

Ketchikan Public Utilities  
2026-2030 Capital Improvement  
Program



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# Capital Improvement Program

The Capital Improvement Plan (CIP) has been developed to address the long-term capital needs of the utility and ensure proper maintenance of Ketchikan Public Utilities infrastructure.

## Definitions and Criteria for Capital Projects

A capital project is defined as an acquisition, repair or improvement which costs more than \$15,000 and has a useful life of more than one year or extends the life of an existing capital asset. Capital projects are further defined as essential projects and major maintenance that cannot be reasonably deferred.

## Capital Budgeting Process

The capital budgeting process establishes a five-year capital budgeting plan for improvements and a proposed method of financing it. A public meeting to discuss the five-year plan is held in July to obtain direction from the Council regarding the scope and project concept. All projects approved in July will move forward to the financial planning stage. A final list of funded capital projects is presented in November for Final Budget deliberations.

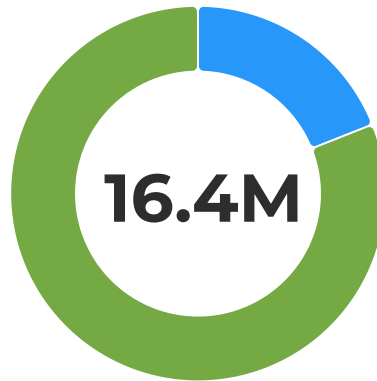
## Capital Improvement Project Ranking and Prioritization Process

The scoring and prioritization of capital projects is evaluated based on the following criteria. The criteria weighting is shown in parentheses.

|  |   |   |  |
|--|---|---|--|
| <b>Strategic Planning Goal (1)</b>         | <b>Environmental Impact (1)</b>         | <b>Operational Impact (7)</b>                           |  |
| <b>Legal or Regulatory Compliance (10)</b> | <b>Health and Safety Impact (7)</b>     | <b>Improves Quality of Existing Services (1)</b>        |  |
| <b>Reduces Operating Costs (1)</b>         | <b>Provides Additional Capacity (3)</b> | <b>Eligible for Grant Funding or Matching Funds (1)</b> |  |

# One Year Plan

## 2026 Total Capital Requests by Fund



|                               |                     |        |
|-------------------------------|---------------------|--------|
| ● Debt Financing              | <b>\$3,113,282</b>  | 18.99% |
| ● KPU Revenue Generating Fund | <b>\$13,278,200</b> | 81.01% |

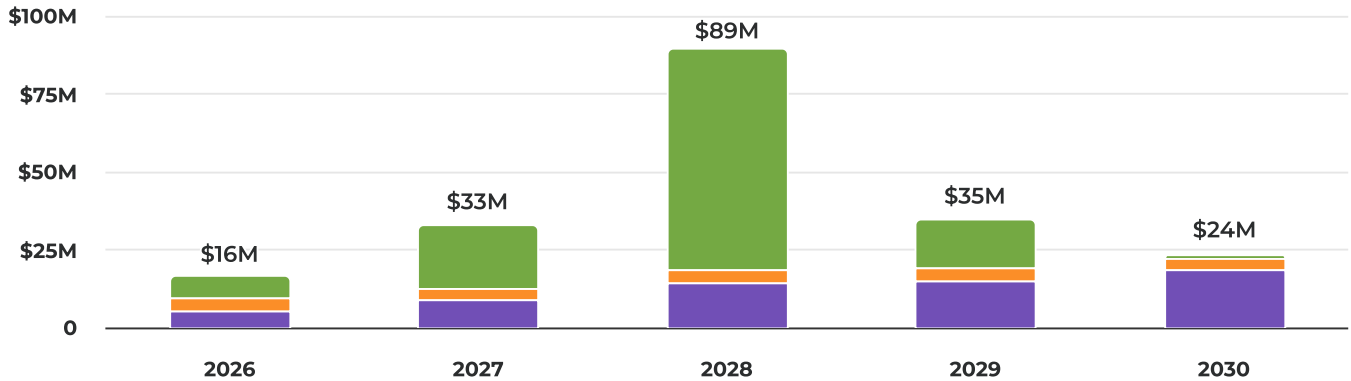
## 2026 Total Capital Requests by Department



|                                     |                    |        |
|-------------------------------------|--------------------|--------|
| ● KPU-Electric Department           | <b>\$6,851,700</b> | 41.80% |
| ● KPU-Telecommunications Department | <b>\$4,255,500</b> | 25.96% |
| ● KPU-Water Department              | <b>\$5,284,282</b> | 32.24% |

# 2026-2030 Capital Improvement Program

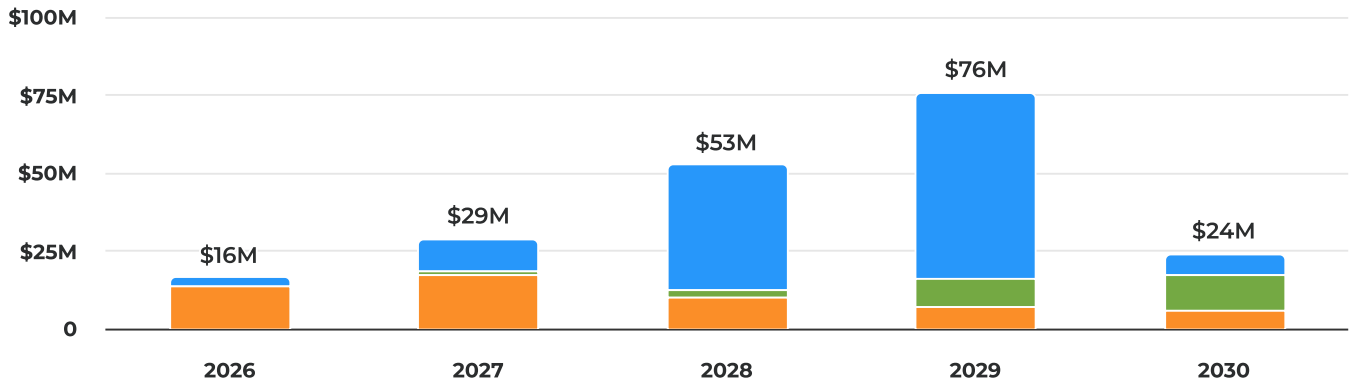
2026-2030 Total Capital Requests by Department



Funding by Department Totals (all years)

|                                   |               |        |
|-----------------------------------|---------------|--------|
| KPU-Administration                | \$550,000     | 0.28%  |
| KPU-Electric Department           | \$115,565,307 | 58.53% |
| KPU-Telecommunications Department | \$19,652,000  | 9.95%  |
| KPU-Water Department              | \$61,692,282  | 31.24% |

2026-2030 Total Capital Requests by Fund

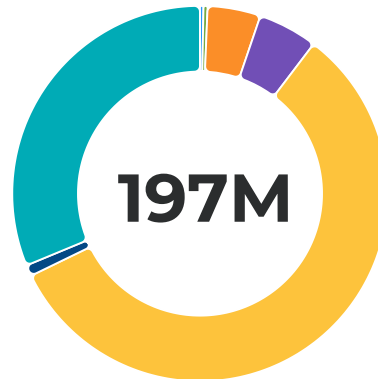


Funding by Source Totals (all years)

|                             |               |        |
|-----------------------------|---------------|--------|
| Debt Financing              | \$120,171,282 | 60.86% |
| Grant Funding               | \$23,620,000  | 11.96% |
| KPU Revenue Generating Fund | \$53,668,307  | 27.18% |

# Capital Improvement Program

## 2026 - 2030 Capital Costs By Project Type



|  |                      |        |
|--|----------------------|--------|
| ● Computer Software - 735.00   | <b>\$590,000</b>     | 0.30%  |
| ● Computers and Related Equipment - 725.00                           | <b>\$677,500</b>     | 0.34%  |
| ● Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00 | <b>\$9,020,000</b>   | 4.57%  |
| ● Machinery & Equipment - 725.00                                     | <b>\$10,136,200</b>  | 5.13%  |
| ● Other Major Infrastructure - 730.00                                | <b>\$113,433,607</b> | 57.45% |
| ● Vehicles and Wheeled Equipment - 720.00                            | <b>\$1,910,000</b>   | 0.97%  |
| ● Water - 730.00   | <b>\$61,692,282</b>  | 31.24% |

### Computer Software - 735.00

| Project No. / Category                                     | FY2026     | FY2027          | FY2028     | FY2029          | FY2030           | Total            |
|--|------------|-----------------|------------|-----------------|------------------|------------------|
| 5200-35 ESRI Trouble Ticket Solutions                      | \$0        | \$40,000        | \$0        | \$0             | \$0              | \$40,000         |
| 5100-01 KPU - Replace Financial Accounting System Software | \$0        | \$0             | \$0        | \$50,000        | \$500,000        | \$550,000        |
| <b>Total Computer Software - 735.00</b>                    | <b>\$0</b> | <b>\$40,000</b> | <b>\$0</b> | <b>\$50,000</b> | <b>\$500,000</b> | <b>\$590,000</b> |

### Computers and Related Equipment - 725.00

| Project No. / Category                                | FY2026           | FY2027           | FY2028           | FY2029           | FY2030           | Total            |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 5300-14 PC Hardware and Software                      | \$75,000         | \$75,000         | \$75,000         | \$100,000        | \$100,000        | \$425,000        |
| 5200-07 Battery Systems and Chargers                  | \$50,500         | \$50,500         | \$50,500         | \$50,500         | \$50,500         | \$252,500        |
| <b>Total Computers and Related Equipment - 725.00</b> | <b>\$125,500</b> | <b>\$125,500</b> | <b>\$125,500</b> | <b>\$150,500</b> | <b>\$150,500</b> | <b>\$677,500</b> |

### Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00

| Project No. / Category                       | FY2026    | FY2027      | FY2028    | FY2029      | FY2030    | Total       |
|--|-----------|-------------|-----------|-------------|-----------|-------------|
| 5200-13 Bailey Fuel Tank Painting            | \$0       | \$100,000   | \$0       | \$0         | \$0       | \$100,000   |
| 5200-03 Beaver Falls Powerhouse Exterior     | \$375,000 | \$375,000   | \$0       | \$0         | \$0       | \$750,000   |
| 5200-44 Electric Division Service Center     | \$0       | \$2,000,000 | \$500,000 | \$5,100,000 | \$0       | \$7,600,000 |
| 5300-01 Normal Growth and Repair - Buildings | \$125,000 | \$100,000   | \$100,000 | \$100,000   | \$100,000 | \$525,000   |

| Project No. / Category  | FY2026           | FY2027             | FY2028           | FY2029             | FY2030           | Total              |
|---|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| 5200-31 Security Fence and Gates  | \$0              | \$45,000           | \$0              | \$0                | \$0              | \$45,000           |
| <b>Total Land, Land Improvements &amp; Buildings / Facilities - 700.00 / 705.00</b> | <b>\$500,000</b> | <b>\$2,620,000</b> | <b>\$600,000</b> | <b>\$5,200,000</b> | <b>\$100,000</b> | <b>\$9,020,000</b> |

### Machinery & Equipment - 725.00

| Project No. / Category                                   | FY2026             | FY2027             | FY2028             | FY2029             | FY2030             | Total               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 5300-13 Operating Equipment                              | \$100,000          | \$100,000          | \$125,000          | \$150,000          | \$150,000          | \$625,000           |
| 5200-23 34.5 kV Breaker Relay and Spares                 | \$105,000          | \$105,000          | \$105,000          | \$105,000          | \$105,000          | \$525,000           |
| 5200-11 AMI, Meters and Meter Replacement Parts          | \$125,000          | \$125,000          | \$125,000          | \$125,000          | \$125,000          | \$625,000           |
| 5200-4 Bailey Generator Radiator Replacement             | \$0                | \$40,000           | \$300,000          | \$0                | \$0                | \$340,000           |
| 5200-15 Beaver Falls Switch Gear Replacement             | \$750,000          | \$750,000          | \$0                | \$0                | \$0                | \$1,500,000         |
| 5200-3 Digital Radio System Upgrades                     | \$0                | \$120,000          | \$0                | \$0                | \$0                | \$120,000           |
| 5200-2 Feeder Protective Relay Upgrades                  | \$150,000          | \$50,000           | \$50,000           | \$50,000           | \$0                | \$300,000           |
| 5200-22 Generator Rewind & Repair                        | \$325,000          | \$325,000          | \$325,000          | \$325,000          | \$0                | \$1,300,000         |
| 5200-9 Operating Equipment                               | \$491,200          | \$300,000          | \$300,000          | \$300,000          | \$300,000          | \$1,691,200         |
| 5200-41 Silvis Shaft & Turbine Overhaul                  | \$0                | \$0                | \$750,000          | \$0                | \$0                | \$750,000           |
| 5200-12 Spare Substation Class Transformer Refurbishment | \$85,000           | \$0                | \$0                | \$0                | \$0                | \$85,000            |
| 5200-19 System Sectionalizers                            | \$100,000          | \$100,000          | \$100,000          | \$0                | \$0                | \$300,000           |
| 5200-4 System Voltage Control                            | \$75,000           | \$250,000          | \$0                | \$0                | \$0                | \$325,000           |
| 5200-5 Transformer Purchases                             | \$250,000          | \$300,000          | \$350,000          | \$350,000          | \$400,000          | \$1,650,000         |
| <b>Total Machinery &amp; Equipment - 725.00</b>          | <b>\$2,556,200</b> | <b>\$2,565,000</b> | <b>\$2,530,000</b> | <b>\$1,405,000</b> | <b>\$1,080,000</b> | <b>\$10,136,200</b> |

### Other Major Infrastructure - 730.00

| Project No. / Category                    | FY2026    | FY2027      | FY2028       | FY2029    | FY2030    | Total        |
|---|-----------|-------------|--------------|-----------|-----------|--------------|
| 5300-2 4G/LTE                             | \$359,000 | \$200,000   | \$150,000    | \$150,000 | \$150,000 | \$1,009,000  |
| 5200-1 Additional Projects                | \$50,000  | \$164,000   | \$164,000    | \$164,000 | \$0       | \$542,000    |
| 5200-3 Bailey Exhaust Stack Re-coating    | \$0       | \$125,000   | \$0          | \$0       | \$0       | \$125,000    |
| 5200-4 Bailey Generator Replacement       | \$0       | \$4,125,000 | \$40,750,000 | \$0       | \$0       | \$44,875,000 |
| 5200-1 Bailey Mooring Dolphin Replacement | \$200,000 | \$0         | \$0          | \$0       | \$0       | \$200,000    |

| <b>Project No. / Category</b>   | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>        |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| <b>5200-40</b> Bailey Substation Replacement                          | \$0           | \$1,500,000   | \$15,300,000  | \$0           | \$0           | <b>\$16,800,000</b> |
| <b>5200-27</b> Beaver Falls FERC Part 12D Periodic Inspection         | \$0           | \$0           | \$150,000     | \$0           | \$0           | <b>\$150,000</b>    |
| <b>5300-10</b> Core Network Upgrade                                   | \$1,000,000   | \$1,000,000   | \$750,000     | \$500,000     | \$500,000     | <b>\$3,750,000</b>  |
| <b>5300-08</b> Fiber to the Home                                      | \$325,000     | \$300,000     | \$325,000     | \$300,000     | \$300,000     | <b>\$1,550,000</b>  |
| <b>5300-21</b> Hosted   | \$100,000     | \$100,000     | \$200,000     | \$400,000     | \$500,000     | <b>\$1,300,000</b>  |
| <b>5300-23</b> Internet Expansion                                     | \$175,000     | \$150,000     | \$600,000     | \$150,000     | \$150,000     | <b>\$1,225,000</b>  |
| <b>5300-24</b> Ketchikan Subsea Cable Emergency Repair Fund           | \$676,500     | \$0           | \$0           | \$0           | \$0           | <b>\$676,500</b>    |
| <b>5200-17</b> Ketchikan International Airport Upgrade                | \$1,565,000   | \$0           | \$0           | \$0           | \$0           | <b>\$1,565,000</b>  |
| <b>5200-46</b> Ketchikan Lake Tunnel Valves                           | \$375,000     | \$0           | \$0           | \$0           | \$0           | <b>\$375,000</b>    |
| <b>5200-29</b> Ketchikan Lakes Dam Low Level Outlet                   | \$0           | \$2,000,000   | \$0           | \$0           | \$0           | <b>\$2,000,000</b>  |
| <b>5200-25</b> Ketchikan Lakes FERC Part 12D Comprehensive Assessment | \$0           | \$0           | \$400,000     | \$0           | \$0           | <b>\$400,000</b>    |
| <b>5200-01</b> Ketchikan Lakes Project Relicensing                    | \$600,000     | \$600,000     | \$250,000     | \$50,000      | \$0           | <b>\$1,500,000</b>  |
| <b>5200-33</b> Ketchikan Lakes Utilities                              | \$0           | \$4,079,607   | \$0           | \$0           | \$0           | <b>\$4,079,607</b>  |
| <b>5200-28</b> Lower Silvis Dam Cleaning and Inspections              | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>    |
| <b>5200-24</b> Lower Silvis Lake Submarine Cable Replacement          | \$0           | \$200,000     | \$0           | \$0           | \$0           | <b>\$200,000</b>    |
| <b>5200-38</b> Mountain Point Substation Replacement                  | \$0           | \$750,000     | \$7,600,000   | \$0           | \$0           | <b>\$8,350,000</b>  |
| <b>5300-12</b> Multi-Dwelling Unit Project                            | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$500,000</b>    |
| <b>5300-17</b> Network Monitoring                                     | \$50,000      | \$100,000     | \$100,000     | \$150,000     | \$150,000     | <b>\$550,000</b>    |
| <b>5300-19</b> Network Security Infrastructure                        | \$75,000      | \$100,000     | \$125,000     | \$125,000     | \$166,500     | <b>\$591,500</b>    |
| <b>5300-02</b> Normal Growth and Repair - Central Office Switching    | \$50,000      | \$50,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$250,000</b>    |
| <b>5300-05</b> Normal Growth and Repair -                             | \$275,000     | \$300,000     | \$325,000     | \$350,000     | \$375,000     | <b>\$1,625,000</b>  |

| Project No. / Category                               | FY2026  | FY2027             | FY2028              | FY2029              | FY2030              | Total              |                      |
|--|---|--------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| 5300-0<br>3  | Central Office<br>Transmission<br>Normal Growth<br>and Repair -<br>Copper Cable | \$25,000           | \$25,000            | \$25,000            | \$25,000            | \$25,000           | \$125,000            |
| 5300-0<br>6  | Normal Growth<br>and Repair -<br>Expansion                                      | \$15,000           | \$15,000            | \$15,000            | \$20,000            | \$20,000           | \$85,000             |
| 5300-0<br>4  | Normal Growth<br>and Repair -<br>Fiber Cable                                    | \$225,000          | \$300,000           | \$325,000           | \$350,000           | \$375,000          | \$1,575,000          |
| 5300-0<br>7  | Normal Growth<br>and Repair -<br>Provisioning                                   | \$20,000           | \$20,000            | \$20,000            | \$20,000            | \$20,000           | \$100,000            |
| 5200-1<br>4  | Penstock<br>Inspection<br>Program   | \$100,000          | \$0                 | \$0                 | \$0                 | \$0                | \$100,000            |
| 5200-0<br>6  | PLC Upgrades  | \$250,000          | \$250,000           | \$250,000           | \$250,000           | \$250,000          | \$1,250,000          |
| 5200-3<br>6  | Port West<br>Feeder<br>Reconfiguration<br>& Site<br>Modification                | \$0                | \$175,000           | \$950,000           | \$0                 | \$0                | \$1,125,000          |
| 5300-15  | Power<br>Expansion/Recla<br>mation  | \$50,000           | \$100,000           | \$100,000           | \$100,000           | \$100,000          | \$450,000            |
| 5200-16  | Reimbursable<br>Projects  | \$25,000           | \$25,000            | \$25,000            | \$25,000            | \$0                | \$100,000            |
| 5300-0<br>9  | Remote<br>Cabinets for<br>Advanced<br>Services                                  | \$50,000           | \$75,000            | \$50,000            | \$50,000            | \$50,000           | \$275,000            |
| 5300-11  | Server<br>Environment   | \$100,000          | \$100,000           | \$100,000           | \$200,000           | \$200,000          | \$700,000            |
| 5200-21  | Silvis Tunnel<br>Valve  | \$50,000           | \$400,000           | \$0                 | \$0                 | \$0                | \$450,000            |
| 5200-0<br>4  | Transmission &<br>Distribution Line<br>Maintenance                              | \$0                | \$750,000           | \$1,000,000         | \$1,000,000         | \$0                | \$2,750,000          |
| 5300-16  | Visual Mapping  | \$10,000           | \$20,000            | \$20,000            | \$20,000            | \$20,000           | \$90,000             |
| 5200-3<br>9  | Ward Cove<br>Substation<br>Replacement  | \$0                | \$0                 | \$800,000           | \$8,100,000         | \$0                | \$8,900,000          |
| 5200-3<br>7  | Ward Cove<br>Substation Slope<br>Stabilization                                  | \$300,000          | \$0                 | \$0                 | \$0                 | \$0                | \$300,000            |
| 5200-0<br>2  | Whitman Dam<br>Crack Repair   | \$120,000          | \$0                 | \$0                 | \$0                 | \$0                | \$120,000            |
| 5200-3<br>0  | Whitman<br>Incubation Pipe<br>Flow  | \$50,000           | \$0                 | \$0                 | \$0                 | \$0                | \$50,000             |
| 5300-2<br>2  | WiFi  | \$125,000          | \$100,000           | \$100,000           | \$125,000           | \$150,000          | \$600,000            |
| <b>Total Other Major<br/>Infrastructure - 730.00</b> |   | <b>\$7,590,500</b> | <b>\$18,298,607</b> | <b>\$71,119,000</b> | <b>\$12,774,000</b> | <b>\$3,651,500</b> | <b>\$113,433,607</b> |

## Vehicles and Wheeled Equipment - 720.00

| Project No. / Category                               | FY2026           | FY2027           | FY2028           | FY2029           | FY2030           | Total              |
|--|------------------|------------------|------------------|------------------|------------------|--------------------|
| 5300-18 Vehicle Acquisition                          | \$150,000        | \$200,000        | \$200,000        | \$250,000        | \$250,000        | \$1,050,000        |
| 5200-08 Vehicles & Moving Equipment                  | \$185,000        | \$200,000        | \$350,000        | \$125,000        | \$0              | \$860,000          |
| <b>Total Vehicles and Wheeled Equipment - 720.00</b> | <b>\$335,000</b> | <b>\$400,000</b> | <b>\$550,000</b> | <b>\$375,000</b> | <b>\$250,000</b> | <b>\$1,910,000</b> |

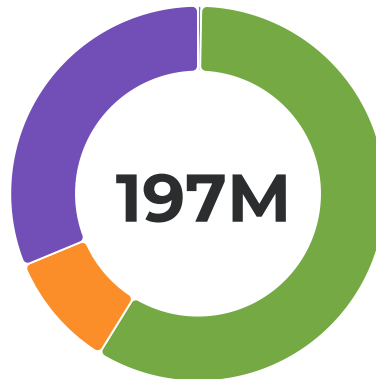
## Water - 730.00

| Project No. / Category  | FY2026      | FY2027      | FY2028      | FY2029      | FY2030       | Total        |
|---|-------------|-------------|-------------|-------------|--------------|--------------|
| 5400-07 Additional Projects - Water                                 | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000     | \$250,000    |
| 5400-19 Backflow Prevention Program                                 | \$15,000    | \$15,000    | \$15,000    | \$15,000    | \$15,000     | \$75,000     |
| 5400-01 Filtration Facility - Preliminary Preparation Tasks         | \$390,000   | \$0         | \$5,113,000 | \$0         | \$0          | \$5,503,000  |
| 5400-09 Harris Street Utility Improvements                          | \$125,000   | \$1,000,000 | \$950,000   | \$0         | \$0          | \$2,075,000  |
| 5400-15 Highlands Reservoir Property Acquisition                    | \$540,000   | \$100,000   | \$100,000   | \$4,000,000 | \$4,000,000  | \$8,740,000  |
| 5400-21 Hillside Road Water Main Replacement                        | \$60,000    | \$20,000    | \$800,000   | \$1,000,000 | \$0          | \$1,880,000  |
| 5400-04 Ketchikan Lakes Alternative Raw Water Supply Piping         | \$2,000,000 | \$2,000,000 | \$2,500,000 | \$8,000,000 | \$12,000,000 | \$26,500,000 |
| 5400-22 Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes | \$20,000    | \$800,000   | \$0         | \$0         | \$0          | \$820,000    |
| 5400-14 Ketchikan Lakes Road Concrete Segment Reconstruction        | \$80,000    | \$0         | \$850,000   | \$0         | \$0          | \$930,000    |
| 5400-10 Park Avenue Utility Improvements                            | \$125,000   | \$1,000,000 | \$950,000   | \$0         | \$0          | \$2,075,000  |
| 5400-16 Peterson St. Water Main Rebuild                             | \$0         | \$850,000   | \$0         | \$0         | \$0          | \$850,000    |
| 5400-20 Pump Station Switchgear Improvements                        | \$45,000    | \$0         | \$0         | \$0         | \$0          | \$45,000     |
| 5400-06 Replace ClorTec Generating Cells                            | \$78,000    | \$86,000    | \$0         | \$0         | \$0          | \$164,000    |
| 5400-11 Second Avenue Main Replacement                              | \$150,000   | \$0         | \$0         | \$0         | \$0          | \$150,000    |
| 5400-24 Skyline Water Main Replacement                              | \$70,000    | \$0         | \$0         | \$390,000   | \$1,000,000  | \$1,460,000  |

| <b>Project No. / Category</b>  | <b>FY2026</b>      | <b>FY2027</b>      | <b>FY2028</b>       | <b>FY2029</b>       | <b>FY2030</b>       | <b>Total</b>        |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| <b>5400-13</b> Thomas St.<br>Water Main<br>Replacement                 | \$0                | \$850,000          | \$0                 | \$0                 | \$0                 | <b>\$850,000</b>    |
| <b>5400-03</b> Tongass Avenue<br>Water Main<br>Replacement             | \$100,000          | \$1,200,000        | \$2,200,000         | \$0                 | \$0                 | <b>\$3,500,000</b>  |
| <b>5400-17</b> Utility Vehicles  | \$175,000          | \$95,000           | \$0                 | \$0                 | \$0                 | <b>\$270,000</b>    |
| <b>5400-25</b> UV System -<br>Replacement<br>Battery Bank              | \$0                | \$0                | \$0                 | \$200,000           | \$0                 | <b>\$200,000</b>    |
| <b>5400-12</b> Valve Boxes -<br>Repair of<br>Surrounding<br>Pavement   | \$110,000          | \$110,000          | \$110,000           | \$110,000           | \$110,000           | <b>\$550,000</b>    |
| <b>5400-08</b> Water<br>Distribution Grid<br>Improvements              | \$30,000           | \$30,000           | \$30,000            | \$30,000            | \$30,000            | <b>\$150,000</b>    |
| <b>5400-05</b> Water Meters -<br>Business &<br>Commercial<br>Customers | \$813,282          | \$0                | \$0                 | \$0                 | \$0                 | <b>\$813,282</b>    |
| <b>5400-18</b> Water Service<br>Upgrade<br>Program                     | \$21,000           | \$21,000           | \$21,000            | \$21,000            | \$21,000            | <b>\$105,000</b>    |
| <b>5400-02</b> Water Street<br>Water Main<br>Replacement               | \$200,000          | \$700,000          | \$650,000           | \$450,000           | \$0                 | <b>\$2,000,000</b>  |
| <b>5400-23</b> West Fairy<br>Chasm Main<br>Replacement                 | \$87,000           | \$0                | \$0                 | \$650,000           | \$1,000,000         | <b>\$1,737,000</b>  |
| <b>Total Water - 730.00</b>  | <b>\$5,284,282</b> | <b>\$8,927,000</b> | <b>\$14,339,000</b> | <b>\$14,916,000</b> | <b>\$18,226,000</b> | <b>\$61,692,282</b> |

# Capital Improvement Program

## 2026 - 2030 Capital Costs by Department



|                                     |                      |        |
|-------------------------------------|----------------------|--------|
| ● KPU-Administration                | <b>\$550,000</b>     | 0.28%  |
| ● KPU-Electric Department           | <b>\$115,565,307</b> | 58.53% |
| ● KPU-Telecommunications Department | <b>\$19,652,000</b>  | 9.95%  |
| ● KPU-Water Department              | <b>\$61,692,282</b>  | 31.24% |

### KPU-Administration

| Project No. / Category                                     | FY2026     | FY2027     | FY2028     | FY2029          | FY2030           | Total            |
|--|------------|------------|------------|-----------------|------------------|------------------|
| 5100-01 KPU - Replace Financial Accounting System Software | \$0        | \$0        | \$0        | \$50,000        | \$500,000        | <b>\$550,000</b> |
| <b>Total KPU-Administration</b>                            | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$50,000</b> | <b>\$500,000</b> | <b>\$550,000</b> |

