

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: January 9, 2007

CLERK'S OFFICE

APPROVED

Date: 1-23-07

ANCHORAGE, ALASKA

AR No. 2007-5

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 ONE MILLION DOLLARS
4 (\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE PINE
5 STREET WATER UPGRADE PROJECT
6

7
8 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032
9 and 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Drinking
10 Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by
11 the Drinking Water Act, as amended by P.L. 104-182; and
12

13 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow
14 from the Fund for the purposes of planning, designing, constructing, equipping, modifying,
15 improving and expanding public water treatment, transmission and distribution facilities; and
16

17 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 2006-141**,
18 determined it was necessary to proceed to plan, design, develop, construct, equip, acquire
19 property for, or otherwise obtain items of capital improvements in connection with the **Pine**
20 **Street Water Upgrade** project; authorized the borrowing of an amount not to exceed
21 **\$1,000,000**, from the Fund for the purpose of financing a portion of the cost of said Project;
22 and authorized and directed the General Manager of the Anchorage Water & Wastewater
23 Utility ("AWWU") to complete and submit to the State Department of Environmental
24 Conservation ("DEC") an application to borrow money from the Fund and to negotiate with
25 the DEC the terms of such loan; and
26

27 WHEREAS, AWWU has submitted the application for a loan in connection with the
28 **Pine Street Water Upgrade** project, said application for this loan has been approved, and
29 AWWU has negotiated the terms of this loan from the Fund in the amount of **\$1,000,000** to
30 finance a portion of the cost of the Project; and
31

32 WHEREAS, the terms and conditions of said loan are contained in the Alaska Drinking
33 Water Fund Loan Agreement between the Municipality and DEC, dated **November 15, 2006**;
34 and
35

36 WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of
37 said loan offer be approved and that the Loan Agreement be executed on behalf of the
38 Municipality; and

1 WHEREAS, the AWWU Board endorsed this resolution at its regular meeting of
2 December 6, 2006
3
4

5 NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF ANCHORAGE, as
6 follows:
7

8 Section 1. **Loan Proceeds**: The subject loan proceeds in the amount of **One**
9 **Million Dollars (\$1,000,000)** are hereby accepted and appropriated.
10

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

13	Principal Amount:	Not to exceed \$1,000,000 (subject to individual draws)
14	Interest Rate:	2.5% per annum
15	Interest Accrual:	Accrual of interest will begin one year after the date of the first
16		disbursement to the Municipality.
17	Term:	Twenty years from the date of initiation of operation of the
18		respective Project
19	Date of First Payment:	One year following substantial completion and initiation of
20		operation of the respective Project
21	Payment Interval:	Annual
22	Amortization Schedule:	Level, fully amortizing
23	Security:	A subordinate lien pledge of the Gross Revenues less the
24		Operating Expenses of the System as those terms are defined in
25		Ordinance No. AO No. 99-118(S) , provided that if such
26		monies are not sufficient, repayment of the loan shall be from
27		any legally available funds accruing to or in the possession of
28		the Municipality; and provided further that repayment of the
29		loan is not a direct obligation of the Municipality and neither
30		the faith and credit nor the taxing power of the Municipality are
31		pledged therefore.
32		

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

1 Section 4. **Effective Date:** This Resolution shall take effect immediately.
2

3 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
4 _____, 2007.
5

6
7 
8 _____
9 Chairman
10

11 ATTEST:

12 *Area Capital Improvement Fund:*
13 *Fund 541 Account 1071 Project ID 0000004113*
14 *\$1,000,000 (Designated Loan)*
15
16 _____

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 5 -2007

Meeting Date: January 9, 2007

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 PINE STREET WATER UPGRADE PROJECT
(\$1,000,000)

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska in the amount of \$1,000,000 for the purpose of financing a portion of the cost of the **Pine Street Water Upgrade** 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 AWWU Board endorsed this resolution at its regular meeting of December 6, 2006.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ASSEMBLY RESOLUTION ACCEPTING AND APPROPRIATING THIS ALASKA DRINKING WATER LOAN OFFER IN THE AMOUNT OF \$1,000,000 FOR FINANCING A PORTION OF THE COSTS OF THE PINE STREET WATER UPGRADE PROJECT.

Prepared by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Jeffrey Sinz, Chief Fiscal Officer
541-W8000-1071-0000004113-2006-\$1,000,000 (*Designated Loan*)
Concur: Denis C. LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

Pine Street Water Upgrade		
FUND	Dept ID	Acct #
541	W8000	1071
Project ID	0000004113	
Loan Amount	\$1,000,000.00	
Date 11/27/2006		
By (electronic) Sharon Weddleton, CPA, AWWU Finance Manager		

Content Information**Content ID :** 004621**Type:** AR_FundsApprop - Funds Approp Resolution

Title: ACCEPTING AND APPROPRIATING A STATE OF ALASKA
 DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF ONE
 MILLION DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF
 THE COSTS OF THE PINE STREET WATER UPGRADE PROJECT

Author: gibsonam**Initiating Dept:** AWWU**Date Prepared:** 12/7/06 4:10 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 1/9/07**MM/DD/YY:****Public Hearing****Date** 1/23/07**MM/DD/YY:**

M.O.A.
 2006 DEC 29 AM 12:19
 CLERKS 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	12/7/06 4:11 PM	Checkin	gibsonam	Public	004621
FundsAppropWorkflow	12/7/06 4:24 PM	Reject	premomc	Public	004621
FundsAppropWorkflow	12/7/06 4:26 PM	Checkin	gibsonam	Public	004621
FundsAppropWorkflow	12/7/06 4:29 PM	Reject	premomc	Public	004621
FundsAppropWorkflow	12/7/06 4:32 PM	Checkin	gibsonam	Public	004621
AWWU_SubWorkflow	12/7/06 4:47 PM	Approve	premomc	Public	004621
OMB_SubWorkflow	12/11/06 2:38 PM	Approve	mitsonjl	Public	004621
Finance_SubWorkflow	12/13/06 12:38 PM	Approve	sinzje	Public	004621
MuniManager_SubWorkflow	12/29/06 9:58 AM	Approve	leblancdc	Public	004621
MuniMgrCoord_SubWorkflow	12/29/06 10:44 AM	Approve	abbottmk	Public	004621