

CITY AND BOROUGH OF SITKA, ALASKA  
JUNIOR LIEN ELECTRIC REVENUE REFUNDING BOND (TAXABLE)  
(REFINANCING AEA LOAN)

ORDINANCE NO. 2021-07

AN ORDINANCE of the City and Borough of Sitka amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date.

PASSED: April 27, 2021

Prepared by:

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Seattle, Washington

CITY AND BOROUGH OF SITKA, ALASKA

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**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2021-07**

AN ORDINANCE of the City and Borough of Sitka amending Ordinance No. 2020-30 passed and approved on June 9, 2020; and establishing an effective date.

WHEREAS, the City and Borough of Sitka, Alaska (the “City”), owns and operates electric generation and transmission facilities (the “Electric System”); and

WHEREAS, to pay a portion of the cost of the City’s Green Lake hydroelectric project, a component of the Electric System, the City borrowed \$15,000,000 (at a per annum interest rate of 4.0%) from the Alaska Power Authority (now known as the Alaska Energy Authority, “AEA”) under a Loan and Security Agreement dated as of August 24, 1982, as evidenced by a Promissory Note dated August 26, 1982 (as subsequently amended, the “AEA Loan”); and

WHEREAS, the Assembly previously passed and approved Ordinance No. 2020-30 on June 9, 2020 (the “Original Ordinance”) which authorized the City to obtain a loan from the Alaska Municipal Bond Bank (the “Bond Bank”) in a principal amount not to exceed \$7,000,000 to refinance for savings the AEA Loan, authorized the issuance to the Bond Bank of a junior lien electric revenue refunding bond (the “Bond”) of the City to evidence and secure the AEA Loan, and authorized the Municipal Administrator and Chief Finance and Administrative Officer to enter into a loan agreement with the Bond Bank (the “Loan Agreement”) setting forth the terms and conditions of the AEA Loan and the Bond; and

WHEREAS, due to unforeseen circumstances, the Bond Bank delayed the transaction originally planned for the fall of 2020, which would have refinanced the AEA Loan, and now expects to proceed with the transaction in the summer of 2021, and it appears that proceeding with the refinancing now continues to produce savings for the ratepayers; and

WHEREAS, pursuant to Section 17 of the Original Ordinance, the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator for the initial sale of the Bond expired on December 31, 2020 and the authorization for the issuance of the Bond was rescinded because a Loan Agreement for the Bond had not been executed by December 31, 2020; and

WHEREAS, Section 17 of the Original Ordinance provides that the ordinance reauthorizing the issuance and sale of the Bond may be in the form of an amendatory ordinance approving a Loan Agreement or establishing terms and conditions for the authority delegated under such section; and

WHEREAS, the Assembly desires to amend the Original Ordinance to reauthorize the issuance and sale of the Bond, and to extend the expiration date of the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator in Section 17 of the

Original Ordinance for the initial sale of the Bond and execution of a Loan Agreement from December 31, 2020 to December 31, 2021 on the terms and conditions set forth in the Original Ordinance;

NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska, as follows:

Section 1. Classification. This ordinance is not of a permanent nature and is not intended to become part of the Sitka General Code.

Section 2. Amendment of Original Ordinance. The Original Ordinance is hereby amended to reauthorize the issuance and sale of the Bond, and to extend the expiration date of the authority granted to the Chief Finance and Administrative Officer and Municipal Administrator in Section 17 of the Original Ordinance for the initial sale of the Bond and execution of a Loan Agreement from December 31, 2020 to December 31, 2021. Except as amended by this ordinance, the Original Ordinance has not otherwise been amended and remains in full force and effect. Capitalized terms used in this ordinance and not otherwise defined herein have the meanings given those terms in the Original Ordinance.

Section 3. General Authorization; Prior Acts. The Mayor, Municipal Administrator, Chief Financial and Administrative Officer, Municipal Attorney, and Municipal Clerk and any other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance and the Original Ordinance but prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 4 Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City are declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

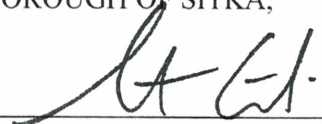
Section 5. Effective Date. This ordinance shall be in full force and effect 30 days after its adoption by the Assembly.

READ FOR THE FIRST TIME at a regular meeting of the Assembly held on April 13, 2021.

PASSED AND APPROVED by the Assembly on April 27, 2021.

CITY AND BOROUGH OF SITKA,  
ALASKA

By \_\_\_\_\_

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Municipal Clerk

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Municipal Clerk of the City and Borough of Sitka (the "City") and keeper of the records of the Assembly, DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. 2021-07 of the Assembly (the "Ordinance"), as finally adopted at a regular meeting of the Assembly held on April 27, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 27 day of April, 2021.



\_\_\_\_\_  
Municipal Clerk  
City and Borough of Sitka