

DRAFT

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.

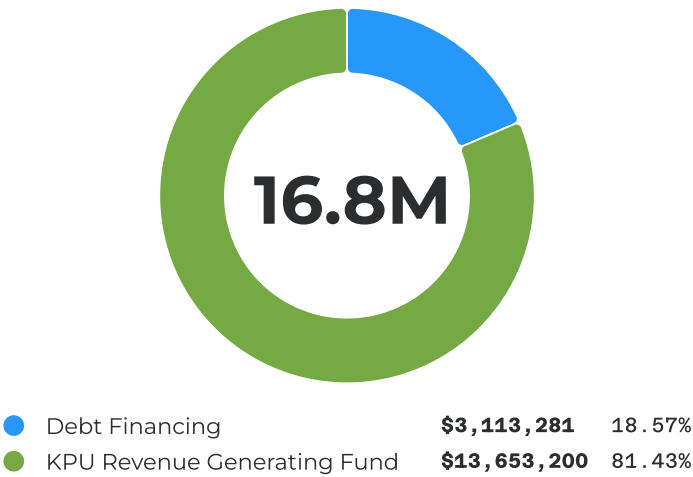
Capital Improvement Project Ranking and Prioritization Process

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

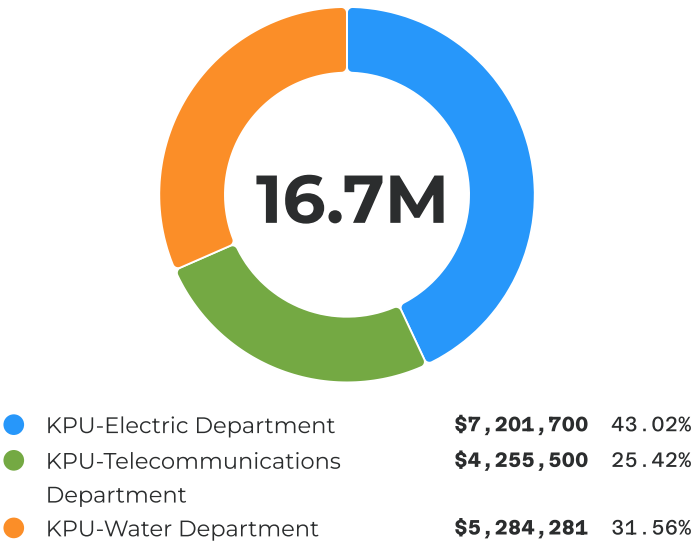
Strategic Planning Goal (1)	Environmental Impact (1)	Operational Impact (7)	
Legal or Regulatory Compliance (10)	Health and Safety Impact (7)	Improves Quality of Existing Services (1)	
Reduces Operating Costs (1)	Provides Additional Capacity (3)	Eligible for Grant Funding or Matching Funds (1)	

One Year Plan

2026 Total Capital Requests by Fund

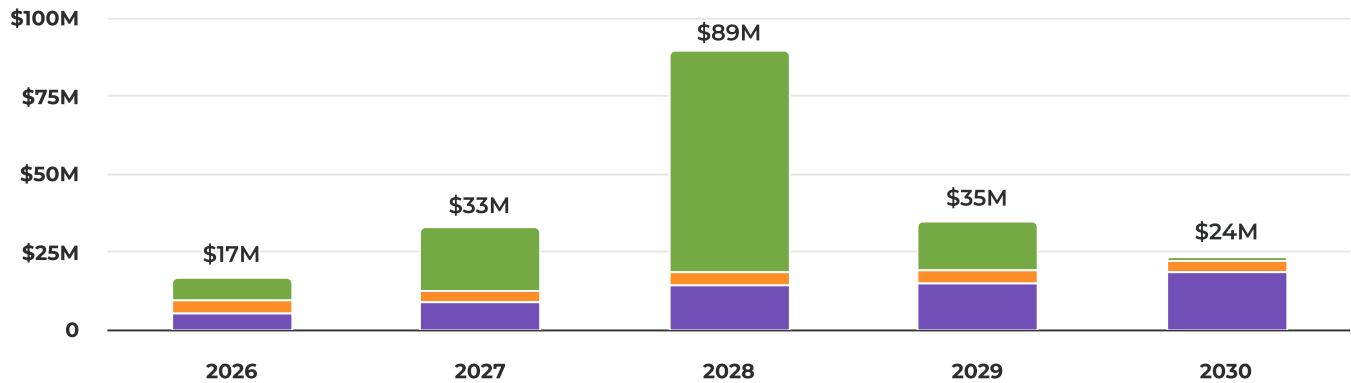


2026 Total Capital Requests by Department



2026-2030 Capital Improvement Program

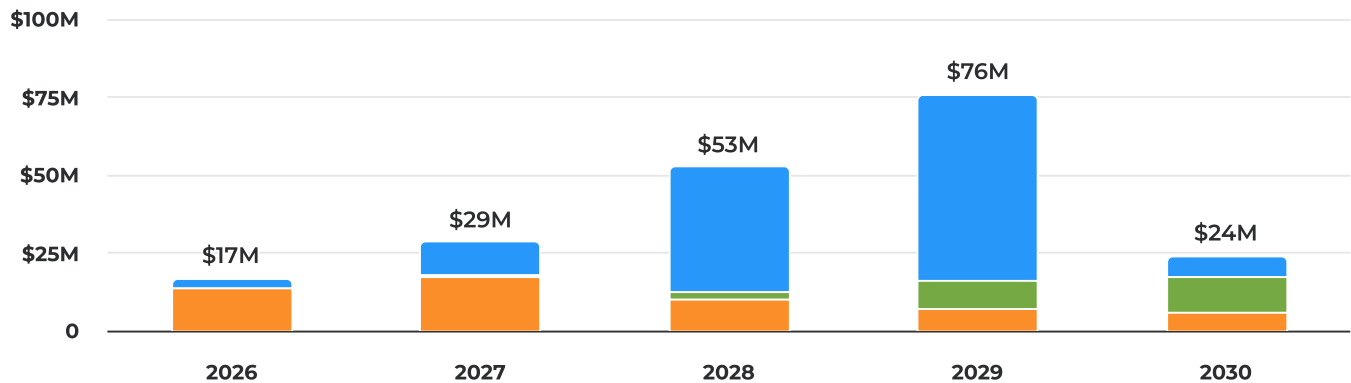
2026-2030 Total Capital Requests by Department



Funding by Department Totals (all years)

KPU-Administration	\$550,000	0.28%
KPU-Electric Department	\$115,615,307	58.54%
KPU-Telecommunications	\$19,652,000	9.95%
Department		
KPU-Water Department	\$61,692,281	31.24%

2026-2030 Total Capital Requests by Fund

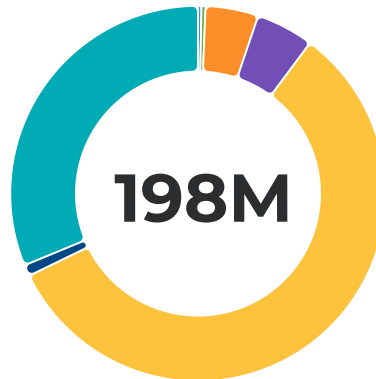


Funding by Source Totals (all years)

Debt Financing	\$120,171,281	60.84%
Grant Funding	\$23,620,000	11.96%
KPU Revenue Generating Fund	\$53,743,307	27.21%

Capital Improvement Program

2026 - 2030 Capital Costs By Project Type



Computer Software - 735.00	\$590,000	0.30%
Computers and Related Equipment - 725.00	\$677,500	0.34%
Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$9,020,000	4.57%
Machinery & Equipment - 725.00	\$9,811,200	4.97%
Other Major Infrastructure - 730.00	\$113,808,607	57.62%
Vehicles and Wheeled Equipment - 720.00	\$1,910,000	0.97%
Water - 730.00	\$61,692,281	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
Total Computer Software - 735.00	\$0	\$40,000	\$0	\$50,000	\$500,000	\$590,000

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
Total Computers and Related Equipment - 725.00	\$125,500	\$125,500	\$125,500	\$150,500	\$150,500	\$677,500

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
Total Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$500,000	\$2,620,000	\$600,000	\$5,200,000	\$100,000	\$9,020,000

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
5200-42 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
5200-34 Digital Radio System Upgrades	\$0	\$120,000	\$0	\$0	\$0	\$120,000
5200-20 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
5200-09 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
5200-05 Transformer Purchases	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
Total Machinery & Equipment - 725.00	\$2,481,200	\$2,315,000	\$2,530,000	\$1,405,000	\$1,080,000	\$9,811,200

Other Major Infrastructure - 730.00

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5300-20 4G/LTE	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000
5200-10 Additional Projects	\$50,000	\$164,000	\$164,000	\$164,000	\$0	\$542,000
5200-32 Bailey Exhaust Stack Re-coating	\$0	\$125,000	\$0	\$0	\$0	\$125,000
5200-43 Bailey Generator Replacement	\$0	\$4,125,000	\$40,750,000	\$0	\$0	\$44,875,000
5200-18 Bailey Mooring Dolphin Replacement	\$200,000	\$0	\$0	\$0	\$0	\$200,000
5200-40 Bailey Substation Replacement	\$0	\$1,500,000	\$15,300,000	\$0	\$0	\$16,800,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5200-27 Beaver Falls FERC Part 12D Periodic Inspection	\$0	\$0	\$150,000	\$0	\$0	\$150,000
5300-10 Core Network Upgrade	\$1,000,000	\$1,000,000	\$750,000	\$500,000	\$500,000	\$3,750,000
5300-08 Fiber to the Home	\$325,000	\$300,000	\$325,000	\$300,000	\$300,000	\$1,550,000
5300-21 Hosted	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000
5300-23 Internet Expansion	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000
5300-24 Ketchikan Subsea Cable Emergency Repair Fund	\$676,500	\$0	\$0	\$0	\$0	\$676,500
5200-17 Ketchikan International Airport Upgrade	\$1,565,000	\$0	\$0	\$0	\$0	\$1,565,000
5200-29 Ketchikan Lakes Dam Low Level Outlet	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000
5200-25 Ketchikan Lakes FERC Part 12D Comprehensive Assessment	\$0	\$0	\$400,000	\$0	\$0	\$400,000
5200-01 Ketchikan Lakes Project Relicensing	\$600,000	\$600,000	\$250,000	\$50,000	\$0	\$1,500,000
5200-33 Ketchikan Lakes Utilities	\$0	\$4,079,607	\$0	\$0	\$0	\$4,079,607
5200-28 Lower Silvis Dam Cleaning and Inspections	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-24 Lower Silvis Lake Submarine Cable Replacement	\$50,000	\$150,000	\$0	\$0	\$0	\$200,000
5200-38 Mountain Point Substation Replacement	\$0	\$750,000	\$7,600,000	\$0	\$0	\$8,350,000
5300-12 Multi-Dwelling Unit Project	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
5300-17 Network Monitoring	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000
5300-19 Network Security Infrastructure	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500
5300-02 Normal Growth and Repair - Central Office Switching	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
5300-05 Normal Growth and Repair - Central Office Transmission	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000
5300-03 Normal Growth and Repair - Copper Cable	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5300-06 Normal Growth and Repair - Expansion	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000
5300-04 Normal Growth and Repair - Fiber Cable	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000
5300-07 Normal Growth and Repair - Provisioning	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
5200-14 Penstock Inspection Program	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-06 PLC Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
5200-36 Port West Feeder Reconfiguration & Site Modification	\$0	\$175,000	\$950,000	\$0	\$0	\$1,125,000
5300-15 Power Expansion/Reclamation	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000
5200-16 Reimbursable Projects	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$100,000
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
5200-21 Silvis Tunnel Valve	\$50,000	\$400,000	\$0	\$0	\$0	\$450,000
5200-04 Transmission & Distribution Line Maintenance	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$0	\$3,200,000
5300-16 Visual Mapping	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000
5200-39 Ward Cove Substation Replacement	\$0	\$0	\$800,000	\$8,100,000	\$0	\$8,900,000
5200-37 Ward Cove Substation Slope Stabilization	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5200-02 Whitman Dam Crack Repair	\$120,000	\$0	\$0	\$0	\$0	\$120,000
5200-30 Whitman Incubation Pipe Flow	\$50,000	\$0	\$0	\$0	\$0	\$50,000
5200-26 Whitman Part 12 Comprehensive Assessment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5300-22 WiFi	\$125,000	\$100,000	\$100,000	\$125,000	\$150,000	\$600,000
Total Other Major Infrastructure - 730.00	\$8,015,500	\$18,248,607	\$71,119,000	\$12,774,000	\$3,651,500	\$113,808,607

