

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- 208

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER
FUND LOAN OFFER IN THE AMOUNT OF SIX HUNDRED SIX THOUSAND
DOLLARS (\$606,000) FOR FINANCING A PORTION OF THE COSTS OF THE
ARCTIC BOULEVARD, 32ND TO 36TH AVENUE WATER UPGRADE 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 2006-55**, 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 **Arctic Boulevard, 32nd to 36th Avenue Water Upgrade** project; authorized the borrowing of an amount not to exceed **\$606,000**, 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 loan in connection with the **Arctic Boulevard, 32nd to 36th Avenue Water Upgrade** 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 **\$606,000** 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 28, 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 **Six Hundred Six Thousand Dollars (\$606,000)** are hereby accepted and
6 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

11	Principal Amount:	Not to exceed \$606,000 (subject to individual draws)
12	Interest Rate:	2.5% per annum
13	Interest Accrual:	Accrual of interest will begin one year after the date of
14		the first disbursement to the Municipality.
15	Term:	Twenty years from the date of initiation of operation of
16		the Project
17	Date of First Payment:	One year following substantial completion and initiation
18		of operation of the Project
19	Payment Interval:	Annual
20	Amortization Schedule:	Level, fully amortizing
21	Security:	A subordinate lien pledge of the Gross Revenues less
22		the Operating Expenses of the System as those terms
23		are defined in Ordinance No. AO No. 99-118(S) ,
24		provided that if such monies are not sufficient,
25		repayment of the loan shall be from any legally
26		available funds accruing to or in the possession of the
27		Municipality; and provided further that repayment of the
28		loan is not a direct obligation of the Municipality and
29		neither the faith and credit nor the taxing power of the
30		Municipality are pledged therefore.

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

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

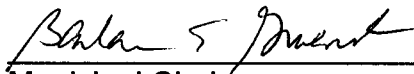
PASSED AND APPROVED by the Anchorage Assembly this 29th day of August, 2006.



Chairman

ATTEST:

Area Capital Improvement Fund:
Fund 541 Account 1071 Project ID 0000002174
\$606,000 (Designated Loan)



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 557 -2006

Meeting Date: August 15, 2006

1 **From: Mayor**

2
3 **Subject: ACCEPTANCE AND APPROPRIATION OF AN ALASKA DRINKING**
4 **WATER FUND LOAN OFFER FOR THE PURPOSE OF**
5 **FINANCING A PORTION OF THE COSTS OF THE**
6 **ARCTIC BOULEVARD, 32ND TO 36TH AVENUE WATER**
7 **UPGRADE PROJECT (\$606,000)**
8

9 The Municipality of Anchorage has received a formal Alaska Drinking Water Fund
10 loan offer from the State of Alaska in the amount of **\$606,000** for the purpose of
11 financing a portion of the cost of the **Arctic Boulevard, 32nd To 36th Avenue**
12 **Water Upgrade** project.
13

14 This loan offer is made under the State's low-interest revolving loan program, which
15 is attractive to the Municipality due to the low interest rate of **2.5%** and the favorable
16 payback terms of **twenty years** from one year after project's date of initiation of
17 operation.
18

19 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THE SUBJECT**
20 **ASSEMBLY RESOLUTION ACCEPTING AND APPROPRIATING THIS ALASKA**
21 **DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$606,000 FOR**
22 **FINANCING A PORTION OF THE COSTS OF THE ARCTIC BOULEVARD, 32ND**
23 **TO 36TH AVENUE WATER UPGRADE PROJECT.**
24
25

26 Prepared by: Mark Premo, P.E., General Manager, AWWU
27 Fund Certification: Jeffrey Sinz, Chief Fiscal Officer
28 541 -W8000 -1071 -0000002174 -2006 -\$606,000 (Designated Loan)
29 Concur: Denis C. LeBlanc, Municipal Manager
30 Respectfully submitted: Mark Begich, Mayor
31
32
33

AWWU ELECTRONIC FUND CERTIFICATION

FUND		Dept ID	Acct #
541		W8000	1071
Project ID	2174		
Loan Amount		\$606,000.00	
Date 08/02/2006			
By (electronic) Sharon Weddleton, CPA, AWWU Finance Director			

Content Information**Content ID :** 004234**Type:** AM_CitingFunds - Citing Funds MemorandumACCEPTING AND APPROPRIATING A STATE OF ALASKA
DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF SIX**Title:** HUNDRED SIX THOUSAND DOLLARS (\$606,000) FOR FINANCING A
PORTION OF THE COSTS OF THE ARCTIC BOULEVARD, 32ND TO
36TH AVENUE WATER UPGRADE PROJECT**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 8/2/06 4:46 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 8/15/06**MM/DD/YY:****Public Hearing****Date** 8/29/06**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>
CitingFundsWorkflow	8/2/06 4:47 PM	Checkin	gibsonam	Public	004234
AWWU_SubWorkflow	8/2/06 4:49 PM	Approve	premomc	Public	004234
Finance_SubWorkflow	8/3/06 5:16 PM	Approve	sinzje	Public	004234
MuniManager_SubWorkflow	8/4/06 8:04 AM	Approve	leblancdc	Public	004234
MuniMgrCoord_SubWorkflow	8/4/06 9:14 AM	Approve	abbottmk	Public	004234

M.O.A.
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