



City of Gustavus
P.O. Box 1
Gustavus, AK 99826
Phone: (907) 697-2451

PUBLIC PACKET

September 11, 2017



**GUSTAVUS CITY COUNCIL
GENERAL MEETING
SEPTEMBER 11, 2017
7:00 PM CITY HALL**

Gustavus City Council:

Mayor (Seat G):

Barb Miranda

barb.miranda@gustavus-ak.gov

Term Expires 2017

Vice-Mayor (Seat B):

Jake Ohlson

jake.ohlson@gustavus-ak.gov

Term Expires 2019

Council Member (Seat A):

Cheryl Cook

cheryl.cook@gustavus-ak.gov

Term Expires 2017

Council Member (Seat C):

Jon Howell

jon.howell@gustavus-ak.gov

Term Expires 2017

Council Member (Seat D):

Mike Taylor

mike.taylor@gustavus-ak.gov

Term Expires 2017

Council Member (Seat E):

Tim Sunday

tim.sunday@gustavus-ak.gov

Term Expires 2018

Council Member (Seat F):

Calvin Casipit

calvin.casipit@gustavus-ak.gov

Term Expires 20178

Gustavus City Hall:

City Clerk:

Karen Platt

clerk@gustavus-ak.gov

Treasurer:

Phoebe Vanselow

treasurer@gustavus-ak.gov

AGENDA

1. Call to Order
2. Roll Call
3. **Approval of Minutes:**
 - A. General Meeting Minutes August 14, 2017
4. Mayor's Request for Agenda Changes
5. **Department/Committee Reports:**
 - A. Marine Facilities
6. Public Comment on Non-Agenda Items
7. Consent Agenda
8. Ordinance for Public Hearing
9. Unfinished Business
10. **New Business:**
 - A. Resolution CY18-01 Falls Creek Intertie between the City of Gustavus and Glacier Bay National Park
 - B. Approve Purchase Order for the Road Brushing Project
 - C. Publish FY18-01NCO Providing for the Amendment of the library budget for Fiscal Year 2018.
11. Staff Reports
 - A. City Treasurer Report
12. City Council Reports
13. City Council Questions and Comments
14. Public Comment on Non-Agenda Items
15. Executive Session
16. Adjournment

Item No. 1 Call to Order

Item No. 2 Roll Call

Item No. 3 Approval of Minutes

A. Minutes of August 14, 2017 General Meeting

**GUSTAVUS CITY COUNCIL
GENERAL MEETING MINUTES
August 14th, 2017**

1. CALL TO ORDER:

A General Meeting of the Gustavus City Council is called to order on August 14th, 2017, at 7:00pm by Mayor Miranda. There are sixteen (16) members of the public in attendance at Gustavus City Hall.

2. ROLL CALL:

Comprising a quorum of the City Council the following are present:

Mayor Miranda
Vice-Mayor Ohlson
Council Member Cook
Council Member Howell

The following members are not present:

Council Member Sunday *not excused*
Council Member Taylor *excused*

3. APPROVAL OF MINUTES:

A. General Meeting Minutes July 10th, 2017

MOTION: Council Member Howell moves to approve the General Meeting Minutes from July 10th, 2017, as presented.

SECONDED BY: Council Member Ohlson

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION PASSES/FAILS 4/0

B. Special Meeting Minutes August 7th, 2017

MOTION: Council Member Cook moves to approve the Special Meeting Minutes from August 7th, 2017, as presented.

SECONDED BY: Council Member Howell

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION PASSES/FAILS 4/0

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4. **MAYOR'S REQUEST FOR AGENDA CHANGES:** None

5. **COMMITTEE REPORTS:**
A. Sam Kito - Legislative Update

6. **PUBLIC COMMENT ON NON-AGENDA ITEMS:** None

7. CONSENT AGENDA

8. **ORDINANCE FOR PUBLIC HEARING:**
A. Adopt FY 18-01 Title 1.01.020 Definitions

MOTION: Council Member Ohlson moves to adopt FY 18-01 revising ordinance to further implement Resolution CY14-27, "A Resolution of the Gustavus City Council Dividing the City Clerk/Treasurer Position into a City Clerk Position and a City Treasurer Position."

SECONDED BY: Council Member Cook

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION **PASSES**/FAILS **4/0**

B. Adopt FY 18-02 Title 2.50.010 Appointment and Term

MOTION: Council Member Ohlson moves to adopt FY 18-02 revising ordinance to further implement Resolution CY14-27, "A resolution of the Gustavus City Council Dicing the City Clerk/Treasurer Position into a City Clerk Position and a City Treasurer Position."

SECONDED BY: Council Member Howell

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION **PASSES**/FAILS **4/0**

C. Adopt FY 18-03 Title 2.50.040 Treasurer

MOTION: Council Member Ohlson moves to adopt FY 18-03 revising ordinance to further implement Resolution CY 14-27, "A Resolution of the Gustavus City Council Divide the City Clerk/Treasurer Position into a City Clerk Position and a City Treasurer Position."

