



CITY OF SAINT PAUL

ALASKA

RESOLUTION 24-11

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAINT PAUL AUTHORIZING TO ACCEPT A LOAN FROM THE FEDERAL FINANCING BANK OF THE UNITED STATES DEPARTMENT OF TREASURY GUARANTEED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, ACTING BY AND THROUGH THE ADMINISTRATOR OF THE RURAL UTILITIES SERVICE, FOR THE SAINT PAUL MUNICIPAL ELECTRIC UTILITY DISTRIBUTION SYSTEM AND GENERATION SYSTEM IMPROVEMENTS AS AUTHORIZED BY THE RURAL UTILITIES SERVICE

WHEREAS, the City of Saint Paul, Alaska (City) is organized pursuant to Alaska Statute 29.35.010 and is authorized thereunder to borrow money and issue evidences of indebtedness, and;

WHEREAS, the City Manager provided a status report of the City's electric, power, and fuel utilities in April of 2022, and;

WHEREAS, the City's power generation system, electrical distribution system, fuel system, air intake system, and all systems appurtenant to these systems (collectively, Electric System) all require improvements, and;

WHEREAS, the City received a High Energy Cost Grant from the USDA Rural Utilities Service (RUS), Rural Electric Program (REP) in 2020 to upgrade the Airport Feeder, a portion of the City's larger Electric Utility Upgrade Project, and;

WHEREAS, pursuant to a certain loan commitment letter dated February 27, 2024, RUS approved a loan guarantee in the amount of \$13,695,000 from the Federal Financing Bank (FFB) of the United States Department of Treasury to fund the system improvements described in the third recital hereof, pursuant to which commitment FFB will fund the Loan and RUS will guarantee and service the Loan, and;

WHEREAS, the Council of the City of Saint Paul (City Council) acknowledges the City's obligation to repay the amount borrowed according to the terms described in the RUS loan documents submitted to and approved in form by the City Council, specifically including the Loan Documents (as defined below), and;

WHEREAS, the City Council has authorized the execution and delivery to RUS of the Loan Documents;

NOW, THEREFORE, BE IT RESOLVED, that

(1) the Borrower borrow from FFB, guaranteed by RUS, an amount not to exceed \$13,695,000.00 (Loan), for financial assistance pursuant to the Rural Electrification Act of 1936, as amended; and

(2) the Borrower accept the terms and conditions that RUS has established for the Loan as set forth in the forms of RUS Loan Contract, FFB Note, and RUS Reimbursement Note (collectively, the “Loan Documents”), all evenly dated (or dated as of, as the case may be) September 17, 2024, submitted to the City Council at this regular meeting; and

(3) the Borrower’s City Manager is authorized and directed on behalf of the Borrower to execute and deliver in as many counterparts as is deemed advisable, which the Clerk is directed to attest:

- (a) the Loan Contract; and
- (b) the FFB Note payable to FFB in the principal amount of \$13,695,000.00, substantially in the form of the FFB Note submitted to this meeting; and
- (c) the RUS Reimbursement Note payable to RUS, substantially in the form of the RUS Reimbursement Note submitted to this meeting; and

(4) the City Manager and such other officers of the Borrower as may be designated by him, are authorized and directed on behalf of the Borrower to take such other actions, execute such other instruments, and make all such payments as may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

(5) the City Manager is authorized and directed on behalf of the Borrower to amend the loan documents listed in #3 above consistent with the terms and conditions of the Loan as the City Manager deems necessary or desirable, and that that the City Manager and such other officers or staff of the Borrower as may be designated by the City Manager are authorized and directed to take all action that is necessary or desirable to effectuate and implement such loan documents; and

(6) the City Council does hereby acknowledge and confirm this pledge of Electric System revenues (Pledge of Electric System Revenues) as a debt obligation of the City, from the Electric Utility Enterprise Fund (Municipal Electric Utility Fund 300), to RUS on account of the Loan; and

(7) the City shall charge rates for providing service from the Electric System and shall collect revenues therefrom into the Utility Fund sufficient to pay the Loan in accordance with the terms and conditions contained in the Loan Documents.

PASSED AND ADOPTED BY APPROVAL OF THE COUNCIL OF THE CITY OF SAINT PAUL THIS 17th DAY OF SEPTEMBER 2024 BY ___ IN FAVOR ___ OPPOSED AND ___ ABSTAIN.

ATTEST:

Jacob N. Mercurief, Mayor

Aubrey Wegeleben, City Clerk