

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: July 11, 2006

CLERK'S OFFICE

APPROVED

Date: 7-25-06 ANCHORAGE, ALASKA
AR No. 2006- 169

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING AND APPROPRIATING STATE OF ALASKA DRINKING WATER**
3 **FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF TWO MILLION FIVE**
4 **HUNDRED THOUSAND DOLLARS (\$2,500,000) FOR FINANCING A PORTION**
5 **OF THE COSTS OF THE 88TH AVENUE (PZ411) WATER TRANSMISSION MAIN**
6 **AND GIRDWOOD WATER IMPROVEMENTS PROJECTS.**

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 2005-**
21 **111**, 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 **88th Avenue (PZ411) Water Transmission Main** project and
24 the **Girdwood Water Improvements** project; authorized the borrowing of an
25 aggregate amount not to exceed **\$2,500,000**, from the Fund for the purpose of
26 financing a portion of the cost of said Projects; and authorized and directed the
27 General Manager of the Anchorage Water & Wastewater Utility ("AWWU") to
28 complete and submit to the State Department of Environmental Conservation
29 ("DEC") applications to borrow money from the Fund and to negotiate with the DEC
30 the terms of such loans; and

31
32 WHEREAS, AWWU has submitted the applications for loans in connection with
33 the **88th Avenue (PZ411) Water Transmission Main** project and the **Girdwood**
34 **Water Improvements** project, said applications for these loans have been
35 approved, and AWWU has negotiated the terms of these loans from the Fund in
36 the amount of **\$2,500,000** to finance a portion of the cost of the Projects; and

37
38 WHEREAS, the terms and conditions of said loans are contained in the Alaska
39 Drinking Water Fund Loan Agreements between the Municipality and DEC, dated
40 **June 12, 2006**; and
41

1 WHEREAS, it is hereby found to be in the best interest of the Municipality that
2 terms of said loan offers be approved and that the Loan Agreements be executed
3 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 amount of
9 **Two Million Five Hundred Thousand Dollars (\$2,500,000)** are hereby accepted
10 and appropriated.

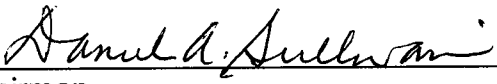
11
12 Section 2. **Loan Terms**: The following primary terms of the loans are
13 among those incorporated in the Loan Agreement as hereby specifically approved:

14
15 Principal Amount: Not to exceed **\$2,500,000** (subject to individual draws)
16 Interest Rate: **2.5%** per annum
17 Interest Accrual: Accrual of interest will begin one year after the date of
18 the first disbursement to the Municipality.
19 Term: **Twenty years** from the date of initiation of operation of
20 the respective Project
21 Date of First Payment: **One year** following substantial completion and initiation
22 of operation of the respective Project
23 Payment Interval: Annual
24 Amortization Schedule: Level, fully amortizing
25 Security: A subordinate lien pledge of the Gross Revenues less
26 the Operating Expenses of the System as those terms
27 are defined in Ordinance No. **AO No. 99-118(S)**,
28 provided that if such monies are not sufficient,
29 repayment of the loan shall be from any legally
30 available funds accruing to or in the possession of the
31 Municipality; and provided further that repayment of the
32 loan is not a direct obligation of the Municipality and
33 neither the faith and credit nor the taxing power of the
34 Municipality are pledged therefore.

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

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

PASSED AND APPROVED by the Anchorage Assembly this 25th day of
July, 2006.


Chairman

ATTEST:

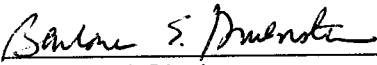
Area Capital Improvement Fund:

Fund 541 Account 1071 Project ID 0000002551

\$2,000,000 (Designated Loan)

Fund 541 Account 1071 Project ID 0000001112

\$500,000 (Designated Loan)


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 489 -2006

Meeting Date: July 11, 2006

From: Mayor

Subject: ACCEPTANCE AND APPROPRIATION OF ALASKA DRINKING WATER FUND LOAN OFFERS FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE 88TH AVENUE (PZ411) WATER TRANSMISSION MAIN AND THE GIRDWOOD WATER IMPROVEMENTS PROJECTS (\$2,500,000)

The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan offers from the State of Alaska in the aggregate amount of **\$2,500,000** for the purpose of financing a portion of the cost of the **88th Avenue (PZ411) Water Transmission Main** project and the **Girdwood Water Improvements** project .

These loan offers are 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 THE SUBJECT ASSEMBLY RESOLUTION ACCEPTING AND APPROPRIATING THESE ALASKA DRINKING WATER LOAN OFFERS IN THE AGGREGATE AMOUNT OF \$2,500,000 FOR FINANCING A PORTION OF THE COSTS OF THE 88TH AVENUE (PZ411) WATER TRANSMISSION MAIN AND THE GIRDWOOD WATER IMPROVEMENTS PROJECTS

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Jeffrey Sinz, Chief Fiscal Officer
541 -W8000 -1071 -0000002551 -2006 -\$2,000,000 (Designated Loan)
541 -W8000 -1071 -0000001112 -2006 -\$500,000 (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 - 0000002551	\$2,000,000.00	
Project ID - 0000001112	\$500,000.00	
Date	06/14/2006	
By (electronic) Sharon Weddleton, CPA, AWWU Finance Director		

Content Information**Content ID :** 004076**Type:** AR_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING STATE OF ALASKA DRINKING**Title:** WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF
TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000)
FOR FINANCING A PZ411**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 6/15/06 11:51 AM**Director Name:** Mark Premo**Assembly****Meeting Date** 7/11/06**MM/DD/YY:****Public Hearing****Date** 7/25/06**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	6/15/06 11:53 AM	Checkin	gibsonam	Public	004076
AWWU_SubWorkflow	6/15/06 11:55 AM	Approve	premomc	Public	004076
OMB_SubWorkflow	6/15/06 4:26 PM	Approve	mitsonjl	Public	004076
Finance_SubWorkflow	6/16/06 11:47 AM	Approve	sinzje	Public	004076
MuniManager_SubWorkflow	6/30/06 9:44 AM	Approve	leblancdc	Public	004076
MuniMgrCoord_SubWorkflow	6/30/06 2:09 PM	Approve	abbottmk	Public	004076

M.O.A.
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