



CITY OF NORTH POLE  
Regular Meeting  
January 16, 2023  
City Hall Chambers  
125 Snowman Lane, North Pole, Alaska  
[www.northpolealaska.com](http://www.northpolealaska.com)

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Tuesday, January 16, 2024  
Committee of the Whole: 6:30 PM  
Regular City Council Meeting: 7:00 PM

MAYOR

Michael Welch  
907-488-8584

CITY CLERK

Emily Braniff, CMC  
907-488-8583

COUNCIL MEMBERS

Chandra Clack – Mayor Pro Tem  
Anton Keller – Deputy Mayor Pro Tem  
Larry Terch – Alt. Deputy Mayor Pro Tem  
Jeffrey Jacobson  
Benny Williams  
David Skipps

907-460-3767  
907-987-2548  
907-378-9233  
907-460-7733  
907-388-5911  
907-750-5106

1. Call to Order/Roll Call
2. Pledge of Allegiance
3. Invocation
4. Approval of Agenda
5. Approval of the Minutes from 1/2/2024
6. Communications from the Mayor
7. Council Members Questions of the Mayor
8. Citizens Comments (Limited to five (5) minutes per Citizen)
9. Communications from Department Heads and Borough Representative
10. Ongoing Projects Report
11. Unfinished Business
12. New Business
  - a. Ordinance 2024-01, an Ordinance to Accept Board of Adjustment Duties from the Fairbanks North Star Borough to Hear and Decide Appeals of Certain Land use Decisions for Land Located Within the City of North Pole
  - b. Request to Council – Water Main Replacement Design Loan Acceptance
13. Council Comments
14. Adjournment



**Committee of the Whole – 6:30 P.M.  
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, January 2, 2024, in the North Pole City Hall Council Chambers.

**CALL TO ORDER/ROLL CALL**

Mayor Pro Tem Clack called the regular City Council meeting of Monday, January 2, 2024, to order at 7:00 p.m.

**Present:**

Chandra Clack – Mayor Pro Tem  
Anton Keller – Deputy Mayor Pro Tem  
Larry Terch – Alt. Deputy Mayor Pro Tem  
Jeffrey Jacobson  
Benny Williams  
David Skipps

**Absent:**

Mayor Welch

**PLEDGE OF ALLEGIANCE TO THE U.S. FLAG**

Led by Mayor Pro Tem Clack

**INVOCATION**

Given by Mr. Williams

**APPROVAL OF AGENDA**

Mr. Jacobson *moved* to approve the agenda of December 18<sup>th</sup>, 2023

Seconded *by* Mr. Skipps

**UNFINISHED BUSINESS**

**NEW BUSINESS**

- a. Resolution 2024-01 – City of North Pole - Legislative Priorities
- b. Resolution 2024-02 – Northern Alaska Railroad - Legislative Priority
- c. Memo – Appointment to the FNSB Historical Preservation Committee
- d. Memo – Edward Byrne Memorial Justice Assistance Grant (JAG)

## **EXECUTIVE SESSION**

- a. Williams V. City of North Pole

### **On the Agenda**

#### **DISCUSSION**

None

#### **PASSED**

Yes: Williams, Terch, Jacobson, Skipps, Clack, Keller

No: 0

Absent: Welch

## **APPROVAL OF MINUTES**

Mr. Skipps *moved to approve* the minutes from the December 11, 2023, meeting.

Seconded *by* Mr. Williams

### **On the Minutes**

#### **DISCUSSION**

None

#### **PASSED**

Yes: Williams, Skipps, Terch, Keller, Jacobson, Clack

No: 0

Absent: Welch

## **COMMUNICATIONS FROM THE MAYOR**

- a. 2024 City of North Pole Committees

Mayor Pro Tem Clack asked Council members to consider dates they would have available to attend Borough Assembly Meetings, Mr. Jacobson, and Mr. Williams chose dates. Mayor Pro Tem Clack asked Patricia (Buttons) Bodiker if she would like to sit on the Ethics Committee, she accepted. Buttons is currently serving on the 2024 Bed Tax Committee.

## **COUNCIL MEMBER QUESTIONS OF THE MAYOR**

## **CITIZENS COMMENTS – (Limited to Five (5) minutes per Citizen)**

## **COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE**

### **Public Works/City Utility, Paul Trissel**

Mr. Trissel spoke to the hard pack snow removal that is happening within city limits. He reported that the RFP for the Water Main Replacement project is being advertised on the city website and in the newspaper with a deadline of 2:00 pm January 17<sup>th</sup>. Mr. Trissel asked if anyone had any questions.

Mr. Skipps asked about the light pole that is down, Mr. Trissel stated the replacement is on order but that there are supply line issues and he has no date for report for its arrival.

