

CLERK'S OFFICE

APPROVED

Date: 4/10-07

ANCHORAGE, ALASKA

AR No. 2007- 74

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING AND APPROPRIATING STATE OF ALASKA WATER FUND LOAN**
3 **OFFERS IN THE AGGREGATE AMOUNT OF TWO MILLION ONE HUNDRED**
4 **TWENTY ONE THOUSAND SIX HUNDRED DOLLARS (\$2,121,600) FOR**
5 **FINANCING A PORTION OF THE COSTS OF THE KLATT ROAD TO NEW**
6 **SEWARD HIGHWAY PRESSURE ZONE INTERTIE (\$621,600) AND CREEKSIDE**
7 **WATER IMPROVEMENTS PHASE 1 (DEBARR ROAD, MULDOON TO TURPIN**
8 **WATER UPGRADE BOOSTER STATIONS) (\$1,500,000)**
9

10 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes
11 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,
12 established the Alaska Drinking Water Fund (the "Fund"), a fund which makes use of
13 U.S. Government grants as authorized by the Drinking Water Act, as amended by
14 P.L. 104-182; and
15

16 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to
17 borrow from the Fund for the purposes of planning, designing, constructing,
18 equipping, modifying, improving and expanding public water treatment, transmission
19 and distribution facilities; and
20

21 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 2006-**
22 **141**, determined it was necessary to proceed to plan, design, develop, construct,
23 equip, acquire property for, or otherwise obtain items of capital improvements in
24 connection with the **Klatt Road to New Seward Highway Pressure Zone Intertie**
25 **and Creekside Water Improvements Phase 1 (Debarr Road, Muldoon To Turpin**
26 **Water Upgrade Booster Stations)** projects; authorized the borrowing of an
27 aggregate amount not to exceed **\$2,121,600** from the Fund for the purpose of
28 financing a portion of the cost of said Projects; and authorized and directed the
29 General Manager of the Anchorage Water & Wastewater Utility ("AWWU") to
30 complete and submit to the State Department of Environmental Conservation
31 ("DEC") applications to borrow money from the Fund and to negotiate with the DEC
32 the terms of such loans; and
33

34 WHEREAS, AWWU has submitted the applications for loans in connection
35 with said projects, said applications for these loans have been approved, and
36 AWWU has negotiated the terms of these loans from the Fund in the aggregate
37 amount of **\$2,121,600** to finance a portion of the cost of the Projects; and
38

39 WHEREAS, the terms and conditions of said loans are contained in the
40 Alaska Drinking Water Fund Loan Agreements between the Municipality and DEC,
41 dated **January 18, 2007**; and
42

43 WHEREAS, it is hereby found to be in the best interest of the Municipality that
44 terms of said loan offers be approved and that the Loan Agreements be executed on
45 behalf of the Municipality; and

1 WHEREAS, the AWWU Board endorsed this resolution at its regular meeting
2 of March 7, 2007.

3
4 NOW THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF
5 ANCHORAGE, as follows:
6

7 Section 1. **Loan Proceeds**: The subject loan proceeds in the aggregate
8 amount of **Two Million One Hundred Twenty-One Thousand Six Hundred**
9 **Dollars (\$2,121,600)** are hereby accepted and appropriated.
10

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

14 Principal Amount:	Not to exceed \$2,121,600 (subject to individual draws)
15 Interest Rate:	2.5% per annum
16 Interest Accrual:	Accrual of interest will begin one year after the date of 17 the first disbursement to the Municipality.
18 Term:	Twenty years from the date of initiation of operation 19 of the respective Project
20 Date of First Payment:	One year following substantial completion and initiation 21 of operation of the respective Project
22 Payment Interval:	Annual
23 Amortization Schedule:	Level, fully amortizing
24 Security:	A subordinate lien pledge of the Gross Revenues less the 25 Operating Expenses of the System as those terms are defined 26 in Ordinance No. AO No. 99-118(S) , provided that if such 27 monies are not sufficient, repayment of the loan shall be from 28 any legally available funds accruing to or in the possession of 29 the Municipality; and provided further that repayment of the 30 loan is not a direct obligation of the Municipality and neither 31 the faith and credit nor the taxing power of the Municipality are 32 pledged therefore. 33

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

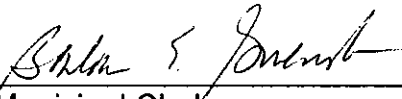
45 Section 4. **Effective Date**: This Resolution shall take effect immediately.