### KPU-Electric Department

| Project No. / Category                          | FY2026    | FY2027      | FY2028       | FY2029    | FY2030    | Total               |
|---|-----------|-------------|--------------|-----------|-----------|---------------------|
| 5200-2 34.5 kV Breaker                          | \$105,000 | \$105,000   | \$105,000    | \$105,000 | \$105,000 | <b>\$525,000</b>    |
| 3 Relay and Spares                              |           |             |              |           |           |                     |
| 5200-1 Additional Projects                      | \$50,000  | \$164,000   | \$164,000    | \$164,000 | \$0       | <b>\$542,000</b>    |
| 5200-11 AMI, Meters and Meter Replacement Parts | \$125,000 | \$125,000   | \$125,000    | \$125,000 | \$125,000 | <b>\$625,000</b>    |
| 5200-3 Bailey Exhaust Stack Re-coating          | \$0       | \$125,000   | \$0          | \$0       | \$0       | <b>\$125,000</b>    |
| 5200-13 Bailey Fuel Tank Painting               | \$0       | \$100,000   | \$0          | \$0       | \$0       | <b>\$100,000</b>    |
| 5200-4 Bailey Generator Radiator Replacement    | \$0       | \$40,000    | \$300,000    | \$0       | \$0       | <b>\$340,000</b>    |
| 5200-4 Bailey Generator Replacement             | \$0       | \$4,125,000 | \$40,750,000 | \$0       | \$0       | <b>\$44,875,000</b> |
| 5200-1 Bailey Mooring Dolphin Replacement       | \$200,000 | \$0         | \$0          | \$0       | \$0       | <b>\$200,000</b>    |
| 5200-4 Bailey Substation Replacement            | \$0       | \$1,500,000 | \$15,300,000 | \$0       | \$0       | <b>\$16,800,000</b> |

| <b>Project No. / Category</b>   | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|
| <b>5200-07</b> Battery Systems and Chargers                           | \$50,500      | \$50,500      | \$50,500      | \$50,500      | \$50,500      | <b>\$252,500</b>   |
| <b>5200-27</b> Beaver Falls FERC Part 12D Periodic Inspection         | \$0           | \$0           | \$150,000     | \$0           | \$0           | <b>\$150,000</b>   |
| <b>5200-03</b> Beaver Falls Powerhouse Exterior                       | \$375,000     | \$375,000     | \$0           | \$0           | \$0           | <b>\$750,000</b>   |
| <b>5200-15</b> Beaver Falls Switch Gear Replacement                   | \$750,000     | \$750,000     | \$0           | \$0           | \$0           | <b>\$1,500,000</b> |
| <b>5200-34</b> Digital Radio System Upgrades                          | \$0           | \$120,000     | \$0           | \$0           | \$0           | <b>\$120,000</b>   |
| <b>5200-44</b> Electric Division Service Center                       | \$0           | \$2,000,000   | \$500,000     | \$5,100,000   | \$0           | <b>\$7,600,000</b> |
| <b>5200-35</b> ESRI Trouble Ticket Solutions                          | \$0           | \$40,000      | \$0           | \$0           | \$0           | <b>\$40,000</b>    |
| <b>5200-20</b> Feeder Protective Relay Upgrades                       | \$150,000     | \$50,000      | \$50,000      | \$50,000      | \$0           | <b>\$300,000</b>   |
| <b>5200-22</b> Generator Rewind & Repair                              | \$325,000     | \$325,000     | \$325,000     | \$325,000     | \$0           | <b>\$1,300,000</b> |
| <b>5200-17</b> Ketchikan International Airport Upgrade                | \$1,565,000   | \$0           | \$0           | \$0           | \$0           | <b>\$1,565,000</b> |
| <b>5200-46</b> Ketchikan Lake Tunnel Valves                           | \$375,000     | \$0           | \$0           | \$0           | \$0           | <b>\$375,000</b>   |
| <b>5200-29</b> Ketchikan Lakes Dam Low Level Outlet                   | \$0           | \$2,000,000   | \$0           | \$0           | \$0           | <b>\$2,000,000</b> |
| <b>5200-25</b> Ketchikan Lakes FERC Part 12D Comprehensive Assessment | \$0           | \$0           | \$400,000     | \$0           | \$0           | <b>\$400,000</b>   |
| <b>5200-01</b> Ketchikan Lakes Project Relicensing                    | \$600,000     | \$600,000     | \$250,000     | \$50,000      | \$0           | <b>\$1,500,000</b> |
| <b>5200-33</b> Ketchikan Lakes Utilities                              | \$0           | \$4,079,607   | \$0           | \$0           | \$0           | <b>\$4,079,607</b> |
| <b>5200-28</b> Lower Silvis Dam Cleaning and Inspections              | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| <b>5200-24</b> Lower Silvis Lake Submarine Cable Replacement          | \$0           | \$200,000     | \$0           | \$0           | \$0           | <b>\$200,000</b>   |
| <b>5200-38</b> Mountain Point Substation Replacement                  | \$0           | \$750,000     | \$7,600,000   | \$0           | \$0           | <b>\$8,350,000</b> |
| <b>5200-09</b> Operating Equipment                                    | \$491,200     | \$300,000     | \$300,000     | \$300,000     | \$300,000     | <b>\$1,691,200</b> |
| <b>5200-14</b> Penstock Inspection Program                            | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| <b>5200-06</b> PLC Upgrades   | \$250,000     | \$250,000     | \$250,000     | \$250,000     | \$250,000     | <b>\$1,250,000</b> |

| <b>Project No. / Category</b>   | <b>FY2026</b>      | <b>FY2027</b>       | <b>FY2028</b>       | <b>FY2029</b>       | <b>FY2030</b>      | <b>Total</b>         |
|---|--------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| <b>5200-3</b> Port West<br><b>6</b> Feeder<br>Reconfiguration<br>& Site<br>Modification | \$0                | \$175,000           | \$950,000           | \$0                 | \$0                | <b>\$1,125,000</b>   |
| <b>5200-16</b> Reimbursable<br>Projects   | \$25,000           | \$25,000            | \$25,000            | \$25,000            | \$0                | <b>\$100,000</b>     |
| <b>5200-31</b> Security Fence<br>and Gates  | \$0                | \$45,000            | \$0                 | \$0                 | \$0                | <b>\$45,000</b>      |
| <b>5200-4</b> Silvis Shaft &<br><b>1</b> Turbine<br>Overhaul                            | \$0                | \$0                 | \$750,000           | \$0                 | \$0                | <b>\$750,000</b>     |
| <b>5200-21</b> Silvis Tunnel<br>Valve   | \$50,000           | \$400,000           | \$0                 | \$0                 | \$0                | <b>\$450,000</b>     |
| <b>5200-12</b> Spare Substation<br>Class<br>Transformer<br>Refurbishment                | \$85,000           | \$0                 | \$0                 | \$0                 | \$0                | <b>\$85,000</b>      |
| <b>5200-19</b> System<br>Sectionalizers   | \$100,000          | \$100,000           | \$100,000           | \$0                 | \$0                | <b>\$300,000</b>     |
| <b>5200-4</b> System Voltage<br><b>5</b> Control  | \$75,000           | \$250,000           | \$0                 | \$0                 | \$0                | <b>\$325,000</b>     |
| <b>5200-0</b> Transformer<br><b>5</b> Purchases   | \$250,000          | \$300,000           | \$350,000           | \$350,000           | \$400,000          | <b>\$1,650,000</b>   |
| <b>5200-0</b> Transmission &<br><b>4</b> Distribution Line<br>Maintenance               | \$0                | \$750,000           | \$1,000,000         | \$1,000,000         | \$0                | <b>\$2,750,000</b>   |
| <b>5200-0</b> Vehicles &<br><b>8</b> Moving<br>Equipment                                | \$185,000          | \$200,000           | \$350,000           | \$125,000           | \$0                | <b>\$860,000</b>     |
| <b>5200-3</b> Ward Cove<br><b>9</b> Substation<br>Replacement                           | \$0                | \$0                 | \$800,000           | \$8,100,000         | \$0                | <b>\$8,900,000</b>   |
| <b>5200-3</b> Ward Cove<br><b>7</b> Substation Slope<br>Stabilization                   | \$300,000          | \$0                 | \$0                 | \$0                 | \$0                | <b>\$300,000</b>     |
| <b>5200-0</b> Whitman Dam<br><b>2</b> Crack Repair                                      | \$120,000          | \$0                 | \$0                 | \$0                 | \$0                | <b>\$120,000</b>     |
| <b>5200-3</b> Whitman<br><b>0</b> Incubation Pipe<br>Flow                               | \$50,000           | \$0                 | \$0                 | \$0                 | \$0                | <b>\$50,000</b>      |
| <b>Total KPU-Electric<br/>Department</b>  | <b>\$6,851,700</b> | <b>\$20,419,107</b> | <b>\$70,944,500</b> | <b>\$16,119,500</b> | <b>\$1,230,500</b> | <b>\$115,565,307</b> |

### KPU-Telecommunications Department

| <b>Project No. / Category</b>              | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|--|---------------|---------------|---------------|---------------|---------------|--------------------|
| <b>5300-13</b> Operating<br>Equipment      | \$100,000     | \$100,000     | \$125,000     | \$150,000     | \$150,000     | <b>\$625,000</b>   |
| <b>5300-14</b> PC Hardware and<br>Software | \$75,000      | \$75,000      | \$75,000      | \$100,000     | \$100,000     | <b>\$425,000</b>   |
| <b>5300-18</b> Vehicle<br>Acquisition      | \$150,000     | \$200,000     | \$200,000     | \$250,000     | \$250,000     | <b>\$1,050,000</b> |
| <b>5300-2</b> 4G/LTE<br><b>0</b>           | \$359,000     | \$200,000     | \$150,000     | \$150,000     | \$150,000     | <b>\$1,009,000</b> |
| <b>5300-10</b> Core Network<br>Upgrade     | \$1,000,000   | \$1,000,000   | \$750,000     | \$500,000     | \$500,000     | <b>\$3,750,000</b> |

| <b>Project No. / Category</b>   | <b>FY2026</b>      | <b>FY2027</b>      | <b>FY2028</b>      | <b>FY2029</b>      | <b>FY2030</b>      | <b>Total</b>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>5300-08</b> Fiber to the Home                                      | \$325,000          | \$300,000          | \$325,000          | \$300,000          | \$300,000          | <b>\$1,550,000</b>  |
| <b>5300-21</b> Hosted   | \$100,000          | \$100,000          | \$200,000          | \$400,000          | \$500,000          | <b>\$1,300,000</b>  |
| <b>5300-23</b> Internet Expansion                                     | \$175,000          | \$150,000          | \$600,000          | \$150,000          | \$150,000          | <b>\$1,225,000</b>  |
| <b>5300-24</b> Ketchikan Subsea Cable Emergency Repair Fund           | \$676,500          | \$0                | \$0                | \$0                | \$0                | <b>\$676,500</b>    |
| <b>5300-12</b> Multi-Dwelling Unit Project                            | \$100,000          | \$100,000          | \$100,000          | \$100,000          | \$100,000          | <b>\$500,000</b>    |
| <b>5300-17</b> Network Monitoring                                     | \$50,000           | \$100,000          | \$100,000          | \$150,000          | \$150,000          | <b>\$550,000</b>    |
| <b>5300-19</b> Network Security Infrastructure                        | \$75,000           | \$100,000          | \$125,000          | \$125,000          | \$166,500          | <b>\$591,500</b>    |
| <b>5300-01</b> Normal Growth and Repair - Buildings                   | \$125,000          | \$100,000          | \$100,000          | \$100,000          | \$100,000          | <b>\$525,000</b>    |
| <b>5300-02</b> Normal Growth and Repair - Central Office Switching    | \$50,000           | \$50,000           | \$50,000           | \$50,000           | \$50,000           | <b>\$250,000</b>    |
| <b>5300-05</b> Normal Growth and Repair - Central Office Transmission | \$275,000          | \$300,000          | \$325,000          | \$350,000          | \$375,000          | <b>\$1,625,000</b>  |
| <b>5300-03</b> Normal Growth and Repair - Copper Cable                | \$25,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           | <b>\$125,000</b>    |
| <b>5300-06</b> Normal Growth and Repair - Expansion                   | \$15,000           | \$15,000           | \$15,000           | \$20,000           | \$20,000           | <b>\$85,000</b>     |
| <b>5300-04</b> Normal Growth and Repair - Fiber Cable                 | \$225,000          | \$300,000          | \$325,000          | \$350,000          | \$375,000          | <b>\$1,575,000</b>  |
| <b>5300-07</b> Normal Growth and Repair - Provisioning                | \$20,000           | \$20,000           | \$20,000           | \$20,000           | \$20,000           | <b>\$100,000</b>    |
| <b>5300-15</b> Power Expansion/Reclamation                            | \$50,000           | \$100,000          | \$100,000          | \$100,000          | \$100,000          | <b>\$450,000</b>    |
| <b>5300-09</b> Remote Cabinets for Advanced Services                  | \$50,000           | \$75,000           | \$50,000           | \$50,000           | \$50,000           | <b>\$275,000</b>    |
| <b>5300-11</b> Server Environment                                     | \$100,000          | \$100,000          | \$100,000          | \$200,000          | \$200,000          | <b>\$700,000</b>    |
| <b>5300-16</b> Visual Mapping   | \$10,000           | \$20,000           | \$20,000           | \$20,000           | \$20,000           | <b>\$90,000</b>     |
| <b>5300-22</b> WiFi   | \$125,000          | \$100,000          | \$100,000          | \$125,000          | \$150,000          | <b>\$600,000</b>    |
| <b>Total KPU-Telecommunications Department</b>                        | <b>\$4,255,500</b> | <b>\$3,630,000</b> | <b>\$3,980,000</b> | <b>\$3,785,000</b> | <b>\$4,001,500</b> | <b>\$19,652,000</b> |

### KPU-Water Department

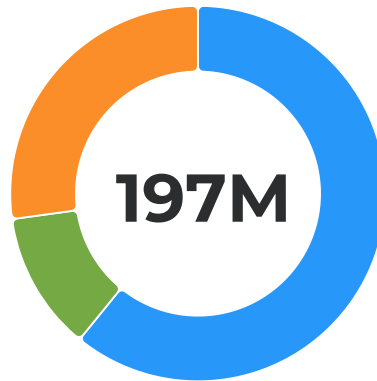
| <b>Project No. / Category</b>              | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>     |
|--|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>5400-07</b> Additional Projects - Water | \$50,000      | \$50,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$250,000</b> |

| <b>Project No. / Category</b>  | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>        |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| <b>5400-19</b> Backflow Prevention Program                                 | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | <b>\$75,000</b>     |
| <b>5400-01</b> Filtration Facility - Preliminary Preparation Tasks         | \$390,000     | \$0           | \$5,113,000   | \$0           | \$0           | <b>\$5,503,000</b>  |
| <b>5400-09</b> Harris Street Utility Improvements                          | \$125,000     | \$1,000,000   | \$950,000     | \$0           | \$0           | <b>\$2,075,000</b>  |
| <b>5400-15</b> Highlands Reservoir Property Acquisition                    | \$540,000     | \$100,000     | \$100,000     | \$4,000,000   | \$4,000,000   | <b>\$8,740,000</b>  |
| <b>5400-21</b> Hillside Road Water Main Replacement                        | \$60,000      | \$20,000      | \$800,000     | \$1,000,000   | \$0           | <b>\$1,880,000</b>  |
| <b>5400-04</b> Ketchikan Lakes Alternative Raw Water Supply Piping         | \$2,000,000   | \$2,000,000   | \$2,500,000   | \$8,000,000   | \$12,000,000  | <b>\$26,500,000</b> |
| <b>5400-22</b> Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes | \$20,000      | \$800,000     | \$0           | \$0           | \$0           | <b>\$820,000</b>    |
| <b>5400-14</b> Ketchikan Lakes Road Concrete Segment Reconstruction        | \$80,000      | \$0           | \$850,000     | \$0           | \$0           | <b>\$930,000</b>    |
| <b>5400-10</b> Park Avenue Utility Improvements                            | \$125,000     | \$1,000,000   | \$950,000     | \$0           | \$0           | <b>\$2,075,000</b>  |
| <b>5400-16</b> Peterson St. Water Main Rebuild                             | \$0           | \$850,000     | \$0           | \$0           | \$0           | <b>\$850,000</b>    |
| <b>5400-20</b> Pump Station Switchgear Improvements                        | \$45,000      | \$0           | \$0           | \$0           | \$0           | <b>\$45,000</b>     |
| <b>5400-06</b> Replace ClorTec Generating Cells                            | \$78,000      | \$86,000      | \$0           | \$0           | \$0           | <b>\$164,000</b>    |
| <b>5400-11</b> Second Avenue Main Replacement                              | \$150,000     | \$0           | \$0           | \$0           | \$0           | <b>\$150,000</b>    |
| <b>5400-24</b> Skyline Water Main Replacement                              | \$70,000      | \$0           | \$0           | \$390,000     | \$1,000,000   | <b>\$1,460,000</b>  |
| <b>5400-13</b> Thomas St. Water Main Replacement                           | \$0           | \$850,000     | \$0           | \$0           | \$0           | <b>\$850,000</b>    |
| <b>5400-03</b> Tongass Avenue Water Main Replacement                       | \$100,000     | \$1,200,000   | \$2,200,000   | \$0           | \$0           | <b>\$3,500,000</b>  |
| <b>5400-17</b> Utility Vehicles  | \$175,000     | \$95,000      | \$0           | \$0           | \$0           | <b>\$270,000</b>    |
| <b>5400-25</b> UV System - Replacement Battery Bank                        | \$0           | \$0           | \$0           | \$200,000     | \$0           | <b>\$200,000</b>    |

| <b>Project No. / Category</b>  | <b>FY2026</b>      | <b>FY2027</b>      | <b>FY2028</b>       | <b>FY2029</b>       | <b>FY2030</b>       | <b>Total</b>        |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| <b>5400-12</b> Valve Boxes -<br>Repair of<br>Surrounding<br>Pavement   | \$110,000          | \$110,000          | \$110,000           | \$110,000           | \$110,000           | <b>\$550,000</b>    |
| <b>5400-08</b> Water<br>Distribution Grid<br>Improvements              | \$30,000           | \$30,000           | \$30,000            | \$30,000            | \$30,000            | <b>\$150,000</b>    |
| <b>5400-05</b> Water Meters -<br>Business &<br>Commercial<br>Customers | \$813,282          | \$0                | \$0                 | \$0                 | \$0                 | <b>\$813,282</b>    |
| <b>5400-18</b> Water Service<br>Upgrade<br>Program                     | \$21,000           | \$21,000           | \$21,000            | \$21,000            | \$21,000            | <b>\$105,000</b>    |
| <b>5400-02</b> Water Street<br>Water Main<br>Replacement               | \$200,000          | \$700,000          | \$650,000           | \$450,000           | \$0                 | <b>\$2,000,000</b>  |
| <b>5400-23</b> West Fairy<br>Chasm Main<br>Replacement                 | \$87,000           | \$0                | \$0                 | \$650,000           | \$1,000,000         | <b>\$1,737,000</b>  |
| <b>Total KPU-Water<br/>Department</b>                                  | <b>\$5,284,282</b> | <b>\$8,927,000</b> | <b>\$14,339,000</b> | <b>\$14,916,000</b> | <b>\$18,226,000</b> | <b>\$61,692,282</b> |

# Capital Improvement Program

## 2026 - 2030 Capital Costs by Fund



|   |                      |        |
|---|----------------------|--------|
| <span style="color: blue;">●</span> Debt Financing                | <b>\$120,171,282</b> | 60.86% |
| <span style="color: green;">●</span> Grant Funding                | <b>\$23,620,000</b>  | 11.96% |
| <span style="color: orange;">●</span> KPU Revenue Generating Fund | <b>\$53,668,307</b>  | 27.18% |

### Debt Financing

| Project No. / Category                                      | FY2026      | FY2027      | FY2028       | FY2029       | FY2030      | Total        |
|---|-------------|-------------|--------------|--------------|-------------|--------------|
| 5200-43 Bailey Generator Replacement                        | \$0         | \$0         | \$4,125,000  | \$40,750,000 | \$0         | \$44,875,000 |
| 5200-40 Bailey Substation Replacement                       | \$0         | \$1,500,000 | \$15,300,000 | \$0          | \$0         | \$16,800,000 |
| 5200-44 Electric Division Service Center                    | \$0         | \$2,000,000 | \$500,000    | \$5,100,000  | \$0         | \$7,600,000  |
| 5400-01 Filtration Facility - Preliminary Preparation Tasks | \$0         | \$0         | \$5,113,000  | \$0          | \$0         | \$5,113,000  |
| 5400-09 Harris Street Utility Improvements                  | \$0         | \$500,000   | \$475,000    | \$0          | \$0         | \$975,000    |
| 5400-21 Hillside Road Water Main Replacement                | \$0         | \$0         | \$400,000    | \$500,000    | \$0         | \$900,000    |
| 5400-04 Ketchikan Lakes Alternative Raw Water Supply Piping | \$2,000,000 | \$2,000,000 | \$2,500,000  | \$4,000,000  | \$6,000,000 | \$16,500,000 |
| 5200-38 Mountain Point Substation Replacement               | \$0         | \$750,000   | \$7,600,000  | \$0          | \$0         | \$8,350,000  |
| 5400-10 Park Avenue Utility Improvements                    | \$0         | \$500,000   | \$475,000    | \$0          | \$0         | \$975,000    |
| 5400-16 Peterson St. Water Main Rebuild                     | \$0         | \$500,000   | \$0          | \$0          | \$0         | \$500,000    |
| 5400-24 Skyline Water Main Replacement                      | \$0         | \$0         | \$0          | \$195,000    | \$500,000   | \$695,000    |

| Project No. / Category  | FY2026             | FY2027              | FY2028              | FY2029              | FY2030             | Total                |
|---|--------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| 5400-1<br>3 Thomas St.<br>Water Main<br>Replacement                 | \$0                | \$850,000           | \$0                 | \$0                 | \$0                | \$850,000            |
| 5400-0<br>3 Tongass Avenue<br>Water Main<br>Replacement             | \$100,000          | \$1,200,000         | \$2,200,000         | \$0                 | \$0                | \$3,500,000          |
| 5200-3<br>9 Ward Cove<br>Substation<br>Replacement                  | \$0                | \$0                 | \$800,000           | \$8,100,000         | \$0                | \$8,900,000          |
| 5400-0<br>5 Water Meters -<br>Business &<br>Commercial<br>Customers | \$813,282          | \$0                 | \$0                 | \$0                 | \$0                | \$813,282            |
| 5400-0<br>2 Water Street<br>Water Main<br>Replacement               | \$200,000          | \$700,000           | \$650,000           | \$450,000           | \$0                | \$2,000,000          |
| 5400-2<br>3 West Fairy<br>Chasm Main<br>Replacement                 | \$0                | \$0                 | \$0                 | \$325,000           | \$500,000          | \$825,000            |
| <b>Total Debt Financing</b>   | <b>\$3,113,282</b> | <b>\$10,500,000</b> | <b>\$40,138,000</b> | <b>\$59,420,000</b> | <b>\$7,000,000</b> | <b>\$120,171,282</b> |

### Grant Funding

| Project No. / Category  | FY2026     | FY2027             | FY2028             | FY2029             | FY2030              | Total               |
|---|------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| 5400-09 Harris Street Utility<br>Improvements                   | \$0        | \$500,000          | \$475,000          | \$0                | \$0                 | \$975,000           |
| 5400-15 Highlands Reservoir Property<br>Acquisition             | \$0        | \$100,000          | \$100,000          | \$4,000,000        | \$4,000,000         | \$8,200,000         |
| 5400-21 Hillside Road Water Main<br>Replacement                 | \$0        | \$0                | \$400,000          | \$500,000          | \$0                 | \$900,000           |
| 5400-04 Ketchikan Lakes Alternative Raw<br>Water Supply Piping  | \$0        | \$0                | \$0                | \$4,000,000        | \$6,000,000         | \$10,000,000        |
| 5400-14 Ketchikan Lakes Road Concrete<br>Segment Reconstruction | \$0        | \$0                | \$850,000          | \$0                | \$0                 | \$850,000           |
| 5400-10 Park Avenue Utility<br>Improvements                     | \$0        | \$500,000          | \$475,000          | \$0                | \$0                 | \$975,000           |
| 5400-24 Skyline Water Main<br>Replacement                       | \$0        | \$0                | \$0                | \$195,000          | \$500,000           | \$695,000           |
| 5400-25 UV System - Replacement<br>Battery Bank                 | \$0        | \$0                | \$0                | \$200,000          | \$0                 | \$200,000           |
| 5400-23 West Fairy Chasm Main<br>Replacement                    | \$0        | \$0                | \$0                | \$325,000          | \$500,000           | \$825,000           |
| <b>Total Grant Funding</b>                                      | <b>\$0</b> | <b>\$1,100,000</b> | <b>\$2,300,000</b> | <b>\$9,220,000</b> | <b>\$11,000,000</b> | <b>\$23,620,000</b> |

### KPU Revenue Generating Fund

| Project No. / Category                          | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | Total       |
|---|-----------|-----------|-----------|-----------|-----------|-------------|
| 5300-13 Operating<br>Equipment                  | \$100,000 | \$100,000 | \$125,000 | \$150,000 | \$150,000 | \$625,000   |
| 5300-14 PC Hardware<br>and Software             | \$75,000  | \$75,000  | \$75,000  | \$100,000 | \$100,000 | \$425,000   |
| 5300-18 Vehicle<br>Acquisition                  | \$150,000 | \$200,000 | \$200,000 | \$250,000 | \$250,000 | \$1,050,000 |
| 5200-2<br>3 34.5 kV Breaker<br>Relay and Spares | \$105,000 | \$105,000 | \$105,000 | \$105,000 | \$105,000 | \$525,000   |
| 5300-2<br>0 4G/LTE                              | \$359,000 | \$200,000 | \$150,000 | \$150,000 | \$150,000 | \$1,009,000 |

| <b>Project No. / Category</b>                                      | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|--|---------------|---------------|---------------|---------------|---------------|--------------------|
| <b>5200-10</b> Additional Projects                                 | \$50,000      | \$164,000     | \$164,000     | \$164,000     | \$0           | <b>\$542,000</b>   |
| <b>5400-07</b> Additional Projects - Water                         | \$50,000      | \$50,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$250,000</b>   |
| <b>5200-11</b> AMI, Meters and Meter Replacement Parts             | \$125,000     | \$125,000     | \$125,000     | \$125,000     | \$125,000     | <b>\$625,000</b>   |
| <b>5400-19</b> Backflow Prevention Program                         | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | <b>\$75,000</b>    |
| <b>5200-32</b> Bailey Exhaust Stack Re-coating                     | \$0           | \$125,000     | \$0           | \$0           | \$0           | <b>\$125,000</b>   |
| <b>5200-13</b> Bailey Fuel Tank Painting                           | \$0           | \$100,000     | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| <b>5200-42</b> Bailey Generator Radiator Replacement               | \$0           | \$40,000      | \$300,000     | \$0           | \$0           | <b>\$340,000</b>   |
| <b>5200-18</b> Bailey Mooring Dolphin Replacement                  | \$200,000     | \$0           | \$0           | \$0           | \$0           | <b>\$200,000</b>   |
| <b>5200-07</b> Battery Systems and Chargers                        | \$50,500      | \$50,500      | \$50,500      | \$50,500      | \$50,500      | <b>\$252,500</b>   |
| <b>5200-27</b> Beaver Falls FERC Part 12D Periodic Inspection      | \$0           | \$0           | \$150,000     | \$0           | \$0           | <b>\$150,000</b>   |
| <b>5200-03</b> Beaver Falls Powerhouse Exterior                    | \$375,000     | \$375,000     | \$0           | \$0           | \$0           | <b>\$750,000</b>   |
| <b>5200-15</b> Beaver Falls Switch Gear Replacement                | \$750,000     | \$750,000     | \$0           | \$0           | \$0           | <b>\$1,500,000</b> |
| <b>5300-10</b> Core Network Upgrade                                | \$1,000,000   | \$1,000,000   | \$750,000     | \$500,000     | \$500,000     | <b>\$3,750,000</b> |
| <b>5200-34</b> Digital Radio System Upgrades                       | \$0           | \$120,000     | \$0           | \$0           | \$0           | <b>\$120,000</b>   |
| <b>5200-35</b> ESRI Trouble Ticket Solutions                       | \$0           | \$40,000      | \$0           | \$0           | \$0           | <b>\$40,000</b>    |
| <b>5200-20</b> Feeder Protective Relay Upgrades                    | \$150,000     | \$50,000      | \$50,000      | \$50,000      | \$0           | <b>\$300,000</b>   |
| <b>5300-08</b> Fiber to the Home                                   | \$325,000     | \$300,000     | \$325,000     | \$300,000     | \$300,000     | <b>\$1,550,000</b> |
| <b>5400-01</b> Filtration Facility - Preliminary Preparation Tasks | \$390,000     | \$0           | \$0           | \$0           | \$0           | <b>\$390,000</b>   |
| <b>5200-22</b> Generator Rewind & Repair                           | \$325,000     | \$325,000     | \$325,000     | \$325,000     | \$0           | <b>\$1,300,000</b> |
| <b>5400-09</b> Harris Street Utility Improvements                  | \$125,000     | \$0           | \$0           | \$0           | \$0           | <b>\$125,000</b>   |
| <b>5400-15</b> Highlands Reservoir Property Acquisition            | \$540,000     | \$0           | \$0           | \$0           | \$0           | <b>\$540,000</b>   |

| <b>Project No. / Category</b>   | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|
| <b>5400-21</b> Hillside Road Water Main Replacement                       | \$60,000      | \$20,000      | \$0           | \$0           | \$0           | <b>\$80,000</b>    |
| <b>5300-21</b> Hosted   | \$100,000     | \$100,000     | \$200,000     | \$400,000     | \$500,000     | <b>\$1,300,000</b> |
| <b>5300-2</b> Internet Expansion  | \$175,000     | \$150,000     | \$600,000     | \$150,000     | \$150,000     | <b>\$1,225,000</b> |
| <b>3</b>  |               |               |               |               |               |                    |
| <b>5300-2</b> Ketchikan Subsea Cable Emergency Repair Fund                | \$676,500     | \$0           | \$0           | \$0           | \$0           | <b>\$676,500</b>   |
| <b>4</b>  |               |               |               |               |               |                    |
| <b>5200-17</b> Ketchikan International Airport Upgrade                    | \$1,565,000   | \$0           | \$0           | \$0           | \$0           | <b>\$1,565,000</b> |
| <b>5200-4</b> Ketchikan Lake Tunnel Valves                                | \$375,000     | \$0           | \$0           | \$0           | \$0           | <b>\$375,000</b>   |
| <b>6</b>  |               |               |               |               |               |                    |
| <b>5200-2</b> Ketchikan Lakes Dam Low Level Outlet                        | \$0           | \$2,000,000   | \$0           | \$0           | \$0           | <b>\$2,000,000</b> |
| <b>9</b>  |               |               |               |               |               |                    |
| <b>5200-2</b> Ketchikan Lakes FERC Part 12D Comprehensive Assessment      | \$0           | \$0           | \$400,000     | \$0           | \$0           | <b>\$400,000</b>   |
| <b>5</b>  |               |               |               |               |               |                    |
| <b>5200-0</b> Ketchikan Lakes Project Relicensing                         | \$600,000     | \$600,000     | \$250,000     | \$50,000      | \$0           | <b>\$1,500,000</b> |
| <b>1</b>  |               |               |               |               |               |                    |
| <b>5400-2</b> Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes | \$20,000      | \$800,000     | \$0           | \$0           | \$0           | <b>\$820,000</b>   |
| <b>2</b>  |               |               |               |               |               |                    |
| <b>5400-1</b> Ketchikan Lakes Road Concrete Segment Reconstruction        | \$80,000      | \$0           | \$0           | \$0           | \$0           | <b>\$80,000</b>    |
| <b>4</b>  |               |               |               |               |               |                    |
| <b>5200-3</b> Ketchikan Lakes Utilities                                   | \$0           | \$4,079,607   | \$0           | \$0           | \$0           | <b>\$4,079,607</b> |
| <b>3</b>  |               |               |               |               |               |                    |
| <b>5100-01</b> KPU - Replace Financial Accounting System Software         | \$0           | \$0           | \$0           | \$50,000      | \$500,000     | <b>\$550,000</b>   |
| <b>5200-2</b> Lower Silvis Dam Cleaning and Inspections                   | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| <b>8</b>  |               |               |               |               |               |                    |
| <b>5200-2</b> Lower Silvis Lake Submarine Cable Replacement               | \$0           | \$200,000     | \$0           | \$0           | \$0           | <b>\$200,000</b>   |
| <b>4</b>  |               |               |               |               |               |                    |
| <b>5300-12</b> Multi-Dwelling Unit Project                                | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$500,000</b>   |
| <b>5300-17</b> Network Monitoring   | \$50,000      | \$100,000     | \$100,000     | \$150,000     | \$150,000     | <b>\$550,000</b>   |
| <b>5300-19</b> Network Security Infrastructure                            | \$75,000      | \$100,000     | \$125,000     | \$125,000     | \$166,500     | <b>\$591,500</b>   |
| <b>5300-0</b> Normal Growth and Repair - Buildings                        | \$125,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$525,000</b>   |
| <b>1</b>  |               |               |               |               |               |                    |
| <b>5300-0</b> Normal Growth and Repair -                                  | \$50,000      | \$50,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$250,000</b>   |
| <b>2</b>  |               |               |               |               |               |                    |

