

AR 99-314

CLERK'S OFFICE

APPROVED

Date: 11-9-99

ANCHORAGE, ALASKA

AR No. 99- 314

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING STATE OF ALASKA DRINKING WATER FUND LOAN OFFERS IN THE TOTAL AGGREGATE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE ANCHORAGE LOOP TRANSMISSION MAIN PHASE V AND THE SERVICE RESERVOIR NO. 6 PROJECTS.

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 public water treatment, transmission and distribution facilities; and

WHEREAS, the Assembly of the Municipality in its Ordinance No. AO 98-162 on October 20, 1998, 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 Phase V and Service Reservoir No. 6 projects; authorized the borrowing of an amount not to exceed \$4,000,000 from the Fund for the purpose of financing a portion of the cost of said projects; 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") applications to borrow money from the Fund and to negotiate with the DEC the terms of such loans; and

WHEREAS, AWWU has submitted applications for loans in connection with the Anchorage Loop Water Transmission Main Phase V and Service Reservoir No. 6 projects, said applications for these loans has been approved, and AWWU has negotiated the terms of two loans from the Fund in the amount of \$2,000,000 each for a total of \$4,000,000 to finance a portion of the costs of the Projects; and

WHEREAS, the terms and conditions of said loans are contained in the Alaska Drinking Water Fund Loan Agreements between the Municipality and DEC, dated September 20, 1999; and

WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said loan offers be approved and that the Loan Agreements 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 total aggregate amount of Four Million, Dollars (\$4,000,000) are hereby accepted and appropriated.

Section 2. **Loan Terms:** The following primary terms of the loans are among those incorporated in the Loan Agreements as hereby specifically approved:

Principal Amount:	Not to exceed \$2,000,000 each for a total aggregate amount of \$4,000,000 (subject to individual draws)
Interest Rate:	4.13% per annum
Interest Accrual:	Accrual of interest will begin one year after the date of the first disbursement to the Municipality.

Term: Twenty years from the date of initiation of operation of the respective Project

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

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. 98-162, 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 offers are 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 Agreements for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreements, 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 Agreements as executed.

Section 4. **Effective Date:** This Resolution shall take effect immediately

PASSED AND APPROVED by the Anchorage Assembly, this 9th day of November, 1999.

Chairman

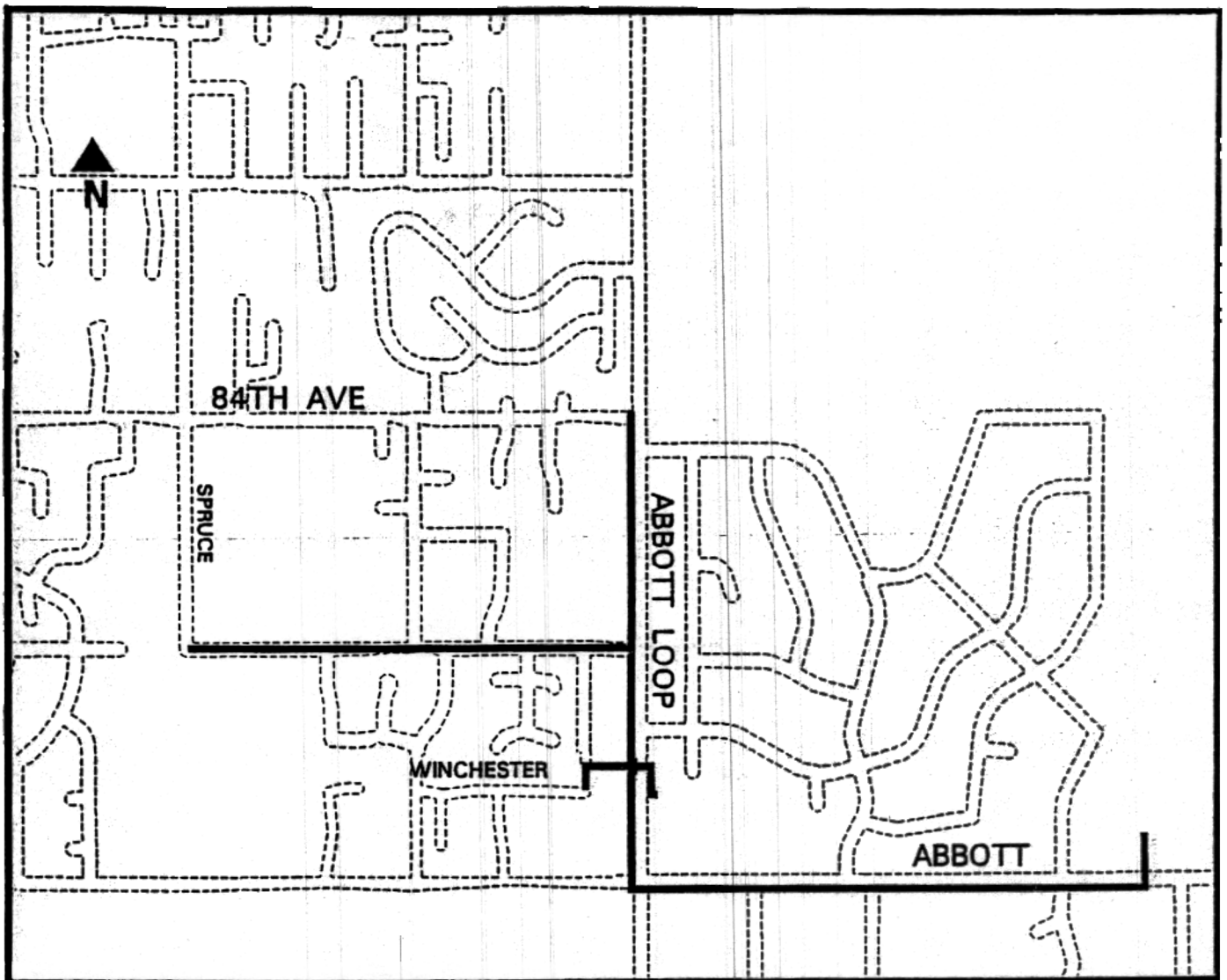
ATTEST:

