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99-5

CLERK'S OFFICE

APPROVED

Date: 1-12-99

ANCHORAGE, ALASKA

AR No. 99- 5

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING AN ALASKA CLEAN WATER FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS (\$1,410,000) FOR FINANCING A PORTION OF THE COSTS OF FY99 MISCELLANEOUS SMALL SEWER REPLACEMENT AND REHABILITATION (R&R), PHASE I

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 Clean Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Clean Water Act, as amended by P.L. 100-4; 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 public wastewater collection, treatment and discharge facilities; and

WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 98-151 on September 15, 1998, determined it was necessary to proceed to plan, design, develop, construct, equip, acquire property for, or otherwise obtain items of capital improvements in conjunction with the FY99 Miscellaneous Small Sewer R&R, Phase I project, hereinafter "Project"; and authorized the borrowing of an amount not to exceed \$1,410,000 from the Fund for the purpose of financing 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 said loan; and

WHEREAS, AWWU has submitted an application for loan funds in conjunction with the Project, said application for loan funds has been approved, and AWWU has negotiated the terms of this loan from the Fund in the amount of \$1,410,000 to finance a portion of the costs of the Project; and

WHEREAS, the terms and conditions of said loan are contained in the Alaska Clean Water Fund Loan Agreement between the Municipality and DEC entered into as of November 30, 1998; and

WHEREAS, it is hereby found to be in the best interest of the Municipality that said loan offer be accepted and appropriated, 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 One Million Four Hundred Ten Thousand Dollars (\$1,410,000) are hereby accepted and appropriated

Principal Amount:	Not to exceed \$1,410,000 (subject to individual draws)
Interest Rate:	3.52% per annum
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. 98-151; 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. Acceptance and Executing of Loan Agreement: The Loan Offer is accepted and appropriated, and the Mayor, together with the Municipal Manager, 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 Municipal Manager, 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.

PASSED AND APPROVED by the Anchorage Assembly, this 12th day of May, 1999.

Area Capital Improvement Fund: 0551-1310
Anchorage Wastewater Utility - \$1,410,000 (Designated Loan)

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