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
Total Vehicles and Wheeled Equipment - 720.00		\$335,000	\$400,000	\$550,000	\$375,000	\$250,000	\$1,910,000

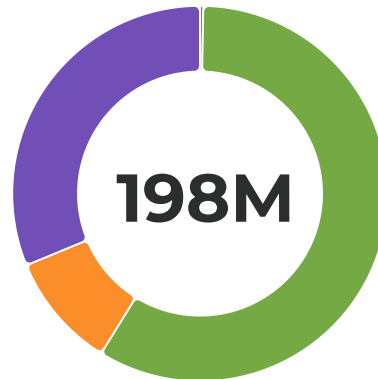
Water - 730.00

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

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5400-13 Thomas St. Water Main Replacement	\$0	\$850,000	\$0	\$0	\$0	\$850,000
5400-03 Tongass Avenue Water Main Replacement	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000
5400-17 Utility Vehicles	\$175,000	\$95,000	\$0	\$0	\$0	\$270,000
5400-25 UV System - Replacement Battery Bank	\$0	\$0	\$0	\$200,000	\$0	\$200,000
5400-12 Valve Boxes - Repair of Surrounding Pavement	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
5400-08 Water Distribution Grid Improvements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
5400-05 Water Meters - Business & Commercial Customers	\$813,281	\$0	\$0	\$0	\$0	\$813,281
5400-18 Water Service Upgrade Program	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
5400-02 Water Street Water Main Replacement	\$200,000	\$700,000	\$650,000	\$450,000	\$0	\$2,000,000
5400-23 West Fairy Chasm Main Replacement	\$87,000	\$0	\$0	\$650,000	\$1,000,000	\$1,737,000
Total Water - 730.00	\$5,284,281	\$8,927,000	\$14,339,000	\$14,916,000	\$18,226,000	\$61,692,281

Capital Improvement Program

2026 - 2030 Capital Costs by Department



KPU-Administration	\$550,000	0.28%
KPU-Electric Department	\$115,615,307	58.54%
KPU-Telecommunications Department	\$19,652,000	9.95%
KPU-Water Department	\$61,692,281	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	\$550,000
Total KPU-Administration	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000

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	\$525,000
3 Relay and Spares						
5200-1 Additional Projects	\$50,000	\$164,000	\$164,000	\$164,000	\$0	\$542,000
0						
5200-11 AMI, Meters and Meter Replacement Parts	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
5200-3 Bailey Exhaust Stack Re-coating	\$0	\$125,000	\$0	\$0	\$0	\$125,000
2						
5200-13 Bailey Fuel Tank Painting	\$0	\$100,000	\$0	\$0	\$0	\$100,000
5200-4 Bailey Generator Radiator Replacement	\$0	\$40,000	\$300,000	\$0	\$0	\$340,000
2						
5200-4 Bailey Generator Replacement	\$0	\$4,125,000	\$40,750,000	\$0	\$0	\$44,875,000
3						
5200-1 Bailey Mooring Dolphin Replacement	\$200,000	\$0	\$0	\$0	\$0	\$200,000
8						
5200-4 Bailey Substation Replacement	\$0	\$1,500,000	\$15,300,000	\$0	\$0	\$16,800,000
0						

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5200-07 Battery Systems and Chargers	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500
5200-27 Beaver Falls FERC Part 12D Periodic Inspection	\$0	\$0	\$150,000	\$0	\$0	\$150,000
5200-03 Beaver Falls Powerhouse Exterior	\$375,000	\$375,000	\$0	\$0	\$0	\$750,000
5200-15 Beaver Falls Switch Gear Replacement	\$750,000	\$750,000	\$0	\$0	\$0	\$1,500,000
5200-34 Digital Radio System Upgrades	\$0	\$120,000	\$0	\$0	\$0	\$120,000
5200-44 Electric Division Service Center	\$0	\$2,000,000	\$500,000	\$5,100,000	\$0	\$7,600,000
5200-35 ESRI Trouble Ticket Solutions	\$0	\$40,000	\$0	\$0	\$0	\$40,000
5200-20 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
5200-17 Ketchikan International Airport Upgrade	\$1,565,000	\$0	\$0	\$0	\$0	\$1,565,000
5200-29 Ketchikan Lakes Dam Low Level Outlet	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000
5200-25 Ketchikan Lakes FERC Part 12D Comprehensive Assessment	\$0	\$0	\$400,000	\$0	\$0	\$400,000
5200-01 Ketchikan Lakes Project Relicensing	\$600,000	\$600,000	\$250,000	\$50,000	\$0	\$1,500,000
5200-33 Ketchikan Lakes Utilities	\$0	\$4,079,607	\$0	\$0	\$0	\$4,079,607
5200-28 Lower Silvis Dam Cleaning and Inspections	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-24 Lower Silvis Lake Submarine Cable Replacement	\$50,000	\$150,000	\$0	\$0	\$0	\$200,000
5200-38 Mountain Point Substation Replacement	\$0	\$750,000	\$7,600,000	\$0	\$0	\$8,350,000
5200-09 Operating Equipment	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200
5200-14 Penstock Inspection Program	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-06 PLC Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
5200-36 Port West Feeder	\$0	\$175,000	\$950,000	\$0	\$0	\$1,125,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
Reconfiguration & Site Modification						
5200-16 Reimbursable Projects	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$100,000
5200-31 Security Fence and Gates	\$0	\$45,000	\$0	\$0	\$0	\$45,000
5200-4 Silvis Shaft & Turbine Overhaul	\$0	\$0	\$750,000	\$0	\$0	\$750,000
5200-21 Silvis Tunnel Valve	\$50,000	\$400,000	\$0	\$0	\$0	\$450,000
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
5200-0 Transformer Purchases	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
5200-0 Transmission & Distribution Line Maintenance	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$0	\$3,200,000
5200-0 Vehicles & Moving Equipment	\$185,000	\$200,000	\$350,000	\$125,000	\$0	\$860,000
5200-3 Ward Cove Substation Replacement	\$0	\$0	\$800,000	\$8,100,000	\$0	\$8,900,000
5200-3 Ward Cove Substation Slope Stabilization	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5200-0 Whitman Dam Crack Repair	\$120,000	\$0	\$0	\$0	\$0	\$120,000
5200-3 Whitman Incubation Pipe Flow	\$50,000	\$0	\$0	\$0	\$0	\$50,000
5200-2 Whitman Part 12 Comprehensive Assessment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Total KPU-Electric Department	\$7,201,700	\$20,119,107	\$70,944,500	\$16,119,500	\$1,230,500	\$115,615,307

KPU-Telecommunications Department

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
5300-14 PC Hardware and Software	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000
5300-18 Vehicle Acquisition	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000
5300-2 4G/LTE	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000
5300-10 Core Network Upgrade	\$1,000,000	\$1,000,000	\$750,000	\$500,000	\$500,000	\$3,750,000
5300-0 Fiber to the Home	\$325,000	\$300,000	\$325,000	\$300,000	\$300,000	\$1,550,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5300-21 Hosted	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000
5300-23 Internet Expansion	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000
5300-2 Ketchikan Subsea Cable	\$676,500	\$0	\$0	\$0	\$0	\$676,500
4 Emergency Repair Fund						
5300-12 Multi-Dwelling Unit Project	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
5300-17 Network Monitoring	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000
5300-19 Network Security Infrastructure	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500
5300-01 Normal Growth and Repair - Buildings	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000
5300-02 Normal Growth and Repair - Central Office Switching	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
5300-05 Normal Growth and Repair - Central Office Transmission	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000
5300-03 Normal Growth and Repair - Copper Cable	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
5300-06 Normal Growth and Repair - Expansion	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000
5300-04 Normal Growth and Repair - Fiber Cable	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000
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
Total KPU-Telecommunications Department	\$4,255,500	\$3,630,000	\$3,980,000	\$3,785,000	\$4,001,500	\$19,652,000

KPU-Water Department

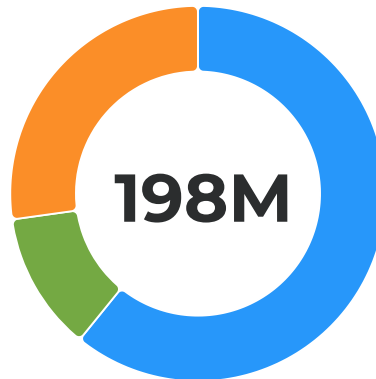
Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5400-07 Additional Projects - Water	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
5400-19 Backflow Prevention Program	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
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
5400-13 Thomas St. Water Main Replacement	\$0	\$850,000	\$0	\$0	\$0	\$850,000
5400-03 Tongass Avenue Water Main Replacement	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000
5400-17 Utility Vehicles	\$175,000	\$95,000	\$0	\$0	\$0	\$270,000
5400-25 UV System - Replacement Battery Bank	\$0	\$0	\$0	\$200,000	\$0	\$200,000
5400-12 Valve Boxes - Repair of Surrounding Pavement	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5400-08 Water Distribution Grid Improvements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
5400-05 Water Meters - Business & Commercial Customers	\$813,281	\$0	\$0	\$0	\$0	\$813,281
5400-18 Water Service Upgrade Program	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
5400-02 Water Street Water Main Replacement	\$200,000	\$700,000	\$650,000	\$450,000	\$0	\$2,000,000
5400-23 West Fairy Chasm Main Replacement	\$87,000	\$0	\$0	\$650,000	\$1,000,000	\$1,737,000
Total KPU-Water Department	\$5,284,281	\$8,927,000	\$14,339,000	\$14,916,000	\$18,226,000	\$61,692,281

