Presented by: The Manager
Presented: 03/03/2025
Drafted by: Law Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3093

A Resolution Authorizing the Manager to Apply For, and Enter Into, a Loan Agreement of up to $7,830,000 with the Alaska Department of Environmental Conservation, Clean Water Nonpoint Source Loan State Revolving Fund, for the Phase 1 HESCO Barrier Project.

WHEREAS, the adoption of Resolution No. 3093 would authorize the City and Borough of Juneau (CBJ) Manager to submit a loan application and enter into a loan agreement with the State of Alaska Department of Environmental Conservation (ADEC) to provide funding for the following project:

Project: Phase 1 HESCO Barrier Project
Funding amount: $7,830,000; and

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

WHEREAS, jökulhlaups have taken place since at least 2011 on an annual basis, 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, on February 3, 2024, the CBJ passed Ordinance 2024-40am, which formed a Local Improvement District (LID) for the purposes of constructing Phase 1 of the HESCO barrier project, responding to the ongoing annual glacial outburst floods; and

WHEREAS, the estimated cost of Phase 1 is up to $7,830,000, with $4,698,000 (60%) to be borne by the CBJ and $3,132,000 (40%) to be borne by the properties within the LID boundary and any costs over $7.83M to be borne by the CBJ, subject to Assembly appropriation. To pay for these costs, CBJ appropriated $2,000,000 in Restricted Budget

Reserve, with the balance of the estimated $4,698,000 of CBJ's 60% cost responsibility to be appropriated from the general fund; and

WHEREAS, ADEC is offering a Clean Water Nonpoint Source Loan State Revolving Fund (SRF) loan program with 50% in loan forgiveness for designated disadvantaged communities; a designation which includes communities with a federally declared disaster; and

WHEREAS, the CBJ seeks to obtain the necessary financial assistance for the project; and

WHEREAS, the loan of up to $7,830,000 would be repaid over no more than a 10-year term, with a finance rate calculated pursuant to State of Alaska 18 AAC 76.225; and

WHEREAS, in order for CBJ Engineering and Public Works to apply for the SRF loan, the Assembly must pass a resolution to (1) authorize the SRF loan application process, and (2) authorize a designated representative of the local government to execute the loan agreement; and

WHEREAS, the Public Works and Facilities Committee, at its regular meeting on February 24, 2025, recommended the drafting of this resolution; and

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

BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. That the Manager is authorized to submit a loan application to the State of Alaska Department of Environmental Conservation, which will become a binding obligation in accordance with its terms when signed by both parties. The Manager is authorized to execute the loan agreement with the State of Alaska for Phase 1 HESCO Barrier Project, in an amount not to exceed $7,830,000:

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

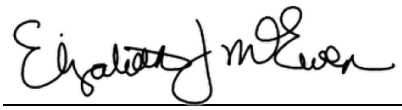
Section 3. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 3rd day of March 2025.



Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk