and budget of the proposed projects each year in conjunction with the City's operating budget. Each year, the City Council adopts this plan, called the Capital and Major Maintenance Plan (CMMP), to help identify needs and set spending priorities for the coming five-year period. This is the second year Unalaska will prepare a 10 year CMMP. All prior plans were only for five (5) year periods.

DISCUSSION: Following the October 26 City Council meeting, the Planning Department received ranking sheets from the Mayor and Council Members. The sheets were aggregated into a single document and the ranking categories scored as an average across six (6) Council Members and the Mayor. The results are displayed in **Figure 1: City Council's CMMP priorities**. The worksheet is attached as Exhibit 1.

Figure 1: CITY COUNCIL CMMP PRIORITIES

Category	Average	Priority
Plans/Comprehensive Plan	2.3	3
Regulatory Compliance	1.2	1
Infrastructure/Public Safety	1.8	2
Quality of Life/Health and Wellness	1.7	2
Impact on Operational Budget	1.2	1
External Funding	1.3	1
Timing/Location	2.7	4
Innovation	2.8	4

New this year is the inclusion of City Council Federal and State priorities and Focus Areas. City Council recently adopted a resolution indicating what focus areas it is most interested in advancing on behalf of the city. Annually, Council adopts legislative priorities. Staff also amended the CMMP Process Guide to reflect the work City Council does with identifying said priorities and focus areas. Staff assigned point values of ten (10) to be added to projects which address Federal and State priorities, and five (5) points added to those that address Focus Areas. This inclusion provides deference to City Council's work and better assists Staff with sorting and prioritizing the CMMP projects.

ALTERNATIVES: Council reviews the scores aggregated above, and decides to change the rankings.

FINANCIAL IMPLICATIONS: None. This is a guide for a planning document.

LEGAL: Not Applicable.

STAFF RECOMMENDATION: Approval of Resolution 2021-71

PROPOSED MOTION: I move to adopt Resolution 2021-71.

CITY MANAGER COMMENTS: I support Staff's recommendation.

ATTACHMENTS:

- Council Scoring Sheets
- Final CMMP Process Guide

EXHIBIT 1

FY 23-32 CMMP												
Council Member												
Category	Thom Bell	Shari Colman	Dennis Robinson	Daneen Looby	Bong Tunguul	Darin Nicholson	Vince Tutiakoff	MODE	Avg.	Mode w/ Vince	Avg. W/ Vince	Final
Plans/Comprehensive Plan	2	3	2	3	1	3	1	3	2.3	3	2.1	2
Regulatory Compliance	1	1	1	1	2	1	2	1	1.2	1	1.3	1
Infrastructure/Public Safety	1	2	2	2	2	2	2	2	1.8	2	1.9	2
Quality of Life/Health and Wellness	1	2	2	2	1	2	1	2	1.7	2	1.6	2
Impact on Operational Budget	2	1	1	1	1	1	1	1	1.2	1	1.1	1
External Funding	2	1	1	1	2	1	3	1	1.3	1	1.6	1
Timing/Location	3	3	3	2	3	2	3	3	2.7	3	2.7	3
Innovation	3	2	3	3	3	3	3	3	2.8	3	2.9	3

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Vincent M. Tutakoff Date: ^{NOV}~~Oct.~~ 1, 2021

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan	✓		
Regulatory Compliance		✓	
Infrastructure / Public Safety		✓	
Quality of Life / Health & Wellness	✓		
Impact on Operational Budget	✓		
External Funding			✓
Timing/Location			✓
Innovation			✓

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Dennis Robinson Date: 11/02/21

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan		X	
Regulatory Compliance	X		
Infrastructure / Public Safety		X	
Quality of Life / Health & Wellness		X	
Impact on Operational Budget	X		
External Funding	X		
Timing/Location			X
Innovation			X

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Alejandro Tungul Date: 11/02/2021

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan	x		
Regulatory Compliance		x	
Infrastructure / Public Safety		x	
Quality of Life / Health & Wellness	x		
Impact on Operational Budget	x		
External Funding		x	
Timing/Location			x
Innovation			x

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Shari Coleman **Date:** 11/2/21

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan			x
Regulatory Compliance	x		
Infrastructure / Public Safety		x	
Quality of Life / Health & Wellness		x	
Impact on Operational Budget	x		
External Funding	x		
Timing/Location			x
Innovation		x	

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Darin Nicholson Date: 11-3-21

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan			X
Regulatory Compliance	X		
Infrastructure / Public Safety		X	
Quality of Life / Health & Wellness		X	
Impact on Operational Budget	X		
External Funding	X		
Timing/Location		X	
Innovation			X

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Thomas Bell Date: 11/2/2021

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan		x	
Regulatory Compliance	x		
Infrastructure / Public Safety	x		
Quality of Life / Health & Wellness	x		
Impact on Operational Budget		x	
External Funding		x	
Timing/Location			x
Innovation			x

COUNCIL MEMBER FEEDBACK

FY 23-32 CMMP Project Category Priority Ranking

Name: Daneen Looby **Date:** 11/02/21

Please refer to the CMMP Process Guide to rank each Project Category. The definitions of each category begin on page 14.