SECONDED BY: Mayor Miranda

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION **PASSES**/FAILS 4/0

D. Adopt FY 18-04 Title 4.12.010 Treasurer

MOTION: Council Member Ohlson moves to adopt FY 18-04 revising ordinance to further implement Resolution CY 14-27, "A Resolution of the Gustavus City Council Divide the City Clerk/Treasurer Position into a City Clerk Position and a City Treasurer Position."

SECONDED BY: Mayor Miranda

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION **PASSES**/FAILS 4/0

9. UNFINISHED BUSINESS: None

10. NEW BUSINESS:

A. Appoint Calvin Casipit to Council Seat F

MOTION: Mayor Miranda moves to appoint Calvin Casipit to Council Seat F

SECONDED BY: Vice-Mayor Ohlson

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson

NO:

RECUSED:

MOTION **PASSES**/FAILS 4/0

Casipit is sworn in by Mayor Miranda

B. Approval of City Clerk Position Hire

MOTION: Council Member Howell moves to approve the hire of Karen Platt as Gustavus City Clerk

SECONDED BY: Mayor Miranda

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson, Casipit

NO:

RECUSED:

MOTION **PASSES**/FAILS 5/0

C. Approval of City Treasurer Position Hire

MOTION: Mayor Miranda moves to approve the hire of Phoebe Vanselow as Gustavus City Treasurer

SECONDED BY: Council Member Cook

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson, Casipit

NO:

RECUSED:

MOTION **PASSES**/FAILS 5/0

D. Endowment Fund 2017-2018 Grant Cycle

MOTION: Mayor Miranda moves to allocate \$41, 340.00 and any unawarded funds from the 2016-2017 fund cycle (once that amount has been determined), for the 2017-2018 Endowment Fund Grant Cycle.

SECONDED BY: Vice Mayor Ohlson

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson, Casipit

NO:

RECUSED:

MOTION **PASSES**/FAILS 5/0

C. APC Rate Case Funding

MOTION: Mayor Miranda moves to approve additional spending of up to \$25,000.00 for Completion of the APC Rate Hearing

SECONDED BY: Council Member Cook

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Cook, Miranda, Howell, Ohlson, Casipit

NO:

RECUSED:

MOTION **PASSES**/FAILS 5/0

11. **STAFF REPORTS**

A. Paul Berry provided a report of the DRC

12. CITY COUNCIL REPORTS

A. Mayor's Report

13. **CITY COUNCIL QUESTIONS AND COMMENTS:**

A. John Howell - Electric Procedures

B. Jake Ohlson - Volunteer Overlap

C. Cal Casipit – Thank You

14. **PUBLIC COMMENT ON NON-AGENDA ITEMS:**

A. Artemis BonaDea extended a thank you to Paul Berry, DRC

B. Susan Warne – Council Attendance

15. EXECUTIVE SESSION

16. **ADJOURNMENT:**

Hearing no objections, Mayor Miranda adjourns the meeting at 7:57pm.

Barbara Miranda, Mayor

Attest: Sandy Marchbanks, City Clerk Volunteer

Item No. 4 Mayor's Request for Agenda Changes

Item No. 5. Department/Committee Reports:
A. Marine Facilities

Item No. 6 Public Comment on Non-Agenda Items

Item No. 7 Consent Agenda

Item No. 8. Ordinance for Public Hearing

Item No. 9. Unfinished Business

Item No. 10. New Business

A. Resolution CY18-01 Falls Creek Intertie between the City of Gustavus and Glacier Bay National Park.

CITY OF GUSTAVUS, ALASKA

CY17-xx

A RESOLUTION OF THE CITY OF GUSTAVUS SUPPORTING THE PURCHASE BY GLACIER BAY NATIONAL PARK & PRESERVE OF SURPLUS HYDROELECTRIC POWER ON AN INTERRUPTIBLE BASIS FROM THE ALASKA POWER & TELEPHONE COMPANY FALLS CREEK HYDRELECTRIC FACILITY.

WHEREAS, The City of Gustavus (City) is on record as supporting the proposed intertie between the Gustavus and the Glacier Bay National Park & Preserve (National Park) electrical grids for reasons enumerated in the City's Resolution CY16-15; and,

WHEREAS, while potentially providing benefits to our community and the larger region, the intertie intensifies the following concerns and uncertainties for Gustavus residents related to the Falls Creek hydroelectric facility's capacity, the impact of National Park electricity consumption on the community's electricity rate structure, and the trends in electricity usage at Gustavus and Bartlett Cove, as follows:

- The load the Falls Creek hydroelectric facility is capable of sustaining remains unknown. Though rated at 800 kW, the facility has never been loaded beyond 460 kW. There is no way of testing its sustainable capability without putting the rated load online.
- Under loads of less than half the rated capacity, the facility's turbine bearings have already been replaced three times. Maintenance requirements under full load are unknown, but may involve considerable cost and downtime.
- Electric car ownership in Gustavus is increasing, as is the use of heat pumps, electric water heaters, electric stoves, etc.
- There is an ongoing steep increase in Gustavus's demand for electricity that is likely in the fairly near future to push the Falls Creek hydroelectric facility's limit, at least during the visitor season. Over the past three years, Gustavus's peak load has increased by almost 100 kW. (In 2016, the peak load was about 400 kW; recently the load was 460 kW.)