| <b>Project No. / Category</b>   | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|
| 5300-0<br>5<br>Central Office<br>Switching<br>Normal Growth<br>and Repair -<br>Central Office<br>Transmission | \$275,000     | \$300,000     | \$325,000     | \$350,000     | \$375,000     | <b>\$1,625,000</b> |
| 5300-0<br>3<br>Normal Growth<br>and Repair -<br>Copper Cable  | \$25,000      | \$25,000      | \$25,000      | \$25,000      | \$25,000      | <b>\$125,000</b>   |
| 5300-0<br>6<br>Normal Growth<br>and Repair -<br>Expansion   | \$15,000      | \$15,000      | \$15,000      | \$20,000      | \$20,000      | <b>\$85,000</b>    |
| 5300-0<br>4<br>Normal Growth<br>and Repair -<br>Fiber Cable   | \$225,000     | \$300,000     | \$325,000     | \$350,000     | \$375,000     | <b>\$1,575,000</b> |
| 5300-0<br>7<br>Normal Growth<br>and Repair -<br>Provisioning  | \$20,000      | \$20,000      | \$20,000      | \$20,000      | \$20,000      | <b>\$100,000</b>   |
| 5200-0<br>9<br>Operating<br>Equipment   | \$491,200     | \$300,000     | \$300,000     | \$300,000     | \$300,000     | <b>\$1,691,200</b> |
| 5400-1<br>0<br>Park Avenue<br>Utility<br>Improvements   | \$125,000     | \$0           | \$0           | \$0           | \$0           | <b>\$125,000</b>   |
| 5200-14<br>Penstock<br>Inspection<br>Program  | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| 5400-1<br>6<br>Peterson St.<br>Water Main<br>Rebuild  | \$0           | \$350,000     | \$0           | \$0           | \$0           | <b>\$350,000</b>   |
| 5200-0<br>6<br>PLC Upgrades   | \$250,000     | \$250,000     | \$250,000     | \$250,000     | \$250,000     | <b>\$1,250,000</b> |
| 5200-3<br>6<br>Port West<br>Feeder<br>Reconfiguration<br>& Site<br>Modification                               | \$0           | \$175,000     | \$950,000     | \$0           | \$0           | <b>\$1,125,000</b> |
| 5300-15<br>Power<br>Expansion/Recla<br>mation   | \$50,000      | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$450,000</b>   |
| 5400-2<br>0<br>Pump Station<br>Switchgear<br>Improvements   | \$45,000      | \$0           | \$0           | \$0           | \$0           | <b>\$45,000</b>    |
| 5200-16<br>Reimbursable<br>Projects   | \$25,000      | \$25,000      | \$25,000      | \$25,000      | \$0           | <b>\$100,000</b>   |
| 5300-0<br>9<br>Remote<br>Cabinets for<br>Advanced<br>Services   | \$50,000      | \$75,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$275,000</b>   |
| 5400-0<br>6<br>Replace ClorTec<br>Generating Cells  | \$78,000      | \$86,000      | \$0           | \$0           | \$0           | <b>\$164,000</b>   |
| 5400-11<br>Second Avenue<br>Main<br>Replacement   | \$150,000     | \$0           | \$0           | \$0           | \$0           | <b>\$150,000</b>   |
| 5200-31<br>Security Fence<br>and Gates  | \$0           | \$45,000      | \$0           | \$0           | \$0           | <b>\$45,000</b>    |
| 5300-11<br>Server<br>Environment  | \$100,000     | \$100,000     | \$100,000     | \$200,000     | \$200,000     | <b>\$700,000</b>   |

| <b>Project No. / Category</b>                                   | <b>FY2026</b>       | <b>FY2027</b>       | <b>FY2028</b>       | <b>FY2029</b>      | <b>FY2030</b>      | <b>Total</b>        |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|
| <b>5200-41</b> Silvis Shaft & Turbine Overhaul                  | \$0                 | \$0                 | \$750,000           | \$0                | \$0                | <b>\$750,000</b>    |
| <b>5200-21</b> Silvis Tunnel Valve                              | \$50,000            | \$400,000           | \$0                 | \$0                | \$0                | <b>\$450,000</b>    |
| <b>5400-24</b> Skyline Water Main Replacement                   | \$70,000            | \$0                 | \$0                 | \$0                | \$0                | <b>\$70,000</b>     |
| <b>5200-12</b> Spare Substation Class Transformer Refurbishment | \$85,000            | \$0                 | \$0                 | \$0                | \$0                | <b>\$85,000</b>     |
| <b>5200-19</b> System Sectionalizers                            | \$100,000           | \$100,000           | \$100,000           | \$0                | \$0                | <b>\$300,000</b>    |
| <b>5200-45</b> System Voltage Control                           | \$75,000            | \$250,000           | \$0                 | \$0                | \$0                | <b>\$325,000</b>    |
| <b>5200-05</b> Transformer Purchases                            | \$250,000           | \$300,000           | \$350,000           | \$350,000          | \$400,000          | <b>\$1,650,000</b>  |
| <b>5200-04</b> Transmission & Distribution Line Maintenance     | \$0                 | \$750,000           | \$1,000,000         | \$1,000,000        | \$0                | <b>\$2,750,000</b>  |
| <b>5400-17</b> Utility Vehicles                                 | \$175,000           | \$95,000            | \$0                 | \$0                | \$0                | <b>\$270,000</b>    |
| <b>5400-12</b> Valve Boxes - Repair of Surrounding Pavement     | \$110,000           | \$110,000           | \$110,000           | \$110,000          | \$110,000          | <b>\$550,000</b>    |
| <b>5200-08</b> Vehicles & Moving Equipment                      | \$185,000           | \$200,000           | \$350,000           | \$125,000          | \$0                | <b>\$860,000</b>    |
| <b>5300-16</b> Visual Mapping                                   | \$10,000            | \$20,000            | \$20,000            | \$20,000           | \$20,000           | <b>\$90,000</b>     |
| <b>5200-37</b> Ward Cove Substation Slope Stabilization         | \$300,000           | \$0                 | \$0                 | \$0                | \$0                | <b>\$300,000</b>    |
| <b>5400-08</b> Water Distribution Grid Improvements             | \$30,000            | \$30,000            | \$30,000            | \$30,000           | \$30,000           | <b>\$150,000</b>    |
| <b>5400-18</b> Water Service Upgrade Program                    | \$21,000            | \$21,000            | \$21,000            | \$21,000           | \$21,000           | <b>\$105,000</b>    |
| <b>5400-23</b> West Fairy Chasm Main Replacement                | \$87,000            | \$0                 | \$0                 | \$0                | \$0                | <b>\$87,000</b>     |
| <b>5200-02</b> Whitman Dam Crack Repair                         | \$120,000           | \$0                 | \$0                 | \$0                | \$0                | <b>\$120,000</b>    |
| <b>5200-30</b> Whitman Incubation Pipe Flow                     | \$50,000            | \$0                 | \$0                 | \$0                | \$0                | <b>\$50,000</b>     |
| <b>5300-22</b> WiFi   | \$125,000           | \$100,000           | \$100,000           | \$125,000          | \$150,000          | <b>\$600,000</b>    |
| <b>Total KPU Revenue Generating Fund</b>                        | <b>\$13,278,200</b> | <b>\$17,251,107</b> | <b>\$10,200,500</b> | <b>\$6,980,500</b> | <b>\$5,958,000</b> | <b>\$53,668,307</b> |

# Capital Projects

## Capital Projects

| Project No. / Project Name | Years          | Departments                              | Type  | Total        |
|----------------------------|----------------|--|---|--------------|
| 5300-13                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Machinery & Equipment -<br>725.00   | \$625,000    |
| 5300-14                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Computers and Related<br>Equipment - 725.00                                 | \$425,000    |
| 5300-18                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Vehicles and Wheeled<br>Equipment - 720.00                                  | \$1,050,000  |
| 5200-23                    | 2026 -<br>2030 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$525,000    |
| 5300-20                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,009,000  |
| 5200-10                    | 2026 -<br>2029 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$542,000    |
| 5400-07                    | 2026 -<br>2030 | KPU-Water Department                     | Water - 730.00  | \$250,000    |
| 5200-11                    | 2026 -<br>2030 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$625,000    |
| 5400-19                    | 2026 -<br>2030 | KPU-Water Department                     | Water - 730.00  | \$75,000     |
| 5200-32                    | 2027           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$125,000    |
| 5200-13                    | 2027           | KPU-Electric<br>Department               | Land, Land<br>Improvements &<br>Buildings / Facilities -<br>700.00 / 705.00 | \$100,000    |
| 5200-42                    | 2027 -<br>2028 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$340,000    |
| 5200-43                    | 2028 -<br>2029 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$44,875,000 |
| 5200-18                    | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$200,000    |
| 5200-40                    | 2027 -<br>2028 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$16,800,000 |
| 5200-07                    | 2026 -<br>2030 | KPU-Electric<br>Department               | Computers and Related<br>Equipment - 725.00                                 | \$252,500    |
| 5200-27                    | 2028           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$150,000    |
| 5200-03                    | 2026 -<br>2027 | KPU-Electric<br>Department               | Land, Land<br>Improvements &<br>Buildings / Facilities -<br>700.00 / 705.00 | \$750,000    |
| 5200-15                    | 2026 -<br>2027 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$1,500,000  |
| 5300-10                    | 2026 -<br>2030 | KPU-<br>Telecommunications               | Other Major<br>Infrastructure - 730.00                                      | \$3,750,000  |

| Project No. / Project Name | Years          | Departments                              | Type  | Total        |
|----------------------------|----------------|--|---|--------------|
| 5200-34                    | 2027           | Department<br>KPU-Electric<br>Department | Machinery & Equipment -<br>725.00   | \$120,000    |
| 5200-44                    | 2027 -<br>2029 | KPU-Electric<br>Department               | Land, Land<br>Improvements &<br>Buildings / Facilities -<br>700.00 / 705.00 | \$7,600,000  |
| 5200-35                    | 2027           | KPU-Electric<br>Department               | Computer Software -<br>735.00   | \$40,000     |
| 5200-20                    | 2026 -<br>2029 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$300,000    |
| 5300-08                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,550,000  |
| 5400-01                    | 2026 -<br>2028 | KPU-Water Department                     | Water - 730.00  | \$5,503,000  |
| 5200-22                    | 2026 -<br>2029 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$1,300,000  |
| 5400-09                    | 2026 -<br>2028 | KPU-Water Department                     | Water - 730.00  | \$2,075,000  |
| 5400-15                    | 2026 -<br>2030 | KPU-Water Department                     | Water - 730.00  | \$8,740,000  |
| 5400-21                    | 2026 -<br>2029 | KPU-Water Department                     | Water - 730.00  | \$1,880,000  |
| 5300-21                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,300,000  |
| 5300-23                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,225,000  |
| 5300-24                    | 2026           | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$676,500    |
| 5200-17                    | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$1,565,000  |
| 5200-46                    | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$375,000    |
| 5400-04                    | 2026 -<br>2030 | KPU-Water Department                     | Water - 730.00  | \$26,500,000 |
| 5200-29                    | 2027           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$2,000,000  |
| 5200-25                    | 2028           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$400,000    |
| 5200-01                    | 2026 -<br>2029 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$1,500,000  |
| 5400-22                    | 2026 -<br>2027 | KPU-Water Department                     | Water - 730.00  | \$820,000    |
| 5400-14                    | 2026 -<br>2028 | KPU-Water Department                     | Water - 730.00  | \$930,000    |
| 5200-33                    | 2027           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$4,079,607  |
| 5100-01                    | 2029 -<br>2030 | KPU-Administration                       | Computer Software -<br>735.00   | \$550,000    |
| 5200-28                    | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$100,000    |
| 5200-24                    | 2027           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$200,000    |

| Project No. / Project Name | Years          | Departments                              | Type  | Total       |
|----------------------------|----------------|--|---|-------------|
| 5200-38                    | 2027 -<br>2028 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$8,350,000 |
| 5300-12                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$500,000   |
| 5300-17                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$550,000   |
| 5300-19                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$591,500   |
| 5300-01                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Land, Land<br>Improvements &<br>Buildings / Facilities -<br>700.00 / 705.00 | \$525,000   |
| 5300-02                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$250,000   |
| 5300-05                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,625,000 |
| 5300-03                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$125,000   |
| 5300-06                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$85,000    |
| 5300-04                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$1,575,000 |
| 5300-07                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$100,000   |
| 5200-09                    | 2026 -<br>2030 | KPU-Electric<br>Department               | Machinery & Equipment -<br>725.00   | \$1,691,200 |
| 5400-10                    | 2026 -<br>2028 | KPU-Water<br>Department                  | Water - 730.00  | \$2,075,000 |
| 5200-14                    | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$100,000   |
| 5400-16                    | 2027           | KPU-Water<br>Department                  | Water - 730.00  | \$850,000   |
| 5200-06                    | 2026 -<br>2030 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$1,250,000 |
| 5200-36                    | 2027 -<br>2028 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$1,125,000 |
| 5300-15                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$450,000   |
| 5400-20                    | 2026           | KPU-Water<br>Department                  | Water - 730.00  | \$45,000    |
| 5200-16                    | 2026 -<br>2029 | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00                                      | \$100,000   |
| 5300-09                    | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00                                      | \$275,000   |
| 5400-06                    | 2026 -<br>2027 | KPU-Water<br>Department                  | Water - 730.00  | \$164,000   |

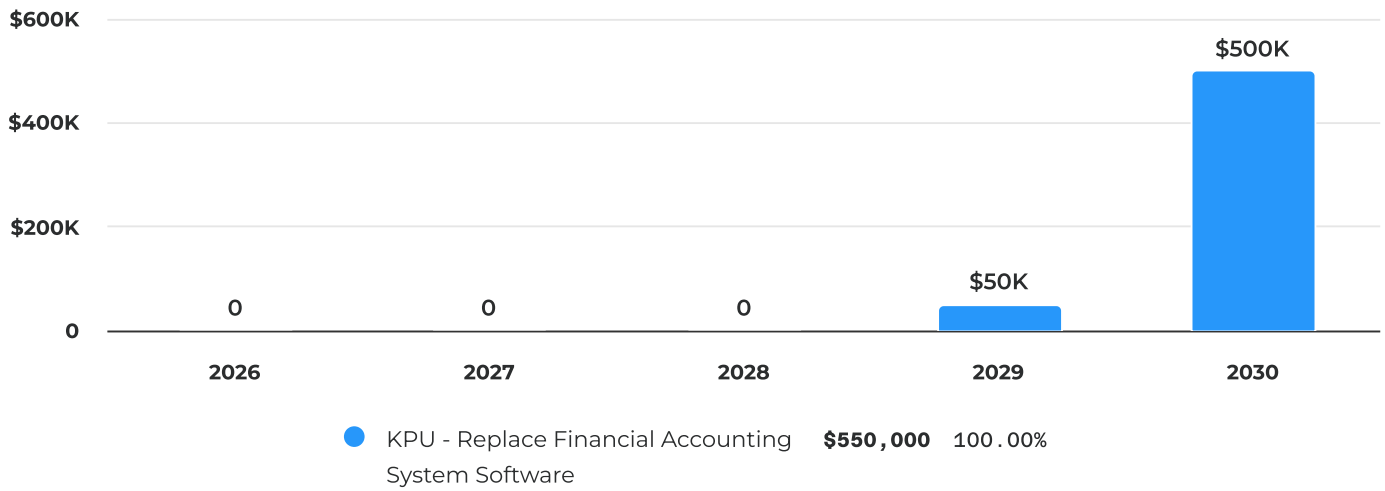
| Project No. / Project Name | Years       | Departments                       | Type   | Total       |
|----------------------------|-------------|-----------------------------------|--|-------------|
| 5400-11                    | 2026        | KPU-Water Department              | Water - 730.00   | \$150,000   |
| 5200-31                    | 2027        | KPU-Electric Department           | Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00 | \$45,000    |
| 5300-11                    | 2026 - 2030 | KPU-Telecommunications Department | Other Major Infrastructure - 730.00                                | \$700,000   |
| 5200-41                    | 2028        | KPU-Electric Department           | Machinery & Equipment - 725.00                                     | \$750,000   |
| 5200-21                    | 2026 - 2027 | KPU-Electric Department           | Other Major Infrastructure - 730.00                                | \$450,000   |
| 5400-24                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$1,460,000 |
| 5200-12                    | 2026        | KPU-Electric Department           | Machinery & Equipment - 725.00                                     | \$85,000    |
| 5200-19                    | 2026 - 2028 | KPU-Electric Department           | Machinery & Equipment - 725.00                                     | \$300,000   |
| 5200-45                    | 2026 - 2027 | KPU-Electric Department           | Machinery & Equipment - 725.00                                     | \$325,000   |
| 5400-13                    | 2027        | KPU-Water Department              | Water - 730.00   | \$850,000   |
| 5400-03                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$3,500,000 |
| 5200-05                    | 2026 - 2030 | KPU-Electric Department           | Machinery & Equipment - 725.00                                     | \$1,650,000 |
| 5200-04                    | 2026 - 2029 | KPU-Electric Department           | Other Major Infrastructure - 730.00                                | \$2,750,000 |
| 5400-17                    | 2026 - 2027 | KPU-Water Department              | Water - 730.00   | \$270,000   |
| 5400-25                    | 2029        | KPU-Water Department              | Water - 730.00   | \$200,000   |
| 5400-12                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$550,000   |
| 5200-08                    | 2026 - 2029 | KPU-Electric Department           | Vehicles and Wheeled Equipment - 720.00                            | \$860,000   |
| 5300-16                    | 2026 - 2030 | KPU-Telecommunications Department | Other Major Infrastructure - 730.00                                | \$90,000    |
| 5200-39                    | 2028 - 2029 | KPU-Electric Department           | Other Major Infrastructure - 730.00                                | \$8,900,000 |
| 5200-37                    | 2026        | KPU-Electric Department           | Other Major Infrastructure - 730.00                                | \$300,000   |
| 5400-08                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$150,000   |
| 5400-05                    | 2026        | KPU-Water Department              | Water - 730.00   | \$813,282   |
| 5400-18                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$105,000   |
| 5400-02                    | 2026 - 2029 | KPU-Water Department              | Water - 730.00   | \$2,000,000 |
| 5400-23                    | 2026 - 2030 | KPU-Water Department              | Water - 730.00   | \$1,737,000 |
| 5200-02                    | 2026        | KPU-Electric Department           | Other Major Infrastructure - 730.00                                | \$120,000   |

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| <b>Project No. / Project Name</b> | <b>Years</b>   | <b>Departments</b>                       | <b>Type</b>                            | <b>Total</b> |
|-----------------------------------|----------------|--|--|--------------|
| 5200-30                           | 2026           | KPU-Electric<br>Department               | Other Major<br>Infrastructure - 730.00 | \$50,000     |
| 5300-22                           | 2026 -<br>2030 | KPU-<br>Telecommunications<br>Department | Other Major<br>Infrastructure - 730.00 | \$600,000    |

# KPU-Administration

## FY26 - FY30 KPU-Administration Projects



## Summary of Requests

| Project No. / Category                                     | FY2026     | FY2027     | FY2028     | FY2029          | FY2030           | Total            |
|--|------------|------------|------------|-----------------|------------------|------------------|
| 5100-01 KPU - Replace Financial Accounting System Software | \$0        | \$0        | \$0        | \$50,000        | \$500,000        | \$550,000        |
| <b>Total Summary of Requests</b>                           | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$50,000</b> | <b>\$500,000</b> | <b>\$550,000</b> |

# KPU - Replace Financial Accounting System Software

## Overview

|                       |                    |
|-----------------------|--------------------|
| <b>Department</b>     | KPU-Administration |
| <b>Type</b>           | Capital Equipment  |
| <b>Project Number</b> | 5100-01            |

## Description

The current ERP, New World, was purchased in 2011, moving from an AS-400-based system to a modern interface. In 2021, Tyler Technologies notified customers of the decision to discontinue selling the New World ERP system to focus on maintaining the system. This decision means the software will not grow and eventually will become outdated and obsolete. Per Council request, the estimated cost to replace the current software has been added to the Capital Improvement Program.

This project would be split 50/50 with the General Fund.

## Details

**New Purchase or Replacement:** Replacement

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$550K</b>            | <b>\$550K</b> |

## Detailed Breakdown

| <b>Category</b>             | <b>FY2029<br/>In Progress</b> | <b>FY2030<br/>In Progress</b> | <b>Total</b>     |
|-----------------------------|-------------------------------|-------------------------------|------------------|
| Software                    | \$0                           | \$500,000                     | <b>\$500,000</b> |
| Needs Assessment and Design | \$50,000                      | \$0                           | <b>\$50,000</b>  |
| <b>Total</b>                | <b>\$50,000</b>               | <b>\$500,000</b>              | <b>\$550,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$550K**

Project Total

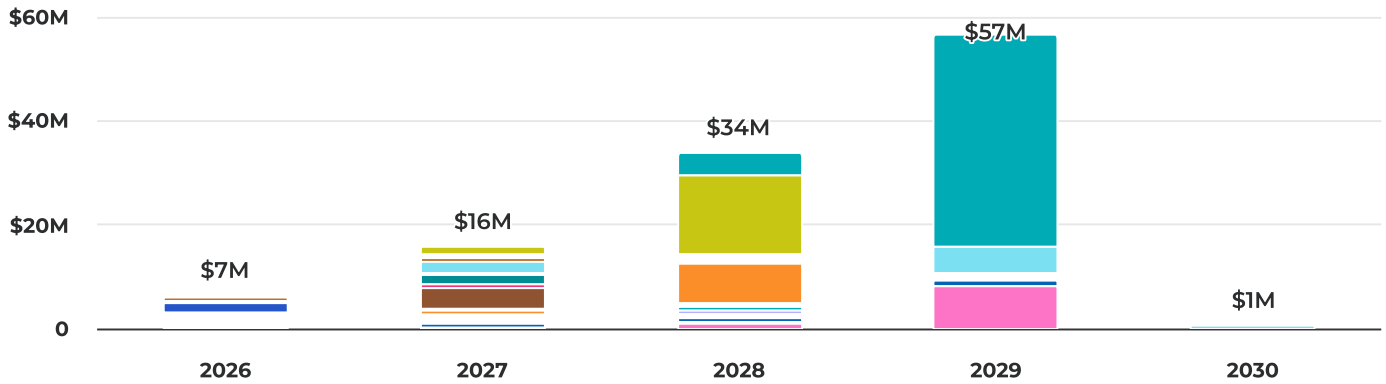
**\$550K**

## Detailed Breakdown

| Category                       | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                     | \$500,000                    | <b>\$550,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>              | <b>\$500,000</b>             | <b>\$550,000</b> |

# KPU-Electric Department

## FY26 - FY30 KPU-Electric Department Projects



|  |                     |        |
|--|---------------------|--------|
| ● 34.5 kV Breaker Relay and Spares                       | <b>\$525,000</b>    | 0.45%  |
| ● Additional Projects                                    | <b>\$542,000</b>    | 0.47%  |
| ● AMI, Meters and Meter Replacement Parts                | <b>\$625,000</b>    | 0.54%  |
| ● Bailey Exhaust Stack Re-coating                        | <b>\$125,000</b>    | 0.11%  |
| ● Bailey Fuel Tank Painting                              | <b>\$100,000</b>    | 0.09%  |
| ● Bailey Generator Radiator Replacement                  | <b>\$340,000</b>    | 0.29%  |
| ● Bailey Generator Replacement                           | <b>\$44,875,000</b> | 38.83% |
| ● Bailey Mooring Dolphin Replacement                     | <b>\$200,000</b>    | 0.17%  |
| ● Bailey Substation Replacement                          | <b>\$16,800,000</b> | 14.54% |
| ● Battery Systems and Chargers                           | <b>\$252,500</b>    | 0.22%  |
| ● Beaver Falls FERC Part 12D Periodic Inspection         | <b>\$150,000</b>    | 0.13%  |
| ● Beaver Falls Powerhouse Exterior                       | <b>\$750,000</b>    | 0.65%  |
| ● Beaver Falls Switch Gear Replacement                   | <b>\$1,500,000</b>  | 1.30%  |
| ● Digital Radio System Upgrades                          | <b>\$120,000</b>    | 0.10%  |
| ● Electric Division Service Center                       | <b>\$7,600,000</b>  | 6.58%  |
| ● ESRI Trouble Ticket Solutions                          | <b>\$40,000</b>     | 0.03%  |
| ● Feeder Protective Relay Upgrades                       | <b>\$300,000</b>    | 0.26%  |
| ● Generator Rewind & Repair                              | <b>\$1,300,000</b>  | 1.12%  |
| ● Ketchikan International Airport Upgrade                | <b>\$1,565,000</b>  | 1.35%  |
| ● Ketchikan Lake Tunnel Valves                           | <b>\$375,000</b>    | 0.32%  |
| ● Ketchikan Lakes Dam Low Level Outlet                   | <b>\$2,000,000</b>  | 1.73%  |
| ● Ketchikan Lakes FERC Part 12D Comprehensive Assessment | <b>\$400,000</b>    | 0.35%  |
| ● Ketchikan Lakes Project Relicensing                    | <b>\$1,500,000</b>  | 1.30%  |

|  |                    |       |
|--|--------------------|-------|
| ● Ketchikan Lakes Utilities                            | <b>\$4,079,607</b> | 3.53% |
| ● Lower Silvis Dam Cleaning and Inspections            | <b>\$100,000</b>   | 0.09% |
| ● Lower Silvis Lake Submarine Cable Replacement        | <b>\$200,000</b>   | 0.17% |
| ● Mountain Point Substation Replacement                | <b>\$8,350,000</b> | 7.23% |
| ● Operating Equipment                                  | <b>\$1,691,200</b> | 1.46% |
| ● Penstock Inspection Program                          | <b>\$100,000</b>   | 0.09% |
| ● PLC Upgrades   | <b>\$1,250,000</b> | 1.08% |
| ● Port West Feeder Reconfiguration & Site Modification | <b>\$1,125,000</b> | 0.97% |
| ● Reimbursable Projects                                | <b>\$100,000</b>   | 0.09% |
| ● Security Fence and Gates                             | <b>\$45,000</b>    | 0.04% |
| ● Silvis Shaft & Turbine Overhaul                      | <b>\$750,000</b>   | 0.65% |
| ● Silvis Tunnel Valve                                  | <b>\$450,000</b>   | 0.39% |
| ● Spare Substation Class Transformer Refurbishment     | <b>\$85,000</b>    | 0.07% |
| ● System Sectionalizers                                | <b>\$300,000</b>   | 0.26% |
| ● System Voltage Control                               | <b>\$325,000</b>   | 0.28% |
| ● Transformer Purchases                                | <b>\$1,650,000</b> | 1.43% |
| ● Transmission & Distribution Line Maintenance         | <b>\$2,750,000</b> | 2.38% |
| ● Vehicles & Moving Equipment                          | <b>\$860,000</b>   | 0.74% |
| ● Ward Cove Substation Replacement                     | <b>\$8,900,000</b> | 7.70% |
| ● Ward Cove Substation Slope Stabilization             | <b>\$300,000</b>   | 0.26% |
| ● Whitman Dam Crack Repair                             | <b>\$120,000</b>   | 0.10% |
| ● Whitman Incubation Pipe Flow                         | <b>\$50,000</b>    | 0.04% |

### Summary of Requests

| Project No. / Category                          | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | Total            |
|---|-----------|-----------|-----------|-----------|-----------|------------------|
| 5200-23 34.5 kV Breaker Relay and Spares        | \$105,000 | \$105,000 | \$105,000 | \$105,000 | \$105,000 | <b>\$525,000</b> |
| 5200-10 Additional Projects                     | \$50,000  | \$164,000 | \$164,000 | \$164,000 | \$0       | <b>\$542,000</b> |
| 5200-11 AMI, Meters and Meter Replacement Parts | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 | <b>\$625,000</b> |
| 5200-32 Bailey Exhaust Stack Re-coating         | \$0       | \$125,000 | \$0       | \$0       | \$0       | <b>\$125,000</b> |
| 5200-13 Bailey Fuel Tank Painting               | \$0       | \$100,000 | \$0       | \$0       | \$0       | <b>\$100,000</b> |
| 5200-42 Bailey Generator Radiator Replacement   | \$0       | \$40,000  | \$300,000 | \$0       | \$0       | <b>\$340,000</b> |

| <b>Project No. / Category</b>                                  | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>        |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| 5200-43 Bailey Generator Replacement                           | \$0           | \$0           | \$4,125,000   | \$40,750,000  | \$0           | <b>\$44,875,000</b> |
| 5200-18 Bailey Mooring Dolphin Replacement                     | \$200,000     | \$0           | \$0           | \$0           | \$0           | <b>\$200,000</b>    |
| 5200-40 Bailey Substation Replacement                          | \$0           | \$1,500,000   | \$15,300,000  | \$0           | \$0           | <b>\$16,800,000</b> |
| 5200-07 Battery Systems and Chargers                           | \$50,500      | \$50,500      | \$50,500      | \$50,500      | \$50,500      | <b>\$252,500</b>    |
| 5200-27 Beaver Falls FERC Part 12D Periodic Inspection         | \$0           | \$0           | \$150,000     | \$0           | \$0           | <b>\$150,000</b>    |
| 5200-03 Beaver Falls Powerhouse Exterior                       | \$375,000     | \$375,000     | \$0           | \$0           | \$0           | <b>\$750,000</b>    |
| 5200-15 Beaver Falls Switch Gear Replacement                   | \$750,000     | \$750,000     | \$0           | \$0           | \$0           | <b>\$1,500,000</b>  |
| 5200-34 Digital Radio System Upgrades                          | \$0           | \$120,000     | \$0           | \$0           | \$0           | <b>\$120,000</b>    |
| 5200-44 Electric Division Service Center                       | \$0           | \$2,000,000   | \$500,000     | \$5,100,000   | \$0           | <b>\$7,600,000</b>  |
| 5200-35 ESRI Trouble Ticket Solutions                          | \$0           | \$40,000      | \$0           | \$0           | \$0           | <b>\$40,000</b>     |
| 5200-20 Feeder Protective Relay Upgrades                       | \$150,000     | \$50,000      | \$50,000      | \$50,000      | \$0           | <b>\$300,000</b>    |
| 5200-22 Generator Rewind & Repair                              | \$325,000     | \$325,000     | \$325,000     | \$325,000     | \$0           | <b>\$1,300,000</b>  |
| 5200-17 Ketchikan International Airport Upgrade                | \$1,565,000   | \$0           | \$0           | \$0           | \$0           | <b>\$1,565,000</b>  |
| 5200-46 Ketchikan Lake Tunnel Valves                           | \$375,000     | \$0           | \$0           | \$0           | \$0           | <b>\$375,000</b>    |
| 5200-29 Ketchikan Lakes Dam Low Level Outlet                   | \$0           | \$2,000,000   | \$0           | \$0           | \$0           | <b>\$2,000,000</b>  |
| 5200-25 Ketchikan Lakes FERC Part 12D Comprehensive Assessment | \$0           | \$0           | \$400,000     | \$0           | \$0           | <b>\$400,000</b>    |

| <b>Project No. / Category</b>                                | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|--|---------------|---------------|---------------|---------------|---------------|--------------------|
| 5200-01 Ketchikan Lakes Project Relicensing                  | \$600,000     | \$600,000     | \$250,000     | \$50,000      | \$0           | <b>\$1,500,000</b> |
| 5200-33 Ketchikan Lakes Utilities                            | \$0           | \$4,079,607   | \$0           | \$0           | \$0           | <b>\$4,079,607</b> |
| 5200-28 Lower Silvis Dam Cleaning and Inspections            | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| 5200-24 Lower Silvis Lake Submarine Cable Replacement        | \$0           | \$200,000     | \$0           | \$0           | \$0           | <b>\$200,000</b>   |
| 5200-38 Mountain Point Substation Replacement                | \$0           | \$750,000     | \$7,600,000   | \$0           | \$0           | <b>\$8,350,000</b> |
| 5200-09 Operating Equipment                                  | \$491,200     | \$300,000     | \$300,000     | \$300,000     | \$300,000     | <b>\$1,691,200</b> |
| 5200-14 Penstock Inspection Program                          | \$100,000     | \$0           | \$0           | \$0           | \$0           | <b>\$100,000</b>   |
| 5200-06 PLC Upgrades   | \$250,000     | \$250,000     | \$250,000     | \$250,000     | \$250,000     | <b>\$1,250,000</b> |
| 5200-36 Port West Feeder Reconfiguration & Site Modification | \$0           | \$175,000     | \$950,000     | \$0           | \$0           | <b>\$1,125,000</b> |
| 5200-16 Reimbursable Projects                                | \$25,000      | \$25,000      | \$25,000      | \$25,000      | \$0           | <b>\$100,000</b>   |
| 5200-31 Security Fence and Gates                             | \$0           | \$45,000      | \$0           | \$0           | \$0           | <b>\$45,000</b>    |
| 5200-41 Silvis Shaft & Turbine Overhaul                      | \$0           | \$0           | \$750,000     | \$0           | \$0           | <b>\$750,000</b>   |
| 5200-21 Silvis Tunnel Valve                                  | \$50,000      | \$400,000     | \$0           | \$0           | \$0           | <b>\$450,000</b>   |
| 5200-12 Spare Substation Class Transformer Refurbishment     | \$85,000      | \$0           | \$0           | \$0           | \$0           | <b>\$85,000</b>    |
| 5200-19 System Sectionalizers                                | \$100,000     | \$100,000     | \$100,000     | \$0           | \$0           | <b>\$300,000</b>   |
| 5200-45 System Voltage Control                               | \$75,000      | \$250,000     | \$0           | \$0           | \$0           | <b>\$325,000</b>   |
| 5200-05 Transformer Purchases                                | \$250,000     | \$300,000     | \$350,000     | \$350,000     | \$400,000     | <b>\$1,650,000</b> |
| 5200-04 Transmission & Distribution Line Maintenance         | \$0           | \$750,000     | \$1,000,000   | \$1,000,000   | \$0           | <b>\$2,750,000</b> |

| <b>Project No. /<br/>Category</b>                       | <b>FY2026</b>      | <b>FY2027</b>       | <b>FY2028</b>       | <b>FY2029</b>       | <b>FY2030</b>      | <b>Total</b>         |
|---|--------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| <b>5200-08</b> Vehicles & Moving Equipment              | \$185,000          | \$200,000           | \$350,000           | \$125,000           | \$0                | <b>\$860,000</b>     |
| <b>5200-39</b> Ward Cove Substation Replacement         | \$0                | \$0                 | \$800,000           | \$8,100,000         | \$0                | <b>\$8,900,000</b>   |
| <b>5200-37</b> Ward Cove Substation Slope Stabilization | \$300,000          | \$0                 | \$0                 | \$0                 | \$0                | <b>\$300,000</b>     |
| <b>5200-02</b> Whitman Dam Crack Repair                 | \$120,000          | \$0                 | \$0                 | \$0                 | \$0                | <b>\$120,000</b>     |
| <b>5200-30</b> Whitman Incubation Pipe Flow             | \$50,000           | \$0                 | \$0                 | \$0                 | \$0                | <b>\$50,000</b>      |
| <b>Total Summary of Requests</b>                        | <b>\$6,851,700</b> | <b>\$16,294,107</b> | <b>\$34,319,500</b> | <b>\$56,869,500</b> | <b>\$1,230,500</b> | <b>\$115,565,307</b> |

