

Introduced By: Council Member Pruhs
Finance Committee Review: August 4, 2015
Introduced: August 10, 2015

RESOLUTION NO. 4684, AS AMENDED

A RESOLUTION DECLARING THE CITY OF FAIRBANKS' INTEREST IN BECOMING THE LOCAL CONTROL ENTITY (LCE) FOR A COMBINED FAIRBANKS NORTH STAR BOROUGH NATURAL GAS UTILITY AND DIRECTING CITY ADMINISTRATION TO FORM A TASK FORCE TO EVALUATE LCE FEASIBILITY

WHEREAS, poor air quality and high energy costs are significant problems to the Fairbanks community; and

WHEREAS, the Alaska Industrial Development and Export Authority (AIDEA) is moving forward with the purchase of PENTEX and its subsidiary companies, which includes Fairbanks Natural Gas (FNG); and

WHEREAS, AIDEA's purchase of PENTEX and Fairbanks Natural Gas will assist in meeting the goals of the Interior Energy Project; and

WHEREAS, AIDEA's strategic intent is to promote an integrated and consolidated natural gas distribution system in the Fairbanks North Star Borough (FNSB); and

WHEREAS, the consolidated utility approach will benefit all Interior residents and businesses, with immediate projected rate reductions for existing FNG customers of approximately 14%; and

WHEREAS, a Local Control Entity (LCE) will be required to purchase, operate and continue FNSB wide build out of the consolidated natural gas utility; and

WHEREAS, the City of Fairbanks is supportive of Interior Energy Project goals; and

WHEREAS, the City of Fairbanks must discern the benefits and risks of being the FNSB consolidated natural gas utility LCE and act in the best interest of the community.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks, Alaska, as follows:

1. That the City of Fairbanks expresses interest to the Alaska Industrial Development and Export Authority in acquiring a Local Control Entity interest in a Fairbanks North Star Borough consolidated natural gas utility.

2. The Mayor's Office and City Administration is directed to assemble a task force and evaluate the economic and operational feasibility of the City of Fairbanks being the combined natural gas utility Local Control Entity. The task force will comprise of the following individuals:

Jim Williams	City Chief of Staff
Jim Soileau	City Chief Financial Officer
Jerry Cleworth	City Council – Seat E
Perry Walley	City Council – Seat B
Ron Wolfe	City Finance Committee Member
Jeff Johnson	<u>or other available</u> City Permanent Fund Review Board Member
<u>A member (to be identified at a later date) with particular utility experience.</u>	

PASSED and APPROVED this 10th Day of August 2015.




John Eberhart, City Mayor

AYES: Staley, Matherly, Gatewood, Pruhs, Cleworth, Walley
NAYS: None
ABSENT: None
APPROVED: August 10, 2015

ATTEST:

APPROVED AS TO FORM:


D. Danyielle Snider, CMC, City Clerk
Paul J. Ewers, City Attorney