

CLERK'S OFFICE

APPROVED

Date: 9-26-06

**ANCHORAGE, ALASKA
AR No. 2006-229**

**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 ONE MILLION DOLLARS
(\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE AWWU
OPERATIONS FACILITY PHASE III 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 **AO 2003-120**, 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 **AWWU Operations Facility Phase III** project; authorized the borrowing of an amount 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 increase in connection with the **AWWU Operations Facility Phase III** project, said application for this loan increase 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 cost of the Project; and

WHEREAS, the terms and conditions of said loan increase are contained in the Alaska Clean Water Fund Loan Agreement between the Municipality and DEC, dated **August 8, 2006**; and

WHEREAS, it is hereby found to be in the best interest of the Municipality that the 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:

3
4 Section 1. **Loan Proceeds**: The subject loan proceeds in the amount 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 Projects
16 Date of First Payment: **One year** following substantial completion and initiation of
17 operation of the respective Projects
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 increase is approved and the Mayor, with the Chief Fiscal Officer of the Municipality
32 and the General Manager of AWWU, are hereby authorized, empowered and
33 directed to execute and deliver the Loan Agreement for and on behalf of the
34 Municipality, including necessary counterparts, and, from and after the executing
35 and delivery of the Loan Agreement, the Mayor, the Chief Fiscal Officer of the
36 Municipality and the General Manager of AWWU, are hereby authorized,
37 empowered and directed to do all such acts and things and to execute all such
38 documents as may be necessary to carry out and comply with the provisions of the
39 Loan Agreement as executed.

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

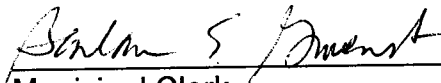
PASSED AND APPROVED by the Anchorage Assembly this 26th day of
September 2006.



Chairman

ATTEST:

Area Capital Improvement Fund:
Fund 551 Account 1071 Project ID 0000003723
\$1,000,000 (Designated Loan)



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 634-2006

Meeting Date: September 12, 2006

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF ALASKA
CLEAN WATER FUND LOAN OFFER INCREASE FOR THE
PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE
AWWU OPERATIONS FACILITY PHASE III (\$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 **\$1,000,000** for the purpose of financing a portion of the cost of the **AWWU Operations Facility Phase III** project.

This loan offer increase 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 INCREASE IN THE AMOUNT OF ONE MILLION DOLLARS
(\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE AWWU
OPERATIONS FACILITY PHASE III PROJECT.**

Prepared by:	Mark Premo, P.E., General Manager, AWWU
Fund Certification:	Jeffrey E. Sinz, Chief Fiscal Officer <i>551 -W8000 -1071 -0000003723 -2006-\$1,000,000 (Designated Loan)</i>
Concur:	Denis C. LeBlanc., Municipal Manager
Respectfully submitted:	Mark Begich, Mayor

AWWU ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
551	W8000	1071
Project ID	3723	
Loan Amount	\$1,000,000.00	
Date 08/21/2006		
By (electronic) Sharon Weddleton, CPA, AWWU Finance Director		

Content Information

Content ID : 004299

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Title: ACCEPTANCE AND APPROPRIATION OF ALASKA CLEAN WATER
FUND LOAN OFFER INCREASE FOR THE PURPOSE OF FINANCING A
PORTION OF THE COSTS OF THE AWWU OPERATIONS FACILITY
PHASE III (\$1,000,000)

Author: gibsonam

Initiating Dept: AWWU

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Director Name: Mark Premo

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>	<u>Revision</u>
CitingFundsWorkflow	8/21/06 10:11 AM	Checkin	gibsonam	Public	004299	0
AWWU_SubWorkflow	8/21/06 10:14 AM	Approve	premomc	Public	004299	0
Finance_SubWorkflow	8/23/06 3:43 PM	Approve	sinzje	Public	004299	0
MuniMgrCoord_SubWorkflow	9/1/06 9:29 AM	Approve	abbottmk	Public	004299	0
MuniManager_SubWorkflow	9/1/06 9:29 AM	Approve	leblancdc	Public	004299	0