

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Edzeno Native Village Council

Federal Tax ID:

Project Title:

Project Type: Equipment and Materials

Nikolai Edzeno Native Village Council - Nikolai Electrical Metering Project

State Funding Requested: \$60,000

House District: 6 / C

One-Time Need

Brief Project Description:

Install "smart" metering throughout the village to promote consumer electricity efficiency consumption behavior and increased revenue collections.

Funding Plan:

Total Cost of Project: \$60,000

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
State Funds					\$60,000	2011
Total					<u>\$60,000</u>	

Detailed Project Description and Justification:

Edzeno' Native Village Council has obtained a quote from Marsh Creek Energy Systems of Anchorage, a company that specializes in smart metering at a cost of \$60,000 to conduct a "smart" metering program throughout Nikolai. This price includes:

- 70 Electronic Amp 5211 meters and Display/Smart Card Readers
- Office system that includes computer, back-up hard drive, software, Smart Cards and reader/encoder, etc.
- Hands-on, on-site, 5-day training for three local technicians to install and monitor meters
- One-year warranty w/ 6 months free tech support

Each meter consists of two basic parts—the regular meter that attaches to an outside wall of the home and an indoor display that shows:

- total kW consumed
- present kW demand
- credit balance
- date of last credit purchased
- etc.

Each customer receives a Smart Card that is coded to the meter in their home. The customer buys power credits direct from the utility, which are added to the card. The customer then swipes the card on the meter inside their home. This is a method

For use by Co-chair Staff Only:

\$60,000
Approved

of paying your electric bill in advance. The display inside the home shows customers the amount of credit remaining and an estimated time (in days or hours) until the credit is used up, giving them enough notice to purchase additional credits. The utility can structure the system so that a customer's power is not necessarily cut off immediately (i.e., if it's 50 below outside) and that an audible alarm of some kind warns when credits are nearing a pre-set minimum.

Consumer benefits of pre-paid meters include:

- no monthly bills
- incentive to conserve power
- user-friendly display that makes budgeting for electric costs easy
- real-time data on power usage (as opposed to the old meters which do not provide breakdown on an hourly basis)

Utility benefits include:

- no need for billing or collections
- positive cash flow
- easy to install/maintain

Data from around the country show the use of pre-paid meters can result in a reduction in electric usage by up to 20%. The user-friendly display allows customers to see just how much their power costs on a daily or even hourly basis and encourages conservation. They empower the consumer to be energy wise and allow the utility to manage its power generation based on recorded usage patterns. There are currently 21 communities in Alaska that use pre-paid meters. In one survey, 100% of customers said the meters caused them to be more conscious of energy use and resulted in conservation measures to some degree.

According to the Alaska Energy Authority, Nikolai's diesel fuel consumption for power generation in 2007 was approximately 20,000 gallons. The average electric load was 37 kW, while the peak load was 74 kW. The use of pre-paid meters would likely result in reduced demand—especially in terms of the maximum load—and would conceivably “level out” the peaks and valleys of the usage load throughout the day. This would improve the efficiency of the diesel gen-sets, thereby reducing fuel consumption and lowering costs.

Project Timeline:

If this CIP is approved, this project will be carried out in fall, 2010.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Edzeno' Native Village Council owns the electrical utility and is responsible for O&M expenses.

Grant Recipient Contact Information:

Name: Edzeno' Native Village Council
 Address: P.O. Box 9105
 Nikolai, AK 99691
 Phone Number: (907)293-2311
 Email: tribal.administrator@tananachiefs.org

Has this project been through a public review process at the local level and is it a community priority? Yes No

Tanana Chiefs Conference

Chief Peter John Tribal Building

122 First Avenue, Suite 600

Fairbanks, Alaska 99701-4897

(907) 452-8251 Fax: (907) 459-3850

SUBREGIONS

UPPER

KUSKOKWIM

McGrath
Medfra
Nikolai
Takatna
Telida

Honorable Representative Woodie Salmon
State Capital – Room 114
Juneau, AK. 99801-1182

