

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: July 20, 2004

CLERK'S OFFICE

APPROVED

Date: 8-3-04 ANCHORAGE, ALASKA
AR No. 2004- 189

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 ACCEPTING AND APPROPRIATING STATE OF ALASKA CLEAN WATER FUND
3 LOAN OFFERS IN THE AMOUNTS OF FOUR MILLION DOLLARS (\$4,000,000)
4 AND FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000),
5 FOR FINANCING A PORTION OF THE COSTS OF THE SCADA SEWER
6 PROJECT AND THE ASPLUND WWTF PROCESS IMPROVEMENTS
7 (HEADWORKS) PROJECT, RESPECTIVELY.
8

9
10 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes
11 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,
12 established the Alaska Clean Water Fund (the 'Fund'), a fund which makes use of
13 U.S. Government grants as authorized by the Clean Water Act, as amended by
14 P.L. 100-4; and
15

16 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to
17 borrow from the Fund for the purposes of planning, designing, constructing,
18 equipping, modifying, improving and expanding public wastewater collection,
19 treatment and discharge facilities; and
20

21 WHEREAS, the Assembly of the Municipality, in its Ordinances **AO 2003-119**
22 and **AO 2004-98**, determined it was necessary to proceed to plan, design, develop,
23 construct, equip, acquire property for, or otherwise obtain items of capital
24 improvements in connection with the **SCADA Sewer** project and the **Asplund**
25 **WWTF Process Improvements (Headworks)** project, respectively; authorized the
26 borrowing of amounts not to exceed **\$4,000,000** and **\$4,200,000**, respectively, from
27 the Fund for the purpose of financing a portion of the costs of said Projects; and
28 authorized and directed the General Manager of the Anchorage Water &
29 Wastewater Utility ("AWWU") to complete and submit to the State Department of
30 Environmental Conservation ("DEC") applications to borrow money from the Fund
31 and to negotiate with the DEC the terms of such loans; and
32

33 WHEREAS, AWWU has submitted the applications for loans in connection
34 with the **SCADA Sewer** project and the **Asplund WWTF Process Improvements**
35 **(Headworks)** project, said applications for these loan have been approved, and
36 AWWU has negotiated the terms of these loans from the Fund in the amounts of
37 **\$4,000,000** and **\$4,200,000**, respectively, to finance a portion of the costs of the
38 Projects; and
39

40 WHEREAS, the terms and conditions of said loans are contained in the
41 Alaska Clean Water Fund Loan Agreements between the Municipality and DEC,
42 dated **June 18, 2004**; and
43

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

4
5 NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF
6 ANCHORAGE, as follows:

7
8 Section 1. **Loan Proceeds**: The subject loan proceeds in the amounts of
9 **Four Million Dollars (\$4,000,000)** and **Four Million Dollars Two Hundred**
10 **Thousand Dollars (\$4,200,000)** are hereby accepted and appropriated.

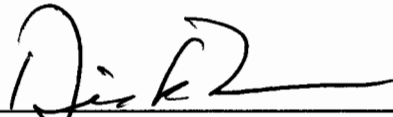
11
12 Section 2. **Loan Terms**: The following primary terms of the loans are
13 among those incorporated in the Loan Agreements as hereby specifically
14 approved:

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16 Principal Amount: Not to exceed **\$4,000,000 and \$4,200,000**, respectively,
17 (subject to individual draws)
18 Interest Rate: **2.5%** per annum
19 Interest Accrual: Accrual of interest will begin one year after the date of the
20 first disbursements to the Municipality.
21 Term: **Twenty years** from the dates of initiation of operation of the
22 respective Projects
23 Date of First Payment: **One year** following substantial completion and initiation of
24 operation of the respective Projects
25 Payment Interval: Annual
26 Amortization Schedule: Level, fully amortizing
27 Security: A subordinate lien pledge of the Gross Revenues less the
28 Operating Expenses of the System as those terms are
29 defined in Ordinance No. **AO No. 99-119(S)**, provided that if
30 such monies are not sufficient, repayment of the loans shall
31 be from any legally available funds accruing to or in the
32 possession of the Municipality; and provided further that
33 repayment of the loans is not a direct obligation of the
34 Municipality and neither the faith and credit nor the taxing
35 power of the Municipality are pledged therefore.

