

SUBJECT: AUTHORIZING THE EXTENSION OF THE DISASTER EMERGENCY DECLARATION ISSUED BY THE BOROUGH ON JULY 31, 2018 THROUGH October 16, 2018.

AGENDA OF: AUGUST 21, 2018

ASSEMBLY ACTION:

*Approved under the Consent Agenda 8-21-18*

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:

Route to:	Department/Individual	Initials	Remarks
	Originator	LRL	
	<i>Acting</i> Finance Director	BB	
	Borough Attorney	NS	
	Borough Clerk	BGA for LRM	

ATTACHEMENTS: Fiscal Note: Yes \_\_\_ No X  
Resolution Serial No. 18-061 (2 pp)

**SUMMARY STATEMENT:** On July 17, 2018, the Matanuska-Susitna Borough sustained severe and continuous losses to its Information System from a multi-pronged, multi-vectored advanced persistent malware cyber-attack that began in May 2018. As a direct and continuing result of the cyber-attack, the Borough's computer infrastructure, including computers/laptops, most Borough servers, networked telephones and email exchange services are currently offline and in the process of being restored.

The cyber-attack has caused major disruption in Borough services and loss of productivity, which may continue for a prolonged period of time. The Borough needs adequate time, resources and funds to mitigate damages and return to a safe computing environment.

The borough has made a disaster declaration request for state assistance, and if available, federal assistance to pay for the

extraordinary costs of this cyber-attack. This is in addition to possible reimbursement of up to \$1,000,000 from our cyber insurance policy carrier. Expenses are currently approaching the \$1,000,000 mark and the borough anticipates this number will increase over the next sixty (60) days.

As required by the state disaster act, AS 26.23.140, once a borough issues a disaster declaration it is valid for a period of 7 days unless extended by the governing authority. The nature of this event is still unfolding and additional damages and problems may still be discovered. It is appropriate to extend the declaration to allow appropriate mitigation efforts and infrastructure rebuilding.

**RECOMMENDATION OF ADMINISTRATION:** Approve this legislation to extend the disaster emergency declaration of July 31, 2018 through October 16, 2018 to allow the borough to mitigate damages and restore infrastructure to a safe computing environment and to pursue available state or federal reimbursement of the extraordinary costs associated with this cyber-attack.