

Submitted by: Chairman of the Assembly at the Request  
of the Mayor

Prepared by: Anchorage Water & Wastewater Utility  
For reading: **August 14, 2001**

**CLERK'S OFFICE**

**APPROVED**

Date: 8-28-01

ANCHORAGE, ALASKA  
AR No. 2001-226

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND  
2 APPROPRIATING A STATE OF ALASKA CLEAN WATER FUND LOAN OFFER IN THE  
3 AMOUNT OF THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$375,000) FOR  
4 FINANCING A PORTION OF THE COSTS OF THE ANCHORAGE FY99 MISCELLANEOUS  
5 SMALL SEWER R&R, PHASE II, PROJECTS.

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7 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and 18  
8 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Clean Water Fund  
9 (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Clean Water  
10 Act, as amended by P.L. 100-4; and;

11  
12 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the Fund  
13 for the purposes of planning, designing, constructing, equipping, modifying, improving and expanding  
14 public wastewater collection, treatment and discharge facilities; and

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16 WHEREAS, the Assembly of the Municipality in its Ordinances No. AO 98-151 on September  
17 15, 1998, determined it was necessary to proceed to plan, design, develop, construct, equip, acquire  
18 property for, or otherwise obtain items of capital improvements in connection with the ANCHORAGE  
19 FY99 MISCELLANEOUS SMALL SEWER R&R, PHASE II, projects; authorized the borrowing of an  
20 amount not to exceed \$375,000 from the Fund for the purpose of financing a portion of the cost of  
21 said Projects; and authorized and directed the General Manager of the Anchorage Water &  
22 Wastewater Utility ("AWWU") to complete and submit to the State Department of Environmental  
23 Conservation ("DEC") an application to borrow money from the Fund and to negotiate with the DEC  
24 the terms of such loan; and

25  
26 WHEREAS, AWWU has submitted an application for a loan in connection with ANCHORAGE  
27 FY99 MISCELLANEOUS SMALL SEWER R&R, PHASE II, project, said application for this loan has  
28 been approved, and AWWU has negotiated the terms of the loan from the Fund in the amount of  
29 \$375,000 to finance a portion of the costs of the Project; and

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31 WHEREAS, the terms and conditions of said loan are contained in the Alaska Clean Water Fund  
32 Loan Agreement between the Municipality and DEC, dated April 17, 2001; and

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

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

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39 Section 1. Loan Proceeds: The subject loan proceeds in the amount of Three Hundred  
40 Seventy Five Thousand Dollars (\$375,000) are hereby accepted and appropriated.  
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Section 2. **Loan Terms:** The following primary terms of the loan are among those incorporated in the Loan Agreement as hereby specifically approved:

Principal Amount:	Not to exceed an amount of <b>\$375,000</b> (subject to individual draws)
Interest Rate:	<b>2.5%</b> per annum
Interest Accrual:	Accrual of interest will begin one year after the date of the first disbursement to the Municipality.
Term:	<b>Twenty years</b> from the date of initiation of operation of the respective Project
Date of First Payment:	<b>One year</b> 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. <b>AO No. 99-119(S)</b> , 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 offer 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 28<sup>th</sup> day of August, 2001.

  
Chairman

ATTEST:

Area Capital Improvement Fund:  
Fund 551 Account 1071 Project ID SCB1180 5<sup>th</sup> & Eagle Sewer Upgrade  
\$175,000 (Designated Loan)  
Fund 551 Account 1071 Project ID SCB1160 Alaskan Village Sewer Upgrade  
\$200,000 (Designated Loan)

  
Municipal Clerk