Area Capital Improvement Fund

Fund 541 Account 1071 Project ID WCB1170 Loop V  
\$2,000,000 (Designated Loan)

Fund 541 Account 1071 Project ID WCB1180 Service Reservoir No. 6  
\$2,000,000 (Designated Loan)

Municipal Clerk

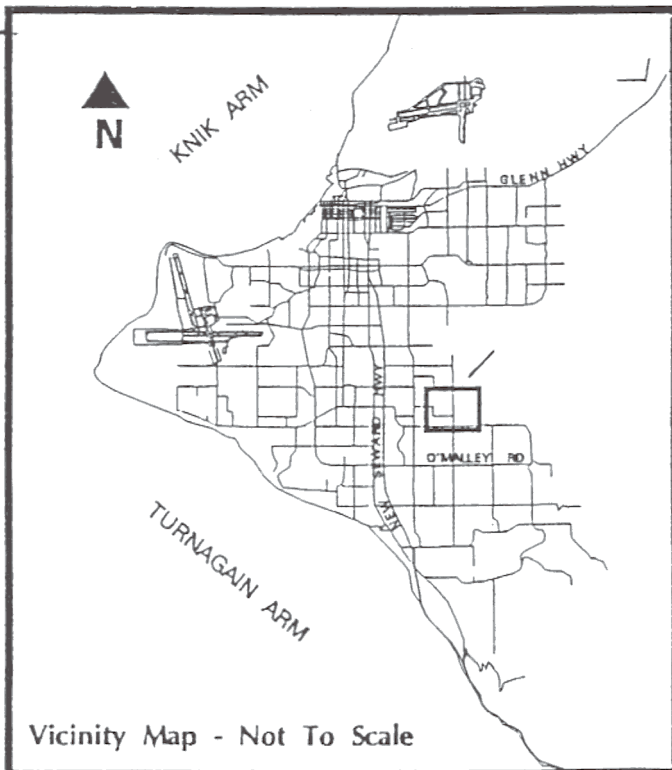


This Graphic Produced By AWWU Engineering GIS Section

20 Oct 97

Project Map - Not To Scale

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Vicinity Map - Not To Scale



### Project Symbols

Piping



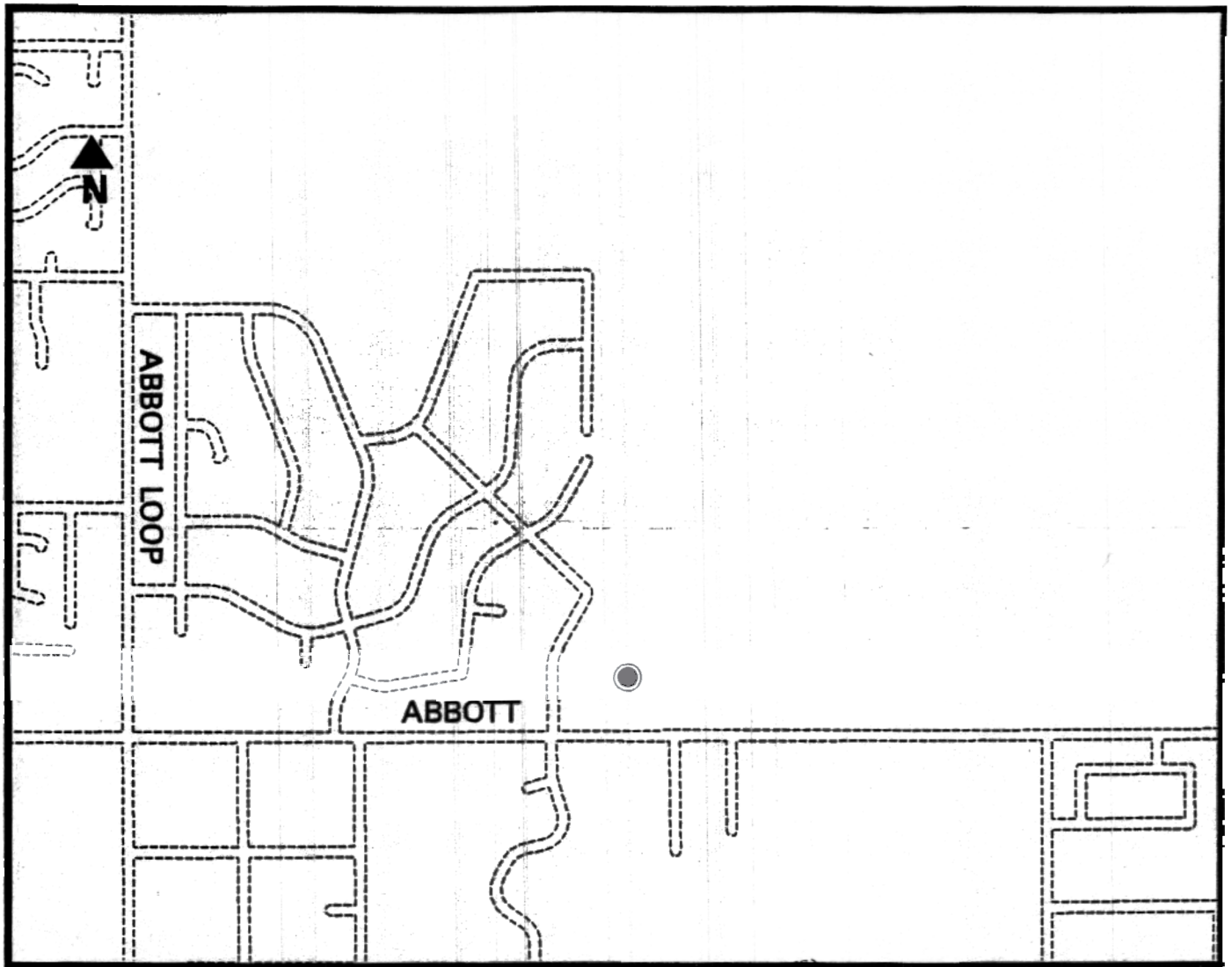
