

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-31

A RESOLUTION OF THE UNALASKA CITY COUNCIL RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR FISCAL YEAR 2021.

WHEREAS, there exists in the community the need for industrial, commercial, and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

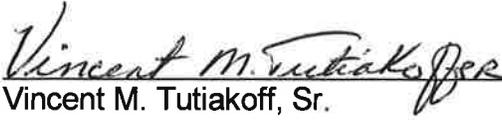
WHEREAS, the Unalaska City Council has determined that City funding shall be on a case by case basis and City funding shall not, in any event, exceed seventy-five percent (75%) of the cost of extension of primary and secondary electric lines and shall not exceed the following:

| | |
|---|---|
| Industrial Primary Line Extension: | \$90,000.00 |
| Large General Primary Line Extension: | \$36,000.00 |
| Small General Primary Line Extension: | \$5,300.00 |
| Residential Primary and Secondary Line Extension: | \$14,000.00 |
| Subdivisions and Line Extensions: | Provide section cans and transformers free of charge. |

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the renewal of City's policy on participation in funding electric primary and secondary utility line extensions for Fiscal Year 2021; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2021, at which time the Unalaska City Council will reconsider whether to continue such funding.

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: Dan Winters, Director of Public Utilities
Through: Erin Reinders, City Manager
Date: May 26, 2020

Re: Resolution 2020-31: A Resolution of the Unalaska City Council renewing the City's policy on participation in funding electric primary and secondary utility line extensions for Fiscal Year 2020

Resolution 2020-32: A Resolution of the Unalaska City Council renewing the City's policy on participation in funding water and sewer utility extension costs for primary and secondary line extension for Fiscal Year 2021

SUMMARY: Resolutions 2020-31 and 2020-32 authorize continuation of the City's policy of financial participation in utility service extensions. The resolutions define the City's policy on participation in the cost of the extension of primary Electric, Water and Sewer services for Industrial ratepayers, and for the extension of primary and secondary Electric, Water and Sewer lines for Residential ratepayers. In FY 2020, the City reimbursed four residential customers for utility line installations for a total amount of \$9,813.39.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since their inception, Council has approved resolutions allowing the City to participate financially in Utility line extension.

BACKGROUND: The City recognized that the extensions of primary line utilities are very expensive for property owners in Unalaska. These programs were designed to help defray these costs.

DISCUSSION: These resolutions are brought forward for Council's consideration each Fiscal Year to identify the City's policy on financial participation in Water, Sewer and Electric utility extension costs. These resolutions, if approved, will expire June 30, 2021.

Through these resolutions, Council is approving financial participation in the funding of Electric, Water and Wastewater utilities extension costs for primary lines for Industrial, Large General, and Small General ratepayers, and primary and secondary electrical service line extensions, for Residential ratepayers, and for Water and Wastewater primary and secondary services.

The total reimbursement shall not exceed 75% of the cost for residential primary and secondary line extensions for electrical and 75% or \$75 per linear foot for primary and secondary water and sewer line extensions.

In any event, the total reimbursement for electrical line extension shall not exceed the following:

Industrial Primary Line Extension: \$90,000.00

Large General Primary Line Extension: \$36,000.00

Small General Primary Line Extension: \$5,300.00

Residential Primary and Secondary Line Extension: \$14,000.00

For all line extensions, including subdivisions, the City will provide section cans and transformers free of charge.

ALTERNATIVES: Council could choose to not renew either or both of the policies, and allow them to expire on June 30, 2020.

FINANCIAL IMPLICATIONS: In Fiscal Year 2020, the City reimbursed four customers for seven residential extensions for the cost of installing utilities. The total cost of FY2020 reimbursements for utility installation is \$9,813.39, as Table 1 below depicts.

Table 1

| FY2020 Utility Reimbursements | | |
|--------------------------------------|----------------------|---------------|
| Customer Name | Reimbursement Amount | Utility Dept. |
| Scouler | \$184.88 | Water |
| Echecarria | \$1,258.74 | Water |
| Henning | \$1,423.61 | Water |
| Escalante | \$208.20 | Water |
| Henning | \$718.98 | Electrical |
| Escalante | \$718.98 | Electrical |
| Scouler | \$5,300.00 | Electrical |
| Total | \$9,813.39 | |

LEGAL: Consultation with the City Attorney is not required for this action. This is a policy decision considered by Council annually.

STAFF RECOMMENDATION: Staff recommends adopting Resolutions 2020-31 and 2020-32.

PROPOSED MOTION: Move to adopt Resolution 2020-31 and Resolution 2020-32.

CITY MANAGER'S COMMENTS: I agree with staff's recommendation.