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**Police Department, Chief Dutra**

Chief Dutra thanked the Council for allowing him to take leave and his staff for doing such a wonderful job in his absence. Chief Dutra stated Allison Moore started as the evidence custodian earlier in the day and that she will be a wonderful addition to the department. Chief Dutra stated that he has asked for an extension from the Legislature for the range project which pushed the deadline to 2025. Chief Dutra shared that he attended several meetings while he was away and again thanked the Council for allowing him to work remotely. Chief Dutra stated he met with Ms. Fogarty and went over the year-end budget numbers. Chief Dutra thanked Ms. Braniff for hiring Maggie Kimmel and shared that he has already met with her and that she is not afraid to tell him no and that he looks forward to working with her as Human Resources going forward. Chief Dutra asked Council members to come and speak with him if they have questions on the traffic ordinance, he stated he will be happy to answer any questions.

**Finance, Tricia Fogarty**

Ms. Fogarty shared it is a very busy time in the Finance Department, she reported Ms. Terch has been working diligently getting business' compliant with 2024 business license requirements. Ms. Fogarty reported she has more things to do on her to do list than she has on her done list. She stated the budget is almost wrapped up and that she has been working on buttoning all items up and then she will send them to Ms. Braniff to submit to the Council.

Mr. Skipp asked if the money for the alcohol purchase on a city credit card was reimbursed, Ms. Fogarty reported it was deducted from their last paycheck.

**Fire Department, Chief Heineken**

Chief Heineken shared that he spent the holidays in east Texas and that he missed having snow on the ground at Christmas. He reported the annual Christmas truck was well received by the community and the staff worked hard to get it decorated but that they enjoyed doing it. Chief Chambers stated he may ask Public Works for assistance in decorating the following year because they do such an amazing job decorating the city. Chief Chambers shared that he is happy to report his department had 100 less calls in 2023 compared to the previous year. He reported 2024 has started out very busy with new years calls.

**City Clerk, Emily Braniff**

Ms. Braniff stated the busy back-to-back December meetings were interesting learning tool and a whirlwind. Ms. Braniff introduced Maggie Kimmel the new Deputy City Clerk/Human Resources Administrator and shared she has been wonderful to work with over the past month, echoing Chief Dutra's praise of her strong emphasis on learning City Code.

**ON GOING PROJECTS**

Scott McCrea wished the Council a happy new year and explained why Explore Fairbanks withdrew from the Bed Tax Grant at the last moment. Mr. McCrea shared the Board of Directors met the same day as the meeting and made the decision. Mr. McCrea shared statistics from the 2023 visitor industry and shared how proud he is of the destination marketing video that Explore Fairbanks put out. He shared that there are several images of North Pole in the video and encouraged Council members to check it out, he stated it is posted on their

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website. Mr. McCrea reported on international travel trends and the impact of inflation on travel. Mr. McCrea stated Explore Fairbanks started several charities called Golden Heart Giving which donates to the Fairbanks Rescue Mission, the Breadline and the City of Fairbanks mobile response unit. Mr. McCrea stated Explore Fairbanks is partner organization and this year they have opened a membership that is free to members that live in the City of North Pole, the City of Fairbanks and the Fairbanks North Star Borough. He shared opening up a complimentary membership to residents helps to gather information from local residents, that will in turn help the visitor industry.

Mr. Jacobson stated he watched the video and that it is a wonderful representation of the community and reminded Mr. McCrea of what an amazing resource the Parking Garage Downtown is. Mr. McCrea stated they have been in communication with the Parking Garage.

Mayor Pro Tem Clack asked Mr. McCrea which charities Explore Fairbanks donated to, he stated the Fairbanks Rescue Mission, the Breadline Stone Soup Café, the City of Fairbanks mobile response unit and that they also donated to The Door in December. Mayor Pro Tem Clack asked if they have identified who they will support in 2024, Mr. McCrea stated their partners drive who they end up donating to. Mayor Pro Tem Clack thanked Mr. McCrea for attending the meeting and bringing his report.

## **NEW BUSINESS**

- Resolution 2024-01 – City of North Pole - Legislative Priorities

Mr. Jacobson *moved to adopt* Resolution 2024-01 City of North Pole Legislative Priorities

*Seconded* by Mr. Skipps

### **On the Resolution**

#### **DISCUSSION**

None

#### **PASSED**

Yes: Clack, Terch, Skipps, Jacobson, Williams, Keller

No: 0

Absent: Welch

- Resolution 24-02 – Northern Alaska Railroad Legislative Priority

Mr. Jacobson *moved to adopt* Resolution 2024-02 – Northern Railroad Legislative Priority

*Seconded* by Mr. Skipps

### **On the Resolution**

#### **DISCUSSION**

None

#### **PASSED**

Yes: Keller, Clack, Terch, Skipps, Williams, Jacobson

No: 0

Absent: Welch

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- Memo – Appointment to the FNSB Historical Preservation Committee of John Porrier

Mr. Jacobson *moved* to approve the Memo - Appointment to the FNSB Historical Preservation Committee of John Porrier

*Seconded* by Mr. Skippis

## On the Memo

### DISCUSSION

None

### PASSED

Yes: Skippis, Williams, Terch, Keller, Clack, Jacobson

No: 0

Absent: Welch

- Memo – Edward Byrne Memorial Justice Assistance Grant (JAG)

Chief Dutra reported that this is the largest JAG award they have ever been granted and that he is pleased with the offer, he shared they have been applying for it since 2009. Chief Dutra acknowledged the help he received from Lieutenant Smith in writing the grant which came in \$27,000 above any other grant they have received.

Mr. Jacobson *moved* to accept the Memo – Edward Byrne Memorial Justice Assistance Grant (JAG)

*Seconded* by Mr. Williams

## On the Memo

### DISCUSSION

None

### PASSED

## COUNCIL COMMENTS

Mr. Skippis wished everyone a happy new year and asked everyone to stay safe.

Mr. Jacobson stated the new year brings new opportunities to be better and his goal in 2024 is to be kinder because the world needs more kindness today. Mr. Jacobson thanked Mayor Pro Tem Clack for all of the additional work she is doing while Mayor Welch is out healing.

Mr. Williams shared it is important to treat people the way that you would want to be treated.

Mr. Terch wished everyone a healthy and happy new year. Mr. Terch thanked Mayor Pro Tem Clack for the job that she is doing, filling in for the mayor and thanked the rest of the staff for the jobs that they do.

Mr. Keller wished everyone a happy new year and echoed Mr. Williams' thoughts, sharing that he who does not have sin casts the first stone. Mr. Keller stated it is a new year, a new you and a new outlook on North Pole as being a good goal.

Mayor Pro Tem Clack thanked the Council for helping to make the community a better place. Mayor Pro Tem

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Clack welcomed Ms. Kimmel to the City of North Pole and thanked her for joining the team.

Mr. Jacobson *moved* to close the Regular Council meeting and to enter Executive Session

*Seconded* by Mr. Skipps

ROLL CALL

Yes: Skipps, Clack, Terch, Keller, Williams, Jacobson

No:

Absent: Welch

### **EXECUTIVE SESSION**

- Williams V. City of North Pole

### **RECONVENE**

The Council Reconvened after Executive Session about Williams V. City of North

Mr. Jacobson *moved* to accept the terms of the Williams V. City of North Pole settlement

*Seconded* by Mr. Skipps

ROLL CALL

Yes: Jacobson, Williams, Terch, Skipps, Clack, Keller

No: 0

Absent: Welch

### **ADJOURNMENT**

Mr. Keller *moved* to adjourn.

*Seconded* by Mr. Terch

The regular meeting of Monday, January 2, 2024, adjourned at 8:56 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Monday, January 16, 2024.

ATTEST:

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Emily Braniff, CMC  
City Clerk

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*NOT A VERBATIM TRANSCRIPT*

**CITY OF NORTH POLE  
ORDINANCE 2024-01**

**AN ORDINANCE OF THE NORTH POLE CITY COUNCIL TO  
ACCEPT BOARD OF ADJUSTMENT DUTIES FROM THE  
FAIRBANKS NORTH STAR BOROUGH TO HEAR AND DECIDE  
APPEALS OF CERTAIN LAND USE DECISIONS FOR LAND  
LOCATED WITHIN THE CITY OF NORTH POLE**

**WHEREAS**, for decades the North Pole City Council sat as a Board of Adjustment to hear and decide appeals of land use decisions for land located within the City of Fairbanks; and

**WHEREAS**, in 2016, the Fairbanks North Star Borough (FNSB) passed Ordinance No. 2016-36, which revoked the City Council's authority to sit as the Board of Adjustment; and

**WHEREAS**, on October 26, 2023, the FNSB Assembly adopted Ordinance No. 2023-60, delegating certain Board of Adjustment duties to the City of North Pole on land use decisions for land lying within City boundaries; and

**WHEREAS**, FNSB Ordinance No. 2023-60 is not effective until the North Pole City Council adopts an ordinance to accept the delegation.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of North Pole that it approves

**Section 1.** That the City of North Pole accepts the delegation of Board of Adjustment duties for land use decisions for land within the boundaries of the North Pole city limits from the Fairbanks North Star Borough.

**Section 2.** That the City Clerk is directed to provide the Borough Clerk an executed copy of this ordinance for distribution to members of the Borough Assembly.

**Section 3.** Effective Date This ordinance shall become effective \_\_\_\_\_.

ADOPTED THE \_\_\_\_\_ DAY OF FEBRUARY \_\_\_\_\_.

\_\_\_\_\_  
Michael W. Welch, Mayor

ATTEST:

\_\_\_\_\_  
Emily Braniff, CMC  
City Clerk

PASSED/FAILED Yes: No: Absent:
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125 Snowman Lane  
North Pole, Alaska 99705  
(907) 488-8593  
(907) 488-3002 (fax)  
[rwallace@northpolealaska.edu](mailto:rwallace@northpolealaska.edu)

City of North Pole  
Director of City Services

# Memo

To: City Council  
From: Danny Wallace  
  
Date: January 16, 2024  
Subject: City Water Main Design Loan Acceptance

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City Council:

Recommend that the City of North Pole Council approve signing the loan paperwork for our Water Main Design Loan with the Alaska State Revolving Fund. This is the beginning of efforts to address this critical vulnerability for the City.

The Council and voters approved entering into the loan agreement last fall (2023) and this is the next step in the process. The loan amount is up to \$653,000 and payments are not due until 12 months after initial disbursement. The interest rate for the loan is 1.3063% and there is a finance charge of 0.5% (total charge is 1.8063%); the loan term is 20 years. If the full amount is used, the annual payments will be \$38,926.20.

The City is not obligated to use the entire loan and if grant monies become available, we can use those to pay off the balance. We are still waiting to hear the results of grant applications that are still pending.

See enclosed documentation for more details on this loan.

If you have any questions, please contact me.

Respectfully,



Robert (Danny) Wallace  
Director of City Services  
North Pole, Alaska

CITY OF NORTH POLE  
RESOLUTION 23-12

A RESOLUTION OF THE NORTH POLE CITY COUNCIL TO PLACE AN INITIATIVE ON THE  
OCTOBER 3, 2023 BALLOT AUTHORIZING THE CITY TO ACCEPT A \$653,000 LOAN TO  
DESIGN NEW WATER MAINS TO ADDRESS POTENTIAL WATER SYSTEM FAILURE

WHEREAS, the City of North Pole's public water system provides the community with clean drinking water via a water main system developed in the 1970s and early 1980s,

WHEREAS, this water distribution system is made of failing thin-gauge steel piping, which experiences significant and constant leaks at the fittings and joints.

WHEREAS, the downtown water distribution system includes critical municipal infrastructure and lifelines, such as City Hall, the Police and Fire Departments, Public Works, three public schools, medical clinics, Senior Citizen Centers and Housing, and many residences.

WHEREAS, the City of North Pole is proposing a \$653,000 planning and design project funded through a loan provided by the Alaska Department of Environmental Conservation (ADEC). The purpose of the project is to define the requirements for a construction project to replace the aging downtown water mains, ensuring continued service and safety for the growing population.

WHEREAS, a planning and design project will support future grant applications to fund the initial downtown system replacement construction (estimated to cost \$6.5M) and the entire system replacement (\$28.2M).

WHEREAS, the City of North Pole Utility has existing capital charges levied on all utility rate payers that generate sufficient revenues to repay the loan over its 20-year life without the need to raise utility rates, property taxes, or sales tax rates.

THEREFORE, BE IT RESOLVED that the North Pole City Council approves that the following question be placed on the October 3, 2023 ballot as follows:

PROPOSITION 2  
City of North Pole  
October 3, 2023

AUTHORIZING THE CITY OF NORTH POLE TO ACCEPT A \$653,000 LOAN TO DESIGN NEW  
WATER MAINS TO ADDRESS POTENTIAL WATER SYSTEM FAILURE

The North Pole Utility is requesting authority to accept a \$653,000 loan from the Alaska Department of Environmental Conservation (ADEC) to fund planning and design of replacement water main distribution system (Downtown Loop area) for the City of North Pole. The Downtown Loop area, which was developed in the 1970s and early 1980s, consists of approximately eight miles of distribution water mains. However, most of these mains are over 50 years old and made of thin-gauge steel piping, which experience significant and constant leaks at the fittings and joints. The Downtown Loop water mains typically operate between 80 to 135 pounds per square gauge (psig), exceeding the 100-psig pressure rating of the system pipes and contributing to the leaking issue. This operating range does not include the increased range during the tourism season or the winter months when the pipes can freeze, causing further damage to the system and aging pipes. As the population is expected to increase, the risk current system failure is an important issue for the City. Leaks and failures will result in infrastructure damage, emergency service disruptions, human health risks, safety issues, and will negatively impact economic development. This loan will be for 20 years at an annual interest rate of 1.5%. The Utility will repay the

loan 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 \$37,824.

Shall the City of North Pole accept a \$653,000 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 mitigating emerging contaminants?

YES ☐ NO ☐

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of North Pole, Alaska this 7th day of August 2023.

ATTEST:

  
Melissa Dionne, City Clerk



  
Mayor, City of North Pole, Alaska

PASSED  
Yes: 6  
No: 0  
Absent: 1 – Mayor Welch



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Environmental Conservation

DIVISION OF WATER  
PO Box 111800  
Juneau, Alaska 99811-1800  
Main: 907.465.6594  
Fax: 907.465.5177

December 21, 2023

Mr. Robert D. Wallace  
Director, City Services  
City of North Pole  
125 Snowman Ln.  
North Pole, Alaska 99705

Re: Loan Agreement No. 633401 for Water Main Replacement – Planning and Design (ADWF No. 633041)

Dear Mr. Wallace:

Enclosed for signature is the loan agreement in the amount of \$653,000 for the Water Main Replacement – Planning and Design (Alaska Drinking Water Fund No. DW633041). The finance charge for this loan is 1.8063 percent.

Please return a copy of the fully signed loan agreement to [dec.facilities.grants.loans@alaska.gov](mailto:dec.facilities.grants.loans@alaska.gov) or mail a hard copy to the address identified below. The signed original agreement should be retained for your records.