Capital Improvement Program

2026 - 2030 Capital Costs by Fund



● Debt Financing	\$120,171,281	60.84%
● Grant Funding	\$23,620,000	11.96%
● KPU Revenue Generating Fund	\$53,743,307	27.21%

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
5400-13 Thomas St. Water Main Replacement	\$0	\$850,000	\$0	\$0	\$0	\$850,000
5400-03 Tongass Avenue Water Main Replacement	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000
5200-39 Ward Cove Substation Replacement	\$0	\$0	\$800,000	\$8,100,000	\$0	\$8,900,000
5400-05 Water Meters - Business & Commercial Customers	\$813,281	\$0	\$0	\$0	\$0	\$813,281
5400-02 Water Street Water Main Replacement	\$200,000	\$700,000	\$650,000	\$450,000	\$0	\$2,000,000
5400-23 West Fairy Chasm Main Replacement	\$0	\$0	\$0	\$325,000	\$500,000	\$825,000
Total Debt Financing	\$3,113,281	\$10,500,000	\$40,138,000	\$59,420,000	\$7,000,000	\$120,171,281

Grant Funding

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

KPU Revenue Generating Fund

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
5300-14 PC Hardware and Software	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000
5300-18 Vehicle Acquisition	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000
5200-23 34.5 kV Breaker Relay and Spares	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000
5300-20 4G/LTE	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000

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

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5400-21 Hillside Road Water Main Replacement	\$60,000	\$20,000	\$0	\$0	\$0	\$80,000
5300-21 Hosted	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000
5300-23 Internet Expansion	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000
5300-24 Ketchikan Subsea Cable Emergency Repair Fund	\$676,500	\$0	\$0	\$0	\$0	\$676,500
5200-17 Ketchikan International Airport Upgrade	\$1,565,000	\$0	\$0	\$0	\$0	\$1,565,000
5200-29 Ketchikan Lakes Dam Low Level Outlet	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000
5200-25 Ketchikan Lakes FERC Part 12D Comprehensive Assessment	\$0	\$0	\$400,000	\$0	\$0	\$400,000
5200-01 Ketchikan Lakes Project Relicensing	\$600,000	\$600,000	\$250,000	\$50,000	\$0	\$1,500,000
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	\$0	\$0	\$0	\$80,000
5200-33 Ketchikan Lakes Utilities	\$0	\$4,079,607	\$0	\$0	\$0	\$4,079,607
5100-01 KPU - Replace Financial Accounting System Software	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000
5200-28 Lower Silvis Dam Cleaning and Inspections	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-24 Lower Silvis Lake Submarine Cable Replacement	\$50,000	\$150,000	\$0	\$0	\$0	\$200,000
5300-12 Multi-Dwelling Unit Project	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
5300-17 Network Monitoring	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000
5300-19 Network Security Infrastructure	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500
5300-01 Normal Growth and Repair - Buildings	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000
5300-02 Normal Growth and Repair - Central Office Switching	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5300-05 Normal Growth and Repair - Central Office Transmission	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000
5300-03 Normal Growth and Repair - Copper Cable	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
5300-06 Normal Growth and Repair - Expansion	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000
5300-04 Normal Growth and Repair - Fiber Cable	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000
5300-07 Normal Growth and Repair - Provisioning	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
5200-09 Operating Equipment	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200
5400-10 Park Avenue Utility Improvements	\$125,000	\$0	\$0	\$0	\$0	\$125,000
5200-14 Penstock Inspection Program	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5400-16 Peterson St. Water Main Rebuild	\$0	\$350,000	\$0	\$0	\$0	\$350,000
5200-06 PLC Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
5200-36 Port West Feeder Reconfiguration & Site Modification	\$0	\$175,000	\$950,000	\$0	\$0	\$1,125,000
5300-15 Power Expansion/Reclamation	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000
5400-20 Pump Station Switchgear Improvements	\$45,000	\$0	\$0	\$0	\$0	\$45,000
5200-16 Reimbursable Projects	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$100,000
5300-09 Remote Cabinets for Advanced Services	\$50,000	\$75,000	\$50,000	\$50,000	\$50,000	\$275,000
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
5200-31 Security Fence and Gates	\$0	\$45,000	\$0	\$0	\$0	\$45,000
5300-11 Server Environment	\$100,000	\$100,000	\$100,000	\$200,000	\$200,000	\$700,000
5200-41 Silvis Shaft & Turbine Overhaul	\$0	\$0	\$750,000	\$0	\$0	\$750,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5200-21 Silvis Tunnel Valve	\$50,000	\$400,000	\$0	\$0	\$0	\$450,000
5400-24 Skyline Water Main Replacement	\$70,000	\$0	\$0	\$0	\$0	\$70,000
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
5200-05 Transformer Purchases	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
5200-04 Transmission & Distribution Line Maintenance	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$0	\$3,200,000
5400-17 Utility Vehicles	\$175,000	\$95,000	\$0	\$0	\$0	\$270,000
5400-12 Valve Boxes - Repair of Surrounding Pavement	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
5200-08 Vehicles & Moving Equipment	\$185,000	\$200,000	\$350,000	\$125,000	\$0	\$860,000
5300-16 Visual Mapping	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000
5200-37 Ward Cove Substation Slope Stabilization	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5400-08 Water Distribution Grid Improvements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
5400-18 Water Service Upgrade Program	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
5400-23 West Fairy Chasm Main Replacement	\$87,000	\$0	\$0	\$0	\$0	\$87,000
5200-02 Whitman Dam Crack Repair	\$120,000	\$0	\$0	\$0	\$0	\$120,000
5200-30 Whitman Incubation Pipe Flow	\$50,000	\$0	\$0	\$0	\$0	\$50,000
5200-26 Whitman Part 12 Comprehensive Assessment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5300-22 WiFi	\$150,000	\$100,000	\$100,000	\$125,000	\$150,000	\$625,000
Total KPU Revenue Generating Fund	\$13,653,200	\$16,951,107	\$10,200,500	\$6,980,500	\$5,958,000	\$53,743,307

Capital Projects

Capital Projects

Project No. / Project Name	Years	Departments	Type	Total
5300-13	Operating Equipment	2026 - KPU- 2030 Telecommunications Department	Machinery & Equipment - 725.00	\$625,000
5300-14	PC Hardware and Software	2026 - KPU- 2030 Telecommunications Department	Computers and Related Equipment - 725.00	\$425,000
5300-18	Vehicle Acquisition	2026 - KPU- 2030 Telecommunications Department	Vehicles and Wheeled Equipment - 720.00	\$1,050,000
5200-23	34.5 kV Breaker Relay and Spares	2026 - KPU-Electric 2030 Department	Machinery & Equipment - 725.00	\$525,000
5300-20	4G/LTE	2026 - KPU- 2030 Telecommunications Department	Other Major Infrastructure - 730.00	\$1,009,000
5200-10	Additional Projects	2026 - KPU-Electric 2029 Department	Other Major Infrastructure - 730.00	\$542,000
5400-07	Additional Projects - Water	2026 - KPU-Water Department 2030	Water - 730.00	\$250,000
5200-11	AMI, Meters and Meter Replacement Parts	2026 - KPU-Electric 2030 Department	Machinery & Equipment - 725.00	\$625,000
5400-19	Backflow Prevention Program	2026 - KPU-Water Department 2030	Water - 730.00	\$75,000
5200-32	Bailey Exhaust Stack Re-coating	2027 KPU-Electric Department	Other Major Infrastructure - 730.00	\$125,000
5200-13	Bailey Fuel Tank Painting	2027 KPU-Electric Department	Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$100,000
5200-42	Bailey Generator Radiator Replacement	2027 - KPU-Electric 2028 Department	Machinery & Equipment - 725.00	\$340,000
5200-43	Bailey Generator Replacement	2028 - KPU-Electric 2029 Department	Other Major Infrastructure - 730.00	\$44,875,000
5200-18	Bailey Mooring Dolphin Replacement	2026 KPU-Electric Department	Other Major Infrastructure - 730.00	\$200,000
5200-40	Bailey Substation Replacement	2027 - KPU-Electric 2028 Department	Other Major Infrastructure - 730.00	\$16,800,000
5200-07	Battery Systems and Chargers	2026 - KPU-Electric 2030 Department	Computers and Related Equipment - 725.00	\$252,500
5200-27	Beaver Falls FERC Part 12D Periodic Inspection	2028 KPU-Electric Department	Other Major Infrastructure - 730.00	\$150,000
5200-03	Beaver Falls Powerhouse Exterior	2026 - KPU-Electric 2027 Department	Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$750,000
5200-15	Beaver Falls Switch Gear Replacement	2026 - KPU-Electric 2027 Department	Machinery & Equipment - 725.00	\$1,500,000
5300-10	Core Network Upgrade	2026 - KPU- 2030 Telecommunications	Other Major Infrastructure - 730.00	\$3,750,000

