

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-79

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

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

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

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

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

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

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 28, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

Resolution 2021-79 Closing Completed/Abandoned Capital Projects

Project Number	Governmental	Budget	Project Costs To Date	Under/(Over)	Return to General Fund	Return to Spec. Revenue Fund 1% Sales Tax	Return to Other	Return to Proprietary Fund
	General Government							
	Public Safety							
PS20A	ALS MANIKIN	143,000.00	105,804.15	37,195.85	\$37,195.85			
		143,000.00	105,804.15	37,195.85				
	Enterprise Funds							
	Electric							
EL19B	ELECTRIC ENERGY STORAGE SYSTEM	650,062.00	66,134.54	583,927.46			\$583,927.46	
EL22C	34.5kV SUBMARINE CABLE REPLACEMENT	60,000.00	-	60,000.00			\$60,000.00	
EL22E	POWERHOUSE COOLING WATER INLET CLEAN/EXT	40,000.00		40,000.00			\$40,000.00	
				-				
				-				
		750,062.00	66,134.54	683,927.46			Total Electric	\$683,927.46
	Water							
WA22B	ICY LAKE ROAD RECONSTRUCTION	100,000.00	8,250.00	91,750.00			\$91,750.00	
WA22C	MAINLINE & SERVICE VALVE MAINT. PROGRAM	100,000.00		100,000.00			\$100,000.00	
		100,000.00	-	191,750.00			Total Water	\$191,750.00
	Solid Waste							
SW22A	OIL SEPARATOR & LIFT STATION REPLACEMENT	971,100.00	-	971,100.00			\$971,100.00	
				-				
		971,100.00	-	971,100.00			Total Solid Waste	\$971,100.00
	Housing							
EH18A	LEAR RD DUPLEX KITCHEN/BATH RENO	400,000.00	261,600.26	138,399.74	\$138,399.74			
		400,000.00	261,600.26	138,399.74				
							Total Proprietary	\$1,846,777.46
City Total		2,364,162.00	433,538.95	2,022,373.05	\$175,595.59	\$0.00	\$0.00	\$1,846,777.46

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: December 28, 2021
Re: Resolution 2021-79: Acknowledging the closure and completion of various capital projects and purchases

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

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

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

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

- **EL19B (Electric Energy Storage System):** Ormat Technologies has been selected as the technology provider for the Geothermal Power Plant. They have agreed to incorporate a voltage stabilization device (BESS, ESS or capacitor bank) as part of their plant design, eliminating the need for a separate installation by the City.
- **EL22C (34.5kV Submarine Cable Replacement):** The City has entered into a joint purchase agreement with OCCP to procure and install a submarine cable replacement. By combining our 1400 foot cable requirement with OCCP’s 19 mile cable purchase, the City can benefit from better pricing on both material and installation. This item is included in the Geothermal Project as Item #D3.
- **EL22E (Powerhouse Cooling Water Inlet Clean/Extension):** This item has been identified as critical before the City distribution network can be connected to geothermal power, and has been incorporated into the Geothermal Project for better tracking and controls as Item #G1.
- **WA22B (Icy Lake Road Reconstruction):** Engineering and Utilities staff took a hard look at the cost vs. benefits on this \$1.3 million price tag and decided this project is not justified in the current economic climate, and will seek other ways to achieve the needed operational controls at the reservoir without negatively impacting the watershed. Priority is right sizing capital expenditures to achieve revenue neutral goals for the Water Utility.

- **WA22C (Mainline & Service Valve Maintenance Program):** Project description specifies contractor labor and equipment to excavate and repair water service valves and mainline valves, with the Water Department assisting. Current plan is to shift more labor and equipment in-house, and fund this work out of the Operating budget.
- **SW22A (Oil Separator & Lift Station Replacement):** Engineering and Utilities staff evaluated this \$970,000 project with a goal of reducing the cost while still accomplishing the stated goals. Current plan calls for installation of a new Oil Water Separator (OWS) purchased with FY21 Operating budget with funds from FY22 Operating budget. Total cost should be in the \$100,000 range and will be consolidated for depreciation accounting. Other aspects of this project scope were deemed unnecessary at this time and will be deferred indefinitely.
- **EH18A (Lear Road Duplex Kitchen/Bath Reno):** This project was designed by an architect and publicly issued for bid with 3 contractors submitting bids. Pricing exceeded budget for all four units so only the two 3 bedroom units were completed. The remaining two 2 bedroom units will be completed by in-house maintenance staff through the operating budget when tenants move out and the units are vacant.

ALTERNATIVES: 1) Accept staff recommendations to close identified capital projects by adopting Resolution 2021-79; or 2) Leave one or more projects open for additional work.

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

General Fund	\$ 175,595.59
Electric Enterprise Fund	\$ 683,927.46
Water Enterprise Fund	\$ 191,750.00
Solid Waste Enterprise Fund	<u>\$ 971,100.00</u>
Total	\$2,022,373.05

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-79.

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