Alaska Department of Environmental Conservation  
Division of Water  
Attn: State Revolving Loan Program  
555 Cordova Street, 4<sup>th</sup> Floor  
Anchorage, Alaska 99501

This loan is not effective, and no disbursements will be made until the Department has received a copy of the fully signed agreement. If you have any questions regarding the loan agreement you may contact Young Ha, Program Manager, at 907-269-7544, or Matthew McCoy, Project Engineer, at 907-269-6881.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Bates".

Randy Bates  
Director

Enclosure: ADWF No. 633041 Water Main Replacement – Planning and Design Loan Agreement

**Drinking Water State Revolving Fund**

**Loan Agreement  
No. DW633041**

**Between**

**State of Alaska  
Department of Environmental Conservation  
Division of Water  
State Revolving Fund Program**

**And**

**City of North Pole**

<b>Water Main Replacement – Planning and Design</b>	
Loan Amount	\$653,000
Repayment Amount	\$653,000
Finance Charge	1.8063%
Term	20 years

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## **Article 1. Loan Terms**

This loan agreement (“Agreement”) is made and entered into as of the date of final signature by the Alaska Department of Environmental Conservation (“Department”) and the City of North Pole (“Borrower”) as identified in Article 5, and continues in full force and effect until the final day of the Agreement Period. This Agreement is made subject to, and conditional upon, the availability of funds.

### **1.01 Borrower Information**

Borrower Name:	City of North Pole
Borrower Mailing Address:	125 Snowman Lane, North Pole, AK 99705
Name of Authorized Signatory:	Robert D. Wallace
Resolution Number:	23-12

### **1.02 Project Description**

The Borrower shall use this loan to complete planning and design in preparation for replacing the end-of-life piping with new water mains constructed in accordance with current standards and best practices.

### **1.03 Loan Amount**

\$653,000

### **1.04 Loan Term**

20 Years

### **1.06 Finance Charge**

Interest Rate: 1.3063%  
Fee: 0.5%  
Total Finance Charge: 1.8063%

## **Article 2. General Terms and Conditions**

The Borrower shall comply with all applicable federal, state and local laws, requirements, and ordinances for the planning, design, construction, implementation, and administration of the Project and this Agreement, including but not limited to those identified in the General Terms and Conditions and Attachments.

### **2.01 Accounting Practices**

The Borrower shall separately account for all monies received from the Alaska Drinking Water Fund and shall maintain project accounts in accordance with generally accepted governmental accounting principles. The Department shall have the right to audit Borrower's records related to the Project.

### **2.02 Timely Use of Funds**

- a. Concurrent with the execution and delivery of this Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to complete the Project in a timely manner in accordance with all applicable loan conditions.
- b. The Department will, in its discretion, revoke this Agreement if the Borrower has not initiated the Project within one year after signing the Agreement.
- c. If no disbursement request is made within the two-year period, the Department may take action to recall the loan.

### **2.03 Disbursement of Funds**

Subject to the terms and conditions of this Agreement, the eligible project costs less other funding sources will be disbursed by the Department upon receipt and approval of Disbursement Requests and Progress Status Updates.

The Borrower shall submit Disbursement Requests and Progress Status Updates to the Department via the Division of Water's Online Application System (OASys). OASys may be accessed at the following link: <https://dec.alaska.gov/water/oasys>.

- a. Disbursement Requests including Progress Status Updates must be submitted to the Department on a quarterly basis, within 30 days following the end of each quarter.
- b. Should the Borrower fail to submit the quarterly Disbursement Requests and Progress Status Updates as required, the Department will not process subsequent Disbursement Requests until all outstanding quarterly report(s) are received.
- c. Departmental approvals required by this Agreement will not be unreasonably withheld.



- d. The Department will disburse funds only as necessary to complete the Project. Any funds remaining after completion of the Project will remain in the Alaska Drinking Water Fund.
- e. Borrower shall provide the Department with written evidence of materials and labor furnished to and performed upon the Project and such receipts of the payment of the same, releases, satisfactions and other signed statements and forms as the Department may reasonably require.
- f. The Department may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies.

## **2.05 Loan Repayment**

- a. The Borrower shall repay the principal amount and the finance charges on all cash disbursements made to the Borrower according to the repayment schedule. The repayment schedule will be prepared by the Department and confirmed by the Borrower, and will provide that:
  - i. The Borrower shall pay a finance charge of 1.8063% on each disbursement. The finance charge is comprised of a fee of 0.5% on the total loan disbursed, plus the interest rate of 1.3063%. Accrual of the finance charge will begin one year after the date of the first disbursement to the Borrower.
  - ii. The Borrower shall pay back the loan amount within 20 years from initiation of repayment. Repayment of the loan will be made with either equal annual principal payments plus the finance charge or equal annual total payments including the finance charge. Other repayment methods may be negotiated with the Department. Payments shall be applied first to any costs or charges incurred by the Department, outstanding interest, and, finally, to principal.
  - iii. The first installment payment will be due one year following substantial completion and initiation of operation of the Project.
- b. The Borrower hereby grants to the Department a security interest in and irrevocably pledges its Net Operating Revenues of the Borrower's water system to secure payment of and to pay the amounts due under this Loan Agreement. The Net Operating Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by law. The Borrower represents and warrants that the pledge of its Net Operating Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement. The Borrower covenants with the Department and any assignee of this Agreement that, except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on its Net Operating Revenues superior to or on a parity with the pledge herein granted without

the written permission of the Department. This Loan is a parity obligation with all other State Revolving Fund (SRF) loans between the Department and the Borrower.