- Excluding maintenance days, during 2015 the City-owned diesel-electric plant was operated for all or part of 19 days; during 2016 the plant was operated all or part of 36 days—an 89 percent increase over the previous year.
- Maintenance aside, two factors determine whether the diesel-electric plant is operated: demand (which is rising) and stream flow (which is beyond our control and often limiting); and,

WHEREAS, the National Park's peak demand for electricity, like Gustavus's, is during the visitor season; and,

WHEREAS, the National Park's peak load so far in 2017 was 207 kW; and,

WHEREAS, the combined peak loads of Gustavus and the National Park so far in 2017 total 667 kW, which is more than 83 percent of the Falls Creek hydroelectric facility's rated capacity; and,

WHEREAS, under any likely scenario, adding the National Park will add considerably to the total amount of diesel generation required, hastening the time of full-time operation of the diesel-electric plant, at least during the visitor season; and,

WHEREAS, routine, increased demand-related operation of the diesel-electric plant will, because of the costs of fuel, maintenance, etc., result in higher electricity rates in Gustavus; and,

WHEREAS, adding the National Park will also bring on uncertainties regarding the capability of the Falls Creek hydroelectric facility much sooner than they would otherwise occur; and,

WHEREAS, experienced electrical professionals and former plant operators caution against fully integrating the two systems without a trial period, during which the National Park will be capable of generating its own power.

WHEREAS, these uncertainties bring with them uncertainties in the rate structure, and hence in potential benefits to ratepayers, notably in the effect on the Cost of Power Adjustment (COPA); and,

WHEREAS, adding the National Park as a firm customer would incorporate it into the local power system essentially in perpetuity; and,

WHEREAS, these concerns can be substantially lessened by bringing the National Park on line as an interruptible rather than firm customer. Interruptible status would:

- allow the National Park access to hydropower when it is surplus to Gustavus's needs, but not place the National Park in competition for this resource when hydropower availability is equal to or less than Gustavus's needs;
- retain the benefits to all parties of a diverse, expanded system that buffers all users against the vagaries of accident or emergency;
- assure that the National Park retains its capacity to generate electricity during periods when surplus hydropower is not available and during emergencies;
- provide a degree of systems separation that would allow for a trial period during which the complexities of more complete systems unification may be addressed;
- provide a flexible mode of entry that can relatively easily be changed to firm, while the opposite transition is far more complicated and unlikely;

- give the Alaska Power & Telephone Company time to implement and/or install potential clean power options (e.g., off-peak rates, greater hydropower generation efficiency, addition of solar and/or wind capacity, and tidal power development) as the present hydroelectric system approaches capacity; and,

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council reiterates its support for the unification of the Gustavus and National Park electric grids **but if, and only if, the National Park is brought on, at least initially, as an interruptible customer for surplus hydroelectric power;** and,

BE IT FURTHER RESOLVED that the Regulatory Commission of Alaska take the City of Gustavus's position into full consideration when the matter of the National Park connection to the Gustavus electric grid comes before it.

B. Approve Purchase Order for the Road Brushing Project

C. Publish FY18-01NCO Providing for the Amendment of the library budget for Fiscal Year 2018.

**CITY OF GUSTAVUS, ALASKA
ORDINANCE FY18-01NCO**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE AMENDMENT OF
THE LIBRARY BUDGET FOR FISCAL YEAR 2018**

BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:

Section 1. Classification. This is a **Non-Code Ordinance**

Section 2. For the fiscal year of 2018 actual income and estimated expenditures have changed from the estimates in the approved budget.

Section 3. The current fiscal year the account balances are amended to reflect the changed estimates as follows:

ACCOUNTS:	Original Budget	Amended Budget	Change
INCOME			
Payment in Lieu of Taxes (Federal)	\$ 90,000.00	\$107,545.26	+\$ 17,545.26
EXPENSE			
Library: Building – Maintenance	\$ 2,000.00	\$ 19,545.26	+\$ 17,545.26

Section 4. The budget is hereby amended as indicated and any portion of the approved budget inconsistent with this amendment is repealed.

Section 5. Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

DATE INTRODUCED: *September 11, 2018*

DATE OF PUBLIC HEARING: *, 2018*

PASSED and **APPROVED** by the Gustavus City Council **this 11th day** of September 2018.

Barbara Miranda, Mayor

Attest: Karen Platt, City Clerk

Item No. 11 Staff Reports
A. City Treasurer Report

Item No. 12 City Council Reports

Item No. 13 City Council Questions and Comments

Item No. 14 Public Comment on Non-Agenda Items

Item No. 15 Executive Session

Item No. 16 Adjournment