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's. Therefore, you must prioritize the categories according to your opinion of their weight in the CMMP process.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan			X
Regulatory Compliance	X		
Infrastructure / Public Safety		X	
Quality of Life / Health & Wellness		X	
Impact on Operational Budget	X		
External Funding	X		
Timing/Location		X	
Innovation			X

Draft CMMP Process Guide



2023 To 2032

*CMMP Overview, CMMP Process at a
Glance, CMMP & Budget Schedule,
Sample Evaluation Form*

City of Unalaska, Alaska

CMMP Process Overview	October	November	December	January	February	March	April
Kick Off Meetings							
Training							
Nominations							
Internal Review							
Planning Commission Review							
Presentation to Council							
Council Adoption							

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Capital and Major Maintenance Plan Overview

Purpose of the CMMP

Title 6 of the Unalaska City Code requires the City Manager to submit a five-year capital improvement plan and budget of the proposed projects each year in conjunction with the City’s operating budget. Each year, the City Council adopts this plan, called the Capital and Major Maintenance Plan (CMMP), to help identify needs and set spending priorities for the coming five-year period.

As of 2022, however, the CMMP shifted to a 10-year planning process. The CMMP budget has grown significantly in recent years and the need to spread out the improvement costs requires increased planning. Other planning impediments have developed too, and include response plans to the COVID Crisis and the national economic trends than could affect Unalaska’s tax base. Adding five more years to the timeline will enable the City Council and the Directors better manage the future purchasing, maintenance, and capital projects of the City, while keeping an eye on the overall budget and its impacts on each year of spending.

CMMP Components

The components of the CMMP are Capital Projects, Major Maintenance, Major Purchases, and Rolling Stock. Capital Projects are major projects involving extensive planning, design, and construction. These are usually new buildings, roads, utility extensions, and other major infrastructure. Major Maintenance projects are those surrounding existing infrastructure, such as repairing roads, culverts, building maintenance, etc. Major Purchases are purchases of major equipment, such as copiers, generators, and large bulk orders (ex. Tasers). Rolling Stock purchases are all vehicles, trailers and machinery on wheels/treads. This master list is compiled and maintained by the Public Works Director. Some major rolling stock purchases, such as fire trucks, are of a high value which case they are left on the CMMP as a separate project. These tend to be the exception.

Financial Details

Each component of the CMMP is designed to identify and prioritize various needs and expected expenditure levels. The capital asset threshold for General Fund Projects is \$50,000, while Proprietary Fund Projects remains at \$10,000, but we have continued to list capital items like vehicles and copiers under \$50,000 on the CMMP for consistency. The Major Maintenance Schedule was added to the CMMP in FY03. The Facilities Maintenance Supervisor developed a maintenance plan to look at major facility assets and projects replacement and repair needs over 20 years. The plan is updated annually after inspection of facilities, and items are scheduled through the CMMP and operating budget to ensure our investments in infrastructure and assets are well maintained.

As you will see in the table below, project nominations will have costs projected into the appropriate funds for all ten years of the plan. Each year the costs are expected to become more accurate, starting with a best guess 10 years out to an accurate cost from known bids. It is expected that projects will go from a best guess number based on current cost extrapolated 7 to 10 years out, to a cost within 2x the value in years 4 to 7, to numbers within 50% of the value in year 3, and accurate numbers based on engineering and design expectations in years 1 and 2. This will aid in projecting an overall budget, and preventing years with stacked funding resulting in requests of hundreds of millions.

Each project is subject to a mandatory 30% contingency. A project may be exempted from the 30% contingency on a case-by-case determination in the current year of funding. The City Manager is the final authority on for a waiver of the contingency requirement.

Annual Roadmap

The first year of the plan supports the capital budget, and the following four years show proposed costs for capital improvement projects and projected infrastructure and equipment maintenance and replacement needs. Years five through ten are a roadmap to identify major costs coming in future years. This will be especially important when planning the most expensive of new infrastructure, roads, and buildings. It is expected that projects nominated in years 1-7 will exist in planning documents either approved by City Administration and Directors, or City Council. This will cut down on the number of projects that are nominated in the immediate short term.

Exceptions may be made for emergency needs, such as the previous Slip-Lining project, where a sewer line rupture resulted in a focused emergency fix by budget amendment, but more funding was sought though the CMMP to complete a more comprehensive repair. Exceptions will be reviewed on a case-by-case basis by the City Manager, as normal in the budget amendment cycle.

CMMP 10-Year Progression Model					
Next Fiscal Year Budget	2 Years Out	3 Years Out	4 Years Out	5 -7 Years Out	7-10 Years Out
Nominations that have final engineering and design, are ready to construct or purchase	Nominations have preliminary engineering and design numbers	Nominations have ROM numbers	Nominations have WAG numbers	Project should exist in an adopted plan. Should have WAG Number	Project Incepton. Nominations have "ballpark" numbers

ROM = Rough Order of Magnitude (number within 50% accuracy)

WAG = Wild-Approximate Guess (up to 200% projected cost)

Ballpark = Best guess up to 10 years out

CMMP Process at a Glance



Budget Schedule

FY 2023 Budget Calendar
CMMP, City Budget, UCSD Budget, Community Support Grants
September to December