Project Map Area

## ANCHORAGE LOOP WTM PHASE V (INCLUDES WINCHESTER INTERTIE)

Water

Grid(s): 2435 2436 2437 2335 2337

Anchorage Water & Wastewater Utility

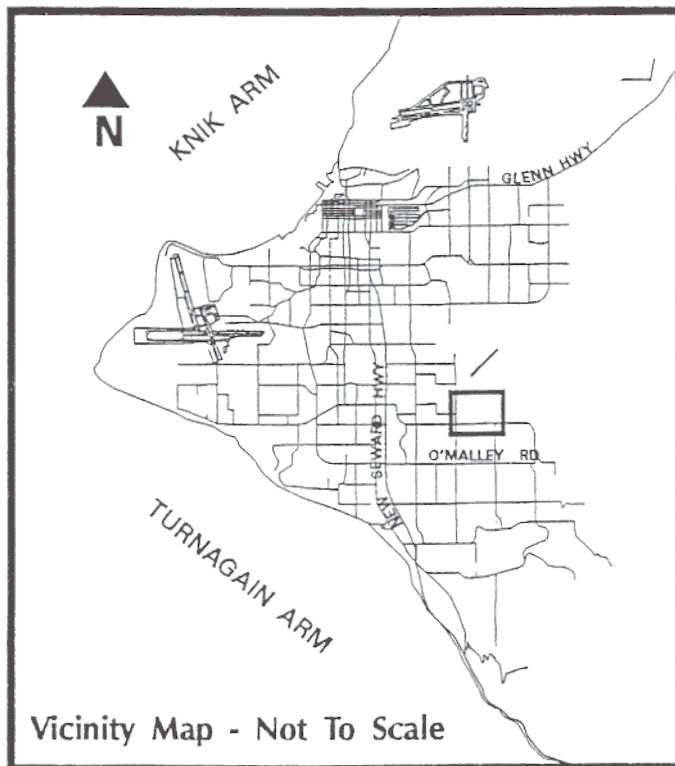


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03 Jul 96

Project Map - Not To Scale

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Vicinity Map - Not To Scale



### Project Symbols

- Location
- Project Map Area

**SERVICE HIGH RESERVOIR**

Water

Grid(s): 2336

**Anchorage Water & Wastewater Utility**