

Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water & Wastewater Utility  
For reading: June 8, 2004

**CLERK'S OFFICE**

**APPROVED**

Date: 6-22-04 **ANCHORAGE, ALASKA**  
**AR No. 2004- 150**

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING A STATE OF ALASKA CLEAN WATER  
FUND LOAN OFFER INCREASE IN THE AMOUNT OF TWO HUNDRED FIFTY  
THOUSAND DOLLARS (\$250,000) FOR FINANCING A PORTION OF THE  
COSTS OF THE FY97 MISCELLANEOUS WASTEWATER 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 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, by Ordinances **AO 97-10** and **AO 2001-103**, 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 **FY97 MISCELLANEOUS WASTEWATER** projects; authorized the borrowing of an amount not to exceed **\$5,858,570**, 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") an application to borrow money from the Fund and to negotiate with the DEC the terms of such loan; and

WHEREAS, AWWU has submitted the application for a loan increase in connection with the **FY97 MISCELLANEOUS WASTEWATER** projects, said application for this loan increase has been approved, and AWWU has negotiated the terms of this loan increase from the Fund in the amount of **\$250,000** to finance a portion of the cost of the Projects; 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 **June 11, 1997**, and in a subsequent Agreement Amendment dated **October 24, 2003**; 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 amount of **Two Hundred Fifty Thousand dollars (\$250,000)** for a total aggregate loan amount of Two Million Two Hundred Fifty Thousand dollars (\$2,250,000) are hereby accepted and appropriated.

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

Principal Amount:	Not to exceed <b>\$2,250,000</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 Projects
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 therefore.

Section 3. **Approval and Executing of Loan Agreement Amendment**: 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 Amendment for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreement Amendment, 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 Amendment as executed.

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June, 2004.

**Chairman**

*Area Capital Improvement Fund:  
Fund 551 Account 1071 Project ID SCB4012  
\$250,000 (Designated Loan)*

**Municipal Clerk**

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 470 -2004

Meeting Date: June 8, 2004

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF AN ALASKA  
CLEAN WATER FUND LOAN OFFER INCREASE FOR THE  
PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE  
FY97 MISCELLANEOUS WASTEWATER PROJECTS  
(\$250,000)**

The Municipality of Anchorage has received a formal Alaska Clean Water Fund (ACWF) loan offer increase from the State of Alaska in the amount of **\$250,000** for the purpose of financing a portion of the cost of the **FY97 Miscellaneous Wastewater** projects.

This loan offer increase is made under the State's low-interest revolving loan program, which is attractive to the Municipality due to the low interest rate of **2.5%** and the favorable payback terms of **twenty years** from one year after the most recent project's date of initiation of operation. When added to the current Alaska Clean Water Fund loan offer of \$2,000,000, this loan increase results in a new total loan offer amount of **\$2,250,000**.

The projects funded in part by the **FY97 Miscellaneous Wastewater** loan are as follows:

Iliamna Sewer Upgrade	\$267,558
Chester Valley. E. 17th Avenue	\$137,975
Pump Station 10 Upgrade	\$123,427
B5G, B6CDEF Sewer Trunk Upgr (Chester Creek Trunk)	\$1,721,040

Construction of all projects under this loan agreement is complete. The purpose of this loan increase is to maximize the funding for the expenses that were incurred.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF ASSEMBLY  
RESOLUTION AR 2004-<sup>150</sup> ACCEPTING AND APPROPRIATING THIS ALASKA  
CLEAN WATER LOAN OFFER INCREASE IN THE AMOUNT OF \$250,000 FOR  
FINANCING A PORTION OF THE COSTS OF THE FY97 MISCELLANEOUS  
WASTEWATER PROJECTS.**

Prepared by: Mark Premo, P.E., General Manager, AWWU  
Fund Certification: Jeffrey Sinz, Chief Fiscal Officer

551 -W8000 -1071 - SCB4012 -2003 -\$250,000 (Designated Loan)

Concur: Denis C. Leblanc, Municipal Manager

Respectfully submitted: Mark Begich, Mayor

1 AM 470-2004

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### ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
551	W8000	1071
Project ID	SCB4012	
Date	05/03/2004	
By (electronic) Sharon Weddleton, CPA, AWWU Finance Manager		

**Content Information****Content ID :** 001822**Type:** AR\_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING A STATE OF ALASKA CLEAN**Title:** WATER FUND LOAN OFFER INCREASE IN THE AMOUNT OF TWO  
HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) FOR FINANCING  
A PORTION OF THE COSTS OF THE FY97**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 5/14/04 10:01 AM**Director Name:** Mark Premo**Assembly****Meeting Date** 06/08/04**MM/DD/YY:****Public Hearing****Date** 06/22/04**MM/DD/YY:**

2004 JUN -1 AM 11:59  
 M.O.A.  
 COUNCIL OFFICE

**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
FundsAppropWorkflow	5/14/04 10:03 AM	Checkin	gibsonam	Public	001822
AWWU_SubWorkflow	5/14/04 10:05 AM	Approve	premomc	Public	001822
MuniManager_SubWorkflow	5/27/04 5:57 AM	Approve	leblancdc	Public	001822
MuniMgrCoord_SubWorkflow	5/27/04 2:51 PM	Approve	katkusja	Public	001822

**CONSENT AGENDA - INTRODUCTION**