# 34.5 kV Breaker Relay and Spares

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-23                 |

## Description

34.5kV (38kV) recloser with control cables and controller are used in the transmission system and substation. These are critical components for system sectionalizing and isolation.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$105K</b> | <b>\$525K</b>            | <b>\$525K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$100,000                    | \$100,000                    | \$100,000                    | \$100,000                    | \$100,000                    | <b>\$500,000</b> |
| Other        | \$5,000                      | \$5,000                      | \$5,000                      | \$5,000                      | \$5,000                      | <b>\$25,000</b>  |
| <b>Total</b> | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$525,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$105K</b> | <b>\$525K</b>            | <b>\$525K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$105,000                    | \$105,000                    | \$105,000                    | \$105,000                    | \$105,000                    | <b>\$525,000</b> |
| <b>Total</b>                   | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$105,000</b>             | <b>\$525,000</b> |

# Additional Projects

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-10                 |
| <b>Estimated Start Date</b>      | 01/1/2025               |
| <b>Estimated Completion Date</b> | 12/31/2029              |

## Description

This project represents funds for materials and labor for unidentified jobs that the division will be called upon to perform in 2025. Examples of additional projects include the installation of new transformers and banks of transformers, upgrading existing transformers and banks and upgrading secondary lift poles. These non-reimbursable projects are O&M in nature but are capital since they represent new installations.

Reduced in 2026 from \$164,000 to \$50,000

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$542K</b>            | <b>\$542K</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Construction/Maintenance | \$50,000                            | \$164,000                           | \$164,000                           | \$164,000                           | <b>\$542,000</b> |
| <b>Total</b>             | <b>\$50,000</b>                     | <b>\$164,000</b>                    | <b>\$164,000</b>                    | <b>\$164,000</b>                    | <b>\$542,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$542K**

Project Total

**\$542K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                     | \$164,000                    | \$164,000                    | \$164,000                    | <b>\$542,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>              | <b>\$164,000</b>             | <b>\$164,000</b>             | <b>\$164,000</b>             | <b>\$542,000</b> |

# AMI, Meters and Meter Replacement Parts

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-11                 |

## Description

The division continues phasing in the AMI meters to make available advanced metering functions, including automated billing. This project funds replacement of the division's metering equipment and AMI software & hardware. This project also funds validating metering system accuracy and replacement of residential and commercial meters that are on a 20-year replacement schedule (or 5% per year).

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$125K</b> | <b>\$625K</b>            | <b>\$625K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$125,000                    | \$125,000                    | \$125,000                    | \$125,000                    | \$125,000                    | <b>\$625,000</b> |
| <b>Total</b> | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$625,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$125K</b> | <b>\$625K</b>            | <b>\$625K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$125,000                    | \$125,000                    | \$125,000                    | \$125,000                    | \$125,000                    | <b>\$625,000</b> |
| <b>Total</b>                   | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$625,000</b> |

# Bailey Exhaust Stack Re-coating

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-32                 |

## Description

This project is to sandblast and paint all four Bailey diesel generator exhaust stacks with a proper high-heat anti-corrosion coating. These efforts will mitigate further corrosion that may otherwise lead to eventual high-cost repairs and/or replacement. Work on the development of detailed scope, specifications, and a more refined estimate to undertake the work in 2027.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$125K</b>            | <b>\$125K</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2027<br/>In Progress</b> |
|--------------------------|-------------------------------|
| Construction/Maintenance | <b>\$100,000</b>              |
| Design                   | <b>\$25,000</b>               |
| <b>Total</b>             | <b>\$125,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$125K</b>            | <b>\$125K</b> |

## Detailed Breakdown

| <b>Category</b>             | <b>FY2027<br/>In Progress</b> |
|-----------------------------|-------------------------------|
| KPU Revenue Generating Fund | <b>\$125,000</b>              |
| <b>Total</b>                | <b>\$125,000</b>              |

# Bailey Fuel Tank Painting

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-13                 |

## Description

Bailey 210,000-gallon fuel tank pressure wash, prep and painting. The tank is approximately 32 feet tall and 30' in diameter.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| <b>Category</b> | <b>FY2027<br/>In Progress</b> |
|-----------------|-------------------------------|
| Construction    | <b>\$100,000</b>              |
| <b>Total</b>    | <b>\$100,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| <b>Category</b>             | <b>FY2027<br/>In Progress</b> |
|-----------------------------|-------------------------------|
| KPU Revenue Generating Fund | <b>\$100,000</b>              |
| <b>Total</b>                | <b>\$100,000</b>              |

# Bailey Generator Radiator Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-42                 |

## Description

The exterior radiators for Bailey Generator No. 3 (BAG3) and No. 4 (BAG4) continually develop leaks in the core, requiring cutting and removing parts of the radiator system. Increased generator usage and subsequent increased maintenance of the cooling system may result in the eventual need for complete replacement/upgrade of the radiators and cooling systems. It may be possible to design a more cost-effective solution in lieu of a complete replacement. 2027 funding allows for inspections, review of replacement options, and development of replacement specifications (if necessary).

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$340K</b>            | <b>\$340K</b> |

## Detailed Breakdown

| Category     | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------|
| Other        | \$0                          | \$240,000                    | <b>\$240,000</b> |
| Installation | \$0                          | \$60,000                     | <b>\$60,000</b>  |
| Equipment    | \$40,000                     | \$0                          | <b>\$40,000</b>  |
| <b>Total</b> | <b>\$40,000</b>              | <b>\$300,000</b>             | <b>\$340,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$340K</b>            | <b>\$340K</b> |

## Detailed Breakdown

| Category        | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total            |
|-----------------|------------------------------|------------------------------|------------------|
| KPU Revenue     | \$40,000                     | \$300,000                    | <b>\$340,000</b> |
| Generating Fund |                              |                              |                  |
| <b>Total</b>    | <b>\$40,000</b>              | <b>\$300,000</b>             | <b>\$340,000</b> |

# Bailey Generator Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-43                 |

## Description

Ketchikan does not currently have an adequate level of back-up/emergency generation to supply the community in the event of a loss of Southeast Alaska Power Agency's (SEAPA) 115kV transmission line, particularly during cold winter months, or should local lake levels not provide for adequate generation. Future load growth projections will dramatically exacerbate the issue. KPU currently owns six (6) diesel generators: 4 (four) at Bailey Powerhouse, with one unit, one (1) of the two (2) 3.5MW 1964 Worthington units out of commission; and two (2) units at the North Point Higgins Substation. Conceptually, both of the Worthington generators at Bailey will be replaced by a large co-generation (co-gen) turbine unit with secondary steam generation, in the order of magnitude of 25MW. Extensive work to the powerhouse structure, fuel tank farm and delivery system, exhaust & cooling system, control & communication systems, and adjoining Bailey Substation electrical equipment (see Bailey Substation Replacement CIP), will be required.

## Capital Cost

FY2026 Budget

**\$0**

Total Budget (all years)

**\$44.9M**

Project Total

**\$44.9M**

## Detailed Breakdown

| <b>Category</b>          | <b>FY2027<br/>In Progress</b> | <b>FY2028<br/>In Progress</b> | <b>Total</b>        |
|--------------------------|-------------------------------|-------------------------------|---------------------|
| Construction/Maintenance | \$0                           | \$40,750,000                  | <b>\$40,750,000</b> |
| Design                   | \$4,000,000                   | \$0                           | <b>\$4,000,000</b>  |
| Other                    | \$125,000                     | \$0                           | <b>\$125,000</b>    |
| <b>Total</b>             | <b>\$4,125,000</b>            | <b>\$40,750,000</b>           | <b>\$44,875,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$44.9M**

Project Total

**\$44.9M**

## Detailed Breakdown

| Category       | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total               |
|----------------|------------------------------|------------------------------|---------------------|
| Debt Financing | \$4,125,000                  | \$40,750,000                 | <b>\$44,875,000</b> |
| <b>Total</b>   | <b>\$4,125,000</b>           | <b>\$40,750,000</b>          | <b>\$44,875,000</b> |

# Bailey Mooring Dolphin Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-18                 |

## Description

Fuel is delivered to the Bailey Power Plant by barge. One of the mooring dolphins used to secure the barge is of wood pile construction and at the end of its useful life. This project will replace it with a steel pile cluster. Project costs include installation of the new dolphin, removal of the old wood piles, design, permitting and other associated costs.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$200K</b> | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$150,000</b>             |
| Design                   | <b>\$50,000</b>              |
| <b>Total</b>             | <b>\$200,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$200K</b> | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$200,000</b>             |
| <b>Total</b>                | <b>\$200,000</b>             |

# Bailey Substation Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-40                 |

## Description

Bailey Substation serves as both the SEAPA delivery point for the KPU system, and the main diesel generation delivery point. It last saw substation work in the late 1990's when Bailey Generator No. 4 (BAG4) was installed in the adjoining Bailey Powerhouse. Prior to that, it was the early 1980's when the 115 kV Swan Lake transmission line was brought into the station. Scoping and design work will be highly dependent on a second SEAPA delivery point being brought online, without which cost estimates will be significantly greater due to the challenges associated with maintaining hydro imports to KPU while conducting work within Bailey Substation. Work is anticipated to include replacement of diesel generator transformers, grounding transformer, 34.5kV breakers, bus work, gang-switches, grounding, conductors, communications, oil containment, and fencing.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$16.8M</b>           | <b>\$16.8M</b> |

## Detailed Breakdown

| Category                 | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total               |
|--------------------------|------------------------------|------------------------------|---------------------|
| Construction/Maintenance | \$0                          | \$15,300,000                 | <b>\$15,300,000</b> |
| Design                   | \$1,500,000                  | \$0                          | <b>\$1,500,000</b>  |
| <b>Total</b>             | <b>\$1,500,000</b>           | <b>\$15,300,000</b>          | <b>\$16,800,000</b> |

## Funding Sources

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$16.8M</b>           | <b>\$16.8M</b> |

## Detailed Breakdown

| Category       | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total               |
|----------------|------------------------------|------------------------------|---------------------|
| Debt Financing | \$1,500,000                  | \$15,300,000                 | <b>\$16,800,000</b> |
| <b>Total</b>   | <b>\$1,500,000</b>           | <b>\$15,300,000</b>          | <b>\$16,800,000</b> |

# Battery Systems and Chargers

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-07                 |

## Description

There are ten battery systems and chargers throughout the KPU Electric system within powerhouses and substations. Eight will be approaching the end of life over the next ten (10) years. A battery system and charger failure will compromise system reliability. This project will start systematically replacing these systems. 2026 funding will replace one of these systems.

## Details

**New Purchase or Replacement:** Replacement

## Capital Cost

|                |                          |               |
|----------------|--------------------------|---------------|
| FY2026 Budget  | Total Budget (all years) | Project Total |
| <b>\$50.5K</b> | <b>\$253K</b>            | <b>\$253K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$50,500                     | \$50,500                     | \$50,500                     | \$50,500                     | \$50,500                     | <b>\$252,500</b> |
| <b>Total</b> | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$252,500</b> |

## Funding Sources

|                |                          |               |
|----------------|--------------------------|---------------|
| FY2026 Budget  | Total Budget (all years) | Project Total |
| <b>\$50.5K</b> | <b>\$253K</b>            | <b>\$253K</b> |

## Detailed Breakdown

| Category        | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|-----------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue     | \$50,500                     | \$50,500                     | \$50,500                     | \$50,500                     | \$50,500                     | <b>\$252,500</b> |
| Generating Fund |                              |                              |                              |                              |                              |                  |
| <b>Total</b>    | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$50,500</b>              | <b>\$252,500</b> |

# Beaver Falls FERC Part 12D Periodic Inspection

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-27                 |

## Description

A Part 12 Comprehensive Assessment (CA), as required by the Federal Energy Regulatory Commission (FERC), is a thorough, in-depth review and inspection of a [FERC-regulated hydroelectric project's safety and operations](#).

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category     | FY2028<br><i>In Progress</i> |
|--------------|------------------------------|
| Engineering  | <b>\$150,000</b>             |
| <b>Total</b> | <b>\$150,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category                    | FY2028<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$150,000</b>             |
| <b>Total</b>                | <b>\$150,000</b>             |

# Beaver Falls Powerhouse Exterior

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-03                 |
| <b>Estimated Completion Date</b> | 12/31/2026              |

## Description

The exterior of the Beaver Falls Powerhouse, which was built in 1954, contains asbestos coating that is failing. Signs of water intrusion into the concrete walls and structure are apparent. This project will entail an engineering evaluation of the building structure, an environmental evaluation, creation of plans and specifications for asbestos removal and disposal, concrete/structural repairs, a new coating system and required contractual work.

Reduced in 2026 from \$750,000 to \$375,000

Deferred \$375,000 to 2027

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$375K</b> | <b>\$750K</b>            | <b>\$750K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------|
| Construction | \$375,000                    | \$375,000                    | \$750,000        |
| <b>Total</b> | <b>\$375,000</b>             | <b>\$375,000</b>             | <b>\$750,000</b> |

## Funding Sources

FY2026 Budget  
**\$375K**

Total Budget (all years)  
**\$750K**

Project Total  
**\$750K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$375,000                    | \$375,000                    | \$750,000        |
| <b>Total</b>                   | <b>\$375,000</b>             | <b>\$375,000</b>             | <b>\$750,000</b> |

# Beaver Falls Switch Gear Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-15                 |

## Description

The Beaver Falls powerhouse switch gear needs replacement and is an operating risk to the power plant. The existing equipment is 1940s vintage and beyond its reliable life. It has been identified as containing asbestos materials, which will need to be abated during the replacement of the equipment. This work requires the replacement/upgrade of the three (3) generator excitation systems, controls, breakers, protection relays, electrical panels, DC electrical equipment and modification of the control room. This is a major project requiring an established scope of work and a detailed work schedule. This project will be completed in phases over multiple years and requires engineering services, planning, plans and specifications, the procurement of equipment, the demolition/installation of equipment and commissioning.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$750K</b> | <b>\$1.5M</b>            | <b>\$1.5M</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total              |
|--------------|------------------------------|------------------------------|--------------------|
| Other        | \$750,000                    | \$0                          | \$750,000          |
| Installation | \$0                          | \$500,000                    | \$500,000          |
| Equipment    | \$0                          | \$250,000                    | \$250,000          |
| <b>Total</b> | <b>\$750,000</b>             | <b>\$750,000</b>             | <b>\$1,500,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$750K</b> | <b>\$1.5M</b>            | <b>\$1.5M</b> |

## Detailed Breakdown

| Category        | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total              |
|-----------------|------------------------------|------------------------------|--------------------|
| KPU Revenue     | \$750,000                    | \$750,000                    | \$1,500,000        |
| Generating Fund |                              |                              |                    |
| <b>Total</b>    | <b>\$750,000</b>             | <b>\$750,000</b>             | <b>\$1,500,000</b> |

# Digital Radio System Upgrades

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-34                 |

## Description

KPU Electric utilizes an island-wide radio system; it is an important safety tool when maintaining utility equipment. This project will update the existing Motorola radio system. The existing system has coverage issues and uses multiple channels for communication. The upgraded system will improve island-wide coverage and migrate to a single-use channel.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$120K</b>            | <b>\$120K</b> |

## Detailed Breakdown

| Category     | FY2027<br><i>In Progress</i> |
|--------------|------------------------------|
| Equipment    | <b>\$100,000</b>             |
| Other        | <b>\$20,000</b>              |
| <b>Total</b> | <b>\$120,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$120K</b>            | <b>\$120K</b> |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$120,000</b>             |
| <b>Total</b>                | <b>\$120,000</b>             |

# Electric Division Service Center

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-44                 |

## Description

This project provides for the acquisition of property for future construction of an Electric Division Service Center. For a number of years, the present facility located at 1065 Fair Street has been inadequate for the needs of the Electric Division.

In 1996, a study was completed by an architecture firm which determined the size and proposed facility and possible sites with the conceptual plan for the Electric Division Service Center to occur in 2003. The project was deferred through 2005 and, in 2006, removed from the budget. The need to move forward and update/expand the Electric Division Service Center has become more critical in that we are currently renting multiple storage facilities and rental space to accommodate material and staff.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$7.6M</b>            | <b>\$7.6M</b> |

## Detailed Breakdown

| <b>Category</b>                 | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|---------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Construction                    | \$0                                 | \$0                                 | \$4,750,000                         | <b>\$4,750,000</b> |
| Land/Property Acquisition (ROW) | \$1,800,000                         | \$0                                 | \$0                                 | <b>\$1,800,000</b> |
| Design                          | \$0                                 | \$500,000                           | \$0                                 | <b>\$500,000</b>   |
| Land/Property Improvements      | \$200,000                           | \$0                                 | \$250,000                           | <b>\$450,000</b>   |
| Other                           | \$0                                 | \$0                                 | \$100,000                           | <b>\$100,000</b>   |
| <b>Total</b>                    | <b>\$2,000,000</b>                  | <b>\$500,000</b>                    | <b>\$5,100,000</b>                  | <b>\$7,600,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$7.6M**

Project Total

**\$7.6M**

## Detailed Breakdown

| <b>Category</b> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Debt Financing  | \$2,000,000                         | \$500,000                           | \$5,100,000                         | <b>\$7,600,000</b> |
| <b>Total</b>    | <b>\$2,000,000</b>                  | <b>\$500,000</b>                    | <b>\$5,100,000</b>                  | <b>\$7,600,000</b> |

# ESRI Trouble Ticket Solutions

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-35                 |

## Description

The Division will implement an ESRI-based work order/trouble ticket management web application, integrating with the existing geographical information system (GIS) and utilizing both desktop work stations and mobile devices in the field. This will provide a clear transfer of information to work crews when trouble calls are logged by Bailey Operations, as well as better tracking and prioritizing of service calls during high-volume events such as storms.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$40K</b>             | <b>\$40K</b>  |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| Needs Assessment and Design | <b>\$40,000</b>              |
| <b>Total</b>                | <b>\$40,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$40K</b>             | <b>\$40K</b>  |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$40,000</b>              |
| <b>Total</b>                | <b>\$40,000</b>              |

# Feeder Protective Relay Upgrades

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-20                 |

## Description

Feeder protective relays are at end-of-life and are in need of upgrades. Feeder protective relays provide line protection, fault locating, event analysis, and other system protection. This project will include design, engineering, equipment, installation, and testing for twenty-two (22) relays.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$150K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$120,000                    | \$40,000                     | \$40,000                     | \$40,000                     | <b>\$240,000</b> |
| Other        | \$30,000                     | \$10,000                     | \$10,000                     | \$10,000                     | <b>\$60,000</b>  |
| <b>Total</b> | <b>\$150,000</b>             | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$300,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$150K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$150,000                    | \$50,000                     | \$50,000                     | \$50,000                     | <b>\$300,000</b> |
| <b>Total</b>                   | <b>\$150,000</b>             | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$300,000</b> |

# Generator Rewind & Repair

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-22                 |

## Description

Typical life expectancy for generator windings is 30-40 years. Generators in service beyond 50 years become a major concern and are at an elevated risk of failure causing loss of generation and/or potential powerhouse fires. This budget is to provide funding for two rewinds and other repairs as identified through testing and inspection.

Silvis: Unit No.1 (1968)

Beaver Falls: Unit No.1 (2014), Unit No. 3 (2018, and Unit No. 4 (2018)

Ketchikan: Unit No. 3 (2015), Unit No. 4 (1951), and Unit No. 5 (1991)

Reduced from \$650,000 to \$325,000 and extended over 4 years

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$325K</b> | <b>\$1.3M</b>            | <b>\$1.3M</b> |

## Detailed Breakdown

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Installation    | \$200,000                           | \$200,000                           | \$200,000                           | \$200,000                           | <b>\$800,000</b>   |
| Equipment       | \$100,000                           | \$100,000                           | \$100,000                           | \$100,000                           | <b>\$400,000</b>   |
| Other           | \$25,000                            | \$25,000                            | \$25,000                            | \$25,000                            | <b>\$100,000</b>   |
| <b>Total</b>    | <b>\$325,000</b>                    | <b>\$325,000</b>                    | <b>\$325,000</b>                    | <b>\$325,000</b>                    | <b>\$1,300,000</b> |

## Funding Sources

FY2026 Budget

**\$325K**

Total Budget (all years)

**\$1.3M**

Project Total

**\$1.3M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$325,000                    | \$325,000                    | \$325,000                    | \$325,000                    | <b>\$1,300,000</b> |
| <b>Total</b>                   | <b>\$325,000</b>             | <b>\$325,000</b>             | <b>\$325,000</b>             | <b>\$325,000</b>             | <b>\$1,300,000</b> |

# Ketchikan International Airport Upgrade

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-17                 |

## Description

The existing armored submarine electrical cable that serves the airport is nearing the end of its useful life (installed mid-1970s). The armoring has also begun to corrode, leading to the installation of slip-on armoring on its Gravina beach landing. The cable originates behind the Bailey Powerhouse tank farm and runs through the area of the Ketchikan Shipyard, Taquan Air, Carlanna Creek and the Bailey fuel barge delivery point. Dredging in the early 1970s damaged the original KIA cable. Design and specifications have been developed, in conjunction with the State and the Borough, to install a new armored cable beginning at a location near the airport ferry terminal. Preliminary uplands work began in 2020 and was completed in conjunction with the State's ferry terminal upgrade and Gravina layup and freight facilities projects, respectively. Final uplands design needs to be completed, after which permits may be obtained, and a construction contract to complete the project, including procurement and installation of the submarine cable itself, will be pursued.

## Capital Cost

|                |                          |                |
|----------------|--------------------------|----------------|
| FY2026 Budget  | Total Budget (all years) | Project Total  |
| <b>\$1.57M</b> | <b>\$1.57M</b>           | <b>\$1.57M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026<br/>In Progress</b> |
|--------------------------|-------------------------------|
| Construction/Maintenance | <b>\$850,000</b>              |
| Other                    | <b>\$700,000</b>              |
| Design                   | <b>\$15,000</b>               |
| <b>Total</b>             | <b>\$1,565,000</b>            |

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## Funding Sources

FY2026 Budget

**\$1.57M**

Total Budget (all years)

**\$1.57M**

Project Total

**\$1.57M**

---

## Detailed Breakdown

**Category****FY2026***In Progress*

KPU Revenue Generating

**\$1,565,000**

Fund

**Total****\$1,565,000**

# Ketchikan Lake Tunnel Valves

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-46                 |

## Project Location



## Description

In 2023 and 2024 Schnabel Engineering performed the analysis of the Ketchikan Lakes Dam and is need of replacing the three gate valves.

The three gate valves on the penstocks at the downstream end of the Ketchikan power tunnel are old and are nearing or at the end of their reliable service life. They must be capable of closing under flow and are critical to penstock safety. The valves are embedded in concrete and will be difficult to remove or to replace due to their location. As the tunnel provides the City's only potable water supply, it cannot be drained during the work. The replacement of the valves will be coordinated with the Water Division to ensure continuity of potable water service.

## Details

### Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$375K</b> | <b>\$375K</b>            | <b>\$375K</b> |

### Detailed Breakdown

| Category                      | FY2026<br><i>In Progress</i> |
|-------------------------------|------------------------------|
| Equipment/Vehicle/Furnishings | <b>\$375,000</b>             |
| <b>Total</b>                  | <b>\$375,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$375K</b> | <b>\$375K</b>            | <b>\$375K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$375,000</b>             |
| <b>Total</b>                | <b>\$375,000</b>             |

# Ketchikan Lakes Dam Low Level Outlet

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-29                 |

## Description

Construction of a low-level outlet at Ketchikan Lakes Dam to allow drawdown of the reservoir for inspections, maintenance and emergencies; and which incorporates a connection point for a future raw-water pipeline.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$2M</b>              | <b>\$2M</b>   |

## Detailed Breakdown

| Category     | FY2027<br><i>In Progress</i> |
|--------------|------------------------------|
| Engineering  | <b>\$2,000,000</b>           |
| <b>Total</b> | <b>\$2,000,000</b>           |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$2M</b>              | <b>\$2M</b>   |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$2,000,000</b>           |
| <b>Total</b>                | <b>\$2,000,000</b>           |

# Ketchikan Lakes FERC Part 12D Comprehensive Assessment

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-25                 |

## Description

Ketchikan Lakes Part 12 Comprehensive Assessment. Through an independent, third party consultant, a detailed, in-depth review will be conducted of the project's safety focusing on assessing the project's design, engineering, construction history, spillway adequacy, and performing a risk analysis. The assessment will ensure risks and uncertainties are well-understood and mitigated. This is a FERC mandated review.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$400K</b>            | <b>\$400K</b> |

## Detailed Breakdown

| Category     | FY2028<br><i>In Progress</i> |
|--------------|------------------------------|
| Engineering  | <b>\$400,000</b>             |
| <b>Total</b> | <b>\$400,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$400K</b>            | <b>\$400K</b> |

## Detailed Breakdown

| Category                    | FY2028<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$400,000</b>             |
| <b>Total</b>                | <b>\$400,000</b>             |

# Ketchikan Lakes Project Relicensing

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-01                 |
| <b>Estimated Start Date</b>      | 01/3/2022               |
| <b>Estimated Completion Date</b> | 12/31/2029              |

## Description

The Ketchikan Lakes Hydroelectric Project is licensed through the Federal Energy Regulatory Commission (FERC) for a term of 30 years. KPU's current license expires in 2030. In 2024, KPU started initial consultation meetings and scoping. In 2025, KPU must develop and file a Preliminary Application Document (PAD) and Notice of Intent (NOI). Following NEPA and tribal consultations, and completion of two seasons of resource studies, a Final License Application is due in 2028. This process requires professional services for FERC regulatory work, studies and surveys. Re-licensing costs are highly variable and are dependent upon issues that arise during the consultation process.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$600K</b> | <b>\$1.5M</b>            | <b>\$1.5M</b> |

## Detailed Breakdown

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Other           | \$600,000                           | \$600,000                           | \$250,000                           | \$50,000                            | <b>\$1,500,000</b> |
| <b>Total</b>    | <b>\$600,000</b>                    | <b>\$600,000</b>                    | <b>\$250,000</b>                    | <b>\$50,000</b>                     | <b>\$1,500,000</b> |

## Funding Sources

FY2026 Budget

**\$600K**

Total Budget (all years)

**\$1.5M**

Project Total

**\$1.5M**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$600,000                           | \$600,000                           | \$250,000                           | \$50,000                            | <b>\$1,500,000</b> |
| <b>Total</b>                   | <b>\$600,000</b>                    | <b>\$600,000</b>                    | <b>\$250,000</b>                    | <b>\$50,000</b>                     | <b>\$1,500,000</b> |

# Ketchikan Lakes Utilities

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-33                 |
| <b>Estimated Start Date</b>      | 01/1/2022               |
| <b>Estimated Completion Date</b> | 12/31/2027              |

## Description

This project provides funding to install power and communications to the Ketchikan Lakes hydro project, including Fawn Lake, Ketchikan Lakes and to the Granite Basin area. Power at these sites is currently provided by solar panels and small back-up generators, with communications limited to line of site antennas. Further work includes, but is not limited to, the installation of security cameras, emergency lighting, and fiber optic communications for lake level indications.

