

1-24-06

ANCHORAGE, ALASKA  
AR No. 2006-5

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING AN ALASKA CLEAN WATER LOAN OF  
ONE MILLION DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF THE  
COSTS OF THE OLD GLENN HIGHWAY (NORTHERN COMMUNITIES) SEWER  
INTERCEPTOR 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 Ordinance **AO 2004-155** 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 **Old Glenn Highway (Northern Communities) Sewer Interceptor** project, authorized the borrowing of amounts not to exceed **\$1,000,000** from the Fund for the purpose of financing a portion of the costs 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") 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 in connection with the **Old Glenn Highway (Northern Communities) Sewer Interceptor** project, said application for this loan has been approved, and AWWU has negotiated the terms of this loan from the Fund in the amount of **\$1,000,000** 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 **December 22, 2005**; 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.

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

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4           Section 1. **Loan Proceeds**: The subject loan proceeds in the amounts of  
5 **One Million Dollars (\$1,000,000)** are hereby accepted and appropriated.

6  
7           Section 2. **Loan Terms**: The following primary terms of the loan are  
8 among those incorporated in the Loan Agreement as hereby specifically approved:

9  
10          Principal Amount:               Not to exceed **\$1,000,000** (subject to individual draws)  
11          Interest Rate:                 **1.5%** per annum  
12          Interest Accrual:               Accrual of interest will begin one year after the date of the  
13   first disbursements to the Municipality.  
14          Term:                           **Twenty years** from the dates of initiation of operation of the  
15   respective Project  
16          Date of First Payment:       **One year** following substantial completion and initiation of  
17   operation of the Project  
18          Payment Interval:               Annual  
19          Amortization Schedule:       Level, fully amortizing  
20          Security:                        A subordinate lien pledge of the Gross Revenues less the  
21   Operating Expenses of the System as those terms are  
22   defined in Ordinance No. **AO No. 99-119(S)**, provided that if  
23   such monies are not sufficient, repayment of the loan shall  
24   be from any legally available funds accruing to or in the  
25   possession of the Municipality; and provided further that  
26   repayment of the loan is not a direct obligation of the  
27   Municipality and neither the faith and credit nor the taxing  
28   power of the Municipality are pledged therefore.

29  
30          Section 3. **Approval and Executing of Loan Agreement**: The loan offer  
31 is approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the  
32 General Manager of AWWU, are hereby authorized, empowered and directed to  
33 execute and deliver the Loan Agreement for and on behalf of the Municipality,  
34 including necessary counterparts, and, from and after the executing and delivery of  
35 the Loan Agreement, the Mayor, the Chief Fiscal Officer of the Municipality and the  
36 General Manager of AWWU, are hereby authorized, empowered and directed to do  
37 all such acts and things and to execute all such documents as may be necessary to  
38 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 24th day of  
January, 2006.

Anna L. Fairclough  
Chairman

ATTEST:

Area Capital Improvement Fund:  
Fund 551 Account 1071 Project ID 0000000069  
\$1,000,000 (Designated Loan)

Brian S. Dineen  
Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 14-2006

Meeting Date: January 10, 2006

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF AN ALASKA  
CLEAN WATER FUND LOAN OFFER FOR THE  
PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE  
THE OLD GLENN HIGHWAY (NORTHERN COMMUNITIES)  
SEWER INTERCEPTOR PROJECT (\$1,000,000)**

The Municipality of Anchorage has received a formal Alaska Clean Water Fund loan offer from the State of Alaska in the amount of **\$1,000,000** for the purpose of financing a portion of the cost of the **Old Glenn Highway (Northern Communities) Sewer Interceptor** 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 ACCEPTING AND APPROPRIATING THIS ALASKA CLEAN WATER  
LOAN OFFER IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) FOR  
FINANCING A PORTION OF THE COSTS OF THE OLD GLENN HIGHWAY  
(NORTHERN COMMUNITIES) SEWER INTERCEPTOR PROJECT.**

Prepared by:	Mark Premo, P.E., General Manager, AWWU
Fund Certification:	Jeffrey E. Sinz, Chief Fiscal Officer <i>551 -W8000 -1071 -0000000069 -2005 -\$1,000,000 (Designated Loan)</i>
Concur:	Denis C. LeBlanc., Municipal Manager
Respectfully submitted:	Mark Begich, Mayor

## ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
551	W8000	1071
Project ID 0000000069		
Loan Amount		\$1,000,000
Date 12/29/2005		
By (electronic) Sharon Weddleton, CPA, AWWU Finance Manager		

**Content Information****Content ID :** 003603**Type:** AR\_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING AN ALASKA CLEAN WATER**Title:** LOAN OF ONE MILLION DOLLARS (\$1,000,000) FOR FINANCING A  
PORTION OF THE COSTS OF THE OLD GLENN HIGHWAY  
(NORTHERN COMMUNITIES) SEWER INTERCEPTOR**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 12/29/05 3:54 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 1/10/06**MM/DD/YY:****Public Hearing****Date** 1/24/06**MM/DD/YY:****Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
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