

Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water & Wastewater Utility  
For reading: October 12, 2004

CLERK'S OFFICE

APPROVED

Date: 10-26-04

ANCHORAGE, ALASKA

AR No. 2004- 247

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 FIVE MILLION DOLLARS**  
4 **(\$5,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE**  
5 **ANCHORAGE LOOP WATER TRANSMISSION MAIN PHASE IV PROJECT.**  
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 2002-**  
20 **155**, determined it was necessary to proceed to plan, design, develop, construct,  
21 equip, acquire property for, or otherwise obtain items of capital improvements in  
22 connection with the **Anchorage Loop Water Transmission Main Phase IV**  
23 project; authorized the borrowing of an amount not to exceed **\$5,000,000**, from the  
24 Fund for the purpose of financing a portion of the cost of said Project; and  
25 authorized and directed the General Manager of the Anchorage Water &  
26 Wastewater Utility ("AWWU") to complete and submit to the State Department of  
27 Environmental Conservation ("DEC") an application to borrow money from the Fund  
28 and to negotiate with the DEC the terms of such loan; and  
29

30 WHEREAS, AWWU has submitted the application for a loan in connection with the  
31 **Anchorage Loop Water Transmission Main Phase IV** project, said application for  
32 this loan has been approved, and AWWU has negotiated the terms of this loan  
33 from the Fund in the amount of **\$5,000,000** to finance a portion of the cost of the  
34 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 **September, 2004**; 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 **Five Million Dollars (\$5,000,000)** are hereby accepted and appropriated.  
6

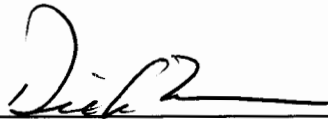
7 Section 2. **Loan Terms**: The following primary terms of the loans are  
8 among those incorporated in the Loan Agreement as hereby specifically approved:

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.

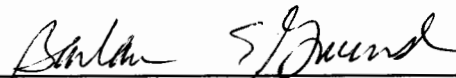
Section 4. **Effective Date:** This Resolution shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly this 26th day of  
October, 2004.

  
\_\_\_\_\_  
Chairman

ATTEST:

Area Capital Improvement Fund:  
Fund 541 Account 1071 Project ID 0000000535  
\$5,000,000 (Designated Loan)

  
\_\_\_\_\_  
Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 75002004

Meeting Date: October 12, 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 ANCHORAGE LOOP WATER TRANSMISSION MAIN PHASE IV 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 **Anchorage Loop Water Transmission Main Phase IV** 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 2004-247 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 ANCHORAGE LOOP WATER TRANSMISSION MAIN PHASE IV PROJECT.**

Prepared by: Mark Premo, P.E., General Manager, AWWU  
Fund Certification: Jeffrey Sinz, Chief Fiscal Officer  
541 -W8000 -1071 -0000000535 -2004 -\$5,000,000 (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   | 0000000535 |        |
|  |            |        |
|  |            |        |
|  |            |        |
| Date   | 09/23/04   |        |
| By (electronic) Sharon Weddleton, CPA,<br>AWWU Finance Manager |            |        |

AR 2004-247

**Content Information****Content ID :** 002199**Type:** AR\_FundsApprop - Funds Approp Resolution

**Title:** A Resolution of the MOA 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 Anchorage Loop Water Transmission Main Phase IV Project.

**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 9/27/04 4:15 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 10/12/04**MM/DD/YY:****Public Hearing** 10/26/04**Date MM/DD/YY:**

2004 OCT -4 PM 12:05  
 2004 OCT -4 PM 12:05  
 2004 OCT -4 PM 12:05

**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      | 9/27/04 4:19 PM    | Checkin       | gibsonam    | Public                | 002199            |
| AWWU_SubWorkflow         | 9/27/04 4:20 PM    | Approve       | premomc     | Public                | 002199            |
| OMB_SubWorkflow          | 9/29/04 10:38 AM   | Approve       | pearcydl    | Public                | 002199            |
| Finance_SubWorkflow      | 9/30/04 2:57 PM    | Approve       | pearcydl    | Public                | 002199            |
| MuniManager_SubWorkflow  | 9/30/04 3:03 PM    | Approve       | leblancdc   | Public                | 002199            |
| MuniMgrCoord_SubWorkflow | 10/4/04 8:01 AM    | Approve       | abbottmk    | Public                | 002199            |