9/24/21	Directors	Discussion	Distribute Schedule
	Directors	Discussion	All Project Nominations, Rolling Stock Open
10/15-16/21	Directors	Training	*As Needed * Additional Training By Appointment
10/19/21	Schoolboard	Committee	Assign 2 School board members to UCSD Budget Committee. Send request to City Council to invite one member to participate
10/21/21	Planning Commission	Discussion	CMMP Presentation to Planning Commission & Request for Project Ideas
10/26/21	City Council	Discussion	Review & Comment on CMMP and Budget Schedule, and Project Ranking Criteria
11/3/21	Directors	Discussion	Check in meeting regarding nominations. Directors present their drafts and are offered suggestions for revisions.
11/9/21	City Council	Directive	Decide CMMP Project Ranking Criteria & Weights
11/10/21	Directors	Discussion	Review update to CMMP Process Based on Council Meeting
11/12/21	Planning	Distribution	Distribute Updated Process Guide With Ranking Values (inter-office mail)
11/18/21	Planning Commission	Discussion	Collect Planning Commission Project Ideas
11/22/21	Planning	Distribution	Planning Compile PC Ideas and Distribute to Directors
11/30/21	Directors	Deadlines	All Project and Rolling Stock First Drafts and Ranking Info Due into Planning
12/1/21	Directors	Distribution	MUNIS Budget Entry Opens for All City Departments
12/3/21	Nonprofits	Distribution	Community Grant Application Packets to Nonprofit Organizations
12/6/21	Planning	Deadline	Planning Deadline for First Draft Ranking Information
12/10/21	Directors & Technical Review Committee	Discussion	CMMP 1st Draft and ranking review Friday afternoon
12/22/21	Directors	Deadline	CMMP 2nd director draft review after Wednesday morning Director's meeting
12/29/21	Directors	Deadline	CMMP nominations, as well as supporting documentation, are due for final compilation

Planning Commission Meeting

City Council Meeting

UCSD School Board Meeting

FY 2023 Budget Calendar
CMMP, City Budget, UCSD Budget, Community Support Grants
January to May

1/11/22	City Council	Discussion	Review CMMP Nominations and Prioritize Projects (Planning Dir)
1/20/22	Planning Commission	Discussion	DRAFT CMMP Presentation to Planning Commission
1/25/22	City Council	Discussion	Budget Goals & Revenue Projections
1/26/22	Directors	Discussion	Review Planning Commission comments and any needed revisions to the CMMP
1/26/22	UCSD	Discussion	UCSD Budget Committee Meeting (@ High School)
2/2/22	UCSD	Discussion	UCSD Budget Committee Meeting (@ High School)
2/4/22	Directors	Deadline	Final submission of Rolling Stock and Facilities Maintenance Plans to Planning Department
	Planning	Deadline	Community Support Grant Applications Due to Planning
2/8/22	City Council	Discussion	Adopt Budget Goals
2/18/22	Directors	Deadline	Final Deadline for ALL submissions to CMMP. From here, only final editing for commentary and context.
	Directors	Deadline	MUNIS Closes for Department Budget Entries
3/2/22	Directors	Deadline	Final Deadline CMMP Access Closed Until City Council Makes Changes
3/18/22	Directors	Dry Run	CMMP Participants and CM: Practice Presentation to Council
	Clerks & CM	Distribution	Draft CMMP Distribution to Council
3/22/22	City Council	Discussion	Draft CMMP Presentation to Council
4/8/22	Clerks & CM	Distribution	Final Budgets Distributed to Council
4/11/22	UCSD/ City Council	Presentation	Special City Council Meeting: UCSD representatives present FY23 Budget Request
4/12/22	CM & Staff	Presentation	Final Budget Presentation to Council (CMMP, Community Grants, City Budget)
4/26/22	City Council	Resolution	Follow-Up Budget Questions; Adopt Budget Resolutions

<div style="background-color: #92d050; padding: 5px; text-align: center;">Planning Commission Meeting</div> <div style="background-color: #6495ed; padding: 5px; text-align: center;">City Council Meeting</div> <div style="background-color: #e6b8a2; padding: 5px; text-align: center;">UCSD School Board Meeting</div>	TERMS	
	Planning Staff	Planning Department
	CMMP Staff	Planning Department, City Manager, Finance Director
	Technical Review Committee	Planning Director, City Manager, Finance Director, Public Works Director, City Engineer, & Project Management/ Fixed Asset Accountant
	UCSD	Unalaska City School District
	CM	City Manager

Nomination Processes, Pointers & Checklist

New This Year:

- ◇ **Projects with funding in 2023 MUST include a quote or bid document.**
- ◇ **NO NEW PROJECTS FOR 2023:**
 - ◇ Projects that are already committed and signed from past years will continue.
 - ◇ Projects that were PROPOSED to start 2023 but have no commitment/contracts will move to future years.
 - ◇ NO projects will be accepted as first-time proposals for 2023.

Nominations

- ◇ Like last year, the CMMP will be processed using the city's GIS system. This should streamline processing of the projects.
- ◇ The deadline for new nominations and past nomination updates is the same
- ◇ Rolling Stock will now be due at the same time as nominations.
- ◇ Any nominations not selected as part of prior CMMP program years, or 'prior nominations' may be resubmitted as a 'new' project for consideration.
- ◇ Never before seen nominations should be discussed with the City Manager in the weekly individual meetings before addition to the CMMP
- ◇ Answer all evaluation questions "Yes" or "No" unless otherwise indicated by the Evaluation Form.
- ◇ Answer all questions or you may lose points for your project. Keep in mind that the more questions answered, the more accurate and transparent the scoring measure, better prioritization of projects. Please review the evaluation form to answer detail questions when entering projects. This will maximize your points for ranking.
- ◇ Be prepared to discuss the importance of each project at the All Staff meetings to justify the project.
- ◇ These must be received by the end of December and will be presented to Council in January.