- c. The Borrower represents and warrants to the Department that the Borrower has not pledged revenues for the repayment of this Loan that have been previously pledged or encumbered, unless specifically set forth in the Borrower's Approved Application. The Net Operating Revenues pledged in this Loan Agreement for repayment of this Loan and each separate source of revenue are specifically identified and described in the Borrower's Approved Application.
- d. If the Borrower's Net Operating Revenues are insufficient to meet any loan payment to the Department when due, the Borrower shall pay the deficiency in its loan payment from any legally available funds of the Borrower. Repayment of the loan shall not be a direct and general obligation of the Borrower.
- e. If the Project Facility is damaged or destroyed prior to completion of the Agreement Period, the Borrower is liable to the Department for all amounts due under this Agreement.

## **2.06 Late Payment Fee**

The Borrower shall be subject to a late charge for any repayment that is delinquent by more than 30 days, in accordance with the following conditions.

- a. If the Borrower is in good standing with the Department and has no late payments on any loans within the last five years:
  - i. And a payment is more than two months late a 1% charge will be applied against the outstanding amount due;
  - ii. And a payment is more than three months late a 3% charge will be applied against the outstanding amount due;
  - iii. And a payment is more than four months late a 5% charge will be applied against the outstanding amount due.
- b. If the Borrower has had late loan payments in the last five years.
  - i. And a payment is more than one month late a 1% charge will be applied against the outstanding amount due;
  - ii. And a payment is more than two months late a 3% charge will be applied against the outstanding amount due;
  - iii. And a payment is more than three months late a 5% charge will be applied against the outstanding amount due.
- c. Additionally, interest on the unpaid balance will continue to accrue at the rate established

in Section 1.05 and must be paid in addition to the late charge. Payments in arrears when the 5% late charge is assessed will be referred to the Alaska Department of Law for collection.

## **2.07 Loan Default**

The Borrower shall be in default, if a loan repayment has not been made within 90 days of the due date, as determined by the repayment schedule prepared by the Department and provided to the Borrower.

The provisions of AS 37.15.575 relating to state aid interception apply to the loan made under this Agreement.

## **2.08 Notification**

Any disbursement or repayment made by the Department or Borrower under this Agreement shall be delivered by electronic transfer or by registered or certified mail.

b. In order to submit repayments electronically, the Borrower must submit a request to the following email: [dec.adec.userfees@alaska.gov](mailto:dec.adec.userfees@alaska.gov) to initiate the process and complete required forms.

c. Any repayment addressed to the Department shall be sent to:

Alaska Department of Environmental Conservation  
Division of Administrative Services  
Financial Services  
PO Box 11800  
Juneau, AK 99811-1800

d. Any disbursement addressed to the Borrower shall be sent to:

City of North Pole  
125 Snowman Ln.  
North Pole, AK 99705

## **2.14 Compliance with Laws, Regulations, Etc.**

The Borrower shall comply with, and require its contractors and subcontractors to comply with, all applicable federal and state laws, rules, guidelines, regulations, and requirements to include, but not limited to, the following:

a. The “List of Federal Laws and Authorities (Federal ‘Cross-Cutting’ Authorities)” as identified in Exhibit “A” and made a part hereof.

b. Lobbying

No portion of the loan amount may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

c. Title I – Employment of the American with Disabilities Act of 1990

When applicable, the Borrower shall comply with Title I-Employment of the Americans with Disabilities Act of 1990 (P.L. 101-336) and in accordance with Title I of that Act, shall not discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.

d. Title II-Public Services of the Americans with Disabilities Act of 1990

When applicable, the Borrower shall comply with Title II-Public Services of the Americans with Disabilities Act of 1990 (P.L. 101-336) and in accordance with Title II of the Act, no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.

e. Title II, Part 35, Section 35.151 of the Americans with Disabilities Act “New Construction and Alterations”

When applicable, the Borrower shall comply with Title II, Part 35, Section 35.151 of the Americans with Disabilities Act “New Construction and Alterations.”

- i. Design and construction: Each facility or part of a facility constructed by, on behalf of, or for the use of a public entity shall be designed and constructed in such manner that the facility or part of the facility is readily accessible to and usable by individuals with disabilities, if the construction was commenced after January 26, 1992.
- ii. Alteration: Each facility or part of a facility altered by, on behalf, of or for the use of a public entity in a manner that affects or could affect the usability of the facility or part of the facility shall, to the maximum extent feasible, be altered in such manner that the altered portion of the facility is readily accessible to and usable by individuals with disabilities, if the alteration was commenced after January 26, 1992.
- iii. Accessibility standards: Design, construction or alteration of facilities in conformance with the Uniform Federal Accessibility Standards (UFAS) (Appendix A to 41 CFR part 101-19.6) or with the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG) (Appendix A to 28 CFR Part 36) shall be deemed to comply with the requirements of this section with

respect to those facilities, except that the elevator exemption contained at section 4.1.3(5) and section 4.1.5(1)(j) of ADAAG shall not apply.

