

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.

53 15.15.030 Eligibility for Subsidization.

54 15.15.040 Penalties for Receiving Subsidization Under False Pretenses.

55

56 **15.15.010 Definitions.**

57

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

68

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

72

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

76

77 D. “Subsidization” refers to “utility cost subsidization”.

78

79 **15.15.020 Policy and Procedure.**

80

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

84

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

88

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

95

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

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

104
105 E. The finance department shall examine all applications, determine the eligibility of each
106 applicant, and make a recommendation to the administrator as to the eligibility of each
107 applicant.

108
109 F. Upon receiving the finance departments recommendations, the administrator, in his or her
110 sole discretion and before the applicable subsidization period, shall accept and/or reject each
111 recommendation and submit the applicants thereby determined eligible for a subsidy to the
112 finance department for disbursement of the subsidy during the applicable subsidization period.

113
114 G. Upon receiving the administrator's declaration of applicants eligible for a subsidy during the
115 upcoming subsidization period, the finance department shall credit those applicant utility
116 accounts the applicable monthly subsidy each month during the upcoming subsidization period.

117
118 H. The applicable monthly subsidy available for each eligible applicant during any subsidization
119 period shall be calculated by taking the total subsidization appropriation for that subsidization
120 period, divided by 12 (months), and, then, divided by the number of eligible applicants for the
121 upcoming subsidization period. The applicable monthly subsidy shall not exceed sixty-five
122 dollars. The applicable monthly subsidy shall be credited before sale tax is applied.

123
124 **15.15.030 Eligibility for Subsidization.**

125
126 A. An applicant must be a customer receiving and responsible for paying electric utility services
127 from the city and borough for the housing unit in which the applicant resides during the
128 applicable subsidization period.

129
130 B. Any applicant shall be eligible for subsidization if the applicant is receiving assistance, on the
131 date of the application, from any of the following programs:

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

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

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

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

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

146
147 C. If assistance from the program identified by the applicant for eligibility is discontinued before
148 or during the subsidization period, the applicant shall notify the finance department within thirty
149 days of discontinuance of the assistance and the city and borough shall terminate the
150 subsidization for the remainder of the subsidization period.

151
152 D. An applicant will be deemed ineligible for a subsidy if the applicant has any past-due
153 obligation owed to the city and borough other than utility-related obligations. These other
154 obligations shall include all unpaid citations and billings for protective custody cases. On a
155 case-by-case basis, the administrator may waive, reduce, or create a payment plan for past due
156 obligations in order for an applicant to be eligible for subsidization.

157
158 **15.15.040 Penalties for Receiving Subsidization Under False Pretenses.**

159
160 A. It will be unlawful for any citizen to receive subsidization under this chapter under false
161 pretenses. It will also be unlawful for any citizen to continue to receive subsidization under this
162 chapter if assistance from the program identified by the applicant for eligibility is discontinued
163 before or during the subsidization period.

164
165 B. Upon the determination that an unlawful act may have occurred in which subsidization was
166 received under false pretenses, the city and borough may notify the appropriate law
167 enforcement agency so that a criminal investigation may be initiated.

168
169 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
170 of its passage.

171
172 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
173 Sitka, Alaska, this 27th day of March, 2018.

174
175
176
177 _____
178 Matthew Hunter, Mayor

179
180
181
182 _____
183 Sara Peterson, MMC
184 Municipal Clerk

185 1st reading 2/13/18 – postponed to 3/13/18
186 1st reading 3/13/18 – substitute ordinance introduced
187 2nd reading 3/27/18