## Details

**Type of Project:** New Construction

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$4.08M</b>           | <b>\$4.08M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2027<br/>In Progress</b> |
|--------------------------|-------------------------------|
| Construction/Maintenance | <b>\$3,929,607</b>            |
| Design                   | <b>\$150,000</b>              |
| <b>Total</b>             | <b>\$4,079,607</b>            |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$4.08M**

Project Total

**\$4.08M**

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$4,079,607</b>           |
| <b>Total</b>                | <b>\$4,079,607</b>           |

# Lower Silvis Dam Cleaning and Inspections

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-28                 |

## Description

The most recent (2024) FERC Part 12 Independent Consultant recommended that the Lower Silvis reservoir be lowered to allow cleaning, inspection, and potential repair of the concrete face of Lower Silvis Dam. This is a significant undertaking that will likely require a coordinated effort between KPU, engineers and a contractor.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$50,000</b>              |
| Engineering              | <b>\$50,000</b>              |
| <b>Total</b>             | <b>\$100,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$100,000</b>             |
| <b>Total</b>                | <b>\$100,000</b>             |

# Lower Silvis Lake Submarine Cable Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-24                 |

## Description

The existing high-voltage cable running along the bottom of Lower Silvis Lake, between Silvis Powerhouse and Silvis Substation, is circa early-1990's and is approaching end-of-life. Additionally, a separate fiber cable is run parallel to the power cable. Both cables are subject to damage from ice and debris. This project will provide for related design/permitting work, material/equipment procurement, and associated construction costs. The new cable will have a fiber optic line incorporated into it to improve powerhouse control and communications. A bathymetric survey was conducted in 2025 to aid the design.

The Electric Division requested to defer this project from 2026 to 2027. The original request was \$50,000 in 2026.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category     | FY2027<br><i>In Progress</i> |
|--------------|------------------------------|
| Design       | <b>\$200,000</b>             |
| <b>Total</b> | <b>\$200,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$200,000</b>             |
| <b>Total</b>                | <b>\$200,000</b>             |

# Mountain Point Substation Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-38                 |

## Description

Mountain Point Substation, a five (5) MVA capacity station, was constructed in 1994 and is approaching its end of life. Scoping and design work will be required to develop construction and procurement plans in 2027. Work is anticipated to include replacement of the power transformer, voltage regulators, feeder breakers, conductors, bus work, grounding, 34.5kV circuit-switcher, control house, communications, oil containment, and fencing. The newly constructed substation, utilizing the same approximate footprint, must be constructed in a manner to allow for project load growth over a thirty (30) to forty (40) year life-span, and to also be capable of carrying some of Ketchikan Substation's feeder load in emergency situations.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$8.35M</b>           | <b>\$8.35M</b> |

## Detailed Breakdown

| Category                 | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$7,600,000                  | \$7,600,000        |
| Design                   | \$750,000                    | \$0                          | \$750,000          |
| <b>Total</b>             | <b>\$750,000</b>             | <b>\$7,600,000</b>           | <b>\$8,350,000</b> |

## Funding Sources

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$8.35M</b>           | <b>\$8.35M</b> |

## Detailed Breakdown

| Category       | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|----------------|------------------------------|------------------------------|--------------------|
| Debt Financing | \$750,000                    | \$7,600,000                  | \$8,350,000        |
| <b>Total</b>   | <b>\$750,000</b>             | <b>\$7,600,000</b>           | <b>\$8,350,000</b> |

# Operating Equipment

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-09                 |

## Description

This capital account provides for the purchase of new or replacement equipment used for the operation and maintenance of electrical service.

|   |                  |
|---|------------------|
| <b>1) Substation and Powerhouse Electronic Meters, Relays and Control Equipment</b> | <b>\$50,000</b>  |
| <b>2) New Test/Indication/Recording Equipment, Repair &amp; Recalibration</b>       | <b>\$130,000</b> |
| <b>3) Meters, Probes, Hand Tools, Radios</b>  | <b>\$35,000</b>  |
| <b>4) Customer Current &amp; Potential Transformers</b>                             | <b>\$25,000</b>  |
| <b>5) Generation and Powerhouse Spare Parts</b>                                     | <b>\$80,000</b>  |
| <b>6) Control Equipment, Capacitor Bank Upgrade/Spares</b>                          | <b>\$20,000</b>  |
| <b>7) SCADA Critical Parts</b>  | <b>\$60,000</b>  |
| <b>8) Line Truck Live-Line Insulator Conductor Lifter</b>                           | <b>\$91,200</b>  |

### Capital Cost

FY2026 Budget

**\$491K**

Total Budget (all years)

**\$1.69M**

Project Total

**\$1.69M**

## Detailed Breakdown

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment       | \$491,200                           | \$300,000                           | \$300,000                           | \$300,000                           | \$300,000                           | <b>\$1,691,200</b> |
| <b>Total</b>    | <b>\$491,200</b>                    | <b>\$300,000</b>                    | <b>\$300,000</b>                    | <b>\$300,000</b>                    | <b>\$300,000</b>                    | <b>\$1,691,200</b> |

## Funding Sources

FY2026 Budget

**\$491K**

Total Budget (all years)

**\$1.69M**

Project Total

**\$1.69M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$491,200                    | \$300,000                    | \$300,000                    | \$300,000                    | \$300,000                    | <b>\$1,691,200</b> |
| <b>Total</b>                   | <b>\$491,200</b>             | <b>\$300,000</b>             | <b>\$300,000</b>             | <b>\$300,000</b>             | <b>\$300,000</b>             | <b>\$1,691,200</b> |

# Penstock Inspection Program

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-14                 |

## Description

Inspection plan and performance of exterior and interior inspections of the c. 1947 – 1957 Ketchikan Lakes and Beaver Falls steel penstocks.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> |
|--------------|------------------------------|
| Other        | <b>\$100,000</b>             |
| <b>Total</b> | <b>\$100,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$100,000</b>             |
| <b>Total</b>                | <b>\$100,000</b>             |

# PLC Upgrades

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-06                 |
| <b>Estimated Start Date</b>      | 01/1/2026               |
| <b>Estimated Completion Date</b> | 01/30/2026              |

## Description

The PLC Capitol project is a five-year initiative to replace 11 Programmable Logic Controller (PLC) systems. PLC's are specialized industrial computers used to control automated processes in facilities like power plants and substations. The project focuses on replacing outdated Quantum-based PLC systems, which are discontinued, well beyond their service life, and have an average age exceeding 20 years. The following locations are included in this capital project:

- Bethe Substation
- Bailey Power Plant
- Ward Cove Substation
- Beaver Falls Power Plant
- Mountain Point Substation
- Ketchikan Power Plant
- Ketchikan Substation
- Silvis Power Plant
- Point Higgins Substation
- Whitman Power Plant
- Port West Substation

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$250K</b> | <b>\$1.25M</b>           | <b>\$1.25M</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Other                    | \$215,000                    | \$215,000                    | \$215,000                    | \$215,000                    | \$215,000                    | <b>\$1,075,000</b> |
| Design                   | \$20,000                     | \$20,000                     | \$20,000                     | \$20,000                     | \$20,000                     | <b>\$100,000</b>   |
| Construction/Maintenance | \$15,000                     | \$15,000                     | \$15,000                     | \$15,000                     | \$15,000                     | <b>\$75,000</b>    |
| <b>Total</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$1,250,000</b> |

## Funding Sources

FY2026 Budget  
**\$250K**

Total Budget (all years)  
**\$1.25M**

Project Total  
**\$1.25M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$250,000                    | \$250,000                    | \$250,000                    | \$250,000                    | \$250,000                    | <b>\$1,250,000</b> |
| <b>Total</b>                   | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$1,250,000</b> |

# Port West Feeder Reconfiguration & Site Modification

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-36                 |

## Description

Port West Substation has reached end-of-life and has been partially removed from service. The substation will be reconfigured, loads sectionalized and added to Bethe Substation as a new feeder, (Feeder No. 3).

## Details

### Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$1.13M</b>           | <b>\$1.13M</b> |

### Detailed Breakdown

| Category                      | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|-------------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance      | \$40,000                     | \$950,000                    | \$990,000          |
| Equipment/Vehicle/Furnishings | \$90,000                     | \$0                          | \$90,000           |
| Other                         | \$25,000                     | \$0                          | \$25,000           |
| Design                        | \$20,000                     | \$0                          | \$20,000           |
| <b>Total</b>                  | <b>\$175,000</b>             | <b>\$950,000</b>             | <b>\$1,125,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$1.13M**

Project Total

**\$1.13M**

## Detailed Breakdown

| Category        | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|-----------------|------------------------------|------------------------------|--------------------|
| KPU Revenue     | \$175,000                    | \$950,000                    | <b>\$1,125,000</b> |
| Generating Fund |                              |                              |                    |
| <b>Total</b>    | <b>\$175,000</b>             | <b>\$950,000</b>             | <b>\$1,125,000</b> |

# Reimbursable Projects

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-16                 |

## Description

This capital account represents funds for materials for work that the division will be called upon to perform at the request of outside agencies and customers. Examples of reimbursable projects are new line extensions and damage repairs to the electrical system resulting from accidents, negligence and vandalism. The division's expectation is that such work will be reimbursed 100%. This CIP provides a means for warehouse inventory and transformer accounts to be replenished due to customer projects.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$25K</b>  | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Other        | \$25,000                     | \$25,000                     | \$25,000                     | \$25,000                     | \$100,000        |
| <b>Total</b> | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$100,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$25K</b>  | <b>\$100K</b>            | <b>\$100K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$25,000                     | \$25,000                     | \$25,000                     | \$25,000                     | \$100,000        |
| <b>Total</b>                   | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$25,000</b>              | <b>\$100,000</b> |

# Security Fence and Gates

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-31                 |
| <b>Estimated Start Date</b>      | 01/1/2026               |
| <b>Estimated Completion Date</b> | 12/31/2026              |

## Description

This request is to increase security at the Electric Division facilities at 1065 and 1029 Fair Street by installing higher fencing and rolled gates for access.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$45K</b>             | <b>\$45K</b>  |

## Detailed Breakdown

| Category                   | FY2027<br><i>In Progress</i> |
|----------------------------|------------------------------|
| Land/Property Improvements | <b>\$45,000</b>              |
| <b>Total</b>               | <b>\$45,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$45K</b>             | <b>\$45K</b>  |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$45,000</b>              |
| <b>Total</b>                | <b>\$45,000</b>              |

# Silvis Shaft & Turbine Overhaul

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-41                 |

## Description

The original turbine has had numerous repairs over its lifecycle; the seal rings are out-of-tolerance, the shaft bearing surfaces require machining, the wicket gate assembly is out-of-tolerance and other major components require upgrades. This work does not include the major electrical components.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$750K</b>            | <b>\$750K</b> |

## Detailed Breakdown

| Category     | FY2028<br><i>In Progress</i> |
|--------------|------------------------------|
| Equipment    | <b>\$650,000</b>             |
| Other        | <b>\$100,000</b>             |
| <b>Total</b> | <b>\$750,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$750K</b>            | <b>\$750K</b> |

## Detailed Breakdown

| Category                    | FY2028<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$750,000</b>             |
| <b>Total</b>                | <b>\$750,000</b>             |

# Silvis Tunnel Valve

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-21                 |

## Description

The Silvis tunnel valve leaks badly and is no longer capable of shutting off water to the penstock and Silvis Powerhouse. This has implications for project safety and the ability to maintain the plant. Given the location of the valve in a tunnel at the top of a steep slope, this will be a challenging project.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$450K</b>            | <b>\$450K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------------------|------------------------------|------------------------------|------------------|
| Construction/Maintenance | \$0                          | \$400,000                    | <b>\$400,000</b> |
| Design                   | \$50,000                     | \$0                          | <b>\$50,000</b>  |
| <b>Total</b>             | <b>\$50,000</b>              | <b>\$400,000</b>             | <b>\$450,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$450K</b>            | <b>\$450K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|-----------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue Generating Fund | \$50,000                     | \$400,000                    | <b>\$450,000</b> |
| <b>Total</b>                | <b>\$50,000</b>              | <b>\$400,000</b>             | <b>\$450,000</b> |

# Spare Substation Class Transformer Refurbishment

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-12                 |

## Description

The 5 MVA 34.5kV - 12.47kV station-class transformer replaced during the Bethe Substation upgrade project in 2012 has been stored at Point Higgins Substation. A third-party conducted a physical inspection and completed electrical testing on the unit in 2023. The unit was found to be in good working order, but in need of paint and corrosion mitigation. Funding provides for this work to be completed in 2026, after which KPU will locate a suitable long-term storage option, keeping this transformer as a high-value critical spare and/or for use in a future substation upgrade project.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$85K</b>  | <b>\$85K</b>             | <b>\$85K</b>  |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> |
|--------------|------------------------------|
| Other        | <b>\$85,000</b>              |
| <b>Total</b> | <b>\$85,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$85K</b>  | <b>\$85K</b>             | <b>\$85K</b>  |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$85,000</b>              |
| <b>Total</b>                | <b>\$85,000</b>              |

# System Sectionalizers

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-19                 |

## Description

This project provides funding for the acquisition of single-phase and three-phase primary reclosers, ancillary equipment, and associated engineering studies. Installing reclosers throughout the system is a step toward modernizing KPU Electric's distribution system, allowing for reduced outages, greater restoration flexibility, and more accurate system data.

## Details

**New Purchase or Replacement:** New

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$85,000                     | \$90,000                     | \$90,000                     | <b>\$265,000</b> |
| Other        | \$15,000                     | \$10,000                     | \$10,000                     | <b>\$35,000</b>  |
| <b>Total</b> | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$300,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$100,000                    | \$100,000                    | \$100,000                    | <b>\$300,000</b> |
| <b>Total</b>                   | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$300,000</b> |

# System Voltage Control

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-45                 |

## Description

Due to the nature of KPU's system and its interconnection to SEAPA's 115kV transmission grid, the utility faces on-going challenges with system voltage and reactive power (VAR) support.

Current solutions include:

- Using KPU's generators to absorb VARs from the interconnected system, which shortens the stator winding lifespan, and in extreme cases can cause severe generator damage (generators are designed primarily to produce VARs, not absorb them). When a generator is offline for a rewind, in of itself multiple hundreds of thousands of dollars, the community must purchase up to \$120,000 per month in additional power
- Cycling 12.47kV distribution capacitors on/off during the course of the day, which is outside their intended use and adds operations complexity. Additionally, without proper VAR control, KPU lacks a proper means for system-wide power factor correction under varying daily and seasonal load conditions, which will be further exacerbated when the Metlakatla inter-tie is completed and energized.

Power factor correction is important for a variety of reasons, including, but not limited to:

- Voltage stability throughout the system is improved,
- Low power factor means higher current is required to deliver the same real power (megawatts/MW);
- Higher current increases losses on transmission lines;
- Poor power factor uses up capacity with reactive power (VARs) instead of real power (MW), correcting frees up capacity for additional load without upgrading generation/distribution infrastructure;
- Generator capacity is negatively affected by reactive power;
- Reactive power increases demand on a generator's excitation system, resulting in additional heating which can shorten equipment life;

## Details

**New Purchase or Replacement:** Replacement

**Capital Cost**

FY2026 Budget

**\$75K**

Total Budget (all years)

**\$325K**

Project Total

**\$325K****Detailed Breakdown**

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>Total</b>     |
|-----------------|-------------------------------------|-------------------------------------|------------------|
| Equipment       | \$0                                 | \$250,000                           | <b>\$250,000</b> |
| Other           | \$75,000                            | \$0                                 | <b>\$75,000</b>  |
| <b>Total</b>    | <b>\$75,000</b>                     | <b>\$250,000</b>                    | <b>\$325,000</b> |

**Funding Sources**

FY2026 Budget

**\$75K**

Total Budget (all years)

**\$325K**

Project Total

**\$325K****Detailed Breakdown**

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>Total</b>     |
|-----------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue     | \$75,000                            | \$250,000                           | <b>\$325,000</b> |
| Generating Fund |                                     |                                     |                  |
| <b>Total</b>    | <b>\$75,000</b>                     | <b>\$250,000</b>                    | <b>\$325,000</b> |

# Transformer Purchases

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-05                 |

## Description

This capital account funds the routine and preventative replacement and upgrades of both pole-mounted and pad-mounted transformers throughout the system. The transformer market has experienced extreme volatility since 2020. Lead times have historically been three (3) to six (6) months; now lead times are often twelve (12) to (24) months. Prices have also increased by a factor of 2.5 in some instances. The utility recovers the cost of transformers that are installed during customer projects, but does not recover costs for O&M replacement. It is critical that KPU strives to maintain an adequate inventory of transformers on-island.

## Details

**New Purchase or Replacement:** Replacement

## Capital Cost

FY2026 Budget

**\$250K**

Total Budget (all years)

**\$1.65M**

Project Total

**\$1.65M**

## Detailed Breakdown

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment       | \$250,000                           | \$300,000                           | \$350,000                           | \$350,000                           | \$400,000                           | <b>\$1,650,000</b> |
| <b>Total</b>    | <b>\$250,000</b>                    | <b>\$300,000</b>                    | <b>\$350,000</b>                    | <b>\$350,000</b>                    | <b>\$400,000</b>                    | <b>\$1,650,000</b> |

## Funding Sources

FY2026 Budget

**\$250K**

Total Budget (all years)

**\$1.65M**

Project Total

**\$1.65M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$250,000                    | \$300,000                    | \$350,000                    | \$350,000                    | \$400,000                    | <b>\$1,650,000</b> |
| <b>Total</b>                   | <b>\$250,000</b>             | <b>\$300,000</b>             | <b>\$350,000</b>             | <b>\$350,000</b>             | <b>\$400,000</b>             | <b>\$1,650,000</b> |

# Transmission & Distribution Line Maintenance

## Overview

|                                  |                         |
|----------------------------------|-------------------------|
| <b>Department</b>                | KPU-Electric Department |
| <b>Type</b>                      | Capital Improvement     |
| <b>Project Number</b>            | 5200-04                 |
| <b>Estimated Start Date</b>      | 01/1/2025               |
| <b>Estimated Completion Date</b> | 12/31/2029              |

## Description

The Electric Division maintains over 4,700 utility poles throughout the transmission and distribution (T&D) system. This project provides a means for engineering assessments of existing poles, engineering and design work for the replacement of poles, related site preparation and, if needed, to augment KPU crews to hire a contract line crew or National Electrical Contractors Association (NECA) linemen, and/or traffic control contractor, to assist with completing T&D projects. A fully-staffed in-house KPU Linecrew would reduce the frequency of the need for outside assistance, providing both significant cost savings and year-round, consistent, high-quality coverage.

Reduced in 2026 from \$750,000 to \$450,000

KPU Budget Update #5 Reduced the 2026 amount to zero.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$0</b>    | <b>\$2.75M</b>           | <b>\$2.75M</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$750,000                    | \$1,000,000                  | \$1,000,000                  | <b>\$2,750,000</b> |
| <b>Total</b>             | <b>\$0</b>                   | <b>\$750,000</b>             | <b>\$1,000,000</b>           | <b>\$1,000,000</b>           | <b>\$2,750,000</b> |

## Funding Sources

FY2026 Budget

**\$0**

Total Budget (all years)

**\$2.75M**

Project Total

**\$2.75M**

### Detailed Breakdown

| <b>Category</b> | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>Total</b>       |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| KPU Revenue     | \$0                                 | \$750,000                           | \$1,000,000                         | \$1,000,000                         | <b>\$2,750,000</b> |
| Generating Fund |                                     |                                     |                                     |                                     |                    |
| <b>Total</b>    | <b>\$0</b>                          | <b>\$750,000</b>                    | <b>\$1,000,000</b>                  | <b>\$1,000,000</b>                  | <b>\$2,750,000</b> |

# Vehicles & Moving Equipment

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Equipment       |
| <b>Project Number</b> | 5200-08                 |

## Description

This project is the purchase of (1) bucket truck critical to maintenance of the transmission and distribution system. This will replace the existing 2017 Ford F-550 with a Versalift lift Aerial with a new Ford F-550 with an Altec Aerial lift. While the current vehicle is only 8 years old, it is highly used with high miles and high hours on the power take-off (PTO) system. The utility has invested \$82,000 since its purchase to keep it function and it should be replaced before a critical failure.

## Details

**New or Used Vehicle:** New Vehicle

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$185K</b> | <b>\$860K</b>            | <b>\$860K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Vehicle Cost | \$185,000                    | \$200,000                    | \$350,000                    | \$125,000                    | <b>\$860,000</b> |
| <b>Total</b> | <b>\$185,000</b>             | <b>\$200,000</b>             | <b>\$350,000</b>             | <b>\$125,000</b>             | <b>\$860,000</b> |

## Funding Sources

FY2026 Budget

**\$185K**

Total Budget (all years)

**\$860K**

Project Total

**\$860K**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$185,000                    | \$200,000                    | \$350,000                    | \$125,000                    | <b>\$860,000</b> |
| <b>Total</b>                   | <b>\$185,000</b>             | <b>\$200,000</b>             | <b>\$350,000</b>             | <b>\$125,000</b>             | <b>\$860,000</b> |

# Ward Cove Substation Replacement

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-39                 |

## Description

Ward Cove Substation, a five (5) MVA capacity station, was constructed in the early 1990's and is approaching its end of life. Scoping and design work will be required to develop construction and procurement plans in 2028. Work is anticipated to include replacement of the power transformer, voltage regulators, feeder breakers, conductors, bus work, grounding, 34.5kV circuit-switcher, control house, communications, oil containment, and fencing. The newly constructed substation, utilizing the same approximate footprint, must be constructed in a manner to allow for project load growth over a thirty (30) to forty (40) year life-span, and to also be capable of carrying some of Bethe Substation and/or North Point Higgins Substation feeder loads in emergency situations. Current estimate is \$8.1M for construction, procurement, and construction management in 2029.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$8.9M</b>            | <b>\$8.9M</b> |

## Detailed Breakdown

| Category                 | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$8,100,000                  | <b>\$8,100,000</b> |
| Design                   | \$800,000                    | \$0                          | <b>\$800,000</b>   |
| <b>Total</b>             | <b>\$800,000</b>             | <b>\$8,100,000</b>           | <b>\$8,900,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$8.9M</b>            | <b>\$8.9M</b> |

## Detailed Breakdown

| Category       | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|----------------|------------------------------|------------------------------|--------------------|
| Debt Financing | \$800,000                    | \$8,100,000                  | <b>\$8,900,000</b> |
| <b>Total</b>   | <b>\$800,000</b>             | <b>\$8,100,000</b>           | <b>\$8,900,000</b> |

# Ward Cove Substation Slope Stabilization

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-37                 |

## Description

Ward Cove Substation receives significant silt, mud, and water build up within it's fence line, creating working hazards to crew, as well as potentially impacting the control house and structures containing high-voltage switches. In 2025 a geotechnical engineer conducted an initial field inspection to begin the design of a solution. Additionally LiDAR data was obtained to aid in the design. Work is anticipated to include removal of uphill loose debris, the addition of geotechnical fabric and rock, and drainage improvements.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$300K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | \$250,000                    |
| Land/Right-of-way        | \$50,000                     |
| <b>Total</b>             | <b>\$300,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$300K</b> | <b>\$300K</b>            | <b>\$300K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | \$300,000                    |
| <b>Total</b>                | <b>\$300,000</b>             |

# Whitman Dam Crack Repair

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-02                 |

## Description

Whitman Dam has several significant leaks, cracks and spalled areas, which, though not an immediate dam safety concern, need to be repaired to prevent deterioration over time. Repairs are being designed by a Professional Engineer and must be approved by FERC prior to implementation.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$120K</b> | <b>\$120K</b>            | <b>\$120K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$120,000</b>             |
| <b>Total</b>             | <b>\$120,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$120K</b> | <b>\$120K</b>            | <b>\$120K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$120,000</b>             |
| <b>Total</b>                | <b>\$120,000</b>             |

# Whitman Incubation Pipe Flow

## Overview

|                       |                         |
|-----------------------|-------------------------|
| <b>Department</b>     | KPU-Electric Department |
| <b>Type</b>           | Capital Improvement     |
| <b>Project Number</b> | 5200-30                 |

## Description

This project will install a flow meter on the existing 12" line dedicated to the hatchery at the Whitman Lake hydro facility, per a FERC license requirement.

## Details

### Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$50K</b>             | <b>\$50K</b>  |

### Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$50,000</b>              |
| <b>Total</b>             | <b>\$50,000</b>              |

### Funding Sources

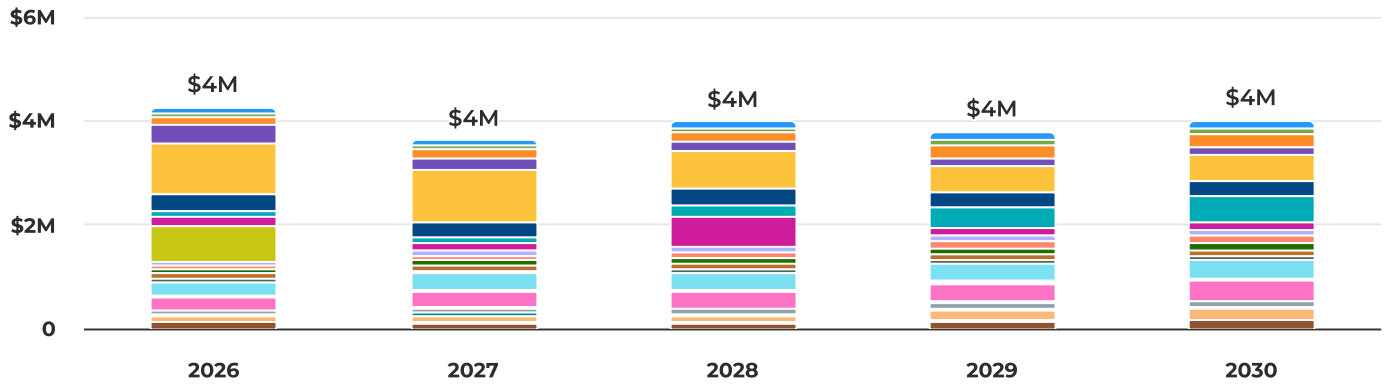
|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$50K</b>             | <b>\$50K</b>  |

### Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$50,000</b>              |
| <b>Total</b>                | <b>\$50,000</b>              |

# KPU-Telecommunications Department

## FY26 - FY30 KPU-Telecommunications Department Projects



|  |             |        |
|--|-------------|--------|
| Operating Equipment                                    | \$625,000   | 3.18%  |
| PC Hardware and Software                               | \$425,000   | 2.16%  |
| Vehicle Acquisition                                    | \$1,050,000 | 5.34%  |
| 4G/LTE   | \$1,009,000 | 5.13%  |
| Core Network Upgrade                                   | \$3,750,000 | 19.08% |
| Fiber to the Home                                      | \$1,550,000 | 7.89%  |
| Hosted   | \$1,300,000 | 6.62%  |
| Internet Expansion                                     | \$1,225,000 | 6.23%  |
| KetchCan1 Subsea Cable                                 | \$676,500   | 3.44%  |
| Emergency Repair Fund                                  |             |        |
| Multi-Dwelling Unit Project                            | \$500,000   | 2.54%  |
| Network Monitoring                                     | \$550,000   | 2.80%  |
| Network Security Infrastructure                        | \$591,500   | 3.01%  |
| Normal Growth and Repair - Buildings                   | \$525,000   | 2.67%  |
| Normal Growth and Repair - Central Office Switching    | \$250,000   | 1.27%  |
| Normal Growth and Repair - Central Office Transmission | \$1,625,000 | 8.27%  |
| Normal Growth and Repair - Copper Cable                | \$125,000   | 0.64%  |
| Normal Growth and Repair - Expansion                   | \$85,000    | 0.43%  |
| Normal Growth and Repair - Fiber Cable                 | \$1,575,000 | 8.01%  |
| Normal Growth and Repair - Provisioning                | \$100,000   | 0.51%  |
| Power Expansion/Reclamation                            | \$450,000   | 2.29%  |
| Remote Cabinets for Advanced Services                  | \$275,000   | 1.40%  |
| Server Environment                                     | \$700,000   | 3.56%  |
| Visual Mapping   | \$90,000    | 0.46%  |

● WiFi

**\$600,000** 3.05%**Summary of Requests**

| <b>Project No. / Category</b>   | <b>FY2026</b> | <b>FY2027</b> | <b>FY2028</b> | <b>FY2029</b> | <b>FY2030</b> | <b>Total</b>       |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|
| <b>5300-13</b> Operating Equipment                                    | \$100,000     | \$100,000     | \$125,000     | \$150,000     | \$150,000     | <b>\$625,000</b>   |
| <b>5300-14</b> PC Hardware and Software                               | \$75,000      | \$75,000      | \$75,000      | \$100,000     | \$100,000     | <b>\$425,000</b>   |
| <b>5300-18</b> Vehicle Acquisition                                    | \$150,000     | \$200,000     | \$200,000     | \$250,000     | \$250,000     | <b>\$1,050,000</b> |
| <b>5300-20</b> 4G/LTE   | \$359,000     | \$200,000     | \$150,000     | \$150,000     | \$150,000     | <b>\$1,009,000</b> |
| <b>5300-10</b> Core Network Upgrade                                   | \$1,000,000   | \$1,000,000   | \$750,000     | \$500,000     | \$500,000     | <b>\$3,750,000</b> |
| <b>5300-08</b> Fiber to the Home                                      | \$325,000     | \$300,000     | \$325,000     | \$300,000     | \$300,000     | <b>\$1,550,000</b> |
| <b>5300-21</b> Hosted   | \$100,000     | \$100,000     | \$200,000     | \$400,000     | \$500,000     | <b>\$1,300,000</b> |
| <b>5300-23</b> Internet Expansion                                     | \$175,000     | \$150,000     | \$600,000     | \$150,000     | \$150,000     | <b>\$1,225,000</b> |
| <b>5300-24</b> Ketchikan Subsea Cable Emergency Repair Fund           | \$676,500     | \$0           | \$0           | \$0           | \$0           | <b>\$676,500</b>   |
| <b>5300-12</b> Multi-Dwelling Unit Project                            | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$500,000</b>   |
| <b>5300-17</b> Network Monitoring                                     | \$50,000      | \$100,000     | \$100,000     | \$150,000     | \$150,000     | <b>\$550,000</b>   |
| <b>5300-19</b> Network Security Infrastructure                        | \$75,000      | \$100,000     | \$125,000     | \$125,000     | \$166,500     | <b>\$591,500</b>   |
| <b>5300-01</b> Normal Growth and Repair - Buildings                   | \$125,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | <b>\$525,000</b>   |
| <b>5300-02</b> Normal Growth and Repair - Central Office Switching    | \$50,000      | \$50,000      | \$50,000      | \$50,000      | \$50,000      | <b>\$250,000</b>   |
| <b>5300-05</b> Normal Growth and Repair - Central Office Transmission | \$275,000     | \$300,000     | \$325,000     | \$350,000     | \$375,000     | <b>\$1,625,000</b> |
| <b>5300-03</b> Normal Growth and Repair - Copper Cable                | \$25,000      | \$25,000      | \$25,000      | \$25,000      | \$25,000      | <b>\$125,000</b>   |
| <b>5300-06</b> Normal Growth and Repair - Expansion                   | \$15,000      | \$15,000      | \$15,000      | \$20,000      | \$20,000      | <b>\$85,000</b>    |
| <b>5300-04</b> Normal Growth and                                      | \$225,000     | \$300,000     | \$325,000     | \$350,000     | \$375,000     | <b>\$1,575,000</b> |

| <b>Project No. /<br/>Category</b>               | <b>FY2026</b>      | <b>FY2027</b>      | <b>FY2028</b>      | <b>FY2029</b>      | <b>FY2030</b>      | <b>Total</b>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 5300-07 Repair - Fiber Cable                    |                    |                    |                    |                    |                    |                     |
| 5300-07 Normal Growth and Repair - Provisioning | \$20,000           | \$20,000           | \$20,000           | \$20,000           | \$20,000           | \$100,000           |
| 5300-15 Power Expansion/Reclamation             | \$50,000           | \$100,000          | \$100,000          | \$100,000          | \$100,000          | \$450,000           |
| 5300-09 Remote Cabinets for Advanced Services   | \$50,000           | \$75,000           | \$50,000           | \$50,000           | \$50,000           | \$275,000           |
| 5300-11 Server Environment                      | \$100,000          | \$100,000          | \$100,000          | \$200,000          | \$200,000          | \$700,000           |
| 5300-16 Visual Mapping                          | \$10,000           | \$20,000           | \$20,000           | \$20,000           | \$20,000           | \$90,000            |
| 5300-22 WiFi                                    | \$125,000          | \$100,000          | \$100,000          | \$125,000          | \$150,000          | \$600,000           |
| <b>Total Summary of Requests</b>                | <b>\$4,255,500</b> | <b>\$3,630,000</b> | <b>\$3,980,000</b> | <b>\$3,785,000</b> | <b>\$4,001,500</b> | <b>\$19,652,000</b> |

# Operating Equipment

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Equipment                    |
| <b>Project Number</b> | 5300-13                              |

## Description

This capital account provides funding for the acquisition and replacement of specialized test equipment used by KPU technicians to install, repair, and verify high-speed data and voice circuits, particularly in support of the division's growing fiber optic and 4G wireless networks.