- f. Title III, Part 36, Section 36.401 of the American with Disabilities Act “New Construction”

When applicable, the Borrower shall comply with Title III, Part 36, Section 36.401 of the Americans with Disabilities Act “New Construction.” Except as provided in paragraph (b) and (c) of the Act, discrimination for purposes of this part includes a failure to design and construct facilities for first occupancy after January 26, 1993, that are readily accessible to and usable by individuals with disabilities.

- g. Title III, Part 36, Section 36.402 of the Americans with Disabilities Act “Alterations”

When applicable, the Borrower shall comply with Title III, Part 36, Section 36.402 of the Americans with Disabilities Act “Alterations.”

- i. General: Any alteration to a place of public accommodation or a commercial facility, after January 26, 1992, shall be made so as to ensure that, to the maximum extent feasible, the altered portions of the facility are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs.
  - ii. Alteration: An alteration is a change to a place of public accommodation or a commercial facility that affects or could affect the usability of the building or facility or any part thereof.
- h. 2 CFR Part 180, Responsibilities of Participants Regarding Transactions

The Borrower shall fully comply with Subpart C of 2 CFR Part 180, entitled “Responsibilities of Participants Regarding Transactions.” The Borrower is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled “Covered Transactions,” includes a term or condition requiring compliance with Subpart C. The Borrower is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Borrower acknowledges that failing to disclose the information required under 2 CFR Part 180 may result in the delay or negation of this assistance Agreement, or pursuance of legal remedies, including suspension and debarment.

## **2.15 Project Completion**

- a. Upon completion of the Project, the Borrower shall provide a statement to the Department of the project final costs by category of expenditure, including but not limited to costs for administration and design. Nothing contained in this Agreement shall be construed as an obligation or pledge of the Borrower to appropriate or expend general funds and general revenues of the Borrower to operate or maintain the Project Facility.

## **2.16 Amendments and Modifications**

This Agreement may only be modified or amended in writing and executed by the authorized representatives of all parties to this Agreement.

## **2.17 Disputes**

The Borrower shall raise any concerns or issues it may have regarding the Project with the Department promptly and prior to project completion. If those concerns or issues are not satisfactorily resolved, the Borrower shall promptly give written notice to the Department with a detailed description of the continuing concerns or issues. Jurisdiction and venue for any legal dispute shall be in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, and in no other court or location. In the event of a legal dispute, both parties knowingly and voluntarily waive their right to trial by jury (including any advisory jury) and elect to have the dispute tried only to a judge. In the event of litigation, the prevailing party shall be entitled to an award of its reasonable, actual attorney's fees and costs of litigation. Each party has had an opportunity to review this Agreement with legal counsel of its choosing (or waived such opportunity), therefore this Agreement shall not be interpreted in favor of either party. This Agreement shall be governed by the laws of the State of Alaska.

## **2.18 Termination**

The Department may cancel all or any part of this Agreement if:

- a. Any representation or other statement made by the Borrower to the Department in connection with its application for a loan from the Alaska Drinking Water Fund is incorrect or incomplete in any material respect;
- b. The Borrower has violated commitments made in the Approved Application and supporting documents, has not adhered to the regulations of the Alaska Drinking Water Fund (18 AAC 76), has violated any of the terms of this Agreement; or
- c. The financial position of the Borrower has, in the opinion of the Department, suffered a materially adverse change.

## **2.19 Indemnification**

The Borrower shall defend with counsel of the Department's choosing, indemnify, and hold harmless the Department and the State of Alaska, and their agents, servants, contractors, and employees, from and against any and all claims, demands, causes of action, actions, and liabilities arising out of, or in any way connected with this funding or the Project for which the funding is made, howsoever caused, except to the extent that such claims, demands, causes of action, actions or liabilities are the proximate result of the sole negligence or willful misconduct of employees or agents of the Department or the State of Alaska.

### Article 3. Definitions

Except where the context clearly indicates otherwise, terms used in this Agreement will have the meaning ascribed to them in this section.

- a. "Approved Application" means the application submitted to the Department on 10/25/2023, together with all attachments and supporting documentation, as approved by the Department.
- b. "Finance Charge" means 1.8063% percent per annum.
- c. "Agreement Period" means the time period commencing on the date this Agreement is signed by the Department's Finance Officer and terminating on the date the Borrower repays the loan in full.
- d. "Subsidy" means principal forgiveness awarded under this Agreement.
- e. "Eligible Project Costs" include the following costs disbursed from the Alaska Drinking Water Fund, estimated to not exceed \$653,000 for engineering, surveys, plans, estimates, specifications, necessary insurance, financial and environmental investigations, laboratory testing, resident engineering legal expenses, and any other necessary miscellaneous expenditures, minus the amount of any grant applicable foregoing costs.
- f. "Net Operating Revenues" means revenues of Borrower's system after payment of operation and maintenance costs of the system.
- g. "Project" means the activities or documents described in Article 1.02.