Nomination Reviews

- ◇ All New Nominations will be reviewed and evaluated by directors, the Technical Review Committee, Planning Commission, and City Council.
- ◇ Planning will send you all of your existing summary sheets. We will use the previous year's nominations to practice input for this year's CMMP. Once entered, you must edit them for any new information obtained since last year, i.e. Schematics, quotes, etc.
- ◇ The ranking system will be based on weighted categories for each project. The section entitled "Evaluation Form" contains all the necessary information for ranking projects.
- ◇ Category weights were decided by the City Council.
- ◇ Remember when editing to update the Cost Assumptions table

Pointers...

As you gather project information and complete the nominations consider the following:

- ◇ Remember a 30% contingency for ALL projects.
- ◇ Budget for consultant help with scoping and pricing for upcoming projects.
- ◇ A good rule of thumb for thresholds is \$10,000 for propriety funds and \$50,000 for general funds to be considered a CMMP project.
- ◇ Be realistic with timelines and consider funding availability.
- ◇ Be realistic about the number of projects that can be done in one year.
- ◇ Have a picture or graphic that is a good representation of your project. Pictures that are not accurate or clear only serve to add confusion.
- ◇ Consider how projects are going to be evaluated (see the evaluation criteria section of this document).
- ◇ Remember, projects will be also rated on the amount of time they have spent on the CMMP. Projects new in FY23 will be at a distinct disadvantage to those added in FY26. If a project is proposed 5 years out, it receives the entire benefit. There is no additional benefit for budgeting 6+ years out.
- ◇ Be sure to include all attachments.

Checklist:

Copy and print as needed to track your project's completeness

- GIS Data Entry for Each Project
 - Project Title
 - Project Active or Not?
 - Project Description
 - Project Need
 - Project Plans and Funding Sources List
 - Design Stages
 - Evaluations
- Attach supporting Documents for Nominations:
 - Regulatory agency documentation
 - Commission or Board Resolutions
 - Pictures
 - Relevant section of Plans in which the project may have originated
 - Cost Assumptions block from Excel
- CMMP Shared Drive: city files (\\file-server) (N:) > Shared > CMMP > 2023

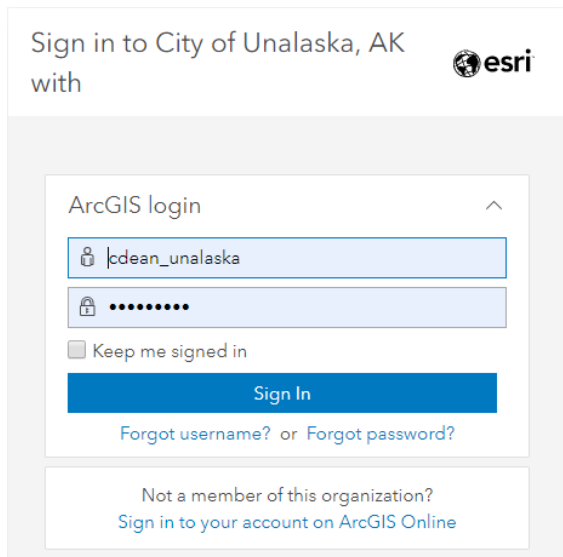
GIS Nomination Entry Guide

CMMP Project Nominations

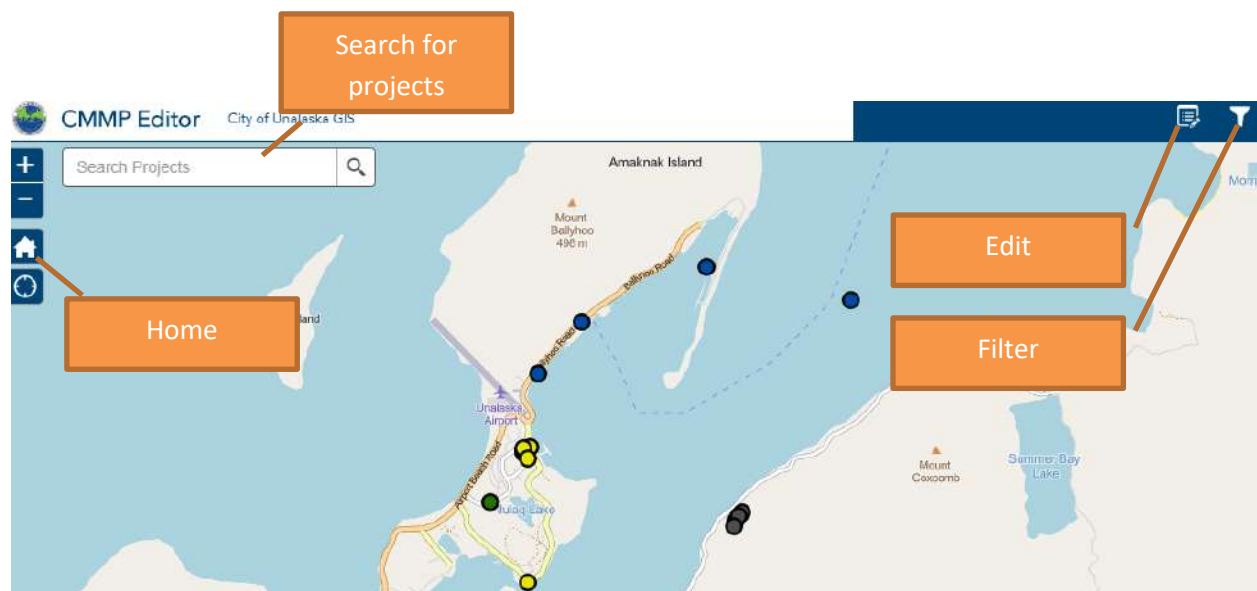
1. Open the CMMP application at:

<https://unalaska.maps.arcgis.com/apps/webappviewer/index.html?id=2a43e070b80c4825a84b308397d7b61b>

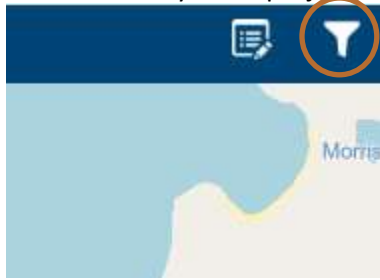
2. Login with your ArcGIS Online username and password.