1 PASSED AND APPROVED by the Anchorage Assembly this 10th day of
2 April, 2007.
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4

5 
6 _____
7 Chairman
8

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10
11
12 ATTEST:
13

Area Capital Improvement Fund:
Fund 541 Account 1071 Project ID 0000002176
\$ 621,600 (Designated Loan)
Fund 541 Account 1071 Project ID 0000002178
\$1,500,000 (Designated Loan)

14
15 
16 _____
17 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 224 -2007

Meeting Date: March 27, 2007

1 **From:** Mayor

2
3 **Subject:** **ACCEPTANCE AND APPROPRIATION OF STATE OF ALASKA**
4 **DRINKING WATER FUND LOAN OFFERS FOR FINANCING A**
5 **PORTION OF THE COSTS OF THE KLATT ROAD TO NEW SEWARD**
6 **HIGHWAY PRESSURE ZONE INTERTIE (\$621,600) AND CREEKSIDE**
7 **WATER IMPROVEMENTS PHASE 1 (DEBARR ROAD, MULDOON TO**
8 **TURPIN WATER UPGRADE BOOSTER STATIONS) (\$1,500,000)**
9

10 The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan
11 offers from the State of Alaska in the aggregate amount of **\$2,121,600** for the
12 purpose of financing a portion of the cost of the **Klatt Road to New Seward**
13 **Highway Pressure Zone Intertie (\$621,600) and Creekside Water Improvements**
14 **Phase 1 (Debarr Road, Muldoon To Turpin Water Upgrade Booster Stations)**
15 **(\$1,500,000)** projects.
16

17 These loan offers are made under the State's low-interest revolving loan program,
18 which is attractive to the Municipality due to the low interest rate of **2.5%** and the
19 favorable payback terms of **twenty years** from one year after projects' dates of
20 initiation of operation.
21

22 AWWU supports this resolution. The AWWU Board endorsed this resolution at its
23 regular meeting of March 7, 2007.
24

25 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ASSEMBLY**
26 **RESOLUTION ACCEPTING AND APPROPRIATING STATE OF ALASKA**
27 **DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF**
28 **TWO MILLION ONE HUNDRED TWENTY ONE THOUSAND SIX HUNDRED**
29 **DOLLARS (\$2,121,600) FOR FINANCING A PORTION OF THE COSTS OF THE**
30 **KLATT ROAD TO NEW SEWARD HIGHWAY PRESSURE ZONE INTERTIE**
31 **(\$621,600) AND CREEKSIDE WATER IMPROVEMENTS PHASE 1 (DEBARR**
32 **ROAD, MULDOON TO TURPIN WATER UPGRADE BOOSTER STATIONS)**
33 **(\$1,500,000)**
34
35

36 Prepared by: Mark Premo, P.E., General Manager, AWWU

37 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

38 *Fund 541 Account 1071 Project ID 0000002176 \$ 621,600 (Designated Loan)*

39 *Fund 541 Account 1071 Project ID 0000002178 \$1,500,000 (Designated Loan)*

40 Concur: Denis C. LeBlanc, Municipal Manager

41 Respectfully submitted: Mark Begich, Mayor

ELECTRONIC FUND CERTIFICATION

SOA - Alaska Drinking Water Fund Loans

FUND		Dept ID	Acct #
541		W8000	1071
Project ID	2176	\$621,600	
Project ID	2178	<u>\$1,500,000</u>	
Total		\$2,121,600	
Date 02/20/2007			
By (electronic) Sharon Weddleton, CPA,			
AWWU CFO			

Content Information**Content ID :** 004885**Type:** AR_FundsApprop - Funds Approp ResolutionACCEPTING AND APPROPRIATING STATE OF ALASKA WATER
FUND LOAN OFFERS FOR FINANCING A PORTION OF THE COSTS**Title:** OF THE KLATT ROAD TO NEW SEWARD HIGHWAY PRESSURE
ZONE INTERTIE AND CREEKSIDE WATER IMPROVEMENTS
PHASE 1**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 3/8/07 9:34 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 3/27/07**MM/DD/YY:****Public Hearing****Date** 4/10/07**MM/DD/YY:**M.O.A.
2007 MAR 19 AM 11:22
CLEANES 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	3/8/07 9:50 PM	Checkin	gibsonam	Public	004885
AWWU_SubWorkflow	3/9/07 9:13 AM	Approve	premomc	Public	004885
OMB_SubWorkflow	3/12/07 1:41 PM	Approve	mitsonjl	Public	004885
Finance_SubWorkflow	3/15/07 5:33 PM	Approve	sinzje	Public	004885
MuniManager_SubWorkflow	3/16/07 2:18 PM	Approve	leblancdc	Public	004885
MuniMgrCoord_SubWorkflow	3/16/07 3:52 PM	Approve	abbottmk	Public	004885