

Date: 11-21-00Submitted by: Chairman of the Assembly at the Request
of the Mayor

Prepared by: Anchorage Water & Wastewater Utility

For reading: NOVEMBER 7, 2000

ANCHORAGE, ALASKA

AR No. 2000- 326

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER FUND LOAN OFFER INCREASE IN THE AMOUNT OF TWO MILLION, EIGHT HUNDRED SIXTY-FIVE THOUSAND, TWO HUNDRED FORTY-FOUR DOLLARS (\$2,865,244) FOR FINANCING A PORTION OF THE COSTS OF THE ANCHORAGE LOOP TRANSMISSION MAIN PHASE V.

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, and in its Ordinance No. AO 2000-24 on January 25, 2000, 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 project; authorized the borrowing of amounts not to exceed \$8,550,000 and \$3,550,000, respectively, 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 such loan; and

WHEREAS, AWWU has submitted an application for a loan in connection with the Anchorage Loop Water Transmission Main Phase V project, said application for this loan has been approved, and AWWU has negotiated the terms of the loan increase from the Fund in the amount of \$2,865,244, for a total loan offer amount of \$6,865,244, to finance 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 Agreements between the Municipality and DEC, dated September 20, 1999, and amended February 9, 2000, and August 23, 2000, and

WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said loan offer increase be approved and that the Loan Agreement Amendment 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 One Million, Five Hundred Thousand Dollars (\$2,865,244) are hereby accepted and appropriated.

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

Principal Amount: Not to exceed \$2,865,244 (subject to individual draws)

Interest Rate: 4.37% per annum

AM 1017-2000

1 Interest Accrual: Accrual of interest will begin one year after the date of the first
2 disbursement to the Municipality.
3 Term **Twenty years** from the date of initiation of operation of the
4 respective Project
5 Date of First Payment: **One year** following substantial completion and initiation of
6 operation of the respective Project
7 Payment Interval: Annual
8 Amortization Schedule: Level, fully amortizing
9 Security: A subordinate lien pledge of the Gross Revenues less the
10 Operating Expenses of the System as those terms are defined in
11 Ordinance No. **AO No. 99-118(S)**, provided that if such monies
12 are not sufficient, repayment of the loan shall be from any legally
13 available funds accruing to or in the possession of the
14 Municipality; and provided further that repayment of the loan is not
15 a direct obligation of the Municipality and neither the faith and
16 credit nor the taxing power of the Municipality are pledged
17 therefor.
18

19 Section 3. **Approval and Executing of Loan Agreement:** The loan offer increase is
20 approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the General
21 Manager of AWWU, are hereby authorized, empowered and directed to execute and deliver
22 the Loan Agreement Amendment for and on behalf of the Municipality, including necessary
23 counterparts, and, from and after the executing and delivery of the Loan Agreement
24 Amendment, the Mayor, the Chief Fiscal Officer of the Municipality and the General Manager
25 of AWWU, are hereby authorized, empowered and directed to do all such acts and things and
26 to execute all such documents as may be necessary to carry out and comply with the
27 provisions of the Loan Agreement Amendment as executed.
28

29 Section 4. **Effective Date:** This Resolution shall take effect immediately.
30

31 **PASSED AND APPROVED** by the Anchorage Assembly, this 21st day of
32 November, 2000.

33
34 
35 Chairman
36

37 **ATTEST:**

38 Area Capital Improvement Fund:
39 Fund ~~541~~ Account ~~1071~~ Project ID WCB1170 Loop
40 \$2,865,244 (Designated Loan)
41

42 
Municipal Clerk