RE: FY2011 CIP Requests for TCC Villages

LOWER YUKON

Anvik
Grayling
Holy Cross
Shageluk

Dear Representative Salmon,

I am writing to provide you with a summary of projects that TCC is assisting villages with. An important part of the funding plan is the requirement for each village to provide a non-federal match contribution. As summarized below, almost all projects require a Legislative CIP appropriation for use to provide cash matches for the Indian Development Block Grant, Community Development Block Grant, Denali Commission and other funding programs. Your assistance to gain the CIPs listed below (also in CAPSIS) will enable these villages to leverage four (4) to eight (8) more times in federal and foundation funding for their projects

UPPER TANANA

Dot Lake
Eagle
Healy Lake
Northway
Tanacross
Tetlin
Tok

Allakaket Village Council --To provide decent multi-purpose facility space which will house the Village's Head Start program and establish a new health care clinic (with behavioral health room). The Allakaket Village Council wishes to combine these functions into one facility which will improve services delivery, save operation and maintenance expenses. This Legislative CIP request of \$150,000 will be used to leverage an estimated \$1,750,000 of federal funding to fulfill the construction budget of \$1,900,000.

TUKON FLATS

Arctic Village
Beaver
Birch Creek
Canyon Village
Chalkyitsik
Circle
Fort Yukon
Venetie

Arctic Village Council - To provide decent multi-purpose facility space which will allow for consolidation of the Arctic Village's social, health and safety programs into an "one-stop" facility which will improve services delivery and save operation and maintenance expenses. This Legislative CIP request of \$150,000 will be used to leverage an estimated \$2,350,000 of federal and foundation funding to fulfill the construction budget of \$2,500,000.

YUKON

KOYUKUK

Galena
Huslia
Kaltag
Koyukuk
Nulato
Ruby

Chalkyitsik Traditional Council (CTC) is working with the Denali Commission to construct a new 1,667 s.f. primary health care which has a development cost estimate of \$1,855,299. CTC has been approved for 80% funding from the Denali Commission in the amount of \$1,484,299 leaving a 20% balance that CTC must provide (\$371,060). As a result, CTC is requesting a \$103,000 Legislative Capital Improvement Project (CIP) appropriation to provide part of the required match funding. CTC has received \$268,000 from IHS for clinic equipment which will be used for the remainder of the match.

YUKON TANANA

Alatna
Allakaket
Evansville
Fairbanks
Hughes
Lake
Minchumina
Manley Hot Springs
Minto
Nenana
Rampart
Stevens Village
Tanana

Fort Yukon - Gwichyaa Zhee Gwich'in Government is working to develop a multi-purpose facility to consolidate all tribal functions into one building. A \$300,000 FY2011 CIP will be used to provide match funding to obtain two \$600,000 HUD Indian Community

Development Block Grants (ICDBG) totaling \$1,200,000, a \$850,000 CDBG grant in cooperation with the City of Fort Yukon, and \$650,000 in long-term debt financing for the purpose of constructing the planned Fort Yukon Multi-Purpose Community Services Center at a total cost of \$3,000,000.

Holy Cross Tribal Council - The Council is working to provide decent multi-purpose facility space which will consolidate Holy Cross's social, health and safety programs into an "one-stop" facility which will improve services delivery and save operation and maintenance expenses. This Legislative CIP request of \$150,000 will be used to leverage an estimated \$1,950,000 of federal and foundation funding to fulfill the construction budget of \$2,100,000.

Grayling IRA Council – The Council is working to provide decent multi-purpose facility space which will allow for consolidation of the Grayling's social, health and safety programs into an "one-stop" facility which will improve services delivery and save operation and maintenance expenses. This Legislative CIP request of \$150,000 will be used to leverage an estimated \$1,450,000 of federal and foundation funding to fulfill the construction budget of \$1,600,000.

Husilia – The Husilia Traditional Council is undertaking a wellness initiative which will include a training component. The Council is planning to build a wellness multi-purpose facility and requires a \$150,000 CIP to be used to leverage HUD ICDBG and CDBG grants during 2010.

Kaltag – The City of Kaltag has been approved for Denali Commission funding to build a new 1,667 s.f. primary health care which has an estimated total development cost estimate of \$2,273,000. The City needs to raise its 20% match (\$454,600) and has received \$307,084 from the IHS for clinic equipment which leaves a gap of \$147,516. As a result, Kaltag is requesting a \$147,516 Legislative Capital Improvement Project (CIP) appropriation to provide remainder of the required match funding.

