

Submitted by: Chair of the Assembly at the
Request of the Acting Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: February 24, 2009

CLERK'S OFFICE

APPROVED

Date: 4-14-09

ANCHORAGE, ALASKA
AR No. 2009-37

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING THREE STATE OF ALASKA CLEAN WATER FUND LOAN
AGREEMENTS IN THE AGGREGATE AMOUNT OF THREE MILLION TWO
HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$3,225,000) TO FINANCE
A PORTION OF THE COSTS OF THE SCADA SEWER, OPERATIONS
FACILITY PHASE III, AND MINNESOTA-BENSON SEWER UPGRADE
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, in its Ordinance No. AO 2007-128 and AO 2008-12, 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 2007 and 2008 Capital Improvement Budget projects; authorized the borrowing 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 and Wastewater Utility ("AWWU") to complete and submit to the State Department of Environmental Conservation ("DEC") applications to borrow money from the Fund and to negotiate with DEC the terms of such loans; and,

WHEREAS, AWWU has submitted applications for loans in connection with said projects, said applications for these loans have been approved, and AWWU has negotiated the terms of these loans from the Fund in the aggregate amount of \$3,225,000 to finance a portion of the costs of the SCADA Sewer, Operations Facility Phase III, and Minnesota-Benson Sewer Upgrade projects; and,

WHEREAS, the terms and conditions of said loans are contained in the Alaska Clean Water Fund Loan Agreements between the Municipality and DEC; and,

1 WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said
2 loan offers be approved and that the Loan Agreements be executed on behalf of the
3 Municipality; and,
4

5 WHEREAS, at its February 4, 2009 meeting, the AWWU Board supported this resolution to
6 accept funding from said loan agreements for these projects; now, therefore,
7

8 THE ANCHORAGE ASSEMBLY RESOLVES:
9

10 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of Three Million Two
11 Hundred Twenty Five Thousand Dollars (\$3,225,000) are hereby accepted.
12

13 **Section 2. Loan Terms:** The following primary terms of the loans are among those
14 incorporated in the Loan Agreements as hereby specifically approved:
15

16 Principal Amount: Not to exceed \$3,225,000 (subject to individual draws)
17

18 Interest Rate: 1.5% per annum
19

20 Interest Accrual: Accrual of interest will begin one year after the date of the first disbursement
21 to the Municipality
22

23 Term: Twenty years from the date of initiation of operation of the respective Projects
24

25 Date of First Payment: One year following substantial completion and initiation of operation
26 of the Projects
27

28 Payment Interval: Annual
29


30 Amortization Schedule: Level, fully amortizing
31

32 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
33 System as those terms are defined in Ordinance No. AO No. 99-119(S), provided that if such
34 monies are not sufficient, repayment of the loan shall be from any legally available funds
35 accruing to or in the possession of the Municipality; and provided further that repayment of the
36 loan is not a direct obligation of the Municipality and neither the faith and credit nor the taxing
37 power of the Municipality are pledged therefore.
38


39 **Section 3. Approval and Executing of Loan Agreements:** The loan offers are approved and
40 the General Manager and Chief Financial Officer of AWWU are hereby authorized,
41 empowered and directed to execute and deliver the Loan Agreements for and on behalf of the
42 Municipality, including necessary counterparts, and, from and after the executing and delivery
43 of the Loan Agreements, are hereby authorized, empowered and directed to do all such acts
44 and things as may be necessary to carry out and comply with the provisions of the Loan
45 Agreements as executed.

Section 4. Effective Date: This Resolution shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 14th day of April, 2009.


Chair

ATTEST:


Municipal Clerk