



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

June 18, 2019

Ken Cameron, President/CEO  
Shee Atika, Incorporated  
315 Lincoln Street, Suite 300  
Sitka, Alaska 99835

Dear Mr. Cameron, *Ken*

Attached is our updated handout on the City and Borough Sitka's capital project efforts that Larry Markley has prepared as they relate to our capital project needs. Our top three projects are 1) a submarine cable intertie to the proposed new SEARHC hospital, 2) generator upgrades and relicensing of the Green Lake Hydroelectric Project, and 3) the new secondary water treatment plant. Sitka's estimates are \$30-\$40 million for the submarine circuit to the hospital (and other facilities on Japonski Island), \$20-\$30 million for the Green Lake generators and FERC-required relicensing, and \$18 million for the water plant.

Congressional staff is aware of these projects. Thank you for your assistance in reinforcing our lobbying effort with our delegation.

Sincerely,

David E. Miller  
Acting Municipal Administrator  
[dave.miller@cityofsitka.org](mailto:dave.miller@cityofsitka.org)

Gary L. Paxton  
Mayor  
[assemblypaxton@cityofsitka.org](mailto:assemblypaxton@cityofsitka.org)

cc: Senator Bert Stedman



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City and Borough of Sitka updated handout on our capital project efforts that Lobbyist Larry Markley has prepared as they relate to our capital project needs:

Our top 3 projects are: 1) a submarine cable intertie to the proposed new SEARHC hospital, 2) generator upgrades and relicensing of the Green Lake Hydroelectric Project, and 3) the new secondary water treatment plant. Sitka's estimates are \$30-\$40 million for the submarine circuit to the hospital (and other facilities on Japonski Island), \$20-\$30 million for the Green Lake generators and FERC-required relicensing, and \$18 million for the water plant.

As suggested by US Department of Agriculture (USDA) officials during our DC meeting, Sitka is pursuing funding possibilities with USDA agencies (possibly employing an umbrella approach) for the power projects. Such an approach under USDA's Rural Utilities Service (RUS) might also include refinancing of at least some of \$120 million in bond debt associated with the expansion of the Blue Lake Hydroelectric Project dam. It's possible the water treatment plant might also fall within rural development programs.

Sitka is aware that RUS and rural development agencies principally provide loans as opposed to grant assistance. The same is true for the Environmental Protection Agency (EPA), with respect to the water plant. EPA programs often pass through states, in our case the Department of Environmental Conservation. We are also reaching out to the US Department of Commerce's Economic Development Administration (EDA) through its Alaska office. EDA appears to focus on grants more than some other agencies.

Some form of a federal infrastructure program continues to receive considerable attention from members of Congress, the White House and the media. Sitka understands the infrastructure path may be protracted and that how to pay for the proposed \$2 trillion program has yet to be determined. The important thing is for Sitka's projects to remain on our delegation's radar. Infrastructure appears to be one of the few major federal initiatives on which republicans and democrats in Congress and the White House agree. Paying for such a costly program does represent a hurdle.