City of Koyukuk - The City of Koyukuk is working with the Denali Commission plan for a new 1500 s.f. primary health care clinic which has an estimated total development cost estimate of \$1,800,000. The City expects to receive 80% funding from the Denali Commission in the amount of \$1,440,000 leaving a 20% balance (\$360,000) that the City must provide. As a result, the City is requesting a \$150,000 Legislative Capital Improvement Project (CIP) appropriation to provide part of the match funding and the City will obtain the remainder of the match funding from IHS clinic equipment program.

Loudon Village Council - The Yukon-Koyukuk Elder Assisted Living Facility is now completed but can't open due to lack of FF&E. The Council requires and is in need of a \$415,000 CIP to purchase fixtures, furniture, equipment and handicapped bus. These items are essential to the start-up of the facility, to obtain State licensing and for occupancy by elders.

Manley Village Council - The Manley Village Council is working with the Denali Commission to plan for a new primary health care clinic which has an estimated total development cost estimate of \$1,300,000. The Manley Village Council expects to receive 80% funding from the Denali Commission in the amount of \$1,040,000 leaving a 20% balance (\$260,000) that the Manley Village Council must provide. As a result, the Manley Village Council is requesting a \$150,000 Legislative Capital

Improvement Project (CIP) appropriation to provide match funding to obtain a Denali Commission Health Facilities Grant. The Council will obtain the remainder of the match funding from IHS clinic equipment program.

McGrath Native Village Council (MNVC) - McGrath Traditional Council lost its multi purpose building to a fire (2006) and is now working to replace it with a new facility. In FY09, the Legislature provided a \$150,000 CIP which McGrath Traditional Council used to leverage a \$600,000 ICDBG grant and a \$850,000 CDBG grant. However the most recent cost estimate now shows that McGrath needs another \$500,000 to fully fund the project (\$3,000,000 budget) which would allow construction to start this year. As a result, the Council is requesting a second Legislative capital project appropriation in the amount of \$500,000 so that construct can start summer, 2010.

Minto – The Minto Traditional Council desires a comprehensive tribal operations multi-purpose facility and requires a CIP of \$150,000 in order to leverage HUD ICDBG and State CDBG grants during 2010.

Nikolai Edzeno' Village Council – Nikolai has a partially completed new powerhouse and requires a CIP of \$100,000 to install one new high efficiency diesel generator.

Northway Village Council – The Council is working to provide for a multi-purpose facility space addition which will allow for consolidation of the Northway's social, health and safety programs into an "one-stop" facility which will improve services delivery and save operation and maintenance expenses. This Legislative CIP request of \$100,000 will be used to leverage an estimated \$500,000 of federal ICDBG funding to fulfill the construction budget of \$600,000.

Shageluk – Shageluk IRA Council is working to develop a multi-purpose center which they have been working on for the past three years. The Council has produced a business plan and the facility would be used primarily for job training, social services, business development and substance abuse programs. It would be used for youth as well as adults. By consolidating social, health and safety programs into an "one-stop" facility, savings will be gained in services delivery and save operation and maintenance expenses. This Legislative FY2011 CIP request of \$150,000 will be used to leverage an estimated \$2,000,000 of federal and foundation funding to fulfill the construction budget of \$2,150,000.

Stevens Village - Stevens Village IRA Council (SVS) is working with the Denali Commission to construct a new 1,500 s.f. primary health care which has an estimated development cost of \$1,800,000. SVS hopes to get approval for 80% funding from the Denali Commission in the amount of \$1,440,000 leaving a 20% balance that SVS must provide (\$360,000). As a result, SVS is requesting a \$150,000 Legislative Capital Improvement Project (CIP) appropriation to provide part of the required match funding. SVS will be applying fall, 2010 to IHS for clinic equipment which will be used for the remainder of the 20% match.

Tanacross Village Council (TVC) - TVC has been working with the seven (7) Villages of the Upper Tanana Subregion and the Tanana Chiefs Conference to plan for an improved primary health care service delivery model and facility. The Upper Tanana Subregion Villages have agreed that there needs to be a subregional health care facility providing mid-level services to area residents and Tanacross Village Council has initiated

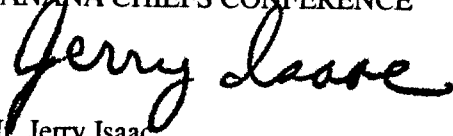
construction of this facility at Tanacross Village. TVC would like to request a \$500,000 Legislative CIP which will be used to leverage Denali Commission and other sources needed to complete the project to meet the project budget of \$3,000,000. TVC has already invested over \$1,000,000 in a concrete foundation, utility connections and has a complete steel building on-site. The requested \$500,000 CIP would be used to erect and enclose the building.