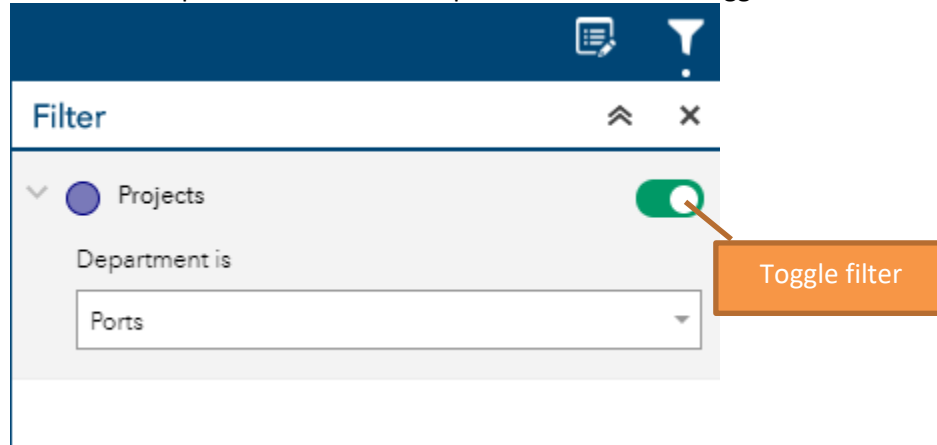
3. Each dot on the map represents a different project, colored by department:



4. To only show projects from a particular department, click the *filter* button in the upper right.

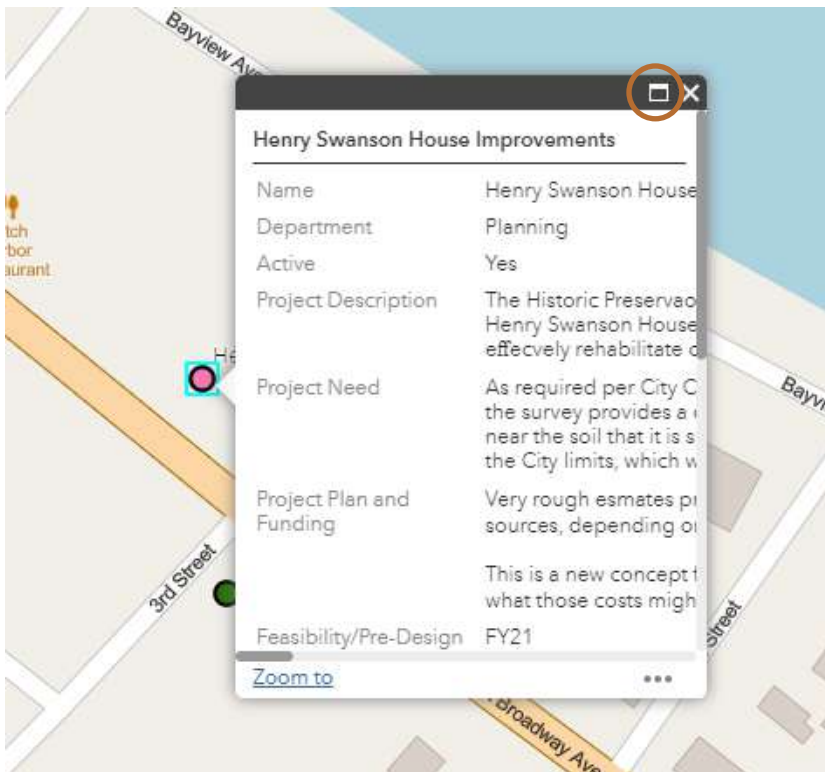


- a. Choose the department from the dropdown and click the toggle button to activate the filter.

