

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2012-25

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, APPROVING SUBMITTAL AND EXECUTION OF AN APPLICATION TO THE ALASKA MUNICIPAL BOND BANK TO ISSUE AN AMOUNT OF ELECTRIC REVENUE BONDS UP TO \$80,500,000 THROUGH THE BOND BANK TO FINANCE THE CITY AND BOROUGH OF SITKA'S PORTION OF THE BLUE LAKE DAM HYDROELECTRIC AND DIESEL PLANT UPGRADE PROJECTS

WHEREAS, The City and Borough of Sitka has recognized a critical need to increase the electric generation capacity of the Blue Lake Dam Hydroelectric Facility by raising the height of the dam and installing additional turbines; and

WHEREAS, The City and Borough of Sitka has also recognized a critical need to increase the electric generation capacity backup diesel generation plant by adding additional diesel generators; and

WHEREAS, an engineer's estimate for the total anticipated combined cost of both projects is \$158,000,000; and

WHEREAS, the State of Alaska, Alaska Energy Authority has awarded the City and Borough of Sitka several grants for the two projects totaling \$56,625,000; and

WHEREAS, the Alaska Energy Authority grants are matching grants requiring financial participation by the City and Borough of Sitka; and

WHEREAS, the City and Borough of Sitka issued electric revenue bonds in December, 2010 which provided partial financing in the amount of \$21,000,000 for the projects, and

WHEREAS, the City and Borough of Sitka has made the obtaining of additional State of Alaska assistance for the project a top legislative priority for fiscal year 2013, and

WHEREAS, the City and Borough of Sitka will ultimately need to borrow a substantial remaining amount to complete both projects, and

WHEREAS, it has been determined that borrowing through bonded indebtedness is the most efficient means of obtaining the funds necessary to provide the City and Borough's portion of the project; and

WHEREAS, it has been determined that utilizing the Alaska Municipal Bond Bank for the issuance of bonded indebtedness is the most efficient and cost-effective method for the Municipality.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska that the Administrator is authorized to prepare and submit an application to the Alaska Municipal Bond Bank for the issuance of up to \$80,500,000 in electric revenue bonds through the Bond Bank.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 9th Day of October, 2012.



Mim McConnell
Mayor

ATTEST


Colleen Ingman, MMC
Municipal Clerk