

**CLERK'S OFFICE**

**APPROVED**

Date: 10-23-01

ANCHORAGE, ALASKA

AR No. 2001- 303

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING STATE OF ALASKA CLEAN WATER FUND LOAN OFFER IN THE TOTAL AGGREGATE AMOUNT OF THREE MILLION DOLLARS (\$3,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE B-4AB SEWER TRUNK UPGRADE (*formerly Middle Fish Creek Trunk*) PROJECT.

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 Ordinances No. AO 97-10 on January 28, 1997, 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 **B-4AB SEWER TRUNK UPGRADE** project; authorized the borrowing of an amount not to exceed \$3,000,000 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") applications 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 **B-4AB SEWER TRUNK UPGRADE** project, said application for this loan has been approved, and AWWU has negotiated the terms of the loan from the Fund in the amount of \$3,000,000 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, dated **August 20, 2001**; and

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.

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 **Three Million Dollars (\$3,000,000)** are hereby accepted and appropriated.

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 a total aggregate amount of **\$3,000,000**  
(subject to individual draws)

Interest Rate: **2.5%** 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. 99-119(S)**, 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  
Municipal Manager, 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 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.

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

**PASSED AND APPROVED** by the Anchorage Assembly, this 23<sup>rd</sup> day of  
October, 2001.

  
Chairman

**ATTEST:**

Area Capital Improvement Fund:  
Fund 551 Account 1071 Project ID SCB4061 B-4AB Sewer Trunk Upgrade  
\$3,000,000 (ACWF Loan No. 127421)

  
Municipal Clerk