As KPU continues to expand its fiber network and sell long-haul capacity over subsea routes, the division is expected to make increased investments in advanced, high-end diagnostic and verification equipment to meet industry standards, support customer expectations, and maintain operational credibility in the wholesale transport market.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$625K</b>            | <b>\$625K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$100,000                    | \$100,000                    | \$125,000                    | \$150,000                    | \$150,000                    | <b>\$625,000</b> |
| <b>Total</b> | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$125,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$625,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$625K</b>            | <b>\$625K</b> |

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$100,000                    | \$100,000                    | \$125,000                    | \$150,000                    | \$150,000                    | <b>\$625,000</b> |
| <b>Total</b>                   | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$125,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$625,000</b> |

# PC Hardware and Software

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Equipment                    |
| <b>Project Number</b> | 5300-14                              |

## Description

This capital account provides funding for the replacement of outdated computers and the procurement of new PC hardware to support the operational needs of the division’s Private Branch Exchange (PBX) staff, Outside Plant personnel, Central Office network technicians, and administrative staff.

As KPU advances its broadband infrastructure toward 10 Gbps service capabilities, internal computing systems must be modern, reliable, and capable of supporting the increasing demands of provisioning, monitoring, and maintaining high-performance networks. Upgraded hardware ensures that technical teams can operate efficiently and effectively in support of these next-generation services.

Additionally, this investment empowers KPU staff to demonstrate the full value of ultra-high-speed broadband to customers, proving that the network delivers an "autobahn" experience. It reinforces the importance of customer-side upgrades—highlighting that to fully realize the benefits of multi-gigabit service, users must transition from outdated devices, moving from the "moped" to equipment capable of harnessing the full speed and potential of the fiber infrastructure.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$75K</b>  | <b>\$425K</b>            | <b>\$425K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment    | \$75,000                     | \$75,000                     | \$75,000                     | \$100,000                    | \$100,000                    | <b>\$425,000</b> |
| <b>Total</b> | <b>\$75,000</b>              | <b>\$75,000</b>              | <b>\$75,000</b>              | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$425,000</b> |

## Funding Sources

FY2026 Budget

**\$75K**

Total Budget (all years)

**\$425K**

Project Total

**\$425K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$75,000                            | \$75,000                            | \$75,000                            | \$100,000                           | \$100,000                           | <b>\$425,000</b> |
| <b>Total</b>                   | <b>\$75,000</b>                     | <b>\$75,000</b>                     | <b>\$75,000</b>                     | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$425,000</b> |

# Vehicle Acquisition

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Equipment                    |
| <b>Project Number</b> | 5300-18                              |

## Description

This capital account provides funding for the replacement of aging vehicles to reduce the risk of excessive maintenance costs, unplanned breakdowns, and service disruptions that could impact KPU Telecom’s ability to meet customer needs in the field.

While there are no planned vehicle purchases in the current year, maintaining this account ensures that funds are available in the event of an unexpected failure—such as the critical loss of a bucket truck or other essential fleet asset. By preserving this financial flexibility, the division can respond quickly to unforeseen equipment failures and maintain continuity in operations without delay.

## Details

**Additional Fleet Purchase or Replacement/Upgrade:** Replacement / Upgrade

**New or Used Vehicle:** New Vehicle  
**Useful Life:** 10 or more years

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$150K</b> | <b>\$1.05M</b>           | <b>\$1.05M</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Vehicle Cost | \$150,000                    | \$200,000                    | \$200,000                    | \$250,000                    | \$250,000                    | <b>\$1,050,000</b> |
| <b>Total</b> | <b>\$150,000</b>             | <b>\$200,000</b>             | <b>\$200,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$1,050,000</b> |

## Funding Sources

FY2026 Budget

**\$150K**

Total Budget (all years)

**\$1.05M**

Project Total

**\$1.05M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$150,000                    | \$200,000                    | \$200,000                    | \$250,000                    | \$250,000                    | <b>\$1,050,000</b> |
| <b>Total</b>                   | <b>\$150,000</b>             | <b>\$200,000</b>             | <b>\$200,000</b>             | <b>\$250,000</b>             | <b>\$250,000</b>             | <b>\$1,050,000</b> |

# 4G/LTE

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-20                              |

## Description

This capital account provides ongoing funding to construct, maintain, and improve KPU's 4G/LTE mobile network. As mobile usage continues to grow, particularly during peak tourism months, investing in network capacity and coverage is crucial to maintaining service quality and customer satisfaction.

The 2025 summer tourist season placed unprecedented demand on the division's cellular infrastructure, particularly in the downtown area. Targeted improvements are needed to address these capacity challenges and enhance user experience in high-traffic zones.

While the long-term future of the 4G/LTE network remains uncertain—especially in light of potential transitions to 5G—future projections include the phased replacement of existing nodes to ensure compatibility with next-generation technologies. This capital account enables the division to remain responsive to both immediate service demands and longer-term strategic shifts in mobile communications.

## Capital Cost

FY2026 Budget

**\$359K**

Total Budget (all years)

**\$1.01M**

Project Total

**\$1.01M**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | \$184,000                           | \$168,000                           | \$126,000                           | \$126,000                           | \$126,000                           | <b>\$730,000</b>   |
| Construction/Maintenance      | \$125,000                           | \$30,000                            | \$22,500                            | \$22,500                            | \$22,500                            | <b>\$222,500</b>   |
| Design                        | \$50,000                            | \$2,000                             | \$1,500                             | \$1,500                             | \$1,500                             | <b>\$56,500</b>    |
| <b>Total</b>                  | <b>\$359,000</b>                    | <b>\$200,000</b>                    | <b>\$150,000</b>                    | <b>\$150,000</b>                    | <b>\$150,000</b>                    | <b>\$1,009,000</b> |

## Funding Sources

FY2026 Budget

**\$359K**

Total Budget (all years)

**\$1.01M**

Project Total

**\$1.01M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$359,000                    | \$200,000                    | \$150,000                    | \$150,000                    | \$150,000                    | <b>\$1,009,000</b> |
| <b>Total</b>                   | <b>\$359,000</b>             | <b>\$200,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$1,009,000</b> |

# Core Network Upgrade

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-10                              |

## Description

This capital account provides funding for the multi-year upgrade and expansion of the division's core network infrastructure. The initiative is focused on increasing resiliency, introducing additional path diversity, and positioning the network for long-term scalability.

Key components of the core are currently at the end of their life and need to be replaced. At the same time, sustained bandwidth growth across residential, business, and transport services is pushing the current 10G-based core architecture to its operational limits. To address this, a significant upgrade is planned in 2026 to transition the backbone to a 100G architecture, enabling a tenfold increase in capacity.

This strategic investment ensures that the division's core network can meet evolving performance requirements, reduce failure risk through enhanced redundancy, and support future service innovation and transport demands.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$1M</b>   | <b>\$3.75M</b>           | <b>\$3.75M</b> |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | \$947,500                           | \$947,500                           | \$710,625                           | \$473,750                           | \$473,750                           | <b>\$3,553,125</b> |
| Other                         | \$52,500                            | \$52,500                            | \$39,375                            | \$26,250                            | \$26,250                            | <b>\$196,875</b>   |
| <b>Total</b>                  | <b>\$1,000,000</b>                  | <b>\$1,000,000</b>                  | <b>\$750,000</b>                    | <b>\$500,000</b>                    | <b>\$500,000</b>                    | <b>\$3,750,000</b> |

## Funding Sources

FY2026 Budget

**\$1M**

Total Budget (all years)

**\$3.75M**

Project Total

**\$3.75M**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$1,000,000                         | \$1,000,000                         | \$750,000                           | \$500,000                           | \$500,000                           | <b>\$3,750,000</b> |
| <b>Total</b>                   | <b>\$1,000,000</b>                  | <b>\$1,000,000</b>                  | <b>\$750,000</b>                    | <b>\$500,000</b>                    | <b>\$500,000</b>                    | <b>\$3,750,000</b> |

# Fiber to the Home

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-08                              |

## Description

This capital account provides funding for contract labor, materials, and equipment necessary to deploy fiber optic cable and terminals to homes, businesses, and multi-dwelling units throughout Ketchikan. These investments support the division's commitment to expanding high-speed broadband access and modernizing local infrastructure with a future-ready, fiber-based network.

In addition to new construction, this account funds fiber overlay projects that replace insufficient or non-expandable facilities, specifically targeting the phase-out of legacy xDSL services in favor of fiber-to-the-premises (FTTP) connectivity. These efforts will enable the delivery of symmetrical upload and download speeds using a robust Active Ethernet architecture, meeting the increasing bandwidth needs of residential and commercial customers.

The initiative also includes planning and deployment efforts to extend fiber service to outlying and underserved areas, helping close connectivity gaps and support digital equity across the Ketchikan region.

## Capital Cost

FY2026 Budget

**\$325K**

Total Budget (all years)

**\$1.55M**

Project Total

**\$1.55M**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | \$222,000                           | \$207,000                           | \$224,250                           | \$207,000                           | \$207,000                           | <b>\$1,067,250</b> |
| Construction/Maintenance      | \$100,000                           | \$90,000                            | \$97,500                            | \$90,000                            | \$90,000                            | <b>\$467,500</b>   |
| Design                        | \$3,000                             | \$3,000                             | \$3,250                             | \$3,000                             | \$3,000                             | <b>\$15,250</b>    |
| <b>Total</b>                  | <b>\$325,000</b>                    | <b>\$300,000</b>                    | <b>\$325,000</b>                    | <b>\$300,000</b>                    | <b>\$300,000</b>                    | <b>\$1,550,000</b> |

## Funding Sources

FY2026 Budget

**\$325K**

Total Budget (all years)

**\$1.55M**

Project Total

**\$1.55M**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$325,000                           | \$300,000                           | \$325,000                           | \$300,000                           | \$300,000                           | <b>\$1,550,000</b> |
| <b>Total</b>                   | <b>\$325,000</b>                    | <b>\$300,000</b>                    | <b>\$325,000</b>                    | <b>\$300,000</b>                    | <b>\$300,000</b>                    | <b>\$1,550,000</b> |

# Hosted

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-21                              |

## Description

This capital account provides funding to upgrade, maintain, and expand the division's services to business customers. This includes hosted communications platforms, wireless services, surveillance camera systems, and other business-focused solutions that support modern connectivity, security, and operational needs.

To meet growing performance demands and evolving customer expectations, legacy network switches and supporting infrastructure must be replaced. These upgrades are crucial for enabling business customers to transition beyond 1 Gbps connectivity and for ensuring KPU remains competitive in delivering advanced, reliable, and scalable service offerings.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$1.3M</b>            | <b>\$1.3M</b> |

### Detailed Breakdown

| Category                      | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Other                         | \$70,000                     | \$70,000                     | \$140,000                    | \$280,000                    | \$350,000                    | <b>\$910,000</b>   |
| Equipment/Vehicle/Furnishings | \$30,000                     | \$30,000                     | \$60,000                     | \$120,000                    | \$150,000                    | <b>\$390,000</b>   |
| <b>Total</b>                  | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$200,000</b>             | <b>\$400,000</b>             | <b>\$500,000</b>             | <b>\$1,300,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$1.3M</b>            | <b>\$1.3M</b> |

### Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue Generating Fund | \$100,000                    | \$100,000                    | \$200,000                    | \$400,000                    | \$500,000                    | <b>\$1,300,000</b> |
| <b>Total</b>                | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$200,000</b>             | <b>\$400,000</b>             | <b>\$500,000</b>             | <b>\$1,300,000</b> |

# Internet Expansion

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-23                              |

## Description

This capital account supports the expansion and modernization of the division's Internet distribution infrastructure and off-island transport networks. These investments are critical to maintaining reliable service, enabling network scalability, and positioning the division to pursue future market opportunities.

The division owns subsea fiber routes connecting to the Lower 48 states and currently offers transport capacity to telecommunications service providers and large enterprise customers with long-haul connectivity needs.

As the division advances toward deploying its own 100G backbone network later this year, additional enhancements to the subsea optical transport infrastructure will be necessary to fully implement 100G capabilities and support continued scaling beyond that threshold.

A major network upgrade is planned for 2028 to replace or expand the optical transport system at the Mountain Point facility. This investment will support high-performance, long-haul connectivity and strengthen the division's competitiveness in the regional broadband market.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$175K</b> | <b>\$1.23M</b>           | <b>\$1.23M</b> |

## Detailed Breakdown

| Category                      | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | \$125,000                    | \$119,000                    | \$476,000                    | \$119,000                    | \$119,000                    | <b>\$958,000</b>   |
| Construction/Maintenance      | \$40,000                     | \$17,000                     | \$68,000                     | \$17,000                     | \$17,000                     | <b>\$159,000</b>   |
| Design                        | \$10,000                     | \$14,000                     | \$56,000                     | \$14,000                     | \$14,000                     | <b>\$108,000</b>   |
| <b>Total</b>                  | <b>\$175,000</b>             | <b>\$150,000</b>             | <b>\$600,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$1,225,000</b> |

## Funding Sources

FY2026 Budget

**\$175K**

Total Budget (all years)

**\$1.23M**

Project Total

**\$1.23M**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$175,000                           | \$150,000                           | \$600,000                           | \$150,000                           | \$150,000                           | <b>\$1,225,000</b> |
| <b>Total</b>                   | <b>\$175,000</b>                    | <b>\$150,000</b>                    | <b>\$600,000</b>                    | <b>\$150,000</b>                    | <b>\$150,000</b>                    | <b>\$1,225,000</b> |

# KetchCan1 Subsea Cable Emergency Repair Fund

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-24                              |

## Description

This capital account provides contingency funding for the emergency repair of the KetchCan1 Subsea Cable in the event of damage or service disruption. The fund ensures that the City can respond swiftly to critical infrastructure failures that may impact telecommunications and related services.

These funds are to be utilized strictly on an as-needed basis during emergencies.

Any unexpended funds at the end of the fiscal year will be reappropriated annually to maintain ongoing readiness.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$677K</b> | <b>\$677K</b>            | <b>\$677K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$676,500</b>             |
| <b>Total</b>             | <b>\$676,500</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$677K</b> | <b>\$677K</b>            | <b>\$677K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$676,500</b>             |
| <b>Total</b>                | <b>\$676,500</b>             |

# Multi-Dwelling Unit Project

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-12                              |

## Description

This capital account provides funding for the purchase and deployment of electronics to serve multi-dwelling units (MDUs), enabling the delivery of Internet and voice services over a single fiber connection. This initiative supports approximately 40% of KPU's customer base who reside in apartment buildings.

By consolidating service delivery onto a single fiber, this project eliminates the need to install and maintain separate electronics for each fiber run within MDUs. The result is a more efficient, scalable, and cost-effective approach to serving high-density residential buildings, which simplifies infrastructure requirements and reduces long-term operational overhead.

In addition to near-term efficiency gains, this investment also lays the groundwork for future service enhancements, including Fiber in the Home deployments and Cat6a cabling installations capable of supporting Internet speeds of up to 10 Gbps, ensuring that KPU can meet growing bandwidth demands and customer expectations for next-generation broadband performance.

## Capital Cost

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$500K**

Project Total

**\$500K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$95,000                            | \$95,000                            | \$95,000                            | \$95,000                            | \$95,000                            | <b>\$475,000</b> |
| Construction/Maintenance      | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | <b>\$12,500</b>  |
| Design                        | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | <b>\$12,500</b>  |
| <b>Total</b>                  | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$500,000</b> |

**Funding Sources**

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$500K**

Project Total

**\$500K****Detailed Breakdown**

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$100,000                           | \$100,000                           | \$100,000                           | \$100,000                           | \$100,000                           | <b>\$500,000</b> |
| <b>Total</b>                   | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$500,000</b> |

# Network Monitoring

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-17                              |

## Description

This capital account provides funding for the acquisition of hardware and software critical to improving real-time monitoring and operational visibility across the KPU network. These tools enable the rapid identification and resolution of customer service issues while also enhancing the division's ability to monitor performance and detect anomalies across its core infrastructure.

Investments support the deployment of advanced monitoring technologies such as SNMP-based systems and network packet brokers, which together provide a robust foundation for traffic analysis, fault detection, and data flow visibility. These tools allow the division to pinpoint issues quickly, optimize performance, and strengthen overall network reliability.

By enhancing its monitoring infrastructure, KPU ensures a more secure, responsive, and high-performing network environment that can scale with evolving customer and operational demands.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$550K</b>            | <b>\$550K</b> |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Other                         | \$32,500                            | \$65,000                            | \$65,000                            | \$97,500                            | \$97,500                            | <b>\$357,500</b> |
| Equipment/Vehicle/Furnishings | \$17,500                            | \$35,000                            | \$35,000                            | \$52,500                            | \$52,500                            | <b>\$192,500</b> |
| <b>Total</b>                  | <b>\$50,000</b>                     | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$150,000</b>                    | <b>\$150,000</b>                    | <b>\$550,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$550K**

Project Total

**\$550K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                     | \$100,000                    | \$100,000                    | \$150,000                    | \$150,000                    | <b>\$550,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>              | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$150,000</b>             | <b>\$150,000</b>             | <b>\$550,000</b> |

# Network Security Infrastructure

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-19                              |

## Description

This capital account provides funding to strengthen the division's ability to secure its network infrastructure against internal and external threats. Investments support the development and deployment of tools to detect, prevent, and respond to unauthorized intrusions, denial-of-service attacks, and other cyber threats that could impact both the division and its customers.

Real-time detection and mitigation of cyberattacks requires advanced security platforms, including specialized analytical software that can monitor and protect complex network environments. These efforts align with cybersecurity best practices and frameworks such as those outlined by the National Institute of Standards and Technology (NIST), ensuring that the division adopts a proactive and standards-based approach to risk management.

With security threats becoming more frequent and sophisticated across the industry, this capital account ensures the division remains vigilant and resilient in the face of evolving risks.

## Capital Cost

FY2026 Budget

**\$75K**

Total Budget (all years)

**\$592K**

Project Total

**\$592K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$66,750                            | \$89,000                            | \$111,250                           | \$111,250                           | \$150,000                           | <b>\$528,250</b> |
| Design                        | \$8,250                             | \$11,000                            | \$13,750                            | \$13,750                            | \$16,500                            | <b>\$63,250</b>  |
| <b>Total</b>                  | <b>\$75,000</b>                     | <b>\$100,000</b>                    | <b>\$125,000</b>                    | <b>\$125,000</b>                    | <b>\$166,500</b>                    | <b>\$591,500</b> |

## Funding Sources

FY2026 Budget

**\$75K**

Total Budget (all years)

**\$592K**

Project Total

**\$592K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$75,000                     | \$100,000                    | \$125,000                    | \$125,000                    | \$166,500                    | <b>\$591,500</b> |
| <b>Total</b>                   | <b>\$75,000</b>              | <b>\$100,000</b>             | <b>\$125,000</b>             | <b>\$125,000</b>             | <b>\$166,500</b>             | <b>\$591,500</b> |

# Normal Growth and Repair - Buildings

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-01                              |

## Description

This capital account provides funding for improvements to existing division facilities, including HVAC system upgrades, replacement of lighting fixtures, and the installation of building alarms and related security systems to enhance safety, energy efficiency, and operational reliability.

The primary focus in 2026 will be significant repairs and upgrades to the car wash and storage building, which has aged considerably and now requires structural and functional improvements to remain serviceable. No other major facility improvements are planned for 2026. However, minor maintenance projects may be carried out as needed to maintain the overall condition of our facilities.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$125K</b> | <b>\$525K</b>            | <b>\$525K</b> |

## Detailed Breakdown

| Category                   | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Land/Property Improvements | \$125,000                    | \$100,000                    | \$100,000                    | \$100,000                    | \$100,000                    | <b>\$525,000</b> |
| <b>Total</b>               | <b>\$125,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$525,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$125K</b> | <b>\$525K</b>            | <b>\$525K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue Generating Fund | \$125,000                    | \$100,000                    | \$100,000                    | \$100,000                    | \$100,000                    | <b>\$525,000</b> |
| <b>Total</b>                | <b>\$125,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$525,000</b> |

# Normal Growth and Repair - Central Office Switching

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-02                              |

## Description

This capital account provides funding for reliability upgrades and capacity expansion within the division's telecommunications switching infrastructure and Voice over Internet Protocol (VoIP) network. These investments are essential to maintaining high availability, supporting continued subscriber growth, and ensuring seamless service delivery across all voice platforms.

Funding includes the procurement of equipment and systems that enhance least-cost routing efficiency and improve fraud detection capabilities, both of which are critical for operational integrity and cost control. Additionally, this account ensures continued compatibility and feature support across all residential lines, allowing the division to maintain a consistent and high-quality customer experience.

As the regulatory landscape for voice services continues to evolve, this investment enables the division to remain in compliance with critical mandates, including STIR/SHAKEN call authentication, CALEA (Communications Assistance for Law Enforcement Act) lawful intercept capabilities, and E911 emergency service requirements. Maintaining regulatory alignment is essential to service integrity, legal compliance, and public safety obligations.

## Details

### Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$250K</b>            | <b>\$250K</b> |

### Detailed Breakdown

| Category                      | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$50,000                     | \$50,000                     | \$50,000                     | \$50,000                     | \$50,000                     | <b>\$250,000</b> |
| <b>Total</b>                  | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$250,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$250K**

Project Total

**\$250K**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | <b>\$250,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$250,000</b> |

# Normal Growth and Repair - Central Office Transmission

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-05                              |

## Description

This capital account provides funding for the purchase and installation of additional Intelligent Network Interface Devices (NIDs) and Optical Network Terminals (ONTs) required to deliver services to customers connected via fiber-optic infrastructure. These components are essential for enabling service provisioning, diagnostics, and management at the customer premises.

Funding also supports the expansion of internal network fiber ports and the deployment of network transmission electronics necessary to deliver new private line services to business customers. This includes support for digital data services, optical wide area networks (OWAN), TIs, and other enterprise connectivity solutions.

Additionally, this project continues the division's effort to fully retire legacy platforms—many of which are no longer vendor-supported—and complete the migration to standardized platforms for both optical services and remaining copper-based delivery systems, improving operational consistency, scalability, and long-term supportability.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$275K</b> | <b>\$1.63M</b>           | <b>\$1.63M</b> |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | \$253,000                           | \$276,000                           | \$299,000                           | \$322,000                           | \$345,000                           | <b>\$1,495,000</b> |
| Construction/Maintenance      | \$22,000                            | \$24,000                            | \$26,000                            | \$28,000                            | \$30,000                            | <b>\$130,000</b>   |
| <b>Total</b>                  | <b>\$275,000</b>                    | <b>\$300,000</b>                    | <b>\$325,000</b>                    | <b>\$350,000</b>                    | <b>\$375,000</b>                    | <b>\$1,625,000</b> |

## Funding Sources

FY2026 Budget

**\$275K**

Total Budget (all years)

**\$1.63M**

Project Total

**\$1.63M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$275,000                    | \$300,000                    | \$325,000                    | \$350,000                    | \$375,000                    | <b>\$1,625,000</b> |
| <b>Total</b>                   | <b>\$275,000</b>             | <b>\$300,000</b>             | <b>\$325,000</b>             | <b>\$350,000</b>             | <b>\$375,000</b>             | <b>\$1,625,000</b> |

# Normal Growth and Repair - Copper Cable

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-03                              |

## Description

This capital account provides funding for the replacement of deteriorated cables and the construction of minor cable projects, including line extensions to support network reliability and localized growth. It also covers the purchase of cables, crossarms, and related hardware required to reconnect telecommunications infrastructure to utility poles that the Electric Division has replaced.

Although the copper plant is decreasing in strategic importance as fiber-based services expand, it remains a critical part of the network in certain areas. Much of this infrastructure is aging and will require ongoing maintenance and stabilization over the next decade to ensure continued service delivery where copper remains in use.

In parallel, this capital account supports the systematic reduction and removal of obsolete copper facilities as services are migrated to fiber. This planned decommissioning effort will improve network efficiency, reduce maintenance overhead, and align with the division's broader fiber transition strategy.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$25K</b>  | <b>\$125K</b>            | <b>\$125K</b> |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$14,000                            | \$14,000                            | \$14,000                            | \$14,000                            | \$14,000                            | <b>\$70,000</b>  |
| Construction/Maintenance      | \$10,000                            | \$10,000                            | \$10,000                            | \$10,000                            | \$10,000                            | <b>\$50,000</b>  |
| Design                        | \$1,000                             | \$1,000                             | \$1,000                             | \$1,000                             | \$1,000                             | <b>\$5,000</b>   |
| <b>Total</b>                  | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$125,000</b> |

## Funding Sources

FY2026 Budget

**\$25K**

Total Budget (all years)

**\$125K**

Project Total

**\$125K**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$25,000                            | \$25,000                            | \$25,000                            | \$25,000                            | \$25,000                            | <b>\$125,000</b> |
| <b>Total</b>                   | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$25,000</b>                     | <b>\$125,000</b> |

# Normal Growth and Repair - Expansion

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-06                              |

## Description

This capital account provides funding to upgrade, maintain, and expand the division's off-island network connections, ensuring the continued delivery of reliable broadband services to homes and businesses located beyond the primary service footprint.

To address the unique challenges of extending connectivity to these remote areas, the division utilizes a mix of wireless, fiber, and satellite technologies, enabling flexible deployment strategies tailored to local geography and accessibility constraints. These investments are essential to reaching unserved locations and supporting continued network growth across the greater Ketchikan region.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$15K</b>  | <b>\$85K</b>             | <b>\$85K</b>  |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>    |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|
| Equipment/Vehicle/Furnishings | \$12,000                            | \$12,000                            | \$12,000                            | \$16,000                            | \$16,000                            | <b>\$68,000</b> |
| Design                        | \$3,000                             | \$3,000                             | \$3,000                             | \$4,000                             | \$4,000                             | <b>\$17,000</b> |
| <b>Total</b>                  | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$85,000</b> |

## Funding Sources

FY2026 Budget

**\$15K**

Total Budget (all years)

**\$85K**

Project Total

**\$85K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total           |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------|
| KPU Revenue<br>Generating Fund | \$15,000                     | \$15,000                     | \$15,000                     | \$20,000                     | \$20,000                     | <b>\$85,000</b> |
| <b>Total</b>                   | <b>\$15,000</b>              | <b>\$15,000</b>              | <b>\$15,000</b>              | <b>\$20,000</b>              | <b>\$20,000</b>              | <b>\$85,000</b> |

# Normal Growth and Repair - Fiber Cable

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-04                              |

## Description

This capital account provides funding to support the ongoing expansion of the division's Fiber-to-the-Home (FTTH) and Fiber-to-the-Business (FTTB) initiatives, as well as the continued maintenance and optimization of the existing fiber plant infrastructure.

Included in this account are the materials and labor required for the installation of fiber service drops to new and existing customers who request high-bandwidth services. As demand for faster, more reliable connectivity grows—particularly at speeds of 1 Gbps and beyond towards 10 Gbps—legacy copper circuits are no longer a viable option for delivering modern internet access.

To meet these performance requirements, the division continues to deploy Active Ethernet technology, which enables symmetrical bandwidth, greater reliability, and simplified network management. These investments ensure long-term scalability and position the network to support the next-generation needs of residential and commercial broadband.

## Capital Cost

FY2026 Budget

**\$225K**

Total Budget (all years)

**\$1.58M**

Project Total

**\$1.58M**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Construction/Maintenance      | \$127,500                           | \$162,500                           | \$175,000                           | \$187,500                           | \$200,000                           | <b>\$852,500</b>   |
| Equipment/Vehicle/Furnishings | \$92,500                            | \$132,500                           | \$145,000                           | \$157,500                           | \$170,000                           | <b>\$697,500</b>   |
| Design                        | \$5,000                             | \$5,000                             | \$5,000                             | \$5,000                             | \$5,000                             | <b>\$25,000</b>    |
| <b>Total</b>                  | <b>\$225,000</b>                    | <b>\$300,000</b>                    | <b>\$325,000</b>                    | <b>\$350,000</b>                    | <b>\$375,000</b>                    | <b>\$1,575,000</b> |

## Funding Sources

FY2026 Budget

**\$225K**

Total Budget (all years)

**\$1.58M**

Project Total

**\$1.58M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| KPU Revenue<br>Generating Fund | \$225,000                    | \$300,000                    | \$325,000                    | \$350,000                    | \$375,000                    | <b>\$1,575,000</b> |
| <b>Total</b>                   | <b>\$225,000</b>             | <b>\$300,000</b>             | <b>\$325,000</b>             | <b>\$350,000</b>             | <b>\$375,000</b>             | <b>\$1,575,000</b> |

# Normal Growth and Repair - Provisioning

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-07                              |

## Description

This capital account provides funding for the introduction, upgrade, automation, and integration of systems designed to improve the overall customer service and support experience. These investments enable the division to streamline internal workflows, enhance service responsiveness, and deliver a more seamless experience across all customer touchpoints.

In the near term, the majority of funding is allocated to ensuring the continued stability and performance of the existing customer service systems, allowing the division to maintain operational continuity while deferring major upgrades. Once adequate internal staffing resources and project bandwidth are available, the division will initiate the process of replacing its current trouble ticketing platform with a modern, scalable support system, featuring enhanced real-time tracking, analytics, and integration with broader operational platforms.

## Capital Cost

FY2026 Budget

**\$20K**

Total Budget (all years)

**\$100K**

Project Total

**\$100K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Other                         | \$12,400                            | \$12,400                            | \$12,400                            | \$12,400                            | \$12,400                            | <b>\$62,000</b>  |
| Design                        | \$5,400                             | \$5,400                             | \$5,400                             | \$5,400                             | \$5,400                             | <b>\$27,000</b>  |
| Equipment/Vehicle/Furnishings | \$2,200                             | \$2,200                             | \$2,200                             | \$2,200                             | \$2,200                             | <b>\$11,000</b>  |
| <b>Total</b>                  | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$100,000</b> |

## Funding Sources

FY2026 Budget

**\$20K**

Total Budget (all years)

**\$100K**

Project Total

**\$100K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$20,000                            | \$20,000                            | \$20,000                            | \$20,000                            | \$20,000                            | <b>\$100,000</b> |
| <b>Total</b>                   | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$100,000</b> |

# Power Expansion/Reclamation

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-15                              |

## Description

This capital account provides funding to expand the division's power infrastructure through the installation of new AC/DC filtering systems and the reclamation of existing capacity by deploying more energy-efficient equipment. These efforts are aimed at improving overall power utilization, supporting future infrastructure growth, and enhancing the reliability of critical network systems.

