

CLERK'S OFFICE

APPROVED

Date: 1-8-02

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

Prepared by: Anchorage Water & Wastewater Utility

For reading: DECEMBER 11, 2001

ANCHORAGE, ALASKA

AR No. 2001- 341

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND
2 APPROPRIATING A STATE OF ALASKA DRINKING WATER FUND LOAN OFFER
3 INCREASE IN THE AMOUNT OF TWO MILLION, FIVE HUNDRED THIRTY-FIVE
4 THOUSAND, FIFTY DOLLARS (\$2,535,050) FOR FINANCING A PORTION OF THE COSTS
5 OF THE SERVICE RESERVOIR NO. 6 PROJECT.

6 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and
7 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Drinking
8 Water Fund (the 'Fund'), a fund which makes use of U.S. Government grants as authorized by
9 the Drinking Water Act, as amended by P.L. 104-182; and

10 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the
11 Fund for the purposes of planning, designing, constructing, equipping, modifying, improving and
12 expanding public water treatment, transmission and distribution facilities; and

13 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 98-162** on **October**
14 **20, 1998**, and Ordinance No. **AO 2000-24** on **January 25, 2000**, determined it was necessary to
15 proceed to plan, design, develop, construct, equip, acquire property for, or otherwise obtain
16 items of capital improvements in connection with the **Service Reservoir No. 6** project;
17 authorized the borrowing of an amount not to exceed **\$4,760,000** and **\$8,550,000**, respectively,
18 from the Fund for the purpose of financing a portion of the cost of said Project; and authorized
19 and directed the General Manager of the Anchorage Water & Wastewater Utility ("AWWU") to
20 complete and submit to the State Department of Environmental Conservation ("DEC") an
21 application to borrow money from the Fund and to negotiate with the DEC the terms of such
22 loan; and

23 WHEREAS, AWWU has submitted applications for loans in connection with the **Service**
24 **Reservoir No. 6** project, said applications for these loans have been approved, and AWWU has
25 negotiated the terms of this loan increase from the Fund in the amount of **\$2,535,050** for a total
26 loan amount of **\$5,566,050** to finance a portion of the cost of the Project; and

27 WHEREAS, the terms and conditions of said loan increase are contained in the Alaska
28 Drinking Water Fund Loan Agreement between the Municipality and DEC, dated **November 9,**
29 **2001**; and

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

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

34 Section 1. **Loan Proceeds:** The subject increase in loan proceeds in the amount
35 of **Two Million, Five Hundred Thirty-five Thousand, Fifty Dollars (\$2,535,050)** is
36 hereby accepted and appropriated.
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Section 2. **Loan Terms:** The following primary terms of the loans are among those incorporated in the Loan Agreement as hereby specifically approved:

Principal Amount:	Not to exceed \$2,535,050 for a total loan amount of \$5,566,050 (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. 99-118(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 therefore.

Section 3. **Approval and Executing of Loan Agreement:** The loan offer increase 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 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 Agreement as executed.

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

PASSED AND APPROVED by the Anchorage Assembly, this 8th day of January, 2002


Chairman

ATTEST:

Area Capital Improvement Fund:
Fund 541 Account 1071 Project ID WCB1180
Service Reservoir No. 6 - \$2,535,050 (Designated Loan)


Municipal Clerk