

Submitted by: Chairman of the Assembly at the
Request of the AWWU Board
Prepared by: Anchorage Water & Wastewater Utility
For reading: May 22, 2007

OFFICE OF THE CLERK

6-12-07

ANCHORAGE, ALASKA
AR No. 2007- 132

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA CLEAN**
3 **WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF ONE**
4 **MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$1,150,000) FOR**
5 **FINANCING A PORTION OF THE DESIGN COSTS OF THE C-2 (A, B) SEWER**
6 **IMPROVEMENTS (\$550,000), C-5-A KING ROVENNA SEWER UPGRADE**
7 **(\$300,000) AND C-5-1 (NORTH CAMPBELL LAKE) SEWER (\$300,000)**
8 **PROJECTS**

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 Clean Water Fund (the 'Fund'), a fund which makes use of
13 U.S. Government grants as authorized by the Clean Water Act, as amended by P.L.
14 100-4; 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 wastewater collection,
19 treatment and discharge facilities; and,

20
21 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 2006-**
22 **142**, 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 **C-2 (A, B) Sewer Improvements, C-5-A King Rovenna Sewer**
25 **Upgrade, and C-5-1 (North Campbell Lake) Sewer** projects; authorized the
26 borrowing of an aggregate amount not to exceed **\$1,150,000**, from the Fund for the
27 purpose of financing a portion of the cost of said Projects; and authorized and
28 directed the General Manager of the Anchorage Water and Wastewater Utility
29 ("AWWU") to complete and submit to the State Department of Environmental
30 Conservation ("DEC") applications to borrow money from the Fund and to negotiate
31 with the DEC the terms of such loans; and,

32
33 WHEREAS, AWWU has submitted the applications for loans in connection
34 with said projects, said applications for these loans have been approved, and
35 AWWU has negotiated the terms of these loans from the Fund in the aggregate
36 amount of **\$1,150,000** to finance a portion of the cost of the Projects; and,

37
38 WHEREAS, the terms and conditions of said loan are contained in the Alaska
39 Clean Water Fund Loan Agreements between the Municipality and DEC, dated
40 **January 30, 2007, April 9, 2007, and April 9, 2007** respectively; and,

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 on
3 behalf of the Municipality; and,
4

5 WHEREAS, the AWWU Board endorsed this resolution at its regular meeting
6 of May 2, 2007.
7

8 NOW, THEREFORE, BE IT RESOLVED THE MUNICIPALITY OF
9 ANCHORAGE, as follows:
10

11 Section 1. **Loan Proceeds**: The subject loan proceeds in the aggregate
12 amount of **One Million One Hundred Fifty Thousand Dollars (\$1,150,000)** are
13 hereby accepted and appropriated.
14

15 Section 2. **Loan Terms**: The following primary terms of the loans are
16 among those incorporated in the Loan Agreement as hereby specifically approved:
17

18 Principal Amount:	Not to exceed \$1,150,000 (subject to individual draws)
19 Interest Rate:	1.5% per annum
20 Interest Accrual:	Accrual of interest will begin one year after the date of
21	the first disbursement to the Municipality.
22 Term:	Twenty years from the date of initiation of operation
23	of the respective Project
24 Date of First Payment:	One year following substantial completion and initiation
25	of operation of the respective Project
26 Payment Interval:	Annual
27 Amortization Schedule:	Level, fully amortizing
28 Security:	A subordinate lien pledge of the Gross Revenues less the
29	Operating Expenses of the System as those terms are defined
30	in Ordinance No. AO No. 99-119(S) , provided that if such
31	monies are not sufficient, repayment of the loan shall be from
32	any legally available funds accruing to or in the possession of
33	the Municipality; and provided further that repayment of the
34	loan is not a direct obligation of the Municipality and neither
35	the faith and credit nor the taxing power of the Municipality are
36	pledged therefore.

37

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

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

PASSED AND APPROVED by the Anchorage Assembly this 12th day of
June