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| Proposed by: | Administration |
| Attorney Review: | 04/17/2017 |
| Vote: | 6 Aye 0 Nay 0 Absent |

MUNICIPALITY OF SKAGWAY, ALASKA

RESOLUTION NO. 17-08R

A RESOLUTION OF THE MUNICIPALITY OF SKAGWAY, ALASKA REPEALING RESOLUTION NO. 16-21R AND COMMITTING AND RESTRICTING \$872,500 OF COMMERCIAL PASSENGER VESSEL EXCISE TAX FUNDS FOR REPAYMENT OF A STATE OF ALASKA LOAN TO FUND THE WATER WELL NO. 4 PROJECT.

WHEREAS, the Municipality must construct an additional domestic drinking water well and water tank to avert a drop in available water to dangerously low levels; and

WHEREAS, at its meeting of July 7, 2016, the Borough Assembly determined that the reason a new drinking water well and water tank are needed by the community is due to the enormous demand for water each day by the cruise ships and their passengers; and

WHEREAS, this determination is evidenced by the alarming drop in water tank levels from full, with all wells pumping, only when cruise ships arrive and start taking on water; these levels recover when cruise ships leave port as shown on the attached tank level charts, noted as Attachment A; and

WHEREAS, this determination is further evidenced by the expert testimony of experienced municipal staff; and

WHEREAS, it is acknowledged that the Municipality has ample water pumping capacity and tank storage when cruise ships and their passengers are not in town; and

WHEREAS, the State of Alaska Department approved loan ACWF#785071 for the Municipality of Skagway in the principal amount of \$750,000 to construct a new drinking water well, which will directly benefit the cruise ships and the cruise ship passengers, with a total debt repayment amount of \$872,246; and

WHEREAS, the Skagway Borough Assembly agrees that Cruise Passenger Vessel (CPV) funds would be appropriately used to make debt payments on this loan; and

WHEREAS, it is the intent of the Municipality to propose a separate resolution committing CPV funds for repayment of a future State of Alaska loan for the water tank project;

NOW THEREFORE BE IT RESOLVED, that the Municipality of Skagway commits \$872,500 of Cruise Ship Passenger Vessel (CPV) funds to be used for total debt retirement of the State of Alaska loan for the Water Well #4 project;

BE IT FURTHER RESOLVED, that this total amount shall be considered a restriction on the balance in the municipal CPV fund and such encumbrance shall only be reduced as the remaining balance decreases after payments or in the instance of any forgiveness of

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debt by the State of Alaska; this restricted amount shall not be used, appropriated or committed to any other project or need; and

BE IT FURTHER RESOLVED, that Resolution No. 16-21R is hereby repealed.

PASSED AND APPROVED this 20th day of April, 2017, by the Assembly of the Municipality of Skagway, Alaska.



Mark Schaefer, Mayor

ATTEST:



Emily A. Deach
Municipal Clerk

(SEAL)

