

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: November 18, 2003

CLERK'S OFFICE

APPROVED

Date: 12-2-03

ANCHORAGE, ALASKA

AR No. 2003- 369

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER
3 FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION SIX HUNDRED
4 THIRTY-FIVE THOUSAND THREE HUNDRED DOLLARS (\$1,635,300) FOR
5 FINANCING A PORTION OF THE COSTS OF THE GIRDWOOD WATER
6 PROJECT.
7

8
9 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes
10 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,
11 established the Alaska Drinking Water Fund (the 'Fund'), a fund which makes use
12 of U.S. Government grants as authorized by the Drinking Water Act, as amended
13 by P.L. 104-182; and
14

15 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to
16 borrow from the Fund for the purposes of planning, designing, constructing,
17 equipping, modifying, improving and expanding public water treatment,
18 transmission and distribution facilities; and
19

20 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 2002-**
21 **155**, 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 **GIRDWOOD WATER PROJECT**; authorized the borrowing of
24 an amount not to exceed **\$1,635,300**, from the Fund for the purpose of financing a
25 portion of the cost of said Project; and authorized and directed the General
26 Manager of the Anchorage Water & Wastewater Utility ("AWWU") to complete and
27 submit to the State Department of Environmental Conservation ("DEC") an
28 application to borrow money from the Fund and to negotiate with the DEC the
29 terms of such loan; and
30

31 WHEREAS, AWWU has submitted the application for a loan in connection with the
32 **GIRDWOOD WATER PROJECT**, said application for this loan has been approved,
33 and AWWU has negotiated the terms of this loan from the Fund in the amount of
34 **\$1,635,300** to finance a portion of the cost of the Project; and
35

36 WHEREAS, the terms and conditions of said loan are contained in the Alaska
37 Drinking Water Fund Loan Agreement between the Municipality and DEC, dated
38 **October 7, 2003**; and
39

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

1 NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF ANCHORAGE,
2 as follows:
3

4 Section 1. **Loan Proceeds**: The subject loan proceeds in the amount of
5 **One Million, Six Hundred Thirty Five Thousand, Three Hundred Dollars**
6 **(\$1,635,300)** are hereby accepted and appropriated.
7

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

10 Principal Amount:	Not to exceed \$1,635,300 subject to individual draws)
11 Interest Rate:	2.5% per annum
12 Interest Accrual:	Accrual of interest will begin one year after the date of 13 the first disbursement to the Municipality.
14 Term:	Twenty years from the date of initiation of operation of 15 the respective Project
16 Date of First Payment:	One year following substantial completion and initiation 17 of operation of the respective Project
18 Payment Interval:	Annual
19 Amortization Schedule:	Level, fully amortizing
20 Security:	A subordinate lien pledge of the Gross Revenues less 21 the Operating Expenses of the System as those terms 22 are defined in Ordinance No. AO No. 99-118(S) , 23 provided that if such monies are not sufficient, 24 repayment of the loan shall be from any legally 25 available funds accruing to or in the possession of the 26 Municipality; and provided further that repayment of the 27 loan is not a direct obligation of the Municipality and 28 neither the faith and credit nor the taxing power of the 29 Municipality are pledged therefore. 30

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

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of December, 2003.


Chairman

\$1,635,300 (Designated Loan)

Barbara S. Jensen
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 922 -2003

Meeting Date: November 18, 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
GIRDWOOD WATER PROJECT
(\$1,635,300)**

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska in the amount of **\$1,635,300** for the purpose of financing a portion of the cost of the **GIRDWOOD 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 2003-369 ACCEPTING AND APPROPRIATING THIS
ALASKA DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$1,635,300 FOR
FINANCING A PORTION OF THE COSTS OF THE GIRDWOOD WATER PROJECT.**

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Jeffrey Sinz, Chief Fiscal Officer
541 -W8000 -1071 -0000001112 -2003 -\$1,635,300 (Designated Loan)
Concur: Denis C. LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
541	W8000	1071
Project ID - 0000001112		
Date 10/16/2003		
By (electronic) Diana Pearcy, CPA,		
AWWU Finance Manager		

Content Information

Content ID : 001210

A RESOLUTION OF THE MOA ACCEPTING AND APPROPRIATING A
SOA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF

Title: ONE MILLION SIX HUNDRED THIRTY-FIVE THOUSAND THREE
HUNDRED DOLLARS (\$1,635,300) FOR FINANCING A PORTION OF
THE COSTS OF THE GIRDWOOD WATER PROJECT.

Author: gibsonam

Initiating Dept: AWWU

Date Prepared: 10/21/03 2:24 PM

Director Name: Mark Premo

**Document
Number:** AR 2003-369

**Assembly
Meeting Date** 11/18/03
MM/DD/YY:

**Public Hearing
Date** 12/02/03
MM/DD/YY:

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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	10/21/03 2:25 PM	Checkin	gibsonam	Public	001210
AWWU_SubWorkflow	10/21/03 2:29 PM	Approve	premomc	Public	001210
OMB_SubWorkflow	11/10/03 8:36 AM	Approve	wiltsep	Public	001210
FundsAppropWorkflow	11/11/03 11:51 AM	Reject	sinzje	Public	001210
FundsAppropWorkflow	11/12/03 8:49 AM	Checkin	gibsonam	Public	001210
AWWU_SubWorkflow	11/12/03 9:42 AM	Approve	premomc	Public	001210
OMB_SubWorkflow	11/12/03 2:24 PM	Approve	wiltsep	Public	001210
Finance_SubWorkflow	11/12/03 5:32 PM	Approve	sinzje	Public	001210
MuniManager_SubWorkflow	11/13/03 9:31 AM	Approve	leblancdc	Public	001210
MuniMgrCoord_SubWorkflow	11/14/03 8:05 AM	Approve	katkusja	Public	001210