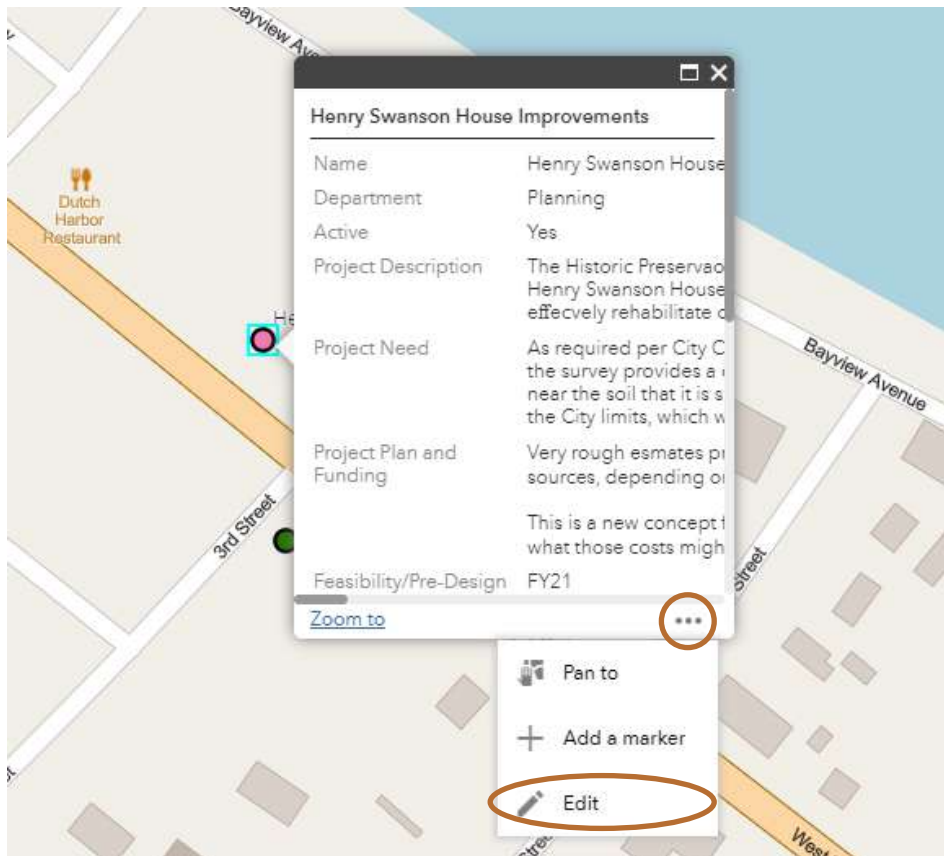


Edit a Project

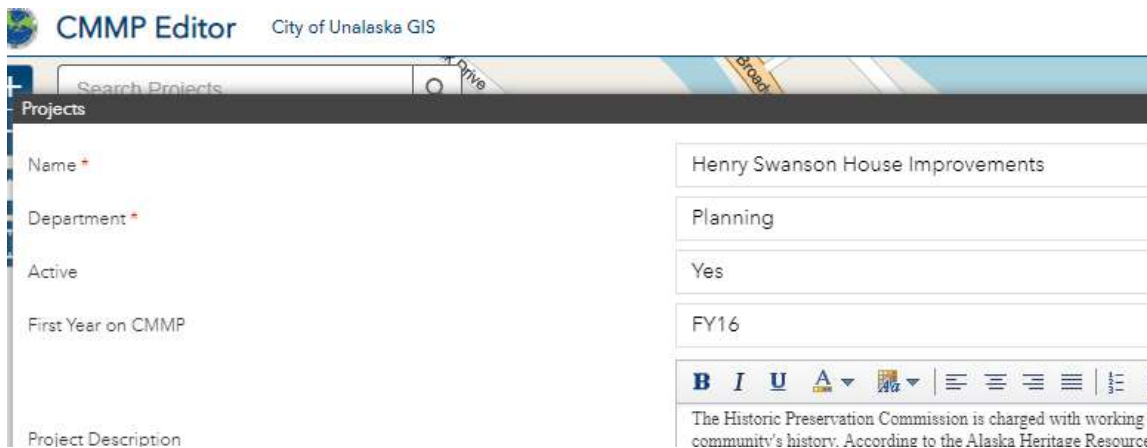
1. Click a project on the map. You can click the *maximize* button of the popup to enlarge it.



- To begin editing, click the ... button in the lower right of the popup and choose *Edit*.



- Once in Edit mode, you can change any attributes about the project



- Attachments:** To add attachments like photos or plans, click *Choose File* to upload your attachment.

Attachments:

None

Add: No file chosen

Edited on 8/8/19 at 10:24 AM

- Funding Requests:** To add or change a funding request, click *Funding* at the bottom of the Edit window

External Funding

Timing/Location

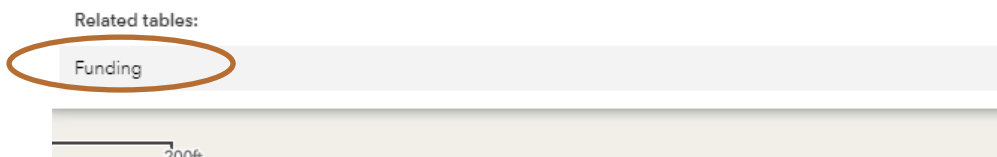
Innovation

Attachments:

None

Add: No file chosen

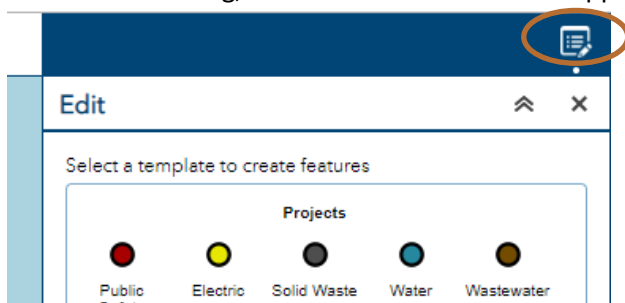
Edited on 8/8/19 at 10:24 AM



- The Funding window shows all the funding requests for the project. Click the + to add a new request to the project, or click an existing request to edit it.