Tanana – The City of Tanana has five CIP requests in CAPSIS. The City's top priority is to replace their 1981 obsolete fire truck with a new fire truck and is requesting a \$233,500 CIP and the City will provide a \$7,500 contribution,

I hope your Legislative session is going well and that accommodating the above CIP requests is possible. The spin-off benefits created by funding these CIP requests will enable attraction of millions of dollars of federal and private funding into the TCC region.

Sincerely,

TANANA CHIEFS CONFERENCE

A handwritten signature in black ink that reads "Jerry Isaac". The signature is written in a cursive style with a large, prominent "J" and "I".

Mr. Jerry Isaac
President

*City of Nikolai
P.O.Box 9147
Nikolai, AK 99691
293-2113 Fax 293-2120*

*Honorable State Senator Albert Kookesh
Alaska State Legislature Room 11
Juneau, AK 99801*

Dear Senator Kookesh:

The purpose of this letter is to enlist your support for the City of Nikolai's request of \$60,000.00 to purchase and install Pre Paid Electrical Meters under the Fiscal Year 2011 Capital Improvement Program in accordance with City of Nikolai Resolution 2010-04. (Copy attached)

Nikolai is a predominately Athabaskan Community of about 100 located At the head of Navigation on the Kuskokwim River above McGrath, which Government has a new Administration that has placed it on a financially Sound Quick Books operating system. The City manages and operates their own Nikolai Light and Power Utility.

Collecting Utility Bills is a continuing problem in Rural Alaska. Pre Paid Electrical Meters are part of the answer to this collection situation. This Capital Project request is to obtain and install about Fifty Meters plus the related software and Personnel training.

Thanking you in advance from the Citizens of Nikolai.

Sincerely yours:

Joseph Kimball
Mayor Joseph Kimball

City of Nikolai
Resolution 2010-04

A Resolution of the Nikolai City Council requesting the Alaska Legislature to support an appropriation of \$60,000 in the Fiscal Year 2011 Capital Improvement Program which would purchase and install Prepaid Electrical Meters for the customers of the City Owned Nikolai Light and Power Utility.

WHEREAS: Nikolai is a predominately Athabaskan Community of about 100 located at the head of Navigation on the Kuskokwim River above McGrath, and;

WHEREAS: The Nikolai City Government has recently been reorganized and the new Administration has placed it on a financially sound QuickBooks operating system, and;

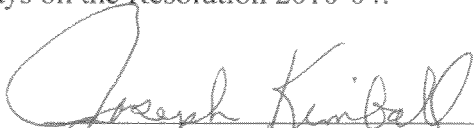
WHEREAS: The City has also retained management and operation of its solely owned Nikolai Light and Power Utility after five years of Contracted Management. Since last summer the Utility has rebuilt the Billing software, aggressively increased collections, and is having two local residents trained as Generator Operators. Last summer the Utility purchased and installed two 80 KV Generators at a cost of \$23,000.00 each. Additionally, the City is in process of moving their Generation Facilities into a newer 40' X 60' two story Metal Building at an estimated cost of \$40,000.00, and;

WHEREAS: Collecting Utility Bills is a continuing problem in Rural Alaska. Prepaid Electrical Meters are part of the answer to this collection problem. This Capital Project request is to obtain and install about 50 Meters (@ about \$1,000.00 Each) plus the required software, installation and Personnel training (@ about \$10,000.00) for a total of \$60,000.00. The Units can be purchased from AMPY of Marsh Creek in Anchorage;

NOW THEREFORE: The Nikolai City Council hereby authorizes its Mayor to sign Resolution 2010-04 and forward a support letter to our Honorable Alaskan State Senator Albert Kookesh and Honorable State Representative Woodie Salmon.

THIS RESOLUTION 2010-04 was presented on the 3rd of March, 2010 at this meeting of the City Council in which a quorum of 5 of seven members were present. The members voting 5 Yea and Nays on the Resolution 2010-04.


ATTEST: City Clerk Winchell Ticknor


City of Nikolai Mayor Joseph Kimball