

Presented by: The Manager
Presented: 05/18/2026
Drafted by: Law Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 4045

A Resolution to Amend the Loan Application Authorized Under Resolution 3093 with the Alaska Department of Environmental Conservation, Clean Water Nonpoint Source Loan State Revolving Fund, for the HESCO Barrier Project.

WHEREAS, the adoption of Resolution Serial No. 4045 would authorize the City and Borough of Juneau (CBJ) Manager to submit an amended loan application and enter into an amended loan agreement with the State of Alaska Department of Environmental Conservation (ADEC) to provide funding for the following project:

Project: HESCO Barrier Project
Loan: the Alaska Clean Water Loan No. 445441-SE;
Original Loan Authorized by Resolution 3093: \$7,830,000;
Additional Funding Amount Authorized: \$18,015,000;
Total Loan Authorized by Resolution 4045: \$25,845,000; and

WHEREAS, due to the unique geographic topography of the Mendenhall Valley and the ongoing recession of the Mendenhall Glacier, the Mendenhall Valley is threatened by annual glacial outburst floods (also known as jökulhlaups) from a side basin (Suicide Basin or K'óox K'aadí Basin) of the Mendenhall Glacier above Juneau, Alaska; and

WHEREAS, jökulhlaups have taken place annually since at least 2011, with the last two years resulting in significant damage to homes and infrastructure in the Mendenhall Valley; and

WHEREAS, on August 6, 2024, the CBJ issued a local disaster declaration; on August 12, 2024, Governor Dunleavy issued a State disaster declaration; and on October 17, 2024, President Biden issued a federal declaration of emergency, in response to the glacial outburst floods; and

WHEREAS, the CBJ and the Central Council of the Tlingit and Haida Indian Tribes of Alaska (“Tlingit and Haida”) issued coordinated disaster declarations on August 8, 2025, and on August 10, 2025, Governor Dunleavy issues a pre-emptive State disaster declaration; and

42 WHEREAS, on August 13, 2025, Suicide Basin released at a new record peak flood
43 crest of 16.65 feet, however, the HESCO Barriers were successful in safeguarding the
44 majority of the Mendenhall Valley; and
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46 WHEREAS, on August 13, 2025, Suicide Basin released at a new record crest of 16.65
47 feet. While the HESCO barriers were successful in protecting most homes in the
48 Mendenhall Valley, current projections indicate that the GLOF will continue to increase in
49 volume and capacity; and
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51 WHEREAS, the estimated cost of the original implementation of Phase 1 of the HESCO
52 Barrier Project was up to \$7,830,000, with \$4,698,000 (60%) to be borne by the CBJ and
53 \$3,132,000 (40%) to be borne by the properties within the LID boundary and any costs over
54 \$7.83M to be borne by the CBJ, subject to Assembly appropriation. To pay for these costs,
55 CBJ appropriated \$2,000,000 in Restricted Budget Reserve, with the balance of the
56 estimated \$4,698,000 of CBJ's 60% cost responsibility to be appropriated from the general
57 fund; and
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59 WHEREAS, the CBJ and the USACE entered into a Cooperative Agreement on October
60 30, 2025. The USACE agreed to provide Public Law 84-99 Advance Measures Assistance
61 consisting of the installation of riverbank armoring and HESCO barriers for Phase 2
62 designated areas. The USACE undertook this initial installation at 100% federal cost,
63 however, the CBJ is responsible for all ongoing fortification and repairs; and
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65 WHEREAS, the annual release of water from Suicide Basin is anticipated to continue
66 to increase in volume and capacity. Therefore, the HESCO barriers require immediate and
67 ongoing repairs, and fortification. This will include riverbank armoring repairs, raising and
68 strengthening HESCOs, and other flood-fighting efforts needed to further protect the areas
69 intended to be protected by the HESCOs; and
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71 WHEREAS, ADEC continues to offer a Clean Water Nonpoint Source Loan State
72 Revolving Fund (SRF) loan program with 50% in loan forgiveness for designated
73 disadvantaged communities; a designation which includes communities with a federally
74 declared disaster; and
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76 WHEREAS, the CBJ seeks to obtain the necessary financial assistance for the HESCO
77 Barrier project; and
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79 WHEREAS, an original loan application for a total of \$7,830,000 was authorized by the
80 Assembly under Resolution 3093, the Alaska Clean Water Loan No. 445441-SE, and this
81 Resolution will allow the CBJ to apply for an amended loan and increase the loan request by
82 up to \$18,015,000, for a total loan request of up to \$25,845,000, which would be repaid over
83 no more than a 10-year term, with a finance rate calculated pursuant to State of Alaska
84 18 AAC 76.225; and
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86 WHEREAS, in order for CBJ Engineering and Public Works to apply for the SRF loan,
87 the Assembly must pass a resolution to (1) authorize the SRF loan application process, and

88 (2) authorize a designated representative of the local government to execute the loan
89 agreement; and

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91 WHEREAS, the Public Works and Facilities Committee, at its regular meeting on March
92 16, 2026, recommended the drafting of this resolution; and

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94 WHEREAS, upon receiving the loan agreement document, Assembly authorization will be
95 required by ordinance to borrow the money.

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97 BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:
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99 **Section 1.** The Manager is authorized to submit an amended loan application to
100 the State of Alaska Department of Environmental Conservation, which will become a
101 binding obligation in accordance with its terms when signed by both parties. The Alaska
102 Clean Water Loan No. 445441-SE Phase 1 HESCO Flood Barrier will be amended to
103 increase the original requested amount by \$18,015,000, for a total request of \$25,845,000,
104 with 50% forgiveness.

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106 **Section 2.** The Manager is authorized to carry out the City and Borough's
107 responsibilities under the loan agreement. The Manager is authorized to delegate
108 responsibility to appropriate CBJ staff to carry out technical, financial, and administrative
109 activities associated with the loan agreement.

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111 **Section 3. Effective Date.** This resolution shall be effective immediately upon
112 adoption.

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114 Adopted this 18 day of May 2026.
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Beth A. Weldon, Mayor

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119 Attest:

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123 Breckan L. Hendricks, Municipal Clerk

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