Project No. / Project Name		Years	Departments	Type	Total
5200-34	Digital Radio System Upgrades	2027	Department KPU-Electric Department	Machinery & Equipment - 725.00	\$120,000
5200-44	Electric Division Service Center	2027 - 2029	KPU-Electric Department	Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$7,600,000
5200-35	ESRI Trouble Ticket Solutions	2027	KPU-Electric Department	Computer Software - 735.00	\$40,000
5200-20	Feeder Protective Relay Upgrades	2026 - 2029	KPU-Electric Department	Machinery & Equipment - 725.00	\$300,000
5300-08	Fiber to the Home	2026 - 2030	KPU- Telecommunications Department	Other Major Infrastructure - 730.00	\$1,550,000
5400-01	Filtration Facility - Preliminary Preparation Tasks	2026 - 2028	KPU-Water Department	Water - 730.00	\$5,503,000
5200-22	Generator Rewind & Repair	2026 - 2029	KPU-Electric Department	Machinery & Equipment - 725.00	\$1,300,000
5400-09	Harris Street Utility Improvements	2026 - 2028	KPU-Water Department	Water - 730.00	\$2,075,000
5400-15	Highlands Reservoir Property Acquisition	2026 - 2030	KPU-Water Department	Water - 730.00	\$8,740,000
5400-21	Hillside Road Water Main Replacement	2026 - 2029	KPU-Water Department	Water - 730.00	\$1,880,000
5300-21	Hosted	2026 - 2030	KPU- Telecommunications Department	Other Major Infrastructure - 730.00	\$1,300,000
5300-23	Internet Expansion	2026 - 2030	KPU- Telecommunications Department	Other Major Infrastructure - 730.00	\$1,225,000
5300-24	Ketchikan Subsea Cable Emergency Repair Fund	2026	KPU- Telecommunications Department	Other Major Infrastructure - 730.00	\$676,500
5200-17	Ketchikan International Airport Upgrade	2026	KPU-Electric Department	Other Major Infrastructure - 730.00	\$1,565,000
5400-04	Ketchikan Lakes Alternative Raw Water Supply Piping	2026 - 2030	KPU-Water Department	Water - 730.00	\$26,500,000
5200-29	Ketchikan Lakes Dam Low Level Outlet	2027	KPU-Electric Department	Other Major Infrastructure - 730.00	\$2,000,000
5200-25	Ketchikan Lakes FERC Part 12D Comprehensive Assessment	2028	KPU-Electric Department	Other Major Infrastructure - 730.00	\$400,000
5200-01	Ketchikan Lakes Project Relicensing	2026 - 2029	KPU-Electric Department	Other Major Infrastructure - 730.00	\$1,500,000
5400-22	Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes	2026 - 2027	KPU-Water Department	Water - 730.00	\$820,000
5400-14	Ketchikan Lakes Road Concrete Segment Reconstruction	2026 - 2028	KPU-Water Department	Water - 730.00	\$930,000
5200-33	Ketchikan Lakes Utilities	2027	KPU-Electric Department	Other Major Infrastructure - 730.00	\$4,079,607
5100-01	KPU - Replace Financial Accounting System Software	2029 - 2030	KPU-Administration	Computer Software - 735.00	\$550,000
5200-28	Lower Silvis Dam Cleaning and Inspections	2026	KPU-Electric Department	Other Major Infrastructure - 730.00	\$100,000
5200-24	Lower Silvis Lake Submarine Cable Replacement	2026 - 2027	KPU-Electric Department	Other Major Infrastructure - 730.00	\$200,000
5200-38	Mountain Point Substation Replacement	2027 - 2028	KPU-Electric Department	Other Major Infrastructure - 730.00	\$8,350,000

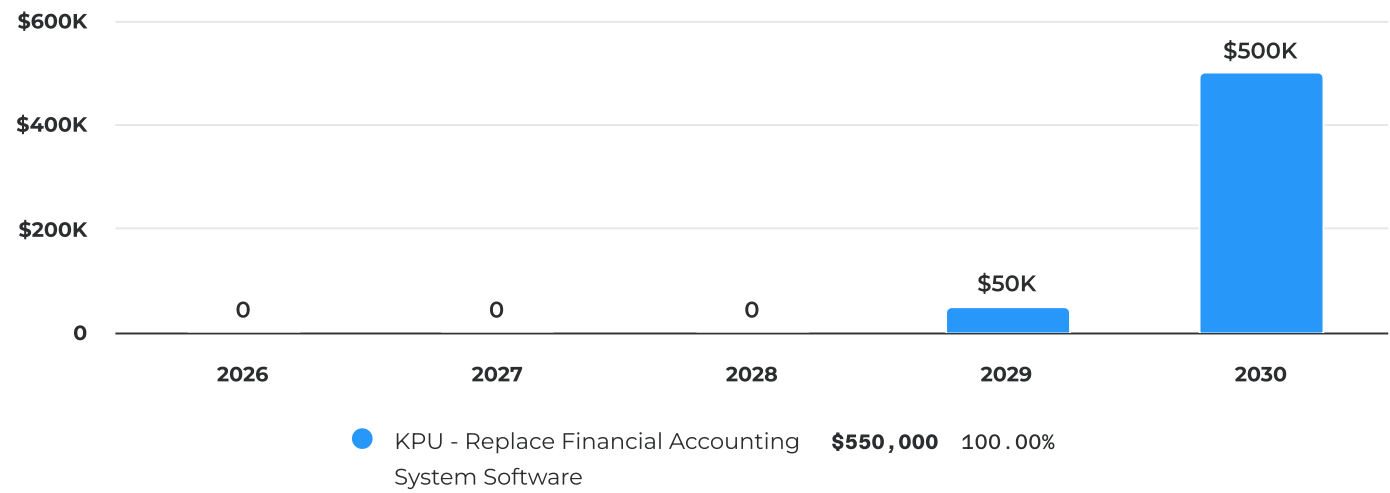
Project No. / Project Name	Years	Departments	Type	Total
5300-12	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$500,000
5300-17	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$550,000
5300-19	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$591,500
5300-01	2026 - 2030	KPU-Telecommunications Department	Land, Land Improvements & Buildings / Facilities - 700.00 / 705.00	\$525,000
5300-02	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$250,000
5300-05	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$1,625,000
5300-03	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$125,000
5300-06	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$85,000
5300-04	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$1,575,000
5300-07	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$100,000
5200-09	2026 - 2030	KPU-Electric Department	Machinery & Equipment - 725.00	\$1,691,200
5400-10	2026 - 2028	KPU-Water Department	Water - 730.00	\$2,075,000
5200-14	2026	KPU-Electric Department	Other Major Infrastructure - 730.00	\$100,000
5400-16	2027	KPU-Water Department	Water - 730.00	\$850,000
5200-06	2026 - 2030	KPU-Electric Department	Other Major Infrastructure - 730.00	\$1,250,000
5200-36	2027 - 2028	KPU-Electric Department	Other Major Infrastructure - 730.00	\$1,125,000
5300-15	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$450,000
5400-20	2026	KPU-Water Department	Water - 730.00	\$45,000
5200-16	2026 - 2029	KPU-Electric Department	Other Major Infrastructure - 730.00	\$100,000
5300-09	2026 - 2030	KPU-Telecommunications Department	Other Major Infrastructure - 730.00	\$275,000
5400-06	2026 - 2027	KPU-Water Department	Water - 730.00	\$164,000
5400-11	2026	KPU-Water Department	Water - 730.00	\$150,000

Project No. / Project Name	Years	Departments	Type	Total
5200-31		Security Fence and Gates	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
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	\$3,200,000
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	\$813,281
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
5200-30	2026	KPU-Electric Department	Other Major Infrastructure - 730.00	\$50,000
5200-26	2026	KPU-Electric Department	Other Major Infrastructure - 730.00	\$300,000

Project No. / Project Name		Years	Departments	Type	Total
5300-22	WiFi	2026 -	KPU-	Other Major	\$625,000
		2030	Telecommunications Department	Infrastructure - 730.00	

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
Total Summary of Requests	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000

KPU - Replace Financial Accounting System Software

Overview

Department	KPU-Administration
Type	Capital Equipment
Project Number	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

\$0

Total Budget (all years)

\$550K

Project Total

\$550K

Detailed Breakdown

Category	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Software	\$0	\$500,000	\$500,000
Needs Assessment and Design	\$50,000	\$0	\$50,000
Total	\$50,000	\$500,000	\$550,000

Funding Sources

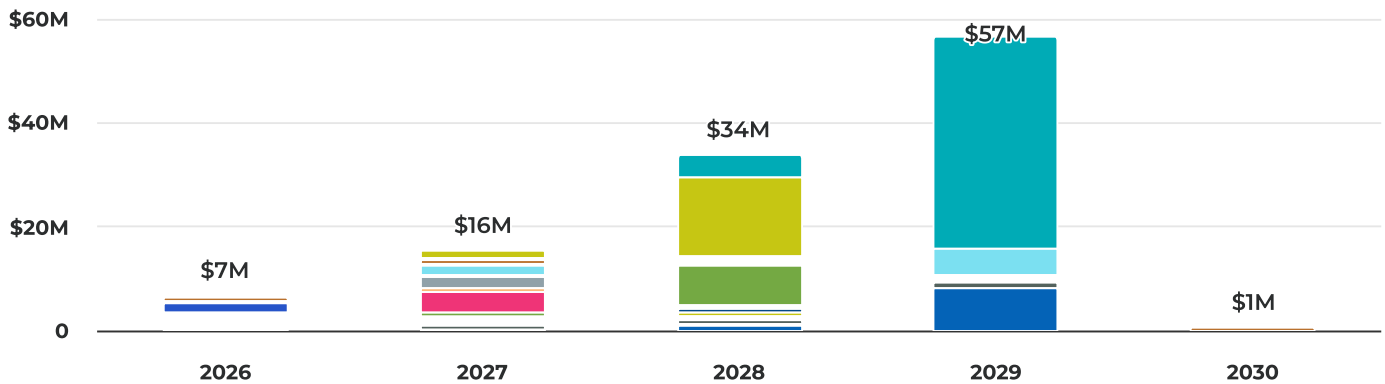
FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$550K	\$550K

Detailed Breakdown

Category	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$500,000	\$550,000
Generating Fund			
Total	\$50,000	\$500,000	\$550,000

KPU-Electric Department

FY26 - FY30 KPU-Electric Department Projects



34.5 kV Breaker Relay and Spares	\$525,000	0.45%
Additional Projects	\$542,000	0.47%
AMI, Meters and Meter Replacement Parts	\$625,000	0.54%
Bailey Exhaust Stack Re-coating	\$125,000	0.11%
Bailey Fuel Tank Painting	\$100,000	0.09%
Bailey Generator Radiator Replacement	\$340,000	0.29%
Bailey Generator Replacement	\$44,875,000	38.81%
Bailey Mooring Dolphin Replacement	\$200,000	0.17%
Bailey Substation Replacement	\$16,800,000	14.53%
Battery Systems and Chargers	\$252,500	0.22%
Beaver Falls FERC Part 12D Periodic Inspection	\$150,000	0.13%
Beaver Falls Powerhouse Exterior	\$750,000	0.65%
Beaver Falls Switch Gear Replacement	\$1,500,000	1.30%
Digital Radio System Upgrades	\$120,000	0.10%
Electric Division Service Center	\$7,600,000	6.57%
ESRI Trouble Ticket Solutions	\$40,000	0.03%
Feeder Protective Relay Upgrades	\$300,000	0.26%
Generator Rewind & Repair	\$1,300,000	1.12%
Ketchikan International Airport Upgrade	\$1,565,000	1.35%
Ketchikan Lakes Dam Low Level Outlet	\$2,000,000	1.73%
Ketchikan Lakes FERC Part 12D Comprehensive Assessment	\$400,000	0.35%
Ketchikan Lakes Project Relicensing	\$1,500,000	1.30%
Ketchikan Lakes Utilities	\$4,079,607	3.53%

