

CLERK'S OFFICE

APPROVED

Date:

7-15-03

ANCHORAGE, ALASKA

AR No. 2003- 188

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER
FUND LOAN OFFER IN THE AMOUNT OF FOUR MILLION DOLLARS
(\$4,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE SCADA
PROJECT - WATER.

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 Drinking Water Fund (the 'Fund'), a fund which makes use
of U.S. Government grants as authorized by the Drinking Water Act, as amended
by P.L. 104-182; 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 water treatment,
transmission and distribution facilities; and

WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 2002-
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 SCADA - Water project; authorized the borrowing of an amount
not to exceed \$4,000,000, from the Fund for the purpose of financing a portion of
the cost 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
SCADA - Water 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
\$4,000,000 to finance a portion of the cost of the Project; and

WHEREAS, the terms and conditions of said loan are contained in the Alaska
Drinking Water Fund Loan Agreement between the Municipality and DEC, dated
May 16, 2003; 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.

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

Section 1. **Loan Proceeds**: The subject loan proceeds in the amount of
Four Million Dollars (\$4,000,000) are 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 \$4,000,000 (subject to individual draws) |
| Interest Rate: | 2.5% 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 respective Project |
| Date of First Payment: | One year 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. AO No. 99-118(S), 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
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 15th day of
4 July, 2003.
5

6
7 
8
9 Chairman

10
11 ATTEST:

Area Capital Improvement Fund:
Fund 541 Account 1071 Project ID 0000000083
\$4,000,000 (Designated Loan)

12
13
14
15 
16 Municipal Clerk
17

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 571-2003

Meeting Date: June 24, 2003

From: Mayor

Subject: ACCEPTANCE AND APPROPRIATION OF AN ALASKA
DRINKING WATER FUND LOAN OFFER FOR THE
PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE
SCADA - WATER PROJECT
(\$4,000,000)

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska in the amount of **\$4,000,000** for the purpose of financing a portion of the cost of the **SCADA – Water** project.

This loan offer 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 2003-188 ACCEPTING AND APPROPRIATING THIS ALASKA DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$4,000,000 FOR FINANCING A PORTION OF THE COSTS OF THE SCADA – WATER PROJECT.

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Kate Giard, Chief Fiscal Officer
541 – W8000 – 1071 – 0000000083 – 2003 – \$4,000,000 (Designated Loan)
Concur: Harry J. Kieling, Jr., Municipal Manager
Respectfully submitted: George P. Wuerch, Mayor

ELECTRONIC FUND CERTIFICATION

| FUND | Dept ID | Acct # |
|---|------------|--------|
| 541 | W8000 | 1071 |
| Project ID | 0000000083 | |
| | | |
| | | |
| Date | 05/28/2003 | |
| By (electronic) <i>Diana Percy, CPA,</i> <i>AWWU Finance Manager</i> | | |

Content Information

Content ID : 000874

AK 2013-188

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,
ALASKA, ACCEPTING AND APPROPRIATING A STATE OF
Title: ALASKA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT
OF FOUR MILLION DOLLARS (\$4,000,000) FOR FINANCING A
PORTION OF THE COSTS OF THE SCADA PROJECT - WATER

Author: gibsonam

Initiating Dept: AWWU

Date Prepared: 5/29/03 6:50 PM

Director Name: Mark Premo

**Requested
Assembly
Meeting Date** 6/10/03 12:00
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> |
|--------------------------|--------------------|---------------|-------------|-----------------------|-------------------|
| FundsAppropWorkflow | 5/29/03 6:51 PM | Checkin | gibsonam | Public | 000874 |
| AWWU_SubWorkflow | 5/29/03 7:00 PM | Approve | premormc | Public | 000874 |
| OMB_SubWorkflow | 6/16/03 10:45 AM | Approve | leblancdc | Public | 000874 |
| Finance_SubWorkflow | 6/18/03 2:33 PM | Approve | priceta | Public | 000874 |
| MuniManager_SubWorkflow | 6/19/03 1:27 PM | Approve | kielinghj | Public | 000874 |
| MuniMgrCoord_SubWorkflow | 6/19/03 1:36 PM | Approve | katkusja | Public | 000874 |

ADDENDUM- INTRODUCTION

2003 JUN 12 PM 1:12
M.U.