36
37 Section 3. **Approval and Executing of Loan Agreements**: The loan
38 offers are approved and the Mayor, with the Chief Fiscal Officer of the Municipality
39 and the General Manager of AWWU, are hereby authorized, empowered and
40 directed to execute and deliver the Loan Agreements for and on behalf of the
41 Municipality, including necessary counterparts, and, from and after the executing
42 and delivery of the Loan Agreements, the Mayor, the Chief Fiscal Officer of the
43 Municipality and the General Manager of AWWU, are hereby authorized,
44 empowered and directed to do all such acts and things and to execute all such
45 documents as may be necessary to carry out and comply with the provisions of the
46 Loan Agreements as executed.

1 Section 4. **Effective Date:** This Resolution shall take effect immediately.
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3 PASSED AND APPROVED by the Anchorage Assembly this 3rd day of
4 August, 2004.
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9 _____
10 Chairman

11 ATTEST:

Area Capital Improvement Fund:

Fund 551 Account 1071 Project ID 0000000099

\$4,000,000 (Designated Loan)

Fund 551 Account 1071 Project ID 0000001665

\$4,200,000 (Designated Loan)

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17 
18 _____
19 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 579 -2004

Meeting Date: July 20, 2004

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF ALASKA
CLEAN WATER FUND LOAN OFFERS FOR THE
PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE
SCADA SEWER PROJECT (\$4,000,000) AND THE ASPLUND
WWTF PROCESS IMPROVEMENTS (HEADWORKS) PROJECT
(\$4,200,000)**

The Municipality of Anchorage has received formal Alaska Clean Water Fund loan offers from the State of Alaska in the individual amounts of a) **\$4,000,000** for the purpose of financing a portion of the cost of the **SCADA Sewer** project, and b) **\$4,200,000** for the purpose of financing a portion of the cost of the **Asplund Wastewater Treatment Facility Process Improvements (Headworks)** project.

These loan offers are made under the State's 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 2004-189 ACCEPTING AND APPROPRIATING THIS
ALASKA CLEAN WATER LOAN OFFERS IN THE AMOUNTS OF FOUR MILLION
DOLLARS (\$4,000,000) AND FOUR MILLION TWO HUNDRED THOUSAND
DOLLARS (\$4,200,000), FOR FINANCING A PORTION OF THE COSTS OF THE
SCADA SEWER PROJECT AND THE ASPLUND WWTF PROCESS
IMPROVEMENTS (HEADWORKS) PROJECT, RESPECTIVELY.**

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
551 -W8000 -1071 -0000000099 -2004 -\$4,000,000 (Designated Loan)
551 -W8000 -1071 -0000001665 -2004 -\$4,200,000 (Designated Loan)
Concur: Denis C. LeBlanc., Municipal Manager
Respectfully submitted: Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

| FUND | Dept ID | Acct # |
|---------------------------------------------------------------|----------------|--------|
| 550 | W8000 | 1071 |
| Project 99 | \$4,000,000.00 | |
| Project 1665 | \$4,200,000.00 | |
| Date 06/28/2004 | | |
| By (electronic) Sharon Weddleton CPA, AWWU Finance Manager | | |

AR 2004-189

Content Information**Content ID :** 001945**Type:** AR_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MOA, ALASKA, ACCEPTING AND
APPROPRIATING STATE OF ALASKA CLEAN WATER FUND LOAN**Title:** OFFERS IN THE AMOUNTS OF \$4,000,000 AND \$4,200,000, FOR
FINANCING A PORTION OF THE COSTS OF THE SCADA SEWER
PROJECT AND THE ASPLUND WWTF PROCESS IMPROVEMENT**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 6/28/04 9:15 AM**Director Name:** Mark Premo**Assembly****Meeting Date** 07/20/04**MM/DD/YY:****Public Hearing****Date** 08/03/04**MM/DD/YY:**2004 JUL - 9 PM 12:19
OFFICE OF THE
CLERK**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 | 6/28/04 9:22 AM | Checkin | gibsonam | Public | 001945 |
| FundsAppropWorkflow | 6/28/04 9:25 AM | Reject | premomc | Public | 001945 |
| FundsAppropWorkflow | 6/28/04 9:27 AM | Checkin | gibsonam | Public | 001945 |
| AWWU_SubWorkflow | 6/28/04 9:44 AM | Approve | premomc | Public | 001945 |
| OMB_SubWorkflow | 6/28/04 1:56 PM | Approve | pearcydl | Public | 001945 |
| Finance_SubWorkflow | 6/30/04 12:43 PM | Approve | sinzje | Public | 001945 |
| MuniManager_SubWorkflow | 7/7/04 5:25 PM | Approve | leblancdc | Public | 001945 |
| MuniMgrCoord_SubWorkflow | 7/9/04 9:25 AM | Approve | katkusja | Public | 001945 |

CONSENT AGENDA - INTRODUCTION