



## **KENAI PENINSULA BOROUGH**

144 North Binkley Street • Soldotna, Alaska 99669-8250

**PHONE:** (907) 714-2170 • **FAX:** (907) 714-2376

[www.kpb.us](http://www.kpb.us)

**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Kelly Cooper, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Mayor *MN*

**FROM:** Colette Thompson, Borough Attorney *CT*  
Brandi Harbaugh, Acting Finance Director *BH*

**DATE:** September 7, 2017

**SUBJECT:** Ordinance 2017-19- 08, An Ordinance Appropriating \$67,500 to Provide Funding for Potential Settlement of a Dispute with Interior Telephone Company and Matanuska Telephone Association (Mayor)

---

In 2008, the Kenai Peninsula Borough upgraded to a new E911 system. As a part of that upgrade it changed the network for routing 911 calls to the Soldotna Public Safety Communications Center. In 2012, Matanuska Telephone Association ("MTA") and the Interior Telephone Company ("ITC") formally demanded that the borough reimburse them for costs they had incurred since 2008 and future costs for transporting their customers' E911 landline calls from their exchanges to the borough's Public Safety Answering Points ("PSAP"). The borough does not agree that it is responsible to pay those charges and the parties have unsuccessfully tried to negotiate a resolution off and on since then.

In February 2017 MTA and ITC filed formal complaints against the borough with the Regulatory Commission of Alaska ("RCA"), asking the RCA to confirm they are entitled to recover these and other related costs from the borough. To date the total combined charges from these companies are in excess of \$260,000. The RCA granted the borough's motions to dismiss the formal complaints on the grounds that the RCA lacks jurisdiction to hear those formal complaints. However, MTA and ITC may contend that other forums are available for them to file these claims against the borough.

The parties have continued negotiations to settle these cases and believe they may be close to reaching an agreement. However, this settlement involves both technical issues concerning call routings as well as financial issues concerning alleged charges. The technical issues are taking longer than expected to resolve, and time is of the essence as the significant monthly charges are continuing to allegedly be incurred. Once the technical issues are resolved and changes implemented, it is anticipated the monthly costs that MTA and ITC claim the borough owes will be significantly reduced. This ordinance is being brought forward before the final settlement has been reached in order to enable the parties to settle more quickly once the technical issues are resolved. It would appropriate the funds necessary to pay the amount the borough would contribute for this settlement if and when the technical issues are resolved to the mutual satisfaction of all parties, including the borough.

This appropriation is contingent upon the claims being settled. If they are not settled, or if the amount of the settlement is less than the amount appropriated, all remaining funds will lapse to the general fund.

FINANCE DEPARTMENT ACCOUNT/FUNDS VERIFIED	
Acct. No: 100.27910	
Amount: \$67,500	
By: <u>pp</u>	Date: <u>9/8/17</u>