

Proposition 6

The North Pole Utility is requesting authority to accept a \$2 million loan from the Alaska Department of Environmental Conservation (ADEC) to build an extension to the wastewater treatment plant discharge sewer main. The location of the current sewer main discharges to a channel of the Tanana River that has periodically run dry starting in 2012. ADEC issued the Utility a Notice of Violation due to the lack of river flow at the discharge main. The loan will be for 20 years at an annual interest rate of 1.5%. The Utility will repay the from the existing capital construction utility charges collected from all utility rate payers. This project will not use property taxes nor sales tax for either construction costs or to repay the loan. The Utility's annual loan payment will be approximately \$116,491. The total construction cost to build the sewer main in 2020 is estimated to be \$4 million and will include a mixture of loan, grant and utility funding:

Shall the City of North Pole accept a \$2,000,000 loan offer from the Alaska Department of Environmental Conservation (ADEC) at an interest rate of 1.5% for a period of 20 years to be repaid from the existing capital construction utility charges collected from all utility rate payers for the purpose of extending the wastewater treatment plant sewer discharge main to an active channel of the Tanana River to help comply with an ADEC Notice of Violation?

Yes No