

CLERK'S OFFICE

APPROVED

Date: 9-27-05

ANCHORAGE, ALASKA

No. AR 2005- 232

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 ACCEPTING AND APPROPRIATING A STATE OF ALASKA CLEAN WATER
3 FUND LOAN OFFER INCREASE IN THE AMOUNT OF ONE MILLION DOLLARS
4 (\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE FACILITY
5 REPLACEMENT AND REHABILITATION PROJECT – 1998 (PUMP STATION 2 –
6 CHESTER CREEK) PROJECT.
7

8
9 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes
10 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,
11 established the Alaska Clean Water Fund (the 'Fund'), a fund which makes use of
12 U.S. Government grants as authorized by the Clean Water Act, as amended by
13 P.L. 100-4; and
14

15 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to
16 borrow from the Fund for the purposes of planning, designing, constructing,
17 equipping, modifying, improving and expanding public wastewater collection,
18 treatment and discharge facilities; and
19

20 WHEREAS, the Assembly of the Municipality, in its Ordinances
21 **AO 2003-118**, determined it was necessary to proceed to plan, design, develop,
22 construct, equip, acquire property for, or otherwise obtain items of capital
23 improvements in connection with the **FACILITY REPLACEMENT AND**
24 **REHABILITATION PROJECT – 1998 (PUMP STATION 2 – CHESTER CREEK)**
25 project; authorized the borrowing of an amount not to exceed **\$1,000,000** from the
26 Fund for the purpose of financing a portion of the costs of said Project; and
27 authorized and directed the General Manager of the Anchorage Water &
28 Wastewater Utility ("AWWU") to complete and submit to the State Department of
29 Environmental Conservation ("DEC") an application to borrow money from the Fund
30 and to negotiate with the DEC the terms of such loans; and
31

32 WHEREAS, AWWU has submitted the application for loan funds in
33 connection with the **FACILITY REPLACEMENT AND REHABILITATION**
34 **PROJECT – 1998 (PUMP STATION 2 – CHESTER CREEK)** project, said
35 application for this loan has been approved, and AWWU has negotiated the terms
36 of this loan from the Fund in the amount of **\$1,000,000** to finance a portion of the
37 costs of the Project; and
38

39 WHEREAS, the terms and conditions of said loan are contained in the Alaska
40 Clean Water Fund Loan Agreement between the Municipality and DEC, dated
41 **August 9, 2005**; and
42

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 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 **One Million Dollars (\$1,000,000)** 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 \$1,000,000 (subject to individual draws)
Interest Rate:	1.5% 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 Project
Date of First Payment:	One year following substantial completion and initiation of operation of the 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 loans shall be from any legally available funds accruing to or in the possession of the Municipality; and provided further that repayment of the loans 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 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.

1 Section 4. **Effective Date:** This Resolution shall take effect immediately.
2

3 PASSED AND APPROVED by the Anchorage Assembly this 27th day of
4 Sept., 2005.
5
6

7 Anna J. Fairclough
8
9 Chairman

10
11 ATTEST:

Area Capital Improvement Fund:

Fund 551 Account 1071 Project ID SCB4131

\$1,000,000 (Designated Loan)

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16
17 Gracie S. Heem
18 Municipal Clerk
Deputy

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 646-2005

Meeting Date: September 13, 2005

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
FACILITY REPLACEMENT AND REHABILITATION PROJECT –
1998 (PUMP STATION 2 – CHESTER CREEK) PROJECT
(\$1,000,000)**

The Municipality of Anchorage has received a formal Alaska Clean Water Fund loan offer increase from the State of Alaska in the amount of **\$1,000,000** for the purpose of financing a portion of the cost of the **FACILITY REPLACEMENT AND REHABILITATION PROJECT – 1998 (PUMP STATION 2 – CHESTER CREEK) PROJECT**.

This loan offer is made under the State's revolving loan program, which is attractive to the Municipality due to the low interest rate of **1.5%** and the favorable payback terms of **twenty years** from one year after project's date of initiation of operation.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF ASSEMBLY
RESOLUTION AR 2005-²³² ACCEPTING AND APPROPRIATING THIS ALASKA
CLEAN WATER LOAN OFFER INCREASE IN THE AMOUNT OF ONE MILLION
DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE
FACILITY REPLACEMENT AND REHABILITATION PROJECT – 1998 (PUMP
STATION 2 – CHESTER CREEK) PROJECT**

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
551 – W8000 – 1071 – SCB4131 – 2005 – \$1,000,000 (Designated Loan)
Concur: Denis C. LeBlanc., Municipal Manager
Respectfully submitted: Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

FUND		Dept ID	Acct #
551		W8000	1071
Project ID	SCB4131		
Amount		\$1,000,000.00	
Date	8/24/2005		
By (electronic) Sharon Weddleton, CPA, AWWU Finance Manager			

Content Information**Content ID :** 003232**Type:** AR_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,
ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA**Title:** CLEAN WATER FUND LOAN OFFER INCREASE IN THE AMOUNT
OF ONE MILLION DOLLARS (\$1,000,000) FOR FINANCING A
PORTION OF THE COSTS OF THE FACILITY REPLACEMENT**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 8/29/05 9:48 AM**Director Name:** Mark Premo**Assembly****Meeting Date** 9/13/05**MM/DD/YY:****Requested****Public Hearing** 9/27/05**Date MM/DD/YY:**M.O.A.
2005 SEP -6 PM 12:50
CLERKS 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	8/29/05 9:50 AM	Checkin	gibsonam	Public	003232
AWWU_SubWorkflow	8/29/05 9:53 AM	Approve	premomc	Public	003232
OMB_SubWorkflow	8/29/05 6:56 PM	Approve	mitsonjl	Public	003232
Finance_SubWorkflow	9/2/05 8:56 AM	Approve	sinzje	Public	003232
MuniManager_SubWorkflow	9/3/05 10:31 AM	Approve	leblancdc	Public	003232
MuniMgrCoord_SubWorkflow	9/4/05 8:56 PM	Approve	abbottmk	Public	003232