

CLERK'S OFFICE  
APPROVED  
Date: 7-8-03

Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water & Wastewater Utility  
For reading: June 10, 2003

ANCHORAGE, ALASKA  
AR No. 2003-161

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
2 ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER  
3 FUND LOAN OFFER INCREASE IN THE AMOUNT OF TWO HUNDRED FIFTY-  
4 FIVE THOUSAND DOLLARS (\$255,000) FOR FINANCING A PORTION OF THE  
5 COSTS OF THE DISINFECTION ALTERNATIVE WATER UPGRADES.  
6

7  
8 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes  
9 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,  
10 established the Alaska Drinking Water Fund (the 'Fund'), a fund which makes use  
11 of U.S. Government grants as authorized by the Drinking Water Act, as amended  
12 by P.L. 104-182; and  
13

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

19 WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 2000-  
20 24 on January 25, 2000, and Ordinance No. AO 2002-155 on November 19,  
21 2002, determined it was necessary to proceed to plan, design, develop, construct,  
22 equip, acquire property for, or otherwise obtain items of capital improvements in  
23 connection with the **Disinfection Alternative Water Upgrades** project; authorized  
24 the borrowing of an amount not to exceed \$500,000 and \$255,000, respectively,  
25 from the Fund for the purpose of financing a portion of the cost of said Project; and  
26 authorized and directed the General Manager of the Anchorage Water &  
27 Wastewater Utility ("AWWU") to complete and submit to the State Department of  
28 Environmental Conservation ("DEC") an application to borrow money from the Fund  
29 and to negotiate with the DEC the terms of such loan; and  
30

31 WHEREAS, AWWU has submitted applications for loans in connection with the  
32 **Disinfection Alternative Water Upgrades** project, said applications for these  
33 loans have been approved, and AWWU has negotiated the terms of this loan  
34 increase from the Fund in the amount of \$255,000 for a total loan amount of  
35 \$755,000 to finance a portion of the cost of the Project; and  
36

37 WHEREAS, the terms and conditions of said loan are contained in the Alaska  
38 Drinking Water Fund Loan Agreements between the Municipality and DEC, dated  
39 November 6, 2001, and April 17, 2003; and  
40

41 WHEREAS, it is hereby found to be in the best interest of the Municipality that  
42 terms of said loan offer increase be approved and that the Loan Agreement be  
43 executed on behalf of the Municipality.

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

Section 1. **Loan Proceeds**: The subject increase in loan proceeds in the amount of **Two Hundred Fifty-five Thousand Dollars (\$255,000)** is hereby accepted and appropriated.

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

Principal Amount:	Not to exceed <b>\$255,000</b> for a total loan amount of <b>\$755,000</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 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. <b>AO No. 99-118(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**: 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 Agreements, 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.

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

PASSED AND APPROVED by the Anchorage Assembly this 8<sup>th</sup> day of  
July, 2003.

  
Chairman

ATTEST

Area Capital Improvement Fund:  
Fund 541 Account 1071 Project ID 0000000040  
\$255,000 (Designated Loan)

  
Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 493-2003

Meeting Date: June 10, 2003

From: Mayor

Subject: ACCEPTANCE AND APPROPRIATION OF AN ALASKA  
DRINKING WATER FUND LOAN OFFER INCREASE FOR THE  
PURPOSE OF FINANCING A PORTION FO THE COSTS OF THE  
DISINFECTION ALTERNATIVE WATER UPGRADES PROJECT  
(\$255,000)

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer increase from the State of Alaska in the amount of \$255,000 for the purpose of financing a portion of the cost of the **Disinfection Alternative Water Upgrades** project.

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 project's date of initiation of operation.

THE ADMINISTRATION RECOMMENDS APPROVAL OF ASSEMBLY RESOLUTION AR 2003-161 ACCEPTING AND APPROPRIATING THIS ALASKA DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$255,000 FOR FINANCING A PORTION OF THE COSTS OF THE DISINFECTION ALTERNATIVE WATER UPGRADES PROJECT.

Prepared by: Mark Premo, P.E., General Manager, AWWU  
Fund Certification: Kate Giard, Chief Fiscal Officer  
541 -W8000 -1071 -0000000040 -2003 -\$255,000 -(Designated Loan)  
Concur: Harry J. Kielling, Jr., Municipal Manager  
Respectfully submitted: George P. Wuerch, Mayor

### ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
541	W8000	1071
Project ID	0000000040	
Date 05/21/2003		
By (electronic) Diana Pearcy, CPA,		
AWWU Finance Manager		

## Content Information

Content ID : 000864

AR2003-161

**Type:** AR\_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MOA, ALASKA, ACCEPTING AND  
APPROPRIATING A SOA DRINKING WATER FUND LOAN OFFER

**Title:** INCREASE IN THE AMOUNT OF TWO HUNDRED FIFTY-FIVE THOUSAND  
DOLLARS (\$255,000) FOR FINANCING A PORTION OF THE COSTS OF  
THE DISINFECTION ALTERNATIVE WATER UPGRA

**Author:** gibsonam

**Initiating  
Dept:** AWWU

**Date  
Prepared:** 5/22/03 2:51 PM

**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>
FundsAppropWorkflow	5/22/03 2:58 PM	Checkin	gibsonam	Public	000864	0
AWWU_SubWorkflow	5/22/03 3:00 PM	Approve	premomc	Public	000864	0
OMB_SubWorkflow	5/23/03 9:39 AM	Approve	leblancdc	Public	000864	0
Finance_SubWorkflow	5/27/03 3:35 PM	Approve	giardkh	Public	000864	0
MuniManager_SubWorkflow	6/2/03 7:42 AM	Approve	kielinghj	Public	000864	0
MuniMgrCoord_SubWorkflow	6/2/03 4:05 PM	Approve	bealejl	Public	000864	0

## INTRODUCTION

2003 JUN 3 - AM 10:40