



LAWS OF ALASKA

1977

Source

HB 356 am S

Chapter No.

124

AN ACT

Relating to the water resources revolving loan fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 45.86.010 is amended to read:

Sec. 45.86.010. FUND ESTABLISHED. There is established as a separate fund the water resources revolving loan fund. Loans from this fund are to be used to develop and conserve in the public interest the water resources of Alaska.

* Sec. 2. AS 45.86.020 is repealed and re-enacted to read:

Sec. 45.86.020. FUND UTILIZATION. (a) Loans from the fund shall be for a term not to exceed 50 years, and the rate of interest shall be not less than three nor more than five per cent a year on the unpaid balance. The repayment schedule shall be as determined by the department. Repayment of a loan shall commence at the date of commercial operation of the project or 10 years from the date the loan is granted, whichever is sooner.

(b) The loans may be used for capital construction projects, for hydroelectric generation and potable water supply including surface storage and groundwater sources and transmission of water from surface storage to the existing distribution system, and development of hydroelectric generating facilities including transmission of power to the load center. Loans may be made to applicants for new or existing projects including feasibility and preconstruction engineering studies, expenses incurred in securing necessary permits and licenses, design of the project and construction of capital improvements. Existing hydroelectric and water supply projects may be expanded or rehabilitated with loan

Chapter 124

funds under this chapter if the rehabilitation and expansion is a capital improvement project.

(c) Loans shall be repaid to the fund by the borrower from revenue derived from the sale of electric power or water.

* Sec. 3. AS 45.86.040(b) and (c) are repealed and re-enacted to read:

(b) There is created within the department the Water Resources Revolving Loan Fund Committee chaired by the commissioner or his deputy, and including as members the director of the division of energy and power development and the director of the division of business loans. The committee shall review all applications referred to it for approval by the department.

(c) The department shall establish a priority list for the approval of project applications based upon a determination of which projects will better serve the interests of the state. An applicant may appeal the level of priority assigned to his application by requesting a review of the list of priorities by the committee. The committee, upon sufficient notice and a public hearing, may change an assigned priority. Applications not approved due to a lack of funds will retain the priority assigned and may be held for reconsideration.

* Sec. 4. AS 45.86.050 is amended to read:

Sec. 45.86.050. ELIGIBILITY FOR PROJECT LOANS. A public utility is an eligible borrower for a project loan under this chapter if

(1) it is a public utility as defined in AS 42.05.701(2)(A) and (C);

(2) the utility can demonstrate in its loan application that the project is economically and technically feasible and, taking into account the low interest on loans under this chapter, is the most economical means of furnishing the proposed service.

* Sec. 5. AS 45.86 is amended by adding a new section to read:

Sec. 45.86.060. DEFINITIONS. In this chapter,

(1) "commissioner" means the commissioner of the Department of Commerce and Economic Development;

(2) "department" means the Department of Commerce and Economic Development.