

CLERK'S OFFICE  
**APPROVED**  
Date: 8-29-06

Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water & Wastewater Utility  
For reading: August 15, 2006

**ANCHORAGE, ALASKA**  
**AR No. 2006-<sup>207</sup>**

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER  
FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION FIVE HUNDRED  
THOUSAND DOLLARS (\$1,500,000) FOR FINANCING A PORTION OF THE  
COSTS OF THE SCADA - WATER PROJECT.**

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 2005-140**, 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 **\$1,500,000**, 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 **\$1,500,000** 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 19, 2006**; 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  
2 ANCHORAGE, as follows:  
3

4           Section 1. **Loan Proceeds**: The subject loan proceeds in the amount of  
5 **One Million Five Hundred Thousand Dollars (\$1,500,000)** are hereby accepted  
6 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 <b>\$1,500,000</b> (subject to individual draws)
11	Interest Rate:	<b>2.5%</b> 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:	<b>Twenty years</b> from the date of initiation of operation of
15		the respective Project
16	Date of First Payment:	<b>One year</b> 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. <b>AO No. 99-118(S)</b> ,
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.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 556 -2006

Meeting Date: August 15, 2006

**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 (\$1,500,000)**

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska in the amount of **\$1,500,000** 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 THE ASSEMBLY  
RESOLUTION ACCEPTING AND APPROPRIATING THIS ALASKA DRINKING  
WATER LOAN OFFER IN THE AMOUNT OF \$1,500,000 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 – \$1,500,000 (Designated Loan)

Jeffrey Sinz, Chief Fiscal Officer

Concur:

Denis C. LeBlanc, Municipal Manager

Respectfully submitted:

Mark Begich, Mayor

### AWWU ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
541	W8000	1071
Project ID	83	
Loan Amount	\$1,500,000.00	
Date 7/26/2006		
By (electronic) Sharon Weddleton, CPA, AWWU Finance Director		

**Content Information****Content ID :** 004212**Type:** AR\_FundsApprop - Funds Approp Resolution

ACCEPTING AND APPROPRIATING A STATE OF ALASKA

DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF ONE

**Title:** MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) FOR  
FINANCING A PORTION OF THE COSTS OF THE SCADA WATER  
PROJECT**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 7/27/06 1:44 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 8/15/06**MM/DD/YY:****Public Hearing****Date** 8/29/06**MM/DD/YY:**

M.O.A.  
 2006 AUG - 7 PM 1:14  
 CLERK'S OFFICE

**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	7/27/06 3:05 PM	Checkin	gibsonam	Public	004212
AWWU_SubWorkflow	7/27/06 3:09 PM	Approve	premomc	Public	004212
OMB_SubWorkflow	7/28/06 2:04 PM	Approve	foutzrs	Public	004212
Finance_SubWorkflow	8/1/06 4:40 PM	Approve	sinzje	Public	004212
MuniManager_SubWorkflow	8/4/06 8:14 AM	Approve	leblancdc	Public	004212
MuniMgrCoord_SubWorkflow	8/4/06 9:10 AM	Approve	abbottmk	Public	004212