● Lower Silvis Dam Cleaning and Inspections	\$100,000	0.09%
● Lower Silvis Lake Submarine Cable Replacement	\$200,000	0.17%
● Mountain Point Substation Replacement	\$8,350,000	7.22%
● Operating Equipment	\$1,691,200	1.46%
● Penstock Inspection Program	\$100,000	0.09%
● PLC Upgrades	\$1,250,000	1.08%
● Port West Feeder Reconfiguration & Site Modification	\$1,125,000	0.97%
● Reimbursable Projects	\$100,000	0.09%
● Security Fence and Gates	\$45,000	0.04%
● Silvis Shaft & Turbine Overhaul	\$750,000	0.65%
● Silvis Tunnel Valve	\$450,000	0.39%
● Spare Substation Class Transformer Refurbishment	\$85,000	0.07%
● System Sectionalizers	\$300,000	0.26%
● Transformer Purchases	\$1,650,000	1.43%
● Transmission & Distribution Line Maintenance	\$3,200,000	2.77%
● Vehicles & Moving Equipment	\$860,000	0.74%
● Ward Cove Substation Replacement	\$8,900,000	7.70%
● Ward Cove Substation Slope Stabilization	\$300,000	0.26%
● Whitman Dam Crack Repair	\$120,000	0.10%
● Whitman Incubation Pipe Flow	\$50,000	0.04%
● Whitman Part 12 Comprehensive Assessment	\$300,000	0.26%

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	\$525,000
5200-10 Additional Projects	\$50,000	\$164,000	\$164,000	\$164,000	\$0	\$542,000
5200-11 AML, Meters and Meter Replacement Parts	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
5200-32 Bailey Exhaust Stack Re-coating	\$0	\$125,000	\$0	\$0	\$0	\$125,000
5200-13 Bailey Fuel Tank Painting	\$0	\$100,000	\$0	\$0	\$0	\$100,000
5200-42 Bailey Generator Radiator Replacement	\$0	\$40,000	\$300,000	\$0	\$0	\$340,000

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
5200-18 Bailey Mooring Dolphin Replacement	\$200,000	\$0	\$0	\$0	\$0	\$200,000
5200-40 Bailey Substation Replacement	\$0	\$1,500,000	\$15,300,000	\$0	\$0	\$16,800,000
5200-07 Battery Systems and Chargers	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500
5200-27 Beaver Falls FERC Part 12D Periodic Inspection	\$0	\$0	\$150,000	\$0	\$0	\$150,000
5200-03 Beaver Falls Powerhouse Exterior	\$375,000	\$375,000	\$0	\$0	\$0	\$750,000
5200-15 Beaver Falls Switch Gear Replacement	\$750,000	\$750,000	\$0	\$0	\$0	\$1,500,000
5200-34 Digital Radio System Upgrades	\$0	\$120,000	\$0	\$0	\$0	\$120,000
5200-44 Electric Division Service Center	\$0	\$2,000,000	\$500,000	\$5,100,000	\$0	\$7,600,000
5200-35 ESRI Trouble Ticket Solutions	\$0	\$40,000	\$0	\$0	\$0	\$40,000
5200-20 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
5200-17 Ketchikan International Airport Upgrade	\$1,565,000	\$0	\$0	\$0	\$0	\$1,565,000
5200-29 Ketchikan Lakes Dam Low Level Outlet	\$0	\$2,000,000	\$0	\$0	\$0	\$2,000,000
5200-25 Ketchikan Lakes FERC Part 12D Comprehensive Assessment	\$0	\$0	\$400,000	\$0	\$0	\$400,000
5200-01 Ketchikan Lakes Project Relicensing	\$600,000	\$600,000	\$250,000	\$50,000	\$0	\$1,500,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5200-33 Ketchikan Lakes Utilities	\$0	\$4,079,607	\$0	\$0	\$0	\$4,079,607
5200-28 Lower Silvis Dam Cleaning and Inspections	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-24 Lower Silvis Lake Submarine Cable Replacement	\$50,000	\$150,000	\$0	\$0	\$0	\$200,000
5200-38 Mountain Point Substation Replacement	\$0	\$750,000	\$7,600,000	\$0	\$0	\$8,350,000
5200-09 Operating Equipment	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200
5200-14 Penstock Inspection Program	\$100,000	\$0	\$0	\$0	\$0	\$100,000
5200-06 PLC Upgrades	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
5200-36 Port West Feeder Reconfiguration & Site Modification	\$0	\$175,000	\$950,000	\$0	\$0	\$1,125,000
5200-16 Reimbursable Projects	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$100,000
5200-31 Security Fence and Gates	\$0	\$45,000	\$0	\$0	\$0	\$45,000
5200-41 Silvis Shaft & Turbine Overhaul	\$0	\$0	\$750,000	\$0	\$0	\$750,000
5200-21 Silvis Tunnel Valve	\$50,000	\$400,000	\$0	\$0	\$0	\$450,000
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
5200-05 Transformer Purchases	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
5200-04 Transmission & Distribution Line Maintenance	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$0	\$3,200,000
5200-08 Vehicles & Moving Equipment	\$185,000	\$200,000	\$350,000	\$125,000	\$0	\$860,000
5200-39 Ward Cove Substation Replacement	\$0	\$0	\$800,000	\$8,100,000	\$0	\$8,900,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5200-37 Ward Cove Substation Slope Stabilization	\$300,000	\$0	\$0	\$0	\$0	\$300,000
5200-02 Whitman Dam Crack Repair	\$120,000	\$0	\$0	\$0	\$0	\$120,000
5200-30 Whitman Incubation Pipe Flow	\$50,000	\$0	\$0	\$0	\$0	\$50,000
5200-26 Whitman Part 12 Comprehensive Assessment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Total Summary of Requests	\$7,201,700	\$15,994,107	\$34,319,500	\$56,869,500	\$1,230,500	\$115,615,307

34.5 kV Breaker Relay and Spares

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$105K	\$525K	\$525K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Other	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Total	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$105K	\$525K	\$525K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000
Generating Fund						
Total	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000

Additional Projects

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-10
Estimated Start Date	01/1/2025
Estimated Completion Date	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
\$50K	\$542K	\$542K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Construction/Maintenance	\$50,000	\$164,000	\$164,000	\$164,000	\$542,000
Total	\$50,000	\$164,000	\$164,000	\$164,000	\$542,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$542K	\$542K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$164,000	\$164,000	\$164,000	\$542,000
Generating Fund					
Total	\$50,000	\$164,000	\$164,000	\$164,000	\$542,000

AMI, Meters and Meter Replacement Parts

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$125K	\$625K	\$625K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
Total	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$125K	\$625K	\$625K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
Generating Fund						
Total	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000

Bailey Exhaust Stack Re-coating

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$125K	\$125K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$100,000	\$100,000
Design	\$25,000	\$25,000
Total	\$125,000	\$125,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$125K	\$125K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$125,000	\$125,000
Total	\$125,000	\$125,000

Bailey Fuel Tank Painting

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$100K	\$100K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Construction	\$100,000	\$100,000
Total	\$100,000	\$100,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$100K	\$100K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$100,000	\$100,000
Generating Fund		
Total	\$100,000	\$100,000

Bailey Generator Radiator Replacement

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$0	\$340K	\$340K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Other	\$0	\$240,000	\$240,000
Installation	\$0	\$60,000	\$60,000
Equipment	\$40,000	\$0	\$40,000
Total	\$40,000	\$300,000	\$340,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$340K	\$340K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$40,000	\$300,000	\$340,000
Generating Fund			
Total	\$40,000	\$300,000	\$340,000

Bailey Generator Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$0	\$44.9M	\$44.9M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$40,750,000	\$40,750,000
Design	\$4,000,000	\$0	\$4,000,000
Other	\$125,000	\$0	\$125,000
Total	\$4,125,000	\$40,750,000	\$44,875,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$44.9M	\$44.9M

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Debt Financing	\$4,125,000	\$40,750,000	\$44,875,000
Total	\$4,125,000	\$40,750,000	\$44,875,000

Bailey Mooring Dolphin Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$200K	\$200K	\$200K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$150,000	\$150,000
Design	\$50,000	\$50,000
Total	\$200,000	\$200,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$200K	\$200K	\$200K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$200,000	\$200,000
Total	\$200,000	\$200,000

Bailey Substation Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$16.8M	\$16.8M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$15,300,000	\$15,300,000
Design	\$1,500,000	\$0	\$1,500,000
Total	\$1,500,000	\$15,300,000	\$16,800,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$16.8M	\$16.8M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Debt Financing	\$1,500,000	\$15,300,000	\$16,800,000
Total	\$1,500,000	\$15,300,000	\$16,800,000

Battery Systems and Chargers

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$50.5K	\$253K	\$253K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500
Total	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50.5K	\$253K	\$253K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500
Generating Fund						
Total	\$50,500	\$50,500	\$50,500	\$50,500	\$50,500	\$252,500

Beaver Falls FERC Part 12D Periodic Inspection

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$150K	\$150K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
Engineering	\$150,000	\$150,000
Total	\$150,000	\$150,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$150K	\$150K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$150,000	\$150,000
Generating Fund		
Total	\$150,000	\$150,000

Beaver Falls Powerhouse Exterior

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-03
Estimated Completion Date	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

\$375K

Total Budget (all years)

\$750K

Project Total

\$750K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction	\$375,000	\$375,000	\$750,000
Total	\$375,000	\$375,000	\$750,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$375K	\$750K	\$750K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$375,000	\$375,000	\$750,000
Total	\$375,000	\$375,000	\$750,000

Beaver Falls Switch Gear Replacement

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$750K	\$1.5M	\$1.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Other	\$750,000	\$0	\$750,000
Installation	\$0	\$500,000	\$500,000
Equipment	\$0	\$250,000	\$250,000
Total	\$750,000	\$750,000	\$1,500,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$750K	\$1.5M	\$1.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$750,000	\$750,000	\$1,500,000
Generating Fund			
Total	\$750,000	\$750,000	\$1,500,000

Digital Radio System Upgrades

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$0	\$120K	\$120K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Equipment	\$100,000	\$100,000
Other	\$20,000	\$20,000
Total	\$120,000	\$120,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$120K	\$120K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$120,000	\$120,000
Generating Fund		
Total	\$120,000	\$120,000

Electric Division Service Center

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$7.6M	\$7.6M

Detailed Breakdown

Category	FY2027 Proposed	FY2028 Proposed	FY2029 Proposed	Total
Construction	\$0	\$0	\$4,750,000	\$4,750,000
Land/Property Acquisition (ROW)	\$1,800,000	\$0	\$0	\$1,800,000
Design	\$0	\$500,000	\$0	\$500,000
Land/Property Improvements	\$200,000	\$0	\$250,000	\$450,000
Other	\$0	\$0	\$100,000	\$100,000
Total	\$2,000,000	\$500,000	\$5,100,000	\$7,600,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$7.6M	\$7.6M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Debt Financing	\$2,000,000	\$500,000	\$5,100,000	\$7,600,000
Total	\$2,000,000	\$500,000	\$5,100,000	\$7,600,000

ESRI Trouble Ticket Solutions

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$0	\$40K	\$40K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Needs Assessment and Design	\$40,000	\$40,000
Total	\$40,000	\$40,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$40K	\$40K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$40,000	\$40,000
Total	\$40,000	\$40,000