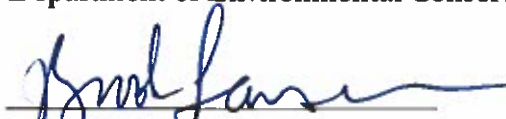
#### Article 4. Signatures

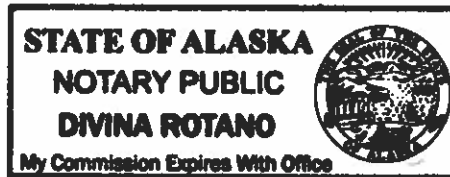
This Agreement is binding upon the parties specified below, and to any person, office, or board succeeding either of the parties. This Agreement may not be assigned by the Borrower without written consent of the Department.

Nothing in this Agreement, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department until the Agreement is signed by all parties.

#### Alaska Department of Environmental Conservation


By:

  
Brook Larson, Division Operations Manager  
Division of Administrative Services



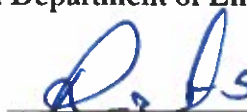
#### ACKNOWLEDGEMENT STATE OF ALASKA First Judicial District

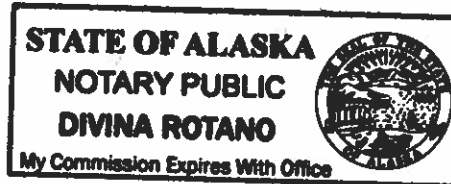
The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of December, 2023

  
Notary Public, State of Alaska  
My commission expires: with office

#### Alaska Department of Environmental Conservation

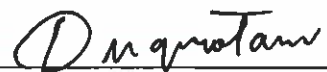
By:

  
Randy Bates, Director  
Division of Water



#### ACKNOWLEDGEMENT STATE OF ALASKA First Judicial District

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of December, 2023

  
Notary Public, State of Alaska  
My commission expires: with office



**City of North Pole**

By: \_\_\_\_\_  
Robert D. Wallace  
Director of City Services

**ACKNOWLEDGEMENT  
STATE OF ALASKA  
Fourth Judicial District**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
Notary Public, State of Alaska  
My commission expires: \_\_\_\_\_

**Exhibit “A” – List of Federal Laws and Authorities  
(FEDERAL CROSS-CUTTING AUTHORITIES)**

**Environmental and Cultural Authorities:**

- Archeological and Historic Preservation Act of 1974, Public Law 93-291
- Archeological Resources Protection Act, Public Law 96-95 as amended
- Bald and Golden Eagle Protection Act, 16 U.S.C. 668-668c
- Clean Air Act, Public Law 95-95, as amended
- Clean Water Act, Public Law 92-50, as amended
- Coastal Barriers Resources Act, Public Law 97-348
- Coastal Zone Management Act of 1972, Public Law 92-583, as amended
- Consultation and Coordination with Indian Tribal Governments, Executive Order 13175
- Endangered Species Act, Public Law 93-2015 as amended
- Environmental Justice, Executive Order 12898
- Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act, Public Law 94-265, as amended
- Farmland Protection Policy Act, Public Law 97-98
- Fish and Wildlife Coordination Act, Public Law 85-624, as amended
- Floodplain Management, Executive Order 11988, as amended by Executive Order 13690
- Marine Mammal Protection Act, 16 U.S.C. 1361
- Migratory Bird Treaty Act, 16 U.S.C. 703
- National Historic Preservation Act of 1966, Public Law 89-665
- Native American Graves Protection and Repatriation Act, Public Law 101-601
- Protection and Enhancement of the Cultural Environment, Executive Order 11593
- Protection of Wetlands, Executive Order 11990, as amended by Executive Order 12608
- Rivers and Harbors Act, 33 U.S.C. 403
- Safe Drinking Water Act, Public Law 93-523, as amended
- Wild and Scenic Rivers Act, Public Law 90-542

**Social Policy Authorities:**

- Age Discrimination Act of 1975, Public Law 94-135
- Title VI of the Civil Rights Act of 1964, Public Law 88-352
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- Section 504 of the Rehabilitation Act of 1973, Public Law 93-112
- Equal Employment Opportunity, Executive Order 11246
- Disadvantage Business Enterprise Provisions
  - Promoting the Use of Small, Minority, and Women-owned Businesses, Executive Orders 11625, 12138, and 12432
  - Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590
  - Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies appropriations Act of 1993, Public Law 102-389

**Economic Authorities:**

- Procurement Prohibitions Under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, included Executive Order 11738, Administration of the Clean Water Act with Respect to Federal Contracts, Grants, or Loans
- Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended

**Miscellaneous Authority:**

- Debarment and Suspension, Executive Order 12549
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646 as amended
- Preservation of Open Competition and Government Neutrality Towards Government contractors' Labor Relations on Federally Funded Constructed Projects, Executive Order 13202, as amended by Executive Order 13208
- Prohibition Against Sex Discrimination Under the Federal Water Pollution Control Act, Section 13 of Public Law 92-500
- 40 CFR Part 34, New Restrictions on Lobbying