

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: August 17, 2004

CLERK'S OFFICE

APPROVED

Date: 9-21-04 ANCHORAGE, ALASKA
AR No. 2004-204

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER
FUND LOAN OFFER IN THE AMOUNT OF FIVE MILLION DOLLARS
(\$5,000,000) 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 2003-146**, 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 **\$5,000,000**, 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 **\$5,000,000** 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 **July 12, 2004**; 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.

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 **Five Million Dollars (\$5,000,000)** are hereby accepted and appropriated.
6

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

9 Principal Amount: Not to exceed **\$5,000,000** (subject to individual draws)

10 Interest Rate: **2.5%** per annum

11 Interest Accrual: Accrual of interest will begin one year after the date of
12 the first disbursement to the Municipality.

13 Term: **Twenty years** from the date of initiation of operation of
14 the respective Project

15 Date of First Payment: **One year** following substantial completion and initiation
16 of operation of the respective Project

17 Payment Interval: Annual

18 Amortization Schedule: Level, fully amortizing

19 Security: A subordinate lien pledge of the Gross Revenues less
20 the Operating Expenses of the System as those terms
21 are defined in Ordinance No. **AO No. 99-118(S)**,
22 provided that if such monies are not sufficient,
23 repayment of the loan shall be from any legally
24 available funds accruing to or in the possession of the
25 Municipality; and provided further that repayment of the
26 loan is not a direct obligation of the Municipality and
27 neither the faith and credit nor the taxing power of the
28 Municipality are pledged therefore.
29

30 Section 3. **Approval and Executing of Loan Agreement**: The loan offer
31 is approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the
32 General Manager of AWWU, are hereby authorized, empowered and directed to
33 execute and deliver the Loan Agreement for and on behalf of the Municipality,
34 including necessary counterparts, and, from and after the executing and delivery of
35 the Loan Agreement, the Mayor, the Chief Fiscal Officer of the Municipality and the
36 General Manager of AWWU, are hereby authorized, empowered and directed to do
37 all such acts and things and to execute all such documents as may be necessary to
38 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 21st day of September, 2004.


Chairman

ATTEST:

*Area Capital Improvement Fund:
Fund 541 Account 1071 Project ID 0000000083
\$5,000,000 (Designated Loan)*

Bonnie S. Gundersen
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 624-2004

Meeting Date: August 17, 2004

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 (\$5,000,000)**

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska in the amount of **\$5,000,000** 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 2004- 204 ACCEPTING AND APPROPRIATING THIS
ALASKA DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$5,000,000 FOR
FINANCING A PORTION OF THE COSTS OF THE SCADA – WATER PROJECT.**

Prepared by:

Mark Premo, P.E., General Manager, AWWU

Fund Certification:

541 – W8000 – 1071 – 0000000083 – 2003 – \$5,000,000 (Designated Loan)

Jeffrey Sinz, Chief Fiscal Officer

Concur:

Denis C. LeBlanc, Municipal Manager

Respectfully submitted:

Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
541	W8000	1071
Project ID	83	
Loan Offer	\$5,000,000.00	
Date	07/26/2004	
By (electronic) Sharon Weddleton, CPA, AWWU Finance Manager		

Content Information**Content ID :** 002033**Type:** AR_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING A STATE OF ALASKA**Title:** DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF FIVE
MILLION DOLLARS (\$5,000,000) FOR FINANCING A PORTION OF
THE COSTS OF THE SCADA PROJECT - WATER**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 7/27/04 4:13 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 08/17/04**MM/DD/YY:****Public Hearing****Date** 09/07/04**MM/DD/YY:**

2004 AUG -6 AM 9:06
CLEANING OFFICE
M.O.A.

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	7/27/04 4:15 PM	Checkin	gibsonam	Public	002033
AWWU_SubWorkflow	7/27/04 4:32 PM	Approve	premomc	Public	002033
OMB_SubWorkflow	7/28/04 3:43 PM	Approve	pearcydl	Public	002033
Finance_SubWorkflow	8/5/04 11:13 AM	Approve	sinzje	Public	002033
MuniManager_SubWorkflow	8/5/04 6:43 PM	Approve	leblancdc	Public	002033
MuniMgrCoord_SubWorkflow	8/6/04 8:02 AM	Approve	katkusja	Public	002033

CONSENT AGENDA - INTRODUCTION