

PETERSBURG BOROUGH

RESOLUTION #2020-19

A RESOLUTION OF THE PETERSBURG BOROUGH ESTABLISHING THE CARES ACT UTILITY COSTS  
SUBSIDIZATION PROGRAM

**WHEREAS**, on March 11, 2020, the World health Organization declared the COVID-19 virus a pandemic and Governor Mike Dunleavy declared a public health emergency in the State of Alaska; and

**WHEREAS**, on March 16, 2020, the Borough Assembly ratified a Local Emergency Declaration for the Petersburg Borough in regard to the ongoing pandemic; and

**WHEREAS**, ongoing public health mandates and alerts, including interstate travel mandates, issued by the State of Alaska and the Petersburg Borough, and CDC guidance are critical in mitigating the rate of spread of the COVID-19 virus; however, they have had and are continuing to have significant negative impacts on residents experiencing economic hardship due to the COVID-19 health care emergency.

**WHEREAS**, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which, among other things, amended Section 601(a) of the Social Security Act and established the Coronavirus Relief Fund, as added by section 5001 of the Coronavirus Aid, Relief, and CARES Act Small Business and Community Support Fund Grant Agreement - Page 2 Economic Security Act ("CARES Act") (PL 116-136), established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion to the Fund be used to make payments for specified uses to States and certain local governments; and

**WHEREAS**, guidance issued by the U.S. Treasury Department to date indicates that necessary expenditures incurred due to the COVID-19 public health emergency may be used for subsidy payments to utility account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance

**WHEREAS**, in light of the economic hardship imposed on residents in the Petersburg Borough the Assembly initiates the following temporary utilities subsidization program.

**Title: Cares Act Utilities Subsidization Program**

**Policy & Procedure:**

- A. Applicants meeting certain criteria shall be eligible for subsidization of municipal utilities costs from CARES Act funds paid to the Petersburg Borough due to the COVID-19 public health emergency. Municipal Utilities are defined as Electric, Water, Sewer and Sanitation.
- B. Subsidization shall be in the form of general governmental subsidy payments to municipal utilities 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 utilities services.

- C. A supplemental appropriation providing funding for the program shall be established by a special appropriation of the Assembly. All CARES Act funding shall reside in a special revenue fund and a separate account within that fund will be established and separately budgeted for the utilities costs subsidization.
- D. Applications for subsidization shall be submitted to the Finance Department on forms provided by the Finance Department to be filled out online. Only one application per household is allowed. Applications must be submitted by November 30, 2020. If an application is denied, the applicant may appeal to the Borough Manager. Applicants have one week to appeal from notification of denial.
- E. Any incomplete or duplicate application will be rejected. For those complete and eligible applications, upon acceptance, the Finance Department will disperse the subsidy to the accounts of those applicants accepted. All subsidy payments will be applied to accounts by December 15, 2020.
- F. The utilities cost subsidy for each eligible residential applicant is a one-time credit on account in the amount of \$500. Should the total number of applicants surpass \$500,000 the amount of the subsidy shall be adjusted equally for each applicant so no more than \$500,000 total is expended.

#### **Eligibility and Subsidization**

- A. An applicant must be a customer receiving and responsible for paying for utilities from the Petersburg Borough for (1) a residential dwelling in which the applicant or a household member has resided in continuously since March 11, 2020, and currently still occupies as their own.
- B. Applicants primary residence must be within the Petersburg Borough.
- C. Closed utility accounts are not eligible for the subsidy.
- D. The only eligible utility subsidy for harbor utility accounts is the residential subsidy for liveaboard status accounts. If your moorage account is not set up as a liveaboard (which pays additional services) continuously since March 11, 2020, then electric service on the moorage account is not eligible.
- E. An applicant shall be eligible for subsidization if the applicant certifies in his or her application as follows:
  - a. The applicant is and has been a utilities account holder since at least March 11, 2020;
  - b. The applicant must be a resident of Petersburg since at least March 11, 2020;
  - c. The applicant has incurred economic hardship due to the COVID-19 public health emergency;
  - d. The subsidy would be to an account affected by the economic hardship caused by the COVID-19 public health emergency; and
  - e. At the time of the certification, the applicant continues to face economic hardship due to the COVID-19 public health emergency.
- F. An applicant is eligible for a subsidy even if the applicant has overdue charges owed to the Petersburg Borough. A subsidy applied to an account with overdue charges will be first applied to those overdue utility charges.

### **Definitions**

**“Economic Hardship”** means, as a result of the COVID-19 public Health Emergency, personal or household disposable income has decreased and/or normal personal or household expenses have increased, such that it has become impossible or difficult to make ends meet and/or any money reserves of the applicant have been and/or are being significantly depleted.

**“Subsidization”** refers to “utilities costs subsidization”.

**THEREFORE BE IT RESOLVED**, the Petersburg Borough Assembly hereby approves the expenditure of up to \$500,000 from the CARES Act Special Revenue Fund to provide economic support to Petersburg residents harmed by the continuing COVID-19 public health emergency.

Passed and Approved by the Petersburg Borough Assembly, Petersburg, Alaska this 3<sup>rd</sup> day of November, 2020.

**Attest:**

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**Mark Jensen, Mayor**

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**Debra K. Thompson, Borough Clerk**