

CLERK'S OFFICE

APPROVED

Date: 3-3-98

ANCHORAGE, ALASKA
AR No. 98-48

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND
2 APPROPRIATING AN ALASKA CLEAN WATER FUND LOAN OFFER IN THE AMOUNT OF ONE
3 MILLION, NINE HUNDRED FIFTY THOUSAND DOLLARS (\$1,950,000) FOR FINANCING THE
4 COSTS OF THE OPERATIONS FACILITY PHASE II PROJECT.
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7 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes
8 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the
9 Alaska Clean Water Fund (the "Fund"), a fund which makes use of U.S. Government grants
10 as authorized by the Clean Water Act, as amended by P.L. 100-4; and;
11

12 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow
13 from the Fund for the purposes of planning, designing, constructing, equipping, modifying,
14 improving and expanding public wastewater collection, treatment and discharge facilities;
15 and
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17 WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 97-10 on
18 January 28, 1997, determined it was necessary to proceed to plan, design, develop,
19 construct, equip, acquire property for, or otherwise obtain items of capital improvements in
20 conjunction with the Operations Facility Phase II project, hereinafter "Project"; and
21 authorized the borrowing of an amount not to exceed \$1,950,000 from the Fund for the
22 purpose of financing a portion of the cost of said Project; and authorized and directed the
23 General Manager of the Anchorage Water & Wastewater Utility ("AWWU") to complete and
24 submit to the State Department of Environmental Conservation ("DEC") an application to
25 borrow money from the Fund and to negotiate with the DEC the terms of such loan; and
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27 WHEREAS, AWWU has submitted an application for a loan in conjunction with the
28 Project, said application for a loan has been approved, and AWWU has negotiated the terms
29 of this loan from the Fund in the amounts of \$1,950,000 to finance a portion of the costs of
30 the Project; and
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32 WHEREAS, the terms and conditions of said loan are contained in the Alaska Clean
33 Water Fund Loan Agreement between the Municipality and DEC entered into as of January
34 21, 1998; and
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36 WHEREAS, it is hereby found to be in the best interest of the Municipality that said
37 Loan Offer in the amount of One Million, Nine Hundred Fifty Thousand Dollars (\$1,950,000)
38 be accepted and appropriated, and that the Loan Agreement be executed on behalf of the
39 Municipality.
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41 NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF ANCHORAGE, as
42 follows:
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44 Section 1. Loan Terms: The following primary terms of the loan, which is among
45 those incorporated in the Loan Agreement, are hereby specifically approved:
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47 Principal Amount:	Not to exceed \$1,950,000 (subject to individual draws)
48 Interest Rate:	3.57% per annum

Section 1. Loan Terms (continued):

Interest Accrual: Interest on each draw begins to accrue from the date funds are available to AWWU

Term: 20 years from the date of Initiation of Operation

Date of First Payment: One year following the date of Initiation of Operation

Payment Interval: Annual

Amortization Schedule: Level, fully amortizing

Security: A pledge of the Gross Revenues less the Operating Expenses of the System as those terms are defined in Ordinance No. AO No. 97-10; provided that if such monies are not sufficient, repayment of the loan shall be from any legally available funds accruing to or in the possession of the Municipality; and provided further that repayment of the loan is not a direct obligation of the Municipality and neither the faith and credit nor the taxing power of the Municipality are pledged therefor.

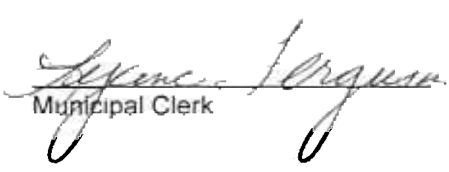
Section 2. Acceptance and Executing of Loan Agreement: The Loan Offer in the amount of One Million, Nine Hundred Fifty Thousand Dollars (\$1,950,000) is accepted and appropriated, and the Mayor, together with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreement for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreement, the Mayor, the Chief Fiscal Officer of the Municipality and the General Manager of AWWU, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed.

Section 3 Effective Date: This Resolution shall take effect immediately

PASSED AND APPROVED by the Anchorage Assembly this 3rd day of MARCH, 1998.


Chairman

ATTEST:


Municipal Clerk