Feeder Protective Relay Upgrades

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$150K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Equipment	\$120,000	\$40,000	\$40,000	\$40,000	\$240,000
Other	\$30,000	\$10,000	\$10,000	\$10,000	\$60,000
Total	\$150,000	\$50,000	\$50,000	\$50,000	\$300,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$150K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue	\$150,000	\$50,000	\$50,000	\$50,000	\$300,000
Generating Fund					
Total	\$150,000	\$50,000	\$50,000	\$50,000	\$300,000

Generator Rewind & Repair

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$325K	\$1.3M	\$1.3M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Installation	\$200,000	\$200,000	\$200,000	\$200,000	\$800,000
Equipment	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Other	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Total	\$325,000	\$325,000	\$325,000	\$325,000	\$1,300,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$325K	\$1.3M	\$1.3M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$325,000	\$325,000	\$325,000	\$325,000	\$1,300,000
Total	\$325,000	\$325,000	\$325,000	\$325,000	\$1,300,000

Ketchikan International Airport Upgrade

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$1.57M	\$1.57M	\$1.57M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$850,000	\$850,000
Other	\$700,000	\$700,000
Design	\$15,000	\$15,000
Total	\$1,565,000	\$1,565,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$1.57M	\$1.57M	\$1.57M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue	\$1,565,000	\$1,565,000
Generating Fund		
Total	\$1,565,000	\$1,565,000

Ketchikan Lakes Dam Low Level Outlet

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$2M	\$2M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Engineering	\$2,000,000	\$2,000,000
Total	\$2,000,000	\$2,000,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$2M	\$2M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$2,000,000	\$2,000,000
Total	\$2,000,000	\$2,000,000

Ketchikan Lakes FERC Part 12D Comprehensive Assessment

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$400K	\$400K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
Engineering	\$400,000	\$400,000
Total	\$400,000	\$400,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$400K	\$400K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$400,000	\$400,000
Generating Fund		
Total	\$400,000	\$400,000

Ketchikan Lakes Project Relicensing

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-01
Estimated Start Date	01/3/2022
Estimated Completion Date	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

\$600K

Total Budget (all years)

\$1.5M

Project Total

\$1.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Other	\$600,000	\$600,000	\$250,000	\$50,000	\$1,500,000
Total	\$600,000	\$600,000	\$250,000	\$50,000	\$1,500,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$600K	\$1.5M	\$1.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue	\$600,000	\$600,000	\$250,000	\$50,000	\$1,500,000
Generating Fund					
Total	\$600,000	\$600,000	\$250,000	\$50,000	\$1,500,000

Ketchikan Lakes Utilities

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-33
Estimated Start Date	01/1/2022
Estimated Completion Date	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
\$0	\$4.08M	\$4.08M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$3,929,607	\$3,929,607
Design	\$150,000	\$150,000
Total	\$4,079,607	\$4,079,607

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$4.08M	\$4.08M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$4,079,607	\$4,079,607
Total	\$4,079,607	\$4,079,607

Lower Silvis Dam Cleaning and Inspections

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$100K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$50,000	\$50,000
Engineering	\$50,000	\$50,000
Total	\$100,000	\$100,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$100,000	\$100,000
Total	\$100,000	\$100,000

Lower Silvis Lake Submarine Cable Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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.

Capital Cost

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$200K	\$200K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Design	\$50,000	\$150,000	\$200,000
Total	\$50,000	\$150,000	\$200,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$200K	\$200K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$150,000	\$200,000
Generating Fund			
Total	\$50,000	\$150,000	\$200,000

Mountain Point Substation Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$8.35M	\$8.35M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$7,600,000	\$7,600,000
Design	\$750,000	\$0	\$750,000
Total	\$750,000	\$7,600,000	\$8,350,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$8.35M	\$8.35M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Debt Financing	\$750,000	\$7,600,000	\$8,350,000
Total	\$750,000	\$7,600,000	\$8,350,000

Operating Equipment

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	5200-09

Description

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

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

Capital Cost

FY2026 Budget
\$491K
Total Budget (all years)
\$1.69M
Project Total
\$1.69M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200
Total	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$491K	\$1.69M	\$1.69M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200
Generating Fund						
Total	\$491,200	\$300,000	\$300,000	\$300,000	\$300,000	\$1,691,200

Penstock Inspection Program

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$100K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Other	\$100,000	\$100,000
Total	\$100,000	\$100,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$100,000	\$100,000
Total	\$100,000	\$100,000

PLC Upgrades

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-06
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$250K	\$1.25M	\$1.25M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$1,075,000
Design	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Construction/Maintenance	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Total	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$250K	\$1.25M	\$1.25M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Generating Fund						
Total	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000

Port West Feeder Reconfiguration & Site Modification

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$0	\$1.13M	\$1.13M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</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
Total	\$175,000	\$950,000	\$1,125,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$1.13M	\$1.13M

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$175,000	\$950,000	\$1,125,000
Generating Fund			
Total	\$175,000	\$950,000	\$1,125,000

Reimbursable Projects

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$25K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Other	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Total	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$25K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Total	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000

Security Fence and Gates

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-31
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$0	\$45K	\$45K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Land/Property Improvements	\$45,000	\$45,000
Total	\$45,000	\$45,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$45K	\$45K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$45,000	\$45,000
Total	\$45,000	\$45,000

Silvis Shaft & Turbine Overhaul

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$0	\$750K	\$750K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
Equipment	\$650,000	\$650,000
Other	\$100,000	\$100,000
Total	\$750,000	\$750,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$750K	\$750K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$750,000	\$750,000
Generating Fund		
Total	\$750,000	\$750,000

Silvis Tunnel Valve

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$50K	\$450K	\$450K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$400,000	\$400,000
Design	\$50,000	\$0	\$50,000
Total	\$50,000	\$400,000	\$450,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$450K	\$450K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$50,000	\$400,000	\$450,000
Total	\$50,000	\$400,000	\$450,000

Spare Substation Class Transformer Refurbishment

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$85K	\$85K	\$85K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Other	\$85,000	\$85,000
Total	\$85,000	\$85,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$85K	\$85K	\$85K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$85,000	\$85,000
Total	\$85,000	\$85,000

System Sectionalizers

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$100K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Equipment	\$85,000	\$90,000	\$90,000	\$265,000
Other	\$15,000	\$10,000	\$10,000	\$35,000
Total	\$100,000	\$100,000	\$100,000	\$300,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
KPU Revenue	\$100,000	\$100,000	\$100,000	\$300,000
Generating Fund				
Total	\$100,000	\$100,000	\$100,000	\$300,000

Transformer Purchases

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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	Total Budget (all years)	Project Total
\$250K	\$1.65M	\$1.65M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
Total	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$250K	\$1.65M	\$1.65M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000
Generating Fund						
Total	\$250,000	\$300,000	\$350,000	\$350,000	\$400,000	\$1,650,000

Transmission & Distribution Line Maintenance

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-04
Estimated Start Date	01/1/2025
Estimated Completion Date	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

Capital Cost

FY2026 Budget	Total Budget (all years)	Project Total
\$450K	\$3.2M	\$3.2M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Construction/Maintenance	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$3,200,000
Total	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$3,200,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$450K	\$3.2M	\$3.2M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$3,200,000
Generating Fund					
Total	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$3,200,000

Vehicles & Moving Equipment

Overview

Department	KPU-Electric Department
Type	Capital Equipment
Project Number	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
\$185K	\$860K	\$860K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Vehicle Cost	\$185,000	\$200,000	\$350,000	\$125,000	\$860,000
Total	\$185,000	\$200,000	\$350,000	\$125,000	\$860,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$185K	\$860K	\$860K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
KPU Revenue	\$185,000	\$200,000	\$350,000	\$125,000	\$860,000
Generating Fund					
Total	\$185,000	\$200,000	\$350,000	\$125,000	\$860,000

Ward Cove Substation Replacement

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-39

Description

Ward Cove Substation, a five (5) MVA capacity station, was constructed in the early 1990's and is approaching it's 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
\$0	\$8.9M	\$8.9M

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$8,100,000	\$8,100,000
Design	\$800,000	\$0	\$800,000
Total	\$800,000	\$8,100,000	\$8,900,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$8.9M	\$8.9M

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Debt Financing	\$800,000	\$8,100,000	\$8,900,000
Total	\$800,000	\$8,100,000	\$8,900,000

Ward Cove Substation Slope Stabilization

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$300K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 Proposed	Total
Construction/Maintenance	\$250,000	\$250,000
Land/Right-of-way	\$50,000	\$50,000
Total	\$300,000	\$300,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$300K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 Proposed	Total
KPU Revenue Generating Fund	\$300,000	\$300,000
Total	\$300,000	\$300,000

Whitman Dam Crack Repair

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$120K	\$120K	\$120K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$120,000	\$120,000
Total	\$120,000	\$120,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$120K	\$120K	\$120K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$120,000	\$120,000
Total	\$120,000	\$120,000

Whitman Incubation Pipe Flow

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	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
\$50K	\$50K	\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$50,000	\$50,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$50K	\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$50,000	\$50,000
Total	\$50,000	\$50,000

Whitman Part 12 Comprehensive Assessment

Overview

Department	KPU-Electric Department
Type	Capital Improvement
Project Number	5200-26

Description

Whitman 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
\$300K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Other	\$300,000	\$300,000
Total	\$300,000	\$300,000

Funding Sources

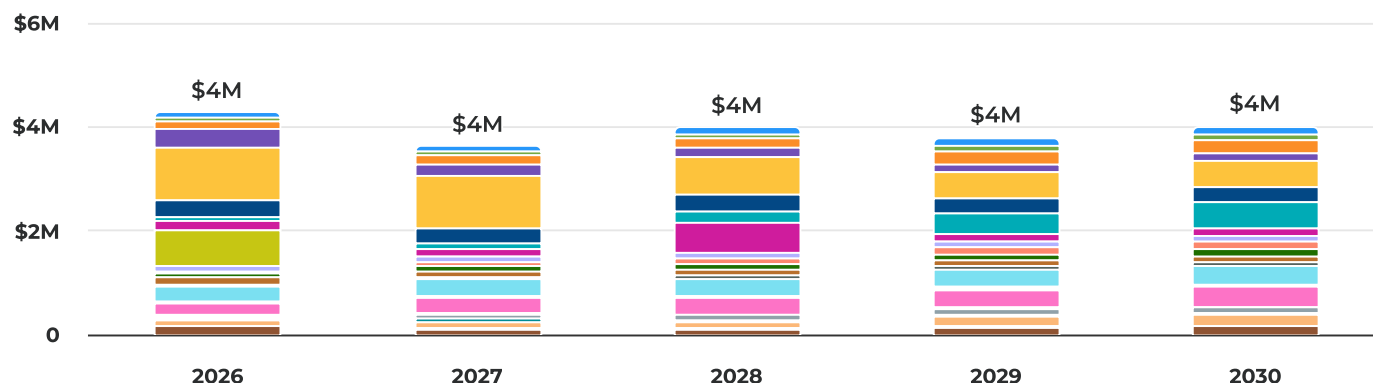
FY2026 Budget	Total Budget (all years)	Project Total
\$300K	\$300K	\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue	\$300,000	\$300,000
Generating Fund		
Total	\$300,000	\$300,000