By investing in modern power solutions, the division can reduce operational strain, lower energy costs, and ensure its facilities are prepared to support next-generation telecommunications equipment and increased service demand.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$50K</b>  | <b>\$450K</b>            | <b>\$450K</b> |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$47,500                            | \$95,000                            | \$95,000                            | \$95,000                            | \$95,000                            | <b>\$427,500</b> |
| Construction/Maintenance      | \$1,250                             | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | <b>\$11,250</b>  |
| Design                        | \$1,250                             | \$2,500                             | \$2,500                             | \$2,500                             | \$2,500                             | <b>\$11,250</b>  |
| <b>Total</b>                  | <b>\$50,000</b>                     | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$450,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$450K**

Project Total

**\$450K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                            | \$100,000                           | \$100,000                           | \$100,000                           | \$100,000                           | <b>\$450,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>                     | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$450,000</b> |

# Remote Cabinets for Advanced Services

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-09                              |

## Description

This capital account provides funding for the maintenance, replacement, and modernization of field network cabinets deployed throughout the community. These cabinets serve as critical distribution points for voice and broadband services, requiring continuous investment to ensure operational reliability.

The project involves integrating remote monitoring sensors, enabling technicians to proactively verify cabinet status and detect performance issues before they occur, thereby improving uptime and reducing response times.

This account also funds upgrades to the out-of-band management network, which connects these cabinets back to the Central Office, supporting enhanced remote diagnostics and control. Over the next several years, multiple cabinets will need to be fully replaced due to age or wear and tear. In some cases, onsite power systems or backup batteries will also require replacement to maintain service continuity during utility outages or maintenance activities.

## Capital Cost

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$275K**

Project Total

**\$275K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$45,000                            | \$67,500                            | \$45,000                            | \$45,000                            | \$45,000                            | <b>\$247,500</b> |
| Construction/Maintenance      | \$3,750                             | \$5,625                             | \$3,750                             | \$3,750                             | \$3,750                             | <b>\$20,625</b>  |
| Design                        | \$1,250                             | \$1,875                             | \$1,250                             | \$1,250                             | \$1,250                             | <b>\$6,875</b>   |
| <b>Total</b>                  | <b>\$50,000</b>                     | <b>\$75,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$275,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$275K**

Project Total

**\$275K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                     | \$75,000                     | \$50,000                     | \$50,000                     | \$50,000                     | <b>\$275,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>              | <b>\$75,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$50,000</b>              | <b>\$275,000</b> |

# Server Environment

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-11                              |

## Description

This capital account provides funding for the growth, expansion, and upgrade of the division's data storage and virtualized server environment. These investments support the continued standardization of server infrastructure, enabling a reduced physical footprint, improved energy efficiency, and increased operational scalability.

As a telecommunications service provider, the division relies on a robust and resilient virtualization layer to support core business operations, including provisioning, service orchestration, and backend application delivery. This infrastructure is foundational to delivering reliable services to both residential and business customers, ensuring the availability, performance, and integrity of critical systems that underpin broadband, voice, and hosted service offerings.

## Details

### Capital Cost

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$700K**

Project Total

**\$700K**

### Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$95,000                            | \$95,000                            | \$95,000                            | \$190,000                           | \$190,000                           | <b>\$665,000</b> |
| Construction/Maintenance      | \$2,500                             | \$2,500                             | \$2,500                             | \$5,000                             | \$5,000                             | <b>\$17,500</b>  |
| Design                        | \$2,500                             | \$2,500                             | \$2,500                             | \$5,000                             | \$5,000                             | <b>\$17,500</b>  |
| <b>Total</b>                  | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$200,000</b>                    | <b>\$200,000</b>                    | <b>\$700,000</b> |

## Funding Sources

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$700K**

Project Total

**\$700K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$100,000                    | \$100,000                    | \$100,000                    | \$200,000                    | \$200,000                    | <b>\$700,000</b> |
| <b>Total</b>                   | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$200,000</b>             | <b>\$200,000</b>             | <b>\$700,000</b> |

# Visual Mapping

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-16                              |

## Description

This capital account provides funding to enhance the division's ability to document, design, and manage both inside and outside plant infrastructure at the physical and logical levels. Enhancing visual mapping capabilities supports automation, standardization, and more efficient distribution of network design documentation.

Future funding will support system enhancements and associated labor to ensure that visual mapping data is thoroughly audited, accurate, and aligned with the operational needs of the division and its customers.

Additionally, this capital account supports required training to ensure staff are proficient in the use and administration of visual mapping software, enabling consistent usage and long-term value from these investments.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$10K</b>  | <b>\$90K</b>             | <b>\$90K</b>  |

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>    |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|
| Other                         | \$5,100                             | \$10,200                            | \$10,200                            | \$10,200                            | \$10,200                            | <b>\$45,900</b> |
| Equipment/Vehicle/Furnishings | \$3,700                             | \$7,400                             | \$7,400                             | \$7,400                             | \$7,400                             | <b>\$33,300</b> |
| Construction/Maintenance      | \$1,200                             | \$2,400                             | \$2,400                             | \$2,400                             | \$2,400                             | <b>\$10,800</b> |
| <b>Total</b>                  | <b>\$10,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$20,000</b>                     | <b>\$90,000</b> |

## Funding Sources

FY2026 Budget

**\$10K**

Total Budget (all years)

**\$90K**

Project Total

**\$90K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total           |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------|
| KPU Revenue<br>Generating Fund | \$10,000                     | \$20,000                     | \$20,000                     | \$20,000                     | \$20,000                     | <b>\$90,000</b> |
| <b>Total</b>                   | <b>\$10,000</b>              | <b>\$20,000</b>              | <b>\$20,000</b>              | <b>\$20,000</b>              | <b>\$20,000</b>              | <b>\$90,000</b> |

# WiFi

## Overview

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Department</b>     | KPU-Telecommunications<br>Department |
| <b>Type</b>           | Capital Improvement                  |
| <b>Project Number</b> | 5300-22                              |

## Description

A key focus of this initiative is expanding Wi-Fi coverage in areas frequently visited by tourists, to generate seasonal revenue and improve the visitor experience. To support this effort, KPU is working in partnership with the local business community to identify high-traffic zones and develop service models that benefit both customers and participating businesses.

Additionally, this account supports efforts to provide Wi-Fi service to customers who are difficult to reach using traditional wired connections, thereby helping to address coverage gaps in underserved areas.

As Wi-Fi technology continues to advance, ongoing investment will be necessary to keep pace with industry standards and customer expectations. KPU plans to grow its capabilities in managed Wi-Fi services and other wireless solutions to remain competitive and deliver high-quality user experiences.

## Capital Cost

FY2026 Budget

**\$125K**

Total Budget (all years)

**\$600K**

Project Total

**\$600K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$107,500                           | \$77,500                            | \$77,500                            | \$96,875                            | \$116,250                           | <b>\$475,625</b> |
| Construction/Maintenance      | \$15,000                            | \$20,000                            | \$20,000                            | \$25,000                            | \$30,000                            | <b>\$110,000</b> |
| Design                        | \$2,500                             | \$2,500                             | \$2,500                             | \$3,125                             | \$3,750                             | <b>\$14,375</b>  |
| <b>Total</b>                  | <b>\$125,000</b>                    | <b>\$100,000</b>                    | <b>\$100,000</b>                    | <b>\$125,000</b>                    | <b>\$150,000</b>                    | <b>\$600,000</b> |

## Funding Sources

FY2026 Budget

**\$125K**

Total Budget (all years)

**\$600K**

Project Total

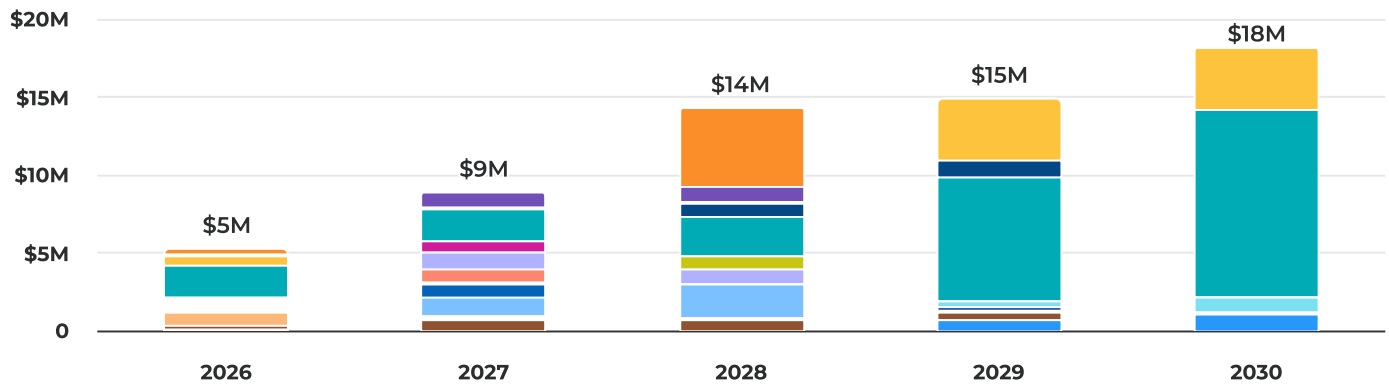
**\$600K**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$125,000                    | \$100,000                    | \$100,000                    | \$125,000                    | \$150,000                    | <b>\$600,000</b> |
| <b>Total</b>                   | <b>\$125,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$125,000</b>             | <b>\$150,000</b>             | <b>\$600,000</b> |

# KPU-Water Department

## FY26 - FY30 KPU-Water Department Projects



|   |                     |        |
|---|---------------------|--------|
| ● Additional Projects - Water                                 | <b>\$250,000</b>    | 0.41%  |
| ● Backflow Prevention Program                                 | <b>\$75,000</b>     | 0.12%  |
| ● Filtration Facility - Preliminary Preparation Tasks         | <b>\$5,503,000</b>  | 8.92%  |
| ● Harris Street Utility Improvements                          | <b>\$2,075,000</b>  | 3.36%  |
| ● Highlands Reservoir Property Acquisition                    | <b>\$8,740,000</b>  | 14.17% |
| ● Hillside Road Water Main Replacement                        | <b>\$1,880,000</b>  | 3.05%  |
| ● Ketchikan Lakes Alternative Raw Water Supply Piping         | <b>\$26,500,000</b> | 42.96% |
| ● Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes | <b>\$820,000</b>    | 1.33%  |
| ● Ketchikan Lakes Road Concrete Segment Reconstruction        | <b>\$930,000</b>    | 1.51%  |
| ● Park Avenue Utility Improvements                            | <b>\$2,075,000</b>  | 3.36%  |
| ● Peterson St. Water Main Rebuild                             | <b>\$850,000</b>    | 1.38%  |
| ● Pump Station Switchgear Improvements                        | <b>\$45,000</b>     | 0.07%  |
| ● Replace ClorTec Generating Cells                            | <b>\$164,000</b>    | 0.27%  |
| ● Second Avenue Main Replacement                              | <b>\$150,000</b>    | 0.24%  |
| ● Skyline Water Main Replacement                              | <b>\$1,460,000</b>  | 2.37%  |
| ● Thomas St. Water Main Replacement                           | <b>\$850,000</b>    | 1.38%  |
| ● Tongass Avenue Water Main Replacement                       | <b>\$3,500,000</b>  | 5.67%  |
| ● Utility Vehicles  | <b>\$270,000</b>    | 0.44%  |
| ● UV System - Replacement Battery Bank                        | <b>\$200,000</b>    | 0.32%  |
| ● Valve Boxes - Repair of Surrounding Pavement                | <b>\$550,000</b>    | 0.89%  |

|  |                    |       |
|--|--------------------|-------|
| ● Water Distribution Grid Improvements           | <b>\$150,000</b>   | 0.24% |
| ● Water Meters - Business & Commercial Customers | <b>\$813,282</b>   | 1.32% |
| ● Water Service Upgrade Program                  | <b>\$105,000</b>   | 0.17% |
| ● Water Street Water Main Replacement            | <b>\$2,000,000</b> | 3.24% |
| ● West Fairy Chasm Main Replacement              | <b>\$1,737,000</b> | 2.82% |

### Summary of Requests

| Project No. / Category  | FY2026      | FY2027      | FY2028      | FY2029      | FY2030       | Total               |
|---|-------------|-------------|-------------|-------------|--------------|---------------------|
| 5400-07 Additional Projects - Water                                 | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000     | <b>\$250,000</b>    |
| 5400-19 Backflow Prevention Program                                 | \$15,000    | \$15,000    | \$15,000    | \$15,000    | \$15,000     | <b>\$75,000</b>     |
| 5400-01 Filtration Facility - Preliminary Preparation Tasks         | \$390,000   | \$0         | \$5,113,000 | \$0         | \$0          | <b>\$5,503,000</b>  |
| 5400-09 Harris Street Utility Improvements                          | \$125,000   | \$1,000,000 | \$950,000   | \$0         | \$0          | <b>\$2,075,000</b>  |
| 5400-15 Highlands Reservoir Property Acquisition                    | \$540,000   | \$100,000   | \$100,000   | \$4,000,000 | \$4,000,000  | <b>\$8,740,000</b>  |
| 5400-21 Hillside Road Water Main Replacement                        | \$60,000    | \$20,000    | \$800,000   | \$1,000,000 | \$0          | <b>\$1,880,000</b>  |
| 5400-04 Ketchikan Lakes Alternative Raw Water Supply Piping         | \$2,000,000 | \$2,000,000 | \$2,500,000 | \$8,000,000 | \$12,000,000 | <b>\$26,500,000</b> |
| 5400-22 Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes | \$20,000    | \$800,000   | \$0         | \$0         | \$0          | <b>\$820,000</b>    |
| 5400-14 Ketchikan Lakes Road Concrete Segment Reconstruction        | \$80,000    | \$0         | \$850,000   | \$0         | \$0          | <b>\$930,000</b>    |
| 5400-10 Park Avenue Utility Improvements                            | \$125,000   | \$1,000,000 | \$950,000   | \$0         | \$0          | <b>\$2,075,000</b>  |

| <b>Project No. / Category</b>                                 | <b>FY2026</b>      | <b>FY2027</b>      | <b>FY2028</b>       | <b>FY2029</b>       | <b>FY2030</b>       | <b>Total</b>        |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| <b>5400-16</b> Peterson St. Water Main Rebuild                | \$0                | \$850,000          | \$0                 | \$0                 | \$0                 | <b>\$850,000</b>    |
| <b>5400-20</b> Pump Station Switchgear Improvements           | \$45,000           | \$0                | \$0                 | \$0                 | \$0                 | <b>\$45,000</b>     |
| <b>5400-06</b> Replace ClorTec Generating Cells               | \$78,000           | \$86,000           | \$0                 | \$0                 | \$0                 | <b>\$164,000</b>    |
| <b>5400-11</b> Second Avenue Main Replacement                 | \$150,000          | \$0                | \$0                 | \$0                 | \$0                 | <b>\$150,000</b>    |
| <b>5400-24</b> Skyline Water Main Replacement                 | \$70,000           | \$0                | \$0                 | \$390,000           | \$1,000,000         | <b>\$1,460,000</b>  |
| <b>5400-13</b> Thomas St. Water Main Replacement              | \$0                | \$850,000          | \$0                 | \$0                 | \$0                 | <b>\$850,000</b>    |
| <b>5400-03</b> Tongass Avenue Water Main Replacement          | \$100,000          | \$1,200,000        | \$2,200,000         | \$0                 | \$0                 | <b>\$3,500,000</b>  |
| <b>5400-17</b> Utility Vehicles                               | \$175,000          | \$95,000           | \$0                 | \$0                 | \$0                 | <b>\$270,000</b>    |
| <b>5400-25</b> UV System - Replacement Battery Bank           | \$0                | \$0                | \$0                 | \$200,000           | \$0                 | <b>\$200,000</b>    |
| <b>5400-12</b> Valve Boxes - Repair of Surrounding Pavement   | \$110,000          | \$110,000          | \$110,000           | \$110,000           | \$110,000           | <b>\$550,000</b>    |
| <b>5400-08</b> Water Distribution Grid Improvements           | \$30,000           | \$30,000           | \$30,000            | \$30,000            | \$30,000            | <b>\$150,000</b>    |
| <b>5400-05</b> Water Meters - Business & Commercial Customers | \$813,282          | \$0                | \$0                 | \$0                 | \$0                 | <b>\$813,282</b>    |
| <b>5400-18</b> Water Service Upgrade Program                  | \$21,000           | \$21,000           | \$21,000            | \$21,000            | \$21,000            | <b>\$105,000</b>    |
| <b>5400-02</b> Water Street Water Main Replacement            | \$200,000          | \$700,000          | \$650,000           | \$450,000           | \$0                 | <b>\$2,000,000</b>  |
| <b>5400-23</b> West Fairy Chasm Main Replacement              | \$87,000           | \$0                | \$0                 | \$650,000           | \$1,000,000         | <b>\$1,737,000</b>  |
| <b>Total Summary of Requests</b>                              | <b>\$5,284,282</b> | <b>\$8,927,000</b> | <b>\$14,339,000</b> | <b>\$14,916,000</b> | <b>\$18,226,000</b> | <b>\$61,692,282</b> |

# Additional Projects - Water

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-07              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

This account provides for the cost of fire hydrants and other related materials, which are provided by the Utility in water line extensions and are then incorporated into the municipal water system. This account also provides a source of funds for repair or installing new valve boxes in City streets when Public Works' annual repaving projects occur. Asphalt paving costs and the associated work performed by the contractor have continued to substantially increase during 2025. Although specific streets have not yet been selected for asphalt paving in 2026, there will be paving scheduled for next year. This project has been an ongoing initiative of the division to make incremental improvements in cooperation with Public Works Department projects and other community projects.

## Details

**Type of Project:** Improvement

## Capital Cost

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$250K**

Project Total

**\$250K**

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Construction/Maintenance | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | <b>\$250,000</b> |
| <b>Total</b>             | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$250,000</b> |

## Funding Sources

FY2026 Budget

**\$50K**

Total Budget (all years)

**\$250K**

Project Total

**\$250K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | \$50,000                            | <b>\$250,000</b> |
| <b>Total</b>                   | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$50,000</b>                     | <b>\$250,000</b> |

# Backflow Prevention Program

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-19              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

This grant-in-aid program was established in 1995, and has been an ongoing division initiative to encourage businesses to install backflow preventers to help protect the municipal water system. This program is part of ADEC's mandated cross-connection control regulations which require the Utility to be responsible for system-wide protection. Until 2001, Ketchikan's lack of adoption and enforcement of the Uniform Plumbing Code allowed many substandard installations to be constructed within the City. Older sprinkler systems with just a single check are a particular problem. They cannot be tested and they leak contaminated water into the municipal system any time the adjacent water main is isolated and drained for repairs. Currently at least 19 systems, all installed before Ketchikan adopted the 2012 Uniform Plumbing Code which made backflow protection mandatory, are in need of backflow preventers. Participation is voluntary and the last time any business took advantage of the program was 2017. To encourage business owners to become compliant and protect the City's water system, reimbursement to the property owner is 50% of the installed cost of the backflow preventer, or \$3,000, whichever is the lesser.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$15K</b>  | <b>\$75K</b>             | <b>\$75K</b>  |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>    |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|
| Construction/Maintenance | \$15,000                            | \$15,000                            | \$15,000                            | \$15,000                            | \$15,000                            | <b>\$75,000</b> |
| <b>Total</b>             | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$75,000</b> |

## Funding Sources

FY2026 Budget

**\$15K**

Total Budget (all years)

**\$75K**

Project Total

**\$75K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>    |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|
| KPU Revenue<br>Generating Fund | \$15,000                            | \$15,000                            | \$15,000                            | \$15,000                            | \$15,000                            | <b>\$75,000</b> |
| <b>Total</b>                   | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$15,000</b>                     | <b>\$75,000</b> |

# Filtration Facility - Preliminary Preparation Tasks

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-01              |
| <b>Estimated Start Date</b>      | 01/1/2020            |
| <b>Estimated Completion Date</b> | 12/31/2028           |

## Description

While EPA Region 10 deliberations are continuing on the merits of granting Ketchikan a Limited Alternative to Filtration (LAF), significant progress has been achieved and it is entirely conceivable that a LAF may be granted before the end of 2025. KPU anticipates this LAF will require additional disinfection treatment as another layer of continued public health protection, similar to Seattle's Cedar water treatment requirements and will likely include future anticipated tasks that will be necessary for compliance. The State of Alaska has published LAF regulations. After the EPA approval is granted and KPU will follow the State's compliance schedule (estimated to be 3 to 5 years). During that period, KPU will implement the ADEC permit requirements and prepare grant and loan applications for the anticipated capital improvements. To begin the process, KPU authorized the preliminary design for a third UV Reactor in February 2024 in Amendment No. 6 to Contract 19-44 with Jacobs Engineering. Once the final terms of Ketchikan's LAF are known, their work will continue completing the design and KPU will begin seeking construction funding through State of Alaska Drinking Water Loans.

## Details

**Type of Project:** New Construction

### Capital Cost

FY2026 Budget  
**\$390K**

Total Budget (all years)  
**\$5.5M**

Project Total  
**\$5.5M**

#### Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$5,113,000                  | \$5,113,000        |
| Design                   | \$390,000                    | \$0                          | \$390,000          |
| <b>Total</b>             | <b>\$390,000</b>             | <b>\$5,113,000</b>           | <b>\$5,503,000</b> |

### Funding Sources

FY2026 Budget  
**\$390K**

Total Budget (all years)  
**\$5.5M**

Project Total  
**\$5.5M**

#### Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|-----------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing              | \$0                          | \$5,113,000                  | \$5,113,000        |
| KPU Revenue Generating Fund | \$390,000                    | \$0                          | \$390,000          |
| <b>Total</b>                | <b>\$390,000</b>             | <b>\$5,113,000</b>           | <b>\$5,503,000</b> |

# Harris Street Utility Improvements

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-09              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2028           |

## Description

Harris Street's 855 feet of cast-iron water mains extending from Park Avenue to the end at 833 Harris were originally installed in 1956 and 1969. Since then, there has been no further progress replacing this fragile, old 6-inch cast-iron water main with 8-inch HDPE pipe. Including the corrugated metal sewer pipe, both are long overdue for replacement with non-corrodible plastic pipe. This will be a joint venture between Public Works and KPU Water Division and the design of the Harris Street Utility Improvement Project will begin in 2026. In addition, Public Works is proposing to replace the Harris Street stacked rock retaining wall alongside Ketchikan Creek with a concrete structure. Municipal Assistance Funding will be sought and this would be a prime project to have already designed, submitted for ADEC approval, and gain maximum points. A preliminary cost estimate of construction is included.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$125K</b> | <b>\$2.08M</b>           | <b>\$2.08M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2027<br/><i>In Progress</i></b> | <b>FY2028<br/><i>In Progress</i></b> | <b>Total</b>       |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Construction/Maintenance | \$0                                  | \$1,000,000                          | \$950,000                            | <b>\$1,950,000</b> |
| Design                   | \$125,000                            | \$0                                  | \$0                                  | <b>\$125,000</b>   |
| <b>Total</b>             | <b>\$125,000</b>                     | <b>\$1,000,000</b>                   | <b>\$950,000</b>                     | <b>\$2,075,000</b> |

## Funding Sources

FY2026 Budget  
**\$125K**

Total Budget (all years)  
**\$2.08M**

Project Total  
**\$2.08M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing                 | \$0                          | \$500,000                    | \$475,000                    | <b>\$975,000</b>   |
| Grant Funding                  | \$0                          | \$500,000                    | \$475,000                    | <b>\$975,000</b>   |
| KPU Revenue<br>Generating Fund | \$125,000                    | \$0                          | \$0                          | <b>\$125,000</b>   |
| <b>Total</b>                   | <b>\$125,000</b>             | <b>\$1,000,000</b>           | <b>\$950,000</b>             | <b>\$2,075,000</b> |

# Highlands Reservoir Property Acquisition

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-15              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2034           |

## Description

Ketchikan is located in Earthquake Seismic Zone 3 (major damage). The Highlands Reservoir provides modest fire protection for the surrounding residential area including the State Jail, the Library, and other commercial buildings on Copper Ridge Lane. Ketchikan's last remaining wood-stave reservoir built in 1982 will not survive a significant earthquake, nor can it be economically retrofitted with additional shear protection. **If damaged, there are no remaining sources of wood-stave repair parts to be found anywhere.** The individual wooden staves are only held together by friction, and when they collapse during a severe earthquake, they will suddenly release 300,000 gallons of water causing significant damage downstream. Although discussions began in 2015 to acquire the necessary adjacent property at the same elevation needed to construct a modern, much larger reservoir, the sale is estimated at \$540,000. Once purchased, site investigations should begin in 2025 before beginning the construction of a large, modern 650,000 gallon reservoir. The design and construction funding will take at least another 8-10 years before the project is complete, and construction would begin around 2028 with an expected cost of about \$5 - 8 million.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$540K</b> | <b>\$8.74M</b>           | <b>\$8.74M</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$0                          | \$0                          | \$4,000,000                  | \$4,000,000                  | <b>\$8,000,000</b> |
| Land/Right-of-way        | \$540,000                    | \$0                          | \$0                          | \$0                          | \$0                          | <b>\$540,000</b>   |
| Design                   | \$0                          | \$100,000                    | \$100,000                    | \$0                          | \$0                          | <b>\$200,000</b>   |
| <b>Total</b>             | <b>\$540,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$4,000,000</b>           | <b>\$4,000,000</b>           | <b>\$8,740,000</b> |

## Funding Sources

FY2026 Budget

**\$540K**

Total Budget (all years)

**\$8.74M**

Project Total

**\$8.74M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Grant Funding                  | \$0                          | \$100,000                    | \$100,000                    | \$4,000,000                  | \$4,000,000                  | <b>\$8,200,000</b> |
| KPU Revenue<br>Generating Fund | \$540,000                    | \$0                          | \$0                          | \$0                          | \$0                          | <b>\$540,000</b>   |
| <b>Total</b>                   | <b>\$540,000</b>             | <b>\$100,000</b>             | <b>\$100,000</b>             | <b>\$4,000,000</b>           | <b>\$4,000,000</b>           | <b>\$8,740,000</b> |

# Hillside Road Water Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-21              |
| <b>Estimated Start Date</b>      | 01/1/2025            |
| <b>Estimated Completion Date</b> | 12/31/2029           |

## Description

Installed in 1973, this 50-year old ductile iron main water main has reached the end of its reliable service life and is overdue for replacement with non-corrodible 8-inch HDPE polyethylene pipe. In just this single 32-foot segment of its entire 847-foot length, numerous pitting failures were discovered in March 2024 that have been caused by severe electrolytic corrosion along the bottom of the pipe. Ductile iron pipe with a 6-inch diameter only has a wall thickness of 5/16-inch and some of the pits are already over 1/8-inch deep in this 50-year old pipe which indicates further failures are likely to occur in the near future. Overall, Hillside Road's water main is another example of the need to replace our old and failing infrastructure with corrosion-resistant HDPE plastic pipe before it reaches the failure point.

This project is a joint venture between KPU Water and Public Works who have hired R&M Engineering in 2024 to prepare the 65% design. A further expenditure will be needed to create a bid-ready 95% design. Should Municipal Assistance Funding ever become available again, this would be another prime project that is already designed along with the Skyline, West Fairy Chasm, and Second Avenue projects and would have received ADEC approval for maximum points.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$60K</b>  | <b>\$1.88M</b>           | <b>\$1.88M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2027<br/><i>In Progress</i></b> | <b>FY2028<br/><i>In Progress</i></b> | <b>FY2029<br/><i>In Progress</i></b> | <b>Total</b>       |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Construction/Maintenance | \$0                                  | \$0                                  | \$800,000                            | \$1,000,000                          | <b>\$1,800,000</b> |
| Design                   | \$60,000                             | \$20,000                             | \$0                                  | \$0                                  | <b>\$80,000</b>    |
| <b>Total</b>             | <b>\$60,000</b>                      | <b>\$20,000</b>                      | <b>\$800,000</b>                     | <b>\$1,000,000</b>                   | <b>\$1,880,000</b> |

## Funding Sources

FY2026 Budget

**\$60K**

Total Budget (all years)

**\$1.88M**

Project Total

**\$1.88M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing                 | \$0                          | \$0                          | \$400,000                    | \$500,000                    | <b>\$900,000</b>   |
| Grant Funding                  | \$0                          | \$0                          | \$400,000                    | \$500,000                    | <b>\$900,000</b>   |
| KPU Revenue<br>Generating Fund | \$60,000                     | \$20,000                     | \$0                          | \$0                          | <b>\$80,000</b>    |
| <b>Total</b>                   | <b>\$60,000</b>              | <b>\$20,000</b>              | <b>\$800,000</b>             | <b>\$1,000,000</b>           | <b>\$1,880,000</b> |

# Ketchikan Lakes Alternative Raw Water Supply Piping

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-04              |
| <b>Estimated Start Date</b>      | 01/1/2025            |
| <b>Estimated Completion Date</b> | 12/30/2031           |

## Description

Currently, raw water from Ketchikan Lakes travels via tunnels and penstocks downhill to the existing hydro-electric power plant and water treatment plant. This project will construct new raw water supply piping along an alternative route separate from the existing system. This will allow for a long overdue inspection of the existing tunnel system (constructed in the 1920s), and much needed repair or replacement of the three existing 36" penstock gate valves without impacting the water supply for the city. The new water supply route would allow for improved raw water quality, increased hydro-electric production, and critical infrastructure redundancy. The existing tunnel system could still be utilized as a back-up water supply route as needed once inspected and repaired. After Statements of Qualifications were received from qualified professionals, the design work was awarded to Jacobs Engineering on September 19th. Negotiations for the cost of the design will begin including establishing if a lake tap rather than tapping into the penstocks is even financially feasible. If approved, design would begin in 2026, followed by procurement of construction funding via applying for an Alaska Drinking Water Fund loan and for Dam Safety Hydropower grants starting in 2026. Construction would begin in 2029. Until this design is completed, the estimated design cost is \$6.2-million and the construction cost is unknown but the initial estimate is at least \$20-million.