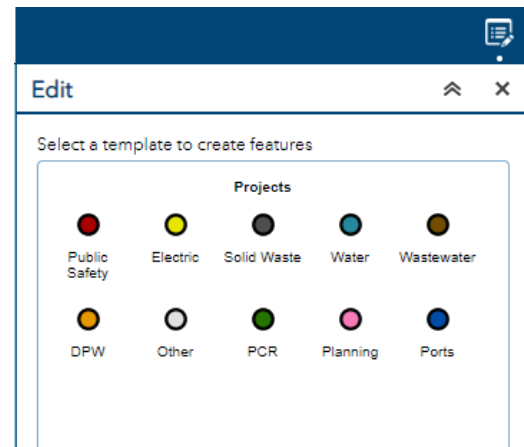
- Unless the request has already been approved by Council, leave *Approved Amount* blank. Remember to include a 30% contingency for all projects.
 - Click *Save* and the left arrow to return.
- When you are done with a project, click *Save*.
 - When done editing, click the *Edit* button in the upper right of the map to return to View mode.



Create a Project

Creating a new project follows a similar process to editing existing ones.

1. Click the *Edit* button in the upper right of the map.
2. Click the department for the project.
3. Click on the map at the desired location for the project.
4. Fill in the project's details. You don't need to fill in everything at once.
5. When complete, click the *Edit* button in the upper right of the map to return to view mode.



Evaluation Form

Instructions

Project Nominators

Proceed through the following Project Categories in order to score each project. Each category has one or more questions designed to generate a point score for that category. For the most part questions are in a Yes/No format unless otherwise noted. When answering questions regarding each sub category pay attention to any questions that would require supporting documentation. This may be in the form of an attached screen shot of a plan, page numbers from the comprehensive plan, or other form of documentation. Make sure to attach those important pieces of information. Remember to answer all questions in all categories. This will ensure more accurate scoring and prioritization of projects.

Reviewers

When it comes time to review each project, open the online evaluation form and fill out the reviewer and project information. Look at the answers provided for each project and evaluate them against attached documentation and project explanations. You are free to disagree with the answers provided in each project write-up. Remember, those are a guide to assist you, not set in stone. Proceed to answer all questions in the online evaluation form. Once completed, all review scores will be compiled and used by City Council as a guide to prioritize projects for the final draft of the CMMP.

Process

In an effort to make evaluations fair and transparent, we have set 9 scoring categories. Within these categories are several questions to generate a total score out of 5. All questions will be allotted a point value. The points for each section will be totaled, to generate a score from 1 to 5 (1 being the lowest score, 5 being the best score). These scores will then be multiplied by a weight for each category, assigned by the council. Finally, all the weighted scores will be totaled for a final composite score.

Example: You answer the Infrastructure/Public Safety section with 4 “Yes” answers, and 3 “No” answers:

$4/7 = 0.57$	Raw Score
$0.57 \times 5 = 2.86$	Scaled Category Score
$2.86 \times 3 = 8.58$	Weighted Score
8.58	
<u>+ Other Categories</u>	
Composite Score	

Project Categories

1) **Plans/Comp Plan** – Plans are prepared to provide the City of Unalaska with a valuable aid for continuing efforts to meet and exceed goals set forth by City departments, committees, and the citizens at-large. Plans include those documents that have been prepared internally to assure consistent adherence to industry best practices, as well as those documents that have been created with the assistance of outside consultants. A component of planning includes public discussion and/or citizen engagement. The score could be based on answers to the following questions:

- A. Is the proposed project called for in the City’s Comprehensive Plan which was approved by City Council? If so, which section? (answer No or Yes with relevant page numbers)
- B. Is the proposed project identified in one or more of the City Master or Departmental Plans that were provided to City Council? If so, which plan? (answer No or Yes with plan title)
- C. Is the proposed project listed as a high priority, or over time, has it become a high priority of staff, a standing advisory board, or the City Council due to an expressed need?
- D. Has the proposed project been fully developed and defined in enough detail so that the specifics are known?
- E. Has there been public discussion about the project or an appropriate level of citizen engagement around the project?
- F. Does there appear to be broad community support for the project?

Scoring Scale

1	2	3	4	5
The project is not part of any Master Plan.	↔	The project is included in a Master Plan, but may not be a high priority or appropriate citizen engagement on the specific proposal has not yet transpired or is not included in the Master plan but is a high priority and has been well-vetted.	↔	The project is included in a Master Plan, is a high priority, and has been well-vetted.

2) **Regulatory Compliance** – This includes compliance with regulatory mandates such as Environmental Protection Agency (EPA) directives, the Americans With Disabilities Act, and other County, State and Federal laws. This also includes compliance with self-imposed City ordinances. The score could be based on answers to the following questions:

- A. Does the project address a current regulatory mandate?
- B. Will the project proactively address a foreseeable (within the next 5 years) regulatory mandate?
- C. Does the project have a lasting impact on promoting regulatory compliance over the long term (more than 10 years)?

Scoring Scale

1	2	3	4	5
The project does not address a regulatory compliance issue.	↔	The project provides a short-term fix for an existing regulatory compliance issue or for one anticipated in the near future.	↔	The project resolves a pressing or long-term regulatory compliance issue.

3)

Infrastructure / Public Safety – This item relates to infrastructure needs for the department’s facilities, as well as improves the overall safety of the community. Projects to address employee safety issues and to proactively manage risk, would also be included. The score could be based on answers to the following questions:

- A. Does the proposed project increase the safety of Unalaska’s residents and/or employees?
- B. How widespread is that potential safety benefit? Answer with: Widespread, Targeted, or Minor
- C. Will the project address an existing facility that is outdated or has exceeded its useful life?
- D. Will the project help the City to respond more effectively and efficiently to emergencies throughout the community?
- E. Is the project supported by a life cycle analysis of repair versus replacement?
- F. Does the project extend service to support/promote new growth?
- G. Does the project foster safe and accessible modes of travel?

