




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Melissa Haley, Finance Director
Scott Elder, Utility Director

Date: October 5, 2020

Subject: **Increase appropriations for the Phase 1 Green Lake Hydro Plant Rehabilitation Project to recognize grant reallocation.**

Background

In 2012 the electric department secured a \$770,000 Alaska legislative grant to look into the feasibility of a hydroelectric plant at Takatz lake. The project is complete, but there is \$395,506.73 remaining on the grant. After trying for multiple years to have the funds reallocated to an active project, our request was granted. As the first phase of the Green Lake Hydro Plant Rehabilitation Project is a very high priority, the funds have been reallocated to this project.

Analysis

Ultimately this reallocation of grant funding will allow for more availability of working capital to spend on future capital needs, including subsequent phases of renovating the Green Lake plant.

Fiscal Note

This will increase appropriations for the project by \$395,506.73. Adding these grant funds to the capital appropriation means that staff are very likely to come forward at a later date to decrease the working capital appropriated for this phase of the project.

Recommendation

Approve supplemental appropriation to recognize reallocation of AK Legislative Grant from the Takatz Lake project to the Green Lake Phase 1 project in the amount of \$395,506.73.