

CLERK'S OFFICE

APPROVED

Date: 7-21-98

ANCHORAGE, ALASKA
AR No. 98- 210

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF EIGHT MILLION THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$8,325,000) FOR FINANCING A PORTION OF THE COSTS FOR THE ANCHORAGE LOOP TRANSMISSION MAIN, PHASES I, II AND III

WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Drinking Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Drinking Water Act, as amended by P.L. 104-182; and;

WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the Fund for the purposes of planning, designing, constructing, equipping, modifying, improving and expanding of public water treatment, transmission and distribution facilities; and

WHEREAS, the Assembly of the Municipality in its Ordinance No. AO 98- 113on _____, determined it was necessary to proceed to plan, design, develop, construct, equip, acquire property for, or otherwise obtain items of capital improvements in connection with the Anchorage Loop Water Transmission Main, Phases I, II & III; authorized the borrowing of an amount not to exceed \$8,325,000 from the Fund for the purpose of paying a portion of the cost of said project; and authorized and directed the General Manager of the Anchorage Water & Wastewater Utility ("AWWU") to complete and submit to the State Department of Environmental Conservation ("DEC") an application to borrow money from the Fund and to negotiate with the DEC the terms of such a loan; and

WHEREAS, AWWU has submitted an application for a loan in connection with the Anchorage Loop Water Transmission Main, Phases I, II and III, said application for a loan has been approved, and AWWU has negotiated the terms of a loan from the Fund in the amount of \$8,325,000 to pay a portion of the costs of the Project; and

WHEREAS, the terms and conditions of said loan are contained in the Alaska Drinking Water Fund Loan Agreement between the Municipality and DEC dated May 29, 1998; and

WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said loan be approved and that the Loan Agreement be executed on behalf of the Municipality.

NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF ANCHORAGE, as follows:

Section 1. Loan Proceeds: The subject loan proceeds in the amount of Eight Million Three Hundred Twenty-Five Thousand Dollars (\$8,325,000) are hereby accepted and appropriated

Section 2. Loan Terms: The following primary terms of the loan which are among those incorporated in the Loan Agreement as hereby specifically approved:

Principal Amount: Not to exceed \$8,325,000 (subject to individual draws)

Interest Rate: 3.78% per annum

Interest Accrual: Accrual of interest will begin one year after the date of the first disbursement to the Municipality.

Term: 20 years from the date of initiation of operation of the Project Facility

Date of First Payment: One year following substantial completion and initiation of operation of the Project Facility

Payment Interval: Annual

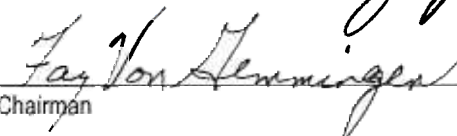
Amortization Schedule: Level, fully amortizing

Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the System as those terms are defined in Ordinance No. AO No. 98-___; 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 3. Approval and Executing of Loan Agreement: The Loan Agreement is approved and the Mayor 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 4. Effective Date: This Resolution shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly, this 21st day of July, 1998.


Chairman

ATTEST:

Area Capital Improvement Fund:

0541-8894-4320-2230

0541-8894-4070-2230

0541-8894-4080-2230

Anchorage Water Utility: \$8,325,000

(Designated Loan)


Municipal Clerk