Scoring Scale

1	2	3	4	5
The safety or infrastructure need for the project is low; or it addresses new or existing infrastructure.	↔	The safety or infrastructure level of the project is moderate; it address a serious safety issues that has a limited impact or address a less-serious issues that serves the broader community; it addresses either new or existing infra-structure. (Maximum score for a new facility.)	↔	The safety or infrastructure level of the project is high; it addresses a serious health/public safety issues that has a widespread impact; it addresses existing infrastructure; and the ancillary benefits are well-defined.

4) **Quality of Life / Health & Wellness** – Quality of Life / Health & Wellness are a characteristic that makes the City a favorable place to live and work. For example, a large park with amenities to satisfy all community members would greatly impact the quality of life. Bike/jogging trails, new recreation facilities and flood control measures improve the overall health of the community. The score could be based on answers to the following questions:

- A. Does the project enhance the quality of life for a wide range of community members?
- B. Will the proposed project have a positive impact on the health of Unalaska’s residents?
- C. How widespread is that potential impact? Answer with: Widespread, Targeted, or Minor
- D. Will the project attract new residents, businesses or visitors to the City?
- E. Does the project serve to preserve the integrity of the City’s residential neighborhoods?
- F. Does the project help create a beautiful and clean community?
- G. Does the project specifically promote the responsible use of resources?
- H. Does the project encourage participation in recreational and cultural activities accessible to all community members?

Scoring Scale

1	2	3	4	5
The project does not affect the Quality of Life / Health & Wellness for Unalaska community members.	↔	The project has a moderate impact on the Quality of Life / Health & Wellness for Unalaska community members.	↔	The project greatly impacts the Quality of Life / Health & Wellness for a wide range of Unalaska community members.

5) **Impact on Operational Budget** – Some projects may affect the operating budget for the next few years or for the life of the facility. A new facility will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a light with a more energy efficient model may actually decrease operational costs. The score could be based on answers to the following questions:

- A. Will the project require additional personnel to operate?
- B. Will the project require additional annual maintenance?
- C. Will the project require additional equipment not included in the project budget?
- D. Will the project reduce staff time and City resources currently being devoted, and thus have a positive effect on the operational budget?
- E. Will the efficiency of the project save money?
- F. Will the project present a revenue generating opportunity?
- G. Will the project help grow a strong, diversified economic base to help offset any additional costs?

Scoring Scale

1	2	3	4	5
The project will have a negative effect on the budget. It will require additional money to operate.	↔	The project will not affect the operating budget as it is cost/revenue neutral	↔	The project will have a positive effect on the budget. It will have significant savings in time, materials and/or maintenance or be revenue generating to more than offset costs.

6) **External Funding** – Capital improvement projects can be funded through sources other than City funds. Developer funding, grants through various agencies, and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category. This is based on expected funding, can be re-evaluated based on actual achieved external funding.

- A. Attach appropriate detailed funding source documentation showing match percentages and maximum per project funding.

Scoring Scale

1	2	3	4	5
0 – 20% External Funding	21% - 40% External Funding	41% - 60% External Funding	61% - 80% External Funding	81% - 100% External Funding

7) **Timing/Location** – The timing and location of the project is an important piece of a project. If the project is not needed for many years, it would score low in this category. If the project is close in proximity to many other projects and/or if a project is urgent or may need to be completed before another one can be started, it would score high in this category. The score could be based on the answers to the following questions:

- A. Do other projects require this one to be completed first?
- B. Does this project require others to be completed first?
- C. Can this project be done in conjunction with other projects? (example: installation of sidewalks, street lighting and rain gardens all within the same block)
- D. Will it be more economical to build multiple projects together, thus reducing construction costs?
- E. Will it help reduce the overall number of neighborhood disruptions from year to year?
- F. Is this an existing facility at or near the end of its functional life?

Scoring Scale

1	2	3	4	5
The project does not have a critical timing/location component.	↔	The project has either a timing or location factor critical to it.	↔	Both timing and location are critical components of the project.

8) **Innovation** – Unalaska is increasingly challenged to produce solutions to solve new problems and meet new challenges that come from a rapidly changing world. Demographic, social, technological, and economic changes are forcing the department to adapt quickly and embrace change.

- A. Is the project a creative and dynamic solution to opportunities and issues within the City of Unalaska?
- B. Does the project meet emerging challenges, reduce costs, and better serve the public?
- C. Does the project achieve higher levels of service for the City of Unalaska?

Scoring Scale

1	2	3	4	5
The project meets industry standard.	↔	While the project may be innovative to Unalaska, there are many applications across the state and country	↔	The project is one of the first examples of its kind in the state and or country.

9) **Time on CMMP** – The CMMP process is a 10-year plan for spending. The amount of time forward that a project is planned for on the CMMP should give weight to projects that have been planned and are now being executed. Projects must be following the 10-year CMMP Progression Model (WAG – WAG – ROM – Engineering Estimate– Final Cost process). If a project is “parked” for an extended amount of time, it may begin to lose points in this category.

Scoring Scale

0	5	10	15	20
First Year Project This Year	On CMMP for 2 Years	On CMMP for 3 Years	On CMMP for 4-5 Years	On CMMP for 6-10 Years

10) **Legislative Priority/Focus Area** – Projects identified by Council as legislative priorities or focus areas receive additional points.

Scoring Scale

0	5	10
None	Focus Area	Legislative Priority

CMMP Evaluation System Diagram

