

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-04S

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE
SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15
"UTILITY COST SUBSIDIZATION PROGRAM"**

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to add a new chapter to Title 15 of the Sitka General Code to establish a utility cost subsidization program to help low- and middle-income households with the cost of utilities, by providing a regulatory framework for the subsidization of utility costs as a social welfare program. This ordinance shall set forth how and when utility cost subsidizations shall be authorized and implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new Chapter 15.15, entitled "Utility Cost Subsidization Program," to read as follows (new language underlined):

**Title 15
PUBLIC UTILITIES**

- 15.01 Electric Utility Policies
- 15.02 Watershed Control Program
- 15.04 Sewer System
- 15.05 Water System
- 15.06 Solid Waste Treatment and Refuse Collection
- 15.07 Storm Drainage
- 15.08 Utility Poles
- 15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
- 15.15 Utility Cost Subsidization Program

* * *

**Chapter 15.15
Utility Cost Subsidization Program**

Sections:

- 15.15.010 Definitions.
- 15.15.020 Policy and Procedure.
- 15.15.030 Eligibility for Subsidization.

15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

15.15.010 Definitions.

A. A "household" consists of all the people who occupy a "housing unit". A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall. A previously designated live aboard vessel in the city and borough harbor system is also regarded as a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

B. "Obligation" or "debt" means any sum of money which a citizen of the city and borough, or customer of the city and borough in some capacity, is legally obligated to pay to the city and borough for any purpose.

C. "Past-due" refers to any obligation or debt owed to the city and borough which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due.

D. "Subsidization" refers to "utility cost subsidization".

15.15.020 Policy and Procedure.

A. It shall be the policy of the city and borough that applicants meeting certain criteria shall be eligible for subsidization of their municipal utility costs from general governmental sources. This subsidization is intended as a social welfare payment.

B. Subsidization shall be in the form of general governmental subsidy payments to municipal utility accounts for the benefit of eligible applicants. Under no circumstances may subsidization be in the form of reduced utility rates or the provision of free utility services.

C. A separate utility cost subsidization fund shall be established at inception by a special appropriation of the assembly. That fund may be annually funded by a budgetary appropriation of the assembly. The total amount of annual utility cost subsidization by the city and borough shall be in the municipal administrator's annual consolidated operating budget. Monies appropriated and used for utility cost subsidization shall be accounted for in a separate fund and shall be used for no other purpose than utility cost subsidization.

D. Applications for subsidization shall be submitted to the finance department on forms provided by the finance department. Only one applicant per household is allowed. And, only one subsidization per applicant is allowed. A subsidization period shall be for one year, starting January following the application period. If an applicant is deemed eligible for subsidization, that eligibility only extends for the upcoming subsidization period. Applications must be submitted during the application period, between August 1st and October 31st each year, for the upcoming

subsidization period. Any applicant deemed eligible for a subsidization period must re-apply for eligibility in any subsequent subsidization period.

E. The finance department shall examine all applications, determine the eligibility of each applicant, and make a recommendation to the administrator as to the eligibility of each applicant.

F. Upon receiving the finance departments recommendations, the administrator, in his or her sole discretion and before the applicable subsidization period, shall accept and/or reject each recommendation and submit the applicants thereby determined eligible for a subsidy to the finance department for disbursement of the subsidy during the applicable subsidization period.

G. Upon receiving the administrator's declaration of applicants eligible for a subsidy during the upcoming subsidization period, the finance department shall credit those applicant utility accounts the applicable monthly subsidy each month during the upcoming subsidization period.

H. The applicable monthly subsidy available for each eligible applicant during any subsidization period shall be calculated by taking the total subsidization appropriation for that subsidization period, divided by 12 (months), and, then, divided by the number of eligible applicants for the upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five dollars. The applicable monthly subsidy shall be credited before sale tax is applied.

15.15.030 Eligibility for Subsidization.

A. An applicant must be a customer receiving and responsible for paying electric utility services from the city and borough for the housing unit in which the applicant resides during the applicable subsidization period.

B. Any applicant shall be eligible for subsidization if the applicant is receiving assistance, on the date of the application, from any of the following programs:

1. Supplemental Nutrition Assistance Program (SNAP) administered from the State of Alaska through the local Division of Public Assistance office in association with the United States Department of Agriculture (USDA) Food and Nutrition Services.

2. Medicaid administered from the State of Alaska through the local Division of Public Assistance.

3. Baranof Island Housing Authority (BIHA), the tribally designated housing entity for the Sitka Tribe of Alaska (STA) administered through the Sheet'iká X'áat'i Hitx'i" (Sitka Island Housing) office.

4. National School Lunch Program (NSLP) administered through the Sitka School District (SSD), known as Free and Reduced School Lunch Program in association with the USDA.

In order to be eligible for subsidization, the applicant must provide the finance department with satisfactory documentary evidence that he or she is currently receiving assistance from one of the programs.

C. If assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period, the applicant shall notify the finance department within thirty days of discontinuance of the assistance and the city and borough shall terminate the subsidization for the remainder of the subsidization period.

D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due obligation owed to the city and borough other than utility-related obligations. These other obligations shall include all unpaid citations and billings for protective custody cases. On a case-by-case basis, the administrator may waive, reduce, or create a payment plan for past due obligations in order for an applicant to be eligible for subsidization.


15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

A. It will be unlawful for any citizen to receive subsidization under this chapter under false pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this chapter if assistance from the program identified by the applicant for eligibility is discontinued before or during the subsidization period.

B. Upon the determination that an unlawful act may have occurred in which subsidization was received under false pretenses, the city and borough may notify the appropriate law enforcement agency so that a criminal investigation may be initiated.


5. EFFECTIVE DATE. This ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, this 27th day of March, 2018.



Steven Eisenbeisz, Deputy Mayor

ATTEST:



Sara Peterson, MMC
Municipal Clerk

1st reading 2/13/18 – postponed to 3/13/18
1st reading 3/13/18 – substitute ordinance introduced
2nd reading 3/27/18