## Details

**Type of Project:** New Construction

## Capital Cost

FY2026 Budget

**\$2M**

Total Budget (all years)

**\$26.5M**

Project Total

**\$26.5M**

### Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total               |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| Construction/Maintenance | \$0                          | \$0                          | \$0                          | \$8,000,000                  | \$12,000,000                 | <b>\$20,000,000</b> |
| Engineering              | \$2,000,000                  | \$2,000,000                  | \$2,500,000                  | \$0                          | \$0                          | <b>\$6,500,000</b>  |
| <b>Total</b>             | <b>\$2,000,000</b>           | <b>\$2,000,000</b>           | <b>\$2,500,000</b>           | <b>\$8,000,000</b>           | <b>\$12,000,000</b>          | <b>\$26,500,000</b> |

## Funding Sources

FY2026 Budget

**\$2M**

Total Budget (all years)

**\$26.5M**

Project Total

**\$26.5M**

### Detailed Breakdown

| Category       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total               |
|----------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| Debt Financing | \$2,000,000                  | \$2,000,000                  | \$2,500,000                  | \$4,000,000                  | \$6,000,000                  | <b>\$16,500,000</b> |
| Grant Funding  | \$0                          | \$0                          | \$0                          | \$4,000,000                  | \$6,000,000                  | <b>\$10,000,000</b> |
| <b>Total</b>   | <b>\$2,000,000</b>           | <b>\$2,000,000</b>           | <b>\$2,500,000</b>           | <b>\$8,000,000</b>           | <b>\$12,000,000</b>          | <b>\$26,500,000</b> |

# Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-22              |
| <b>Estimated Start Date</b>      | 01/1/2025            |
| <b>Estimated Completion Date</b> | 12/31/2025           |

## Description

Like Hillside Road, KPU is experiencing failures in Ketchikan Lakes Road's 12-inch ductile iron water main segment, particularly in the 220-foot segment between the Deermount and Lotus Streets intersection. There have been three adjacent failures within an 11-foot length in 2023 and this segment of the 41-year old ductile iron water main has reached the end of its reliable service life. Of the failed segment that was removed, the thinnest wall thickness along the cut edge was only 0.068-inch (a little more than 1/16<sup>th</sup> inch remains). The initial 600-foot portion of this ductile iron main was installed in 1983, 41 years ago, and is overdue for replacement.

Although Public Works only has storm drains to replace in this segment, this project is another joint venture between KPU Water and Public Works, who have hired R&M Engineering in 2024 to prepare the 95% design for its replacement with 600 feet of 16-inch HDPE pipe.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$20K</b>  | <b>\$820K</b>            | <b>\$820K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------------------|------------------------------|------------------------------|------------------|
| Construction/Maintenance | \$0                          | \$800,000                    | <b>\$800,000</b> |
| Design                   | \$20,000                     | \$0                          | <b>\$20,000</b>  |
| <b>Total</b>             | <b>\$20,000</b>              | <b>\$800,000</b>             | <b>\$820,000</b> |

## Funding Sources

FY2026 Budget

**\$20K**

Total Budget (all years)

**\$820K**

Project Total

**\$820K**

## Detailed Breakdown

| Category        | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|-----------------|------------------------------|------------------------------|------------------|
| KPU Revenue     | \$20,000                     | \$800,000                    | <b>\$820,000</b> |
| Generating Fund |                              |                              |                  |
| <b>Total</b>    | <b>\$20,000</b>              | <b>\$800,000</b>             | <b>\$820,000</b> |

# Ketchikan Lakes Road Concrete Segment Reconstruction

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-14              |
| <b>Estimated Start Date</b>      | 01/5/2026            |
| <b>Estimated Completion Date</b> | 10/30/2028           |

## Description

Further up Ketchikan Lakes Road beyond a separately listed KPU Water project between Deermount St. and 1254 Ktn. Lakes Road, Public Works is proposing an entirely separate project for the design and replacement of the remaining roadway's badly deteriorated concrete pavement and the ductile iron water and sewer mains installed in 1990 & 1991 extending from 1254 Ktn. Lakes Road to the Confidence Zone Pump Station and extending up to the roadway intersection with Nordstrom Drive.

## Details

**Type of Project:** Improvement

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$80K</b>  | <b>\$930K</b>            | <b>\$930K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total            |
|--------------------------|------------------------------|------------------------------|------------------|
| Construction/Maintenance | \$0                          | \$850,000                    | <b>\$850,000</b> |
| Design                   | \$80,000                     | \$0                          | <b>\$80,000</b>  |
| <b>Total</b>             | <b>\$80,000</b>              | <b>\$850,000</b>             | <b>\$930,000</b> |

## Funding Sources

FY2026 Budget

**\$80K**

Total Budget (all years)

**\$930K**

Project Total

**\$930K**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2028<br/><i>In Progress</i></b> | <b>Total</b>     |
|--------------------------------|--------------------------------------|--------------------------------------|------------------|
| Grant Funding                  | \$0                                  | \$850,000                            | <b>\$850,000</b> |
| KPU Revenue<br>Generating Fund | \$80,000                             | \$0                                  | <b>\$80,000</b>  |
| <b>Total</b>                   | <b>\$80,000</b>                      | <b>\$850,000</b>                     | <b>\$930,000</b> |

# Park Avenue Utility Improvements

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-10              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2028           |

## Description

Park Avenue's 1170 feet of ductile-iron water main extending from Freeman Street to the intersection of Bawden Street was originally installed in 1988. Although it has remained trouble-free for the past 35 years, not so the wastewater main which Public Works proposes to begin replacement design in 2026, continue into 2027, and construct in 2028. There is no present funding available for its replacement but if there were, it will be a joint venture between Public Works and the Water Division to replace the ductile iron water main and services with 12-inch non-corrodible HDPE polyethylene pipe. Municipal Assistance Funding will be sought, this would be a prime project to have already designed, submitted for ADEC approval, and gain maximum points. A preliminary cost estimate of construction is included.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$125K</b> | <b>\$2.08M</b>           | <b>\$2.08M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2027<br/><i>In Progress</i></b> | <b>FY2028<br/><i>In Progress</i></b> | <b>Total</b>       |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Construction/Maintenance | \$0                                  | \$1,000,000                          | \$950,000                            | <b>\$1,950,000</b> |
| Design                   | \$125,000                            | \$0                                  | \$0                                  | <b>\$125,000</b>   |
| <b>Total</b>             | <b>\$125,000</b>                     | <b>\$1,000,000</b>                   | <b>\$950,000</b>                     | <b>\$2,075,000</b> |

## Funding Sources

FY2026 Budget

**\$125K**

Total Budget (all years)

**\$2.08M**

Project Total

**\$2.08M**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Debt Financing                 | \$0                                 | \$500,000                           | \$475,000                           | <b>\$975,000</b>   |
| Grant Funding                  | \$0                                 | \$500,000                           | \$475,000                           | <b>\$975,000</b>   |
| KPU Revenue<br>Generating Fund | \$125,000                           | \$0                                 | \$0                                 | <b>\$125,000</b>   |
| <b>Total</b>                   | <b>\$125,000</b>                    | <b>\$1,000,000</b>                  | <b>\$950,000</b>                    | <b>\$2,075,000</b> |

# Peterson St. Water Main Rebuild

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-16              |
| <b>Estimated Start Date</b>      | 01/1/2027            |
| <b>Estimated Completion Date</b> | 12/31/2029           |

## Description

During January 2022, Peterson Street’s flawed cast-iron water main froze and broke. Installed in 1962 in a substandard manner with only 2-feet depth of cover, it depended on the adjacent residences using bleeders during the winter to not only keep their water services unfrozen but to also protect the cast-iron main. Two of these residences had been destroyed earlier due to fire and when another frozen service occurred at the end of the street, the Peterson Street main also froze. Public Works has completed a design of the Peterson Street Utility Improvement Project for both water and sewer replacement with non-corrodible plastic pipe for the entire 280-foot length and proposes to begin construction in 2027.

Budgeted in 2023 - \$374,000

Budgeted in 2024 - \$353,500

Deferred in 2025 - \$350,000

Deferred in 2026 - \$350,000

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$850K</b>            | <b>\$850K</b> |

## Detailed Breakdown

| Category                 | FY2027<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$850,000</b>             |
| <b>Total</b>             | <b>\$850,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$850K</b>            | <b>\$850K</b> |

## Detailed Breakdown

| Category                    | FY2027<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| Debt Financing              | <b>\$500,000</b>             |
| KPU Revenue Generating Fund | <b>\$350,000</b>             |
| <b>Total</b>                | <b>\$850,000</b>             |

# Pump Station Switchgear Improvements

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-20              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2026           |

## Description

Each pump station will be upgraded individually in order of highest concern to lowest concern which began in 2022 with the Baranof Zone, the Confidence Zone in 2023, and the Highlands Zone in 2024. The Carlanna Zone is fourth and final pump station that was originally installed in 1987, 38 years ago. As with our earlier pump station upgrades, the replacement motor and pump will be equipped with a modern, solid-state soft starter. Solid-state soft motor starters have a smooth acceleration to full speed, have no moving components, minimal reactive power losses, and cost about half as much as a mechanical motor starters formerly used.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$45K</b>  | <b>\$45K</b>             | <b>\$45K</b>  |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$45,000</b>              |
| <b>Total</b>             | <b>\$45,000</b>              |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$45K</b>  | <b>\$45K</b>             | <b>\$45K</b>  |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$45,000</b>              |
| <b>Total</b>                | <b>\$45,000</b>              |

# Replace ClorTec Generating Cells

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-06              |
| <b>Estimated Start Date</b>      | 06/30/2025           |
| <b>Estimated Completion Date</b> | 06/30/2027           |

## Description

Since September 16, 2002, KPU has been using proprietary ClorTec titanium generating cells to manufacture a 0.8% sodium hypochlorite disinfection solution. This process involves electrolytic separation by impressing a controlled amount of direct current (DC) electricity onto the titanium electrodes submerged in a saturated salt brine solution. A certain amount of degradation also occurs to the titanium generating cells themselves during their operation and they have an expected service life of about 7 years. Fortunately, Ketchikan's water is very soft with minimal hardness and buffering with the result in initial cells serving for 12 years, much longer than expected before being replaced in 2015. The Two-Point Chlorination Facility, which also uses the same design ClorTec generating cells, began service in 2016. These two facilities with 4 machines have a total of 10 cells in service that are being replaced as required. Beginning in 2023 with the two older 3-cell machines, KPU began building sufficient cell inventory that will allow one ClorTech machine to be re-equipped every year followed by the 2-cell machines. Each cell is estimated to cost about \$39,000 in 2026 with a 10% inflation allowance for the final purchase made during 2027.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$78K</b>  | <b>\$164K</b>            | <b>\$164K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------------------|------------------------------|------------------------------|------------------|
| Construction/Maintenance | \$78,000                     | \$86,000                     | <b>\$164,000</b> |
| <b>Total</b>             | <b>\$78,000</b>              | <b>\$86,000</b>              | <b>\$164,000</b> |

## Funding Sources

FY2026 Budget

**\$78K**

Total Budget (all years)

**\$164K**

Project Total

**\$164K**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | Total            |
|--------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$78,000                     | \$86,000                     | <b>\$164,000</b> |
| <b>Total</b>                   | <b>\$78,000</b>              | <b>\$86,000</b>              | <b>\$164,000</b> |

# Second Avenue Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-11              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2027           |

## Description

In the aftermath of the Third Avenue Landslide, which also destroyed a portion of Second Avenue's asphalt roadway between White Cliff to 2034 2nd Avenue, KPU Water in conjunction with Public Works, proposes to use this opportunity to replace about 310 feet of the existing 6-inch cast iron main with 8-inch HDPE pipe in 2026.

In addition, Second Avenue's cast-iron water mains were originally installed in a number of segments between 1956 and 1958. Only the failing water and sewer portions between Madison and Adams Streets were replaced in 2001. There have been four further failures in the 1275-foot portion between Adams and White Cliff of this fragile, old 6-inch cast-iron water main which is long overdue for replacement with non-corrodible 8-inch HDPE polyethylene pipe. Should Municipal Assistance Funding ever become available again, this would be another prime project that is already designed along with the Skyline, West Fairy Chasm, and Hillside projects and would have received ADEC approval for maximum points. Proposed for design in 2026 and construction in 2027.

Grant funding is proposed to be: 100% Revenue funding with a request for Federal Emergency Relief Funding for reimbursement.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$150K</b> | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category     | FY2026<br><i>In Progress</i> |
|--------------|------------------------------|
| Design       | <b>\$150,000</b>             |
| <b>Total</b> | <b>\$150,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$150K</b> | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> |
|-----------------------------|------------------------------|
| KPU Revenue Generating Fund | <b>\$150,000</b>             |
| <b>Total</b>                | <b>\$150,000</b>             |

# Skyline Water Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-24              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

The 560-foot ductile-iron 8-inch water line serving Skyline Condominiums is an unusual proposition. It is not installed in a dedicated right-of-way but rather through a series of easements that begin by passing through the side yard of 1111 Jackson, then across Skyline Condominium's property, and finally connecting to Carlanna Lake Road. Installed in 1983, it too is continuing to fail due to electrolytic corrosion, most recently in August 2021, and is overdue for replacement with non-corrodible 10-inch HDPE polyethylene pipe. Designs for this, West Fairy Chasm, Hillside and Second Avenue would be issued as a combined design contract with a single firm. Municipal Assistance Funding will be sought and this would be a prime project that is already designed and has received ADEC approval for maximum points.

## Details

**Type of Project:** Improvement

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$70K</b>  | <b>\$1.46M</b>           | <b>\$1.46M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2029<br/><i>In Progress</i></b> | <b>FY2030<br/><i>In Progress</i></b> | <b>Total</b>       |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Construction/Maintenance | \$0                                  | \$390,000                            | \$1,000,000                          | <b>\$1,390,000</b> |
| Design                   | \$70,000                             | \$0                                  | \$0                                  | <b>\$70,000</b>    |
| <b>Total</b>             | <b>\$70,000</b>                      | <b>\$390,000</b>                     | <b>\$1,000,000</b>                   | <b>\$1,460,000</b> |

## Funding Sources

FY2026 Budget

**\$70K**

Total Budget (all years)

**\$1.46M**

Project Total

**\$1.46M**

### Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing                 | \$0                          | \$195,000                    | \$500,000                    | <b>\$695,000</b>   |
| Grant Funding                  | \$0                          | \$195,000                    | \$500,000                    | <b>\$695,000</b>   |
| KPU Revenue<br>Generating Fund | \$70,000                     | \$0                          | \$0                          | <b>\$70,000</b>    |
| <b>Total</b>                   | <b>\$70,000</b>              | <b>\$390,000</b>             | <b>\$1,000,000</b>           | <b>\$1,460,000</b> |

# Thomas St. Water Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-13              |
| <b>Estimated Start Date</b>      | 03/1/2027            |
| <b>Estimated Completion Date</b> | 10/29/2027           |

## Description

Although Greater Ketchikan Community Requests for Fiscal Year 2027 State Funding have already been submitted for both Water Street and Tongass Avenue, the Thomas St. Water Main is another water main in a similar condition. Just like those water mains, it, too, is a failing ductile iron water main installed along the waterfront that is hanging beneath Thomas St. It was installed in 1989 and is also severely corroded by being submerged in salt water twice a day for 36 years. The mechanical fastenings supporting the main are failing and the entire 540 feet of 6-inch ductile iron main and services need replacement with new, non-corrodible 8-inch HDPE pipe. It provides both potable water and the critical fire protection for some of the oldest wooden buildings remaining in Ketchikan, all of which are built on exposed creosote pilings in the Thomas Basin boat harbor.

## Details

**Type of Project:** Improvement

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$850K</b>            | <b>\$850K</b> |

## Detailed Breakdown

| Category                 | FY2027<br><i>In Progress</i> |
|--------------------------|------------------------------|
| Construction/Maintenance | <b>\$850,000</b>             |
| <b>Total</b>             | <b>\$850,000</b>             |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$850K</b>            | <b>\$850K</b> |

## Detailed Breakdown

| Category       | FY2027<br><i>In Progress</i> |
|----------------|------------------------------|
| Debt Financing | <b>\$850,000</b>             |
| <b>Total</b>   | <b>\$850,000</b>             |

# Tongass Avenue Water Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-03              |
| <b>Estimated Start Date</b>      | 10/1/2025            |
| <b>Estimated Completion Date</b> | 12/15/2028           |

## Description

A Greater Ketchikan Community Request for Fiscal Year 2027 State Funding in the amount of \$3.5-million has been submitted for the replacement of 2035 feet of failing ductile iron water main both buried and hanging beneath the DOT's Tongass Avenue viaduct between Pump Station No. 3 (Kennedy St.) and extending to near 1645 Tongass (intersection with Tremont St.). This critical water main supplies potable water and fire protection as the primary water transmission main to Ketchikan's West End area of the community. Installed in 1993, it has been submerged in salt water twice a day for over 30 years and is now severely corroded. The mechanical fastenings supporting the main are failing and the entire main and services need replacement with new, non-corrodible, 24-inch HOPE pipe. This is an important and urgent project being coordinated with the Alaska DOT&PF's ongoing viaduct renovation project that will include both Public Works and KPU Water's replacement of wastewater and water infrastructure. DOWL Engineering, working in coordination with the DOT&PF, is preparing the utility designs.

## Details

**Type of Project:** Improvement

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$100K</b> | <b>\$3.5M</b>            | <b>\$3.5M</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$1,000,000                  | \$2,100,000                  | <b>\$3,100,000</b> |
| Engineering              | \$0                          | \$100,000                    | \$100,000                    | <b>\$200,000</b>   |
| Design                   | \$100,000                    | \$100,000                    | \$0                          | <b>\$200,000</b>   |
| <b>Total</b>             | <b>\$100,000</b>             | <b>\$1,200,000</b>           | <b>\$2,200,000</b>           | <b>\$3,500,000</b> |

## Funding Sources

FY2026 Budget

**\$100K**

Total Budget (all years)

**\$3.5M**

Project Total

**\$3.5M**

## Detailed Breakdown

| Category       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|----------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing | \$100,000                    | \$1,200,000                  | \$2,200,000                  | \$0                          | \$0                          | <b>\$3,500,000</b> |
| <b>Total</b>   | <b>\$100,000</b>             | <b>\$1,200,000</b>           | <b>\$2,200,000</b>           | <b>\$0</b>                   | <b>\$0</b>                   | <b>\$3,500,000</b> |

# Utility Vehicles

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-17              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2027           |

## Description

The division requests approval of \$175,000 for the 2026 purchase of a replacement for the Kubota rubber tracked backhoe with transport trailer. Jointly shared by the divisions, it was purchased in 2007 and is supremely useful in tight situations where a large, rubber-tired backhoe won't fit. However, it is reaching the end of its useful service life and now requires significant repairs to the drive system. The oldest service truck in the fleet is Vehicle 185-95 which was purchased in 2011. It will be 16 years old when it is replaced in 2027 and will cost about \$95,000.

## Capital Cost

FY2026 Budget

**\$175K**

Total Budget (all years)

**\$270K**

Project Total

**\$270K**

## Detailed Breakdown

| <b>Category</b>               | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2027<br/><i>In Progress</i></b> | <b>Total</b>     |
|-------------------------------|--------------------------------------|--------------------------------------|------------------|
| Equipment/Vehicle/Furnishings | \$175,000                            | \$95,000                             | <b>\$270,000</b> |
| <b>Total</b>                  | <b>\$175,000</b>                     | <b>\$95,000</b>                      | <b>\$270,000</b> |

## Funding Sources

FY2026 Budget

**\$175K**

Total Budget (all years)

**\$270K**

Project Total

**\$270K**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026<br/><i>In Progress</i></b> | <b>FY2027<br/><i>In Progress</i></b> | <b>Total</b>     |
|--------------------------------|--------------------------------------|--------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$175,000                            | \$95,000                             | <b>\$270,000</b> |
| <b>Total</b>                   | <b>\$175,000</b>                     | <b>\$95,000</b>                      | <b>\$270,000</b> |

# UV System - Replacement Battery Bank

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-25              |
| <b>Estimated Start Date</b>      | 01/2/2029            |
| <b>Estimated Completion Date</b> | 12/31/2029           |

## Description

Replace the existing battery bank that is reaching the end of its service life. Repair parts for the existing battery bank system are no longer supported by the manufacturer.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category                      | FY2029             |
|-------------------------------|--------------------|
| Equipment/Vehicle/Furnishings | <i>In Progress</i> |
|                               | <b>\$200,000</b>   |
| <b>Total</b>                  | <b>\$200,000</b>   |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$0</b>    | <b>\$200K</b>            | <b>\$200K</b> |

## Detailed Breakdown

| Category      | FY2029             |
|---------------|--------------------|
| Grant Funding | <i>In Progress</i> |
|               | <b>\$200,000</b>   |
| <b>Total</b>  | <b>\$200,000</b>   |

# Valve Boxes - Repair of Surrounding Pavement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-12              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

In order for the Water Division to respond immediately to water main failures that occur beneath Ketchikan's streets, it must have ready access through the valve boxes to its in-line water main valves and hydrant valves in the street. In the 7-year period before 2020, when repavement of an asphalt street occurred, all cast-iron valve boxes were first lowered below the finished grade. After repavement was completed, a diamond shape was cut in the new asphalt, the valve box raised to the surface, and the surrounding diamond then refilled with warm asphalt. Unfortunately, the resultant compaction was minimal which allowed water to penetrate the new asphalt diamond. During the next subfreezing winter season, this became ice which expanded and caused the asphalt diamond to crack and fail. Since 2020, Ketchikan has ceased cutting these diamonds and brings critical valve boxes to the surface during the asphalt repaving process. This project continues the repairs made to the remaining failed asphalt diamonds until the street can be repaved correctly. Asphalt paving costs have continued to increase in 2025 and a \$10,000 increase is proposed for 2026.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$110K</b> | <b>\$550K</b>            | <b>\$550K</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Construction/Maintenance | \$110,000                           | \$110,000                           | \$110,000                           | \$110,000                           | \$110,000                           | \$550,000        |
| <b>Total</b>             | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$550,000</b> |

## Funding Sources

FY2026 Budget

**\$110K**

Total Budget (all years)

**\$550K**

Project Total

**\$550K**

## Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$110,000                           | \$110,000                           | \$110,000                           | \$110,000                           | \$110,000                           | <b>\$550,000</b> |
| <b>Total</b>                   | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$110,000</b>                    | <b>\$550,000</b> |

# Water Distribution Grid Improvements

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-08              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

Each year in conjunction with the work of other agencies, the Water Division is presented with opportunities to undertake repairs to improve the municipal water system. This account provides the funding for such improvements.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$30K</b>  | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| Construction/Maintenance | \$30,000                     | \$30,000                     | \$30,000                     | \$30,000                     | \$30,000                     | <b>\$150,000</b> |
| <b>Total</b>             | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$150,000</b> |

## Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$30K</b>  | <b>\$150K</b>            | <b>\$150K</b> |

## Detailed Breakdown

| Category                    | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total            |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------|
| KPU Revenue Generating Fund | \$30,000                     | \$30,000                     | \$30,000                     | \$30,000                     | \$30,000                     | <b>\$150,000</b> |
| <b>Total</b>                | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$30,000</b>              | <b>\$150,000</b> |

# Water Meters - Business & Commercial Customers

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-05              |
| <b>Estimated Start Date</b>      | 01/1/2025            |
| <b>Estimated Completion Date</b> | 09/1/2027            |

## Description

Although a total of 192 water meters are now installed throughout the community, approximately 270 unmetered businesses, commercial buildings, and apartment complexes that are 4-plex or larger still remain to have meters installed. A comprehensive spreadsheet has been prepared in 2025 that identifies all 462 properties to be metered, their owner, the incoming service size, etc. so that the Contractor can make direct appointments with the property owner and install a meter.

Once completed, Water Division personnel will then visit the premises to activate each individual meter which communicates directly with KPU's "smart" Electric meters thereby providing water consumption information directly to the Finance Department for monthly billing purposes. However, a substantial number of additional meters must be ordered, which experience has shown has a long delivery time. Having the community fully metered before the end of 2025 is simply no longer feasible. As a result, meters will be ordered in 2025 and completion of this project is now very likely delayed into late 2027.

In addition, before this entire project becomes fully operational in 2027, the 2016 Water/ Wastewater Rate Study will need to be updated or a new study commissioned as well as amendments made to the Ketchikan Municipal Code.

## Details

**Type of Project:** Improvement

### Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$813K</b> | <b>\$813K</b>            | <b>\$813K</b> |

#### Detailed Breakdown

| Category                 | <b>FY2026</b>      |
|--------------------------|--------------------|
| Construction/Maintenance | <i>In Progress</i> |
|                          | <b>\$813,282</b>   |
| <b>Total</b>             | <b>\$813,282</b>   |

### Funding Sources

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$813K</b> | <b>\$813K</b>            | <b>\$813K</b> |

#### Detailed Breakdown

| Category       | <b>FY2026</b>      |
|----------------|--------------------|
| Debt Financing | <i>In Progress</i> |
|                | <b>\$813,282</b>   |
| <b>Total</b>   | <b>\$813,282</b>   |

# Water Service Upgrade Program

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-18              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 12/31/2030           |

## Description

The water service upgrade program was initiated in 1997, and has been an ongoing division initiative to allow a number of residents to upgrade their individual water services. The division proposes to continue offering this program in 2026. Numerous water services, from the main to the residence, are in need of replacement to KPU standards. After completion of the work and inspection by the division, this program allows the customer to provide cost documentation and receive a grant-in-aid. In addition, as a result of homeowners participating in this program, KPU will assume full responsibility for future repairs within the right-of-way as long as they are not caused by negligence on the part of the property owner. The \$1,000 is available for work undertaken on private property and up to \$6,000 is available for work undertaken within the right-of-way.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$21K</b>  | <b>\$105K</b>            | <b>\$105K</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Construction/Maintenance | \$21,000                            | \$21,000                            | \$21,000                            | \$21,000                            | \$21,000                            | <b>\$105,000</b> |
| <b>Total</b>             | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$105,000</b> |

## Funding Sources

FY2026 Budget

**\$21K**

Total Budget (all years)

**\$105K**

Project Total

**\$105K**

### Detailed Breakdown

| <b>Category</b>                | <b>FY2026</b><br><i>In Progress</i> | <b>FY2027</b><br><i>In Progress</i> | <b>FY2028</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| KPU Revenue<br>Generating Fund | \$21,000                            | \$21,000                            | \$21,000                            | \$21,000                            | \$21,000                            | <b>\$105,000</b> |
| <b>Total</b>                   | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$21,000</b>                     | <b>\$105,000</b> |

# Water Street Water Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-02              |
| <b>Estimated Start Date</b>      | 10/1/2025            |
| <b>Estimated Completion Date</b> | 10/31/2029           |

## Description

A Greater Ketchikan Community Request for Fiscal Year 2027 State Funding in the amount of \$2-million has been submitted for the replacement of 2260 feet of failing exposed 12-inch ductile iron water main hanging beneath the DOT's Water Street viaduct between 425 Water Street and extending to Pump Station No. 3 (Kennedy Street). This critical water main supplies potable water and fire protection as the primary water transmission main to Ketchikan's West End area of the community. Installed in 1993, it has been submerged in salt water twice a day for over 30 years and is severely corroded. The mechanical fastenings supporting the main are failing and the entire main and services need replacement with new, non-corrodible 16-inch HOPE pipe. This is an important and urgent project being coordinated with the Alaska DOT&PF's ongoing viaduct renovation project that will include both Public Works and KPU Water's replacement of wastewater and water infrastructure. DOWL Engineering, working in coordination with the DOT& PF, is preparing the utility designs.

## Capital Cost

|               |                          |               |
|---------------|--------------------------|---------------|
| FY2026 Budget | Total Budget (all years) | Project Total |
| <b>\$200K</b> | <b>\$2M</b>              | <b>\$2M</b>   |

## Detailed Breakdown

| Category                 | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Construction/Maintenance | \$0                          | \$600,000                    | \$600,000                    | \$400,000                    | <b>\$1,600,000</b> |
| Engineering              | \$100,000                    | \$100,000                    | \$50,000                     | \$50,000                     | <b>\$300,000</b>   |
| Design                   | \$100,000                    | \$0                          | \$0                          | \$0                          | <b>\$100,000</b>   |
| <b>Total</b>             | <b>\$200,000</b>             | <b>\$700,000</b>             | <b>\$650,000</b>             | <b>\$450,000</b>             | <b>\$2,000,000</b> |

## Funding Sources

FY2026 Budget

**\$200K**

Total Budget (all years)

**\$2M**

Project Total

**\$2M**

## Detailed Breakdown

| Category       | FY2026<br><i>In Progress</i> | FY2027<br><i>In Progress</i> | FY2028<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | Total              |
|----------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing | \$200,000                    | \$700,000                    | \$650,000                    | \$450,000                    | <b>\$2,000,000</b> |
| <b>Total</b>   | <b>\$200,000</b>             | <b>\$700,000</b>             | <b>\$650,000</b>             | <b>\$450,000</b>             | <b>\$2,000,000</b> |

# West Fairy Chasm Main Replacement

## Overview

|                                  |                      |
|----------------------------------|----------------------|
| <b>Department</b>                | KPU-Water Department |
| <b>Type</b>                      | Capital Improvement  |
| <b>Project Number</b>            | 5400-23              |
| <b>Estimated Start Date</b>      | 01/1/2026            |
| <b>Estimated Completion Date</b> | 01/1/2030            |

## Description

This 8-inch ductile iron main was installed in 1981. The portion replaced in 2007 failed in a different manner than usually occurs. Unlike electrolytic corrosion that usually creates fairly small pits along the bottom of the pipe where the soils are moist and most conductive; in this case, the entire surface of the pipe was badly pitted. There is a possibility that the ductile iron pipe was bedded using rock that contains quite a bit of iron pyrite (fools gold) which is actually iron disulfide. Pyrites reacting with oxygen and water will form *Thiobacillus* bacteria which generate their energy through oxidizing the iron with a side effect of producing sulfuric acid, which chemically corrodes the iron pipe. Subsequent repairs made in 2017 and 2022 near the Black Bear intersection have shown similar pitting and the ductile iron sewer mains are very likely in the same condition. The entire 720 foot section should be replaced with non-corrodible HDPE plastic pipe. Municipal Assistance Funding will be sought as this would be another prime project that is already designed along with Skyline, Second Avenue, and Hillside projects and would have received ADEC approval for maximum points.

## Capital Cost

|               |                          |                |
|---------------|--------------------------|----------------|
| FY2026 Budget | Total Budget (all years) | Project Total  |
| <b>\$87K</b>  | <b>\$1.74M</b>           | <b>\$1.74M</b> |

## Detailed Breakdown

| <b>Category</b>          | <b>FY2026</b><br><i>In Progress</i> | <b>FY2029</b><br><i>In Progress</i> | <b>FY2030</b><br><i>In Progress</i> | <b>Total</b>       |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Construction/Maintenance | \$0                                 | \$650,000                           | \$1,000,000                         | <b>\$1,650,000</b> |
| Design                   | \$87,000                            | \$0                                 | \$0                                 | <b>\$87,000</b>    |
| <b>Total</b>             | <b>\$87,000</b>                     | <b>\$650,000</b>                    | <b>\$1,000,000</b>                  | <b>\$1,737,000</b> |

## Funding Sources

FY2026 Budget

**\$87K**

Total Budget (all years)

**\$1.74M**

Project Total

**\$1.74M**

## Detailed Breakdown

| Category                       | FY2026<br><i>In Progress</i> | FY2029<br><i>In Progress</i> | FY2030<br><i>In Progress</i> | Total              |
|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| Debt Financing                 | \$0                          | \$325,000                    | \$500,000                    | <b>\$825,000</b>   |
| Grant Funding                  | \$0                          | \$325,000                    | \$500,000                    | <b>\$825,000</b>   |
| KPU Revenue<br>Generating Fund | \$87,000                     | \$0                          | \$0                          | <b>\$87,000</b>    |
| <b>Total</b>                   | <b>\$87,000</b>              | <b>\$650,000</b>             | <b>\$1,000,000</b>           | <b>\$1,737,000</b> |