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	19.06%
Fiber to the Home	\$1,550,000	7.88%
Hosted	\$1,300,000	6.61%
Internet Expansion	\$1,225,000	6.23%
Ketchikan 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	8.26%
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	8.00%
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

\$625,000 3.18%**Summary of Requests**

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
5300-14 PC Hardware and Software	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000
5300-18 Vehicle Acquisition	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000
5300-20 4G/LTE	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000
5300-10 Core Network Upgrade	\$1,000,000	\$1,000,000	\$750,000	\$500,000	\$500,000	\$3,750,000
5300-08 Fiber to the Home	\$325,000	\$300,000	\$325,000	\$300,000	\$300,000	\$1,550,000
5300-21 Hosted	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000
5300-23 Internet Expansion	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000
5300-24 Ketchikan Subsea Cable Emergency Repair Fund	\$676,500	\$0	\$0	\$0	\$0	\$676,500
5300-12 Multi-Dwelling Unit Project	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
5300-17 Network Monitoring	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000
5300-19 Network Security Infrastructure	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500
5300-01 Normal Growth and Repair - Buildings	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000
5300-02 Normal Growth and Repair - Central Office Switching	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
5300-05 Normal Growth and Repair - Central Office Transmission	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000
5300-03 Normal Growth and Repair - Copper Cable	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
5300-06 Normal Growth and Repair - Expansion	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000
5300-04 Normal Growth and	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
5300-07 Repair - Fiber Cable						
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	\$150,000	\$100,000	\$100,000	\$125,000	\$150,000	\$625,000
Total Summary of Requests	\$4,280,500	\$3,630,000	\$3,980,000	\$3,785,000	\$4,001,500	\$19,677,000

Operating Equipment

Overview

Department	KPU-Telecommunications Department
Type	Capital Equipment
Project Number	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
\$100K	\$625K	\$625K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$100,000	\$100,000	\$125,000	\$150,000	\$150,000	\$625,000
Total	\$100,000	\$100,000	\$125,000	\$150,000	\$150,000	\$625,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$625K	\$625K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$100,000	\$100,000	\$125,000	\$150,000	\$150,000	\$625,000
Generating Fund						
Total	\$100,000	\$100,000	\$125,000	\$150,000	\$150,000	\$625,000

PC Hardware and Software

Overview

Department	KPU-Telecommunications Department
Type	Capital Equipment
Project Number	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
\$75K	\$425K	\$425K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000
Total	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$75K	\$425K	\$425K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000
Generating Fund						
Total	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000	\$425,000

Vehicle Acquisition

Overview

Department	KPU-Telecommunications Department
Type	Capital Equipment
Project Number	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
\$150K	\$1.05M	\$1.05M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Vehicle Cost	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000
Total	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$150K	\$1.05M	\$1.05M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000
Generating Fund						
Total	\$150,000	\$200,000	\$200,000	\$250,000	\$250,000	\$1,050,000

4G/LTE

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$359K	\$1.01M	\$1.01M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000
Generating Fund						
Total	\$359,000	\$200,000	\$150,000	\$150,000	\$150,000	\$1,009,000

Core Network Upgrade

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$1M	\$3.75M	\$3.75M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$1M	\$3.75M	\$3.75M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$1,000,000	\$1,000,000	\$750,000	\$500,000	\$500,000	\$3,750,000
Generating Fund						
Total	\$1,000,000	\$1,000,000	\$750,000	\$500,000	\$500,000	\$3,750,000

Fiber to the Home

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$325K	\$1.55M	\$1.55M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$325K	\$1.55M	\$1.55M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$325,000	\$300,000	\$325,000	\$300,000	\$300,000	\$1,550,000
Generating Fund						
Total	\$325,000	\$300,000	\$325,000	\$300,000	\$300,000	\$1,550,000

Hosted

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$100K	\$1.3M	\$1.3M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$1.3M	\$1.3M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000
Total	\$100,000	\$100,000	\$200,000	\$400,000	\$500,000	\$1,300,000

Internet Expansion

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$175K	\$1.23M	\$1.23M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$175K	\$1.23M	\$1.23M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000
Generating Fund						
Total	\$175,000	\$150,000	\$600,000	\$150,000	\$150,000	\$1,225,000

KetchCan1 Subsea Cable Emergency Repair Fund

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$677K	\$677K	\$677K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$676,500	\$676,500
Total	\$676,500	\$676,500

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$677K	\$677K	\$677K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$676,500	\$676,500
Total	\$676,500	\$676,500

Multi-Dwelling Unit Project

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$100K	\$500K	\$500K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment/Vehicle/Furnishings	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$475,000
Construction/Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Design	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$500K	\$500K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Generating Fund						
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Network Monitoring

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$50K	\$550K	\$550K

Detailed Breakdown

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

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$550K

Project Total

\$550K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000
Generating Fund						
Total	\$50,000	\$100,000	\$100,000	\$150,000	\$150,000	\$550,000

Network Security Infrastructure

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$75K	\$592K	\$592K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$75K	\$592K	\$592K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500
Generating Fund						
Total	\$75,000	\$100,000	\$125,000	\$125,000	\$166,500	\$591,500

Normal Growth and Repair - Buildings

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$125K	\$525K	\$525K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Land/Property Improvements	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000
Total	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$125K	\$525K	\$525K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000
Total	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$525,000

Normal Growth and Repair - Central Office Switching

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$50K	\$250K	\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment/Vehicle/Furnishings	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$250K

Project Total

\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Generating Fund						
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Normal Growth and Repair - Central Office Transmission

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$275K	\$1.63M	\$1.63M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$275K	\$1.63M	\$1.63M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000
Generating Fund						
Total	\$275,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,625,000

Normal Growth and Repair - Copper Cable

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$25K	\$125K	\$125K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$25K	\$125K	\$125K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Generating Fund						
Total	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000

Normal Growth and Repair - Expansion

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$15K	\$85K	\$85K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$15K	\$85K	\$85K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000
Generating Fund						
Total	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$85,000

Normal Growth and Repair - Fiber Cable

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$225K	\$1.58M	\$1.58M

Detailed Breakdown

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

Funding Sources

FY2026 Budget
\$225K

Total Budget (all years)
\$1.58M

Project Total
\$1.58M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000
Total	\$225,000	\$300,000	\$325,000	\$350,000	\$375,000	\$1,575,000

Normal Growth and Repair - Provisioning

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$20K	\$100K	\$100K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Generating Fund						
Total	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000

Power Expansion/Reclamation

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$50K	\$450K	\$450K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$450K	\$450K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000
Generating Fund						
Total	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000

Remote Cabinets for Advanced Services

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$50K	\$275K	\$275K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$275K	\$275K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$75,000	\$50,000	\$50,000	\$50,000	\$275,000
Generating Fund						
Total	\$50,000	\$75,000	\$50,000	\$50,000	\$50,000	\$275,000

Server Environment

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$100K	\$700K	\$700K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$700K	\$700K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$100,000	\$100,000	\$100,000	\$200,000	\$200,000	\$700,000
Generating Fund						
Total	\$100,000	\$100,000	\$100,000	\$200,000	\$200,000	\$700,000

Visual Mapping

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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
\$10K	\$90K	\$90K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other	\$5,100	\$10,200	\$10,200	\$10,200	\$10,200	\$45,900
Equipment/Vehicle/Fu rnishings	\$3,700	\$7,400	\$7,400	\$7,400	\$7,400	\$33,300
Construction/Mainten ance	\$1,200	\$2,400	\$2,400	\$2,400	\$2,400	\$10,800
Total	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$10K	\$90K	\$90K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000
Generating Fund						
Total	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000

WiFi

Overview

Department	KPU-Telecommunications Department
Type	Capital Improvement
Project Number	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	Total Budget (all years)	Project Total
\$125K	\$600K	\$600K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Equipment/Vehicle/Fu rnishings	\$107,500	\$77,500	\$77,500	\$96,875	\$116,250	\$475,625
Construction/Mainten ance	\$15,000	\$20,000	\$20,000	\$25,000	\$30,000	\$110,000
Design	\$2,500	\$2,500	\$2,500	\$3,125	\$3,750	\$14,375
Total	\$125,000	\$100,000	\$100,000	\$125,000	\$150,000	\$600,000

Funding Sources

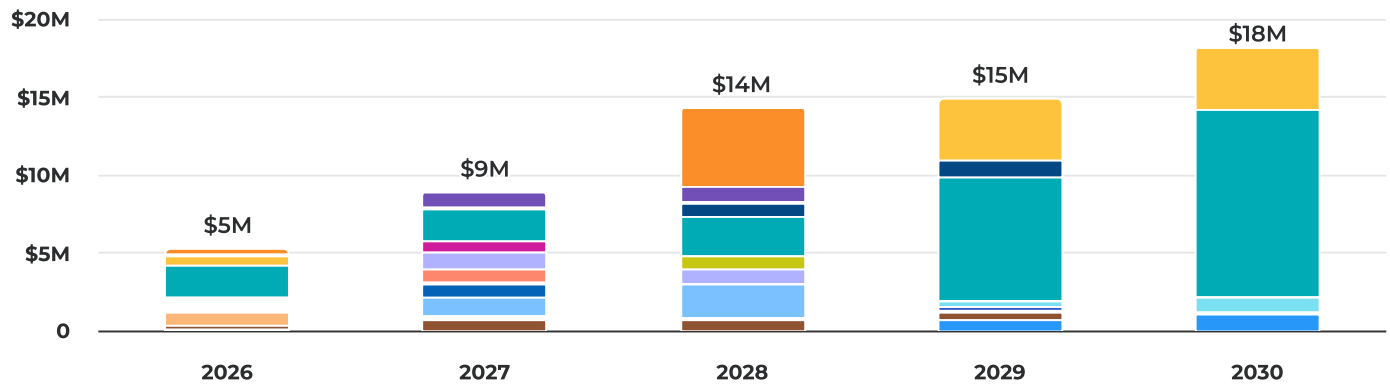
FY2026 Budget	Total Budget (all years)	Project Total
\$150K	\$625K	\$625K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$150,000	\$100,000	\$100,000	\$125,000	\$150,000	\$625,000
Generating Fund						
Total	\$150,000	\$100,000	\$100,000	\$125,000	\$150,000	\$625,000

KPU-Water Department

FY26 - FY30 KPU-Water Department Projects



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

Water Distribution Grid Improvements	\$150,000	0.24%
Water Meters - Business & Commercial Customers	\$813,281	1.32%
Water Service Upgrade Program	\$105,000	0.17%
Water Street Water Main Replacement	\$2,000,000	3.24%
West Fairy Chasm Main Replacement	\$1,737,000	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	\$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

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
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
5400-13 Thomas St. Water Main Replacement	\$0	\$850,000	\$0	\$0	\$0	\$850,000
5400-03 Tongass Avenue Water Main Replacement	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000
5400-17 Utility Vehicles	\$175,000	\$95,000	\$0	\$0	\$0	\$270,000
5400-25 UV System - Replacement Battery Bank	\$0	\$0	\$0	\$200,000	\$0	\$200,000
5400-12 Valve Boxes - Repair of Surrounding Pavement	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
5400-08 Water Distribution Grid Improvements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
5400-05 Water Meters - Business & Commercial Customers	\$813,281	\$0	\$0	\$0	\$0	\$813,281
5400-18 Water Service Upgrade Program	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
5400-02 Water Street Water Main Replacement	\$200,000	\$700,000	\$650,000	\$450,000	\$0	\$2,000,000
5400-23 West Fairy Chasm Main Replacement	\$87,000	\$0	\$0	\$650,000	\$1,000,000	\$1,737,000
Total Summary of Requests	\$5,284,281	\$8,927,000	\$14,339,000	\$14,916,000	\$18,226,000	\$61,692,281

Additional Projects - Water

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-07
Estimated Start Date	01/1/2026
Estimated Completion Date	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	Total Budget (all years)	Project Total
\$50K	\$250K	\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$50K	\$250K	\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Generating Fund						
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Backflow Prevention Program

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-19
Estimated Start Date	01/1/2026
Estimated Completion Date	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

\$15K

Total Budget (all years)

\$75K

Project Total

\$75K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Total	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$15K	\$75K	\$75K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Generating Fund						
Total	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000

Filtration Facility - Preliminary Preparation Tasks

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-01
Estimated Start Date	01/1/2020
Estimated Completion Date	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 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$5,113,000	\$5,113,000
Design	\$390,000	\$0	\$390,000
Total	\$390,000	\$5,113,000	\$5,503,000

Funding Sources

FY2026 Budget

\$390K

Total Budget (all years)

\$5.5M

Project Total

\$5.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Debt Financing	\$0	\$5,113,000	\$5,113,000
KPU Revenue Generating Fund	\$390,000	\$0	\$390,000
Total	\$390,000	\$5,113,000	\$5,503,000

Harris Street Utility Improvements

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-09
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$125K	\$2.08M	\$2.08M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$1,000,000	\$950,000	\$1,950,000
Design	\$125,000	\$0	\$0	\$125,000
Total	\$125,000	\$1,000,000	\$950,000	\$2,075,000

Funding Sources

FY2026 Budget
\$125K

Total Budget (all years)
\$2.08M

Project Total
\$2.08M

Detailed Breakdown

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

Highlands Reservoir Property Acquisition

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-15
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$540K	\$8.74M	\$8.74M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$540K	\$8.74M	\$8.74M

Detailed Breakdown

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

Hillside Road Water Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-21
Estimated Start Date	01/1/2025
Estimated Completion Date	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
\$60K	\$1.88M	\$1.88M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$0	\$800,000	\$1,000,000	\$1,800,000
Design	\$60,000	\$20,000	\$0	\$0	\$80,000
Total	\$60,000	\$20,000	\$800,000	\$1,000,000	\$1,880,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$60K	\$1.88M	\$1.88M

Detailed Breakdown

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

Ketchikan Lakes Alternative Raw Water Supply Piping

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-04
Estimated Start Date	01/1/2025
Estimated Completion Date	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 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$0	\$0	\$8,000,000	\$12,000,000	\$20,000,000
Engineering	\$2,000,000	\$2,000,000	\$2,500,000	\$0	\$0	\$6,500,000
Total	\$2,000,000	\$2,000,000	\$2,500,000	\$8,000,000	\$12,000,000	\$26,500,000

Funding Sources

FY2026 Budget

\$2M

Total Budget (all years)

\$26.5M

Project Total

\$26.5M

Detailed Breakdown

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

Ketchikan Lakes Road - between Deermount to 1234 Ktn. Lakes

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-22
Estimated Start Date	01/1/2025
Estimated Completion Date	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 1/16th 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
\$20K	\$820K	\$820K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$800,000	\$800,000
Design	\$20,000	\$0	\$20,000
Total	\$20,000	\$800,000	\$820,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$20K	\$820K	\$820K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$20,000	\$800,000	\$820,000
Generating Fund			
Total	\$20,000	\$800,000	\$820,000

Ketchikan Lakes Road Concrete Segment Reconstruction

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-14
Estimated Start Date	01/5/2026
Estimated Completion Date	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

\$80K

Total Budget (all years)

\$930K

Project Total

\$930K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$850,000	\$850,000
Design	\$80,000	\$0	\$80,000
Total	\$80,000	\$850,000	\$930,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$80K	\$930K	\$930K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Grant Funding	\$0	\$850,000	\$850,000
KPU Revenue Generating Fund	\$80,000	\$0	\$80,000
Total	\$80,000	\$850,000	\$930,000

Park Avenue Utility Improvements

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-10
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$125K	\$2.08M	\$2.08M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$1,000,000	\$950,000	\$1,950,000
Design	\$125,000	\$0	\$0	\$125,000
Total	\$125,000	\$1,000,000	\$950,000	\$2,075,000

Funding Sources

FY2026 Budget
\$125K

Total Budget (all years)
\$2.08M

Project Total
\$2.08M

Detailed Breakdown

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

Peterson St. Water Main Rebuild

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-16
Estimated Start Date	01/1/2027
Estimated Completion Date	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
\$0	\$850K	\$850K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$850,000	\$850,000
Total	\$850,000	\$850,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$850K	\$850K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Debt Financing	\$500,000	\$500,000
KPU Revenue	\$350,000	\$350,000
Generating Fund		
Total	\$850,000	\$850,000

Pump Station Switchgear Improvements

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-20
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$45K	\$45K	\$45K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$45,000	\$45,000
Total	\$45,000	\$45,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$45K	\$45K	\$45K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue	\$45,000	\$45,000
Generating Fund		
Total	\$45,000	\$45,000

Replace ClorTec Generating Cells

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-06
Estimated Start Date	06/30/2025
Estimated Completion Date	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

\$78K

Total Budget (all years)

\$164K

Project Total

\$164K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction/Maintenance	\$78,000	\$86,000	\$164,000
Total	\$78,000	\$86,000	\$164,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$78K	\$164K	\$164K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$78,000	\$86,000	\$164,000
Generating Fund			
Total	\$78,000	\$86,000	\$164,000

Second Avenue Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-11
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$150K	\$150K	\$150K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Design	\$150,000	\$150,000
Total	\$150,000	\$150,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$150K	\$150K	\$150K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
KPU Revenue	\$150,000	\$150,000
Generating Fund		
Total	\$150,000	\$150,000

Skyline Water Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-24
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$70K	\$1.46M	\$1.46M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$390,000	\$1,000,000	\$1,390,000
Design	\$70,000	\$0	\$0	\$70,000
Total	\$70,000	\$390,000	\$1,000,000	\$1,460,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$70K	\$1.46M	\$1.46M

Detailed Breakdown

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

Thomas St. Water Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-13
Estimated Start Date	03/1/2027
Estimated Completion Date	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
\$0	\$850K	\$850K

Detailed Breakdown

Category	FY2027 Proposed	Total
Construction/Maintenance	\$850,000	\$850,000
Total	\$850,000	\$850,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$850K	\$850K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	Total
Debt Financing	\$850,000	\$850,000
Total	\$850,000	\$850,000

Tongass Avenue Water Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-03
Estimated Start Date	10/1/2025
Estimated Completion Date	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
\$100K	\$3.5M	\$3.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$1,000,000	\$2,100,000	\$3,100,000
Engineering	\$0	\$100,000	\$100,000	\$200,000
Design	\$100,000	\$100,000	\$0	\$200,000
Total	\$100,000	\$1,200,000	\$2,200,000	\$3,500,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$100K	\$3.5M	\$3.5M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Debt Financing	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000
Total	\$100,000	\$1,200,000	\$2,200,000	\$0	\$0	\$3,500,000

Utility Vehicles

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-17
Estimated Start Date	01/1/2026
Estimated Completion Date	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

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Equipment/Vehicle/Furnishings	\$175,000	\$95,000	\$270,000
Total	\$175,000	\$95,000	\$270,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$175K	\$270K	\$270K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
KPU Revenue	\$175,000	\$95,000	\$270,000
Generating Fund			
Total	\$175,000	\$95,000	\$270,000

UV System - Replacement Battery Bank

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-25
Estimated Start Date	01/2/2029
Estimated Completion Date	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
\$0	\$200K	\$200K

Detailed Breakdown

Category	FY2029 <i>Proposed</i>	Total
Equipment/Vehicle/Furnishings	\$200,000	\$200,000
Total	\$200,000	\$200,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$0	\$200K	\$200K

Detailed Breakdown

Category	FY2029 <i>Proposed</i>	Total
Grant Funding	\$200,000	\$200,000
Total	\$200,000	\$200,000

Valve Boxes - Repair of Surrounding Pavement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-12
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$110K	\$550K	\$550K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
Total	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$110K	\$550K	\$550K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000
Generating Fund						
Total	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000

Water Distribution Grid Improvements

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-08
Estimated Start Date	01/1/2026
Estimated Completion Date	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
\$30K	\$150K	\$150K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$30K	\$150K	\$150K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue Generating Fund	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000

Water Meters - Business & Commercial Customers

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-05
Estimated Start Date	01/1/2025
Estimated Completion Date	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
\$813K	\$813K	\$813K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction/Maintenance	\$813,281	\$813,281
Total	\$813,281	\$813,281

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$813K	\$813K	\$813K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Debt Financing	\$813,281	\$813,281
Total	\$813,281	\$813,281

Water Service Upgrade Program

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-18
Estimated Start Date	01/1/2026
Estimated Completion Date	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

\$21K

Total Budget (all years)

\$105K

Project Total

\$105K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
Total	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$21K	\$105K	\$105K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
KPU Revenue	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000
Generating Fund						
Total	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$105,000

Water Street Water Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-02
Estimated Start Date	10/1/2025
Estimated Completion Date	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
\$200K	\$2M	\$2M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$200K	\$2M	\$2M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	Total
Debt Financing	\$200,000	\$700,000	\$650,000	\$450,000	\$2,000,000
Total	\$200,000	\$700,000	\$650,000	\$450,000	\$2,000,000

West Fairy Chasm Main Replacement

Overview

Department	KPU-Water Department
Type	Capital Improvement
Project Number	5400-23
Estimated Start Date	01/1/2026
Estimated Completion Date	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

\$87K

Total Budget (all years)

\$1.74M

Project Total

\$1.74M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction/Maintenance	\$0	\$650,000	\$1,000,000	\$1,650,000
Design	\$87,000	\$0	\$0	\$87,000
Total	\$87,000	\$650,000	\$1,000,000	\$1,737,000

Funding Sources

FY2026 Budget
\$87K

Total Budget (all years)
\$1.74M

Project Total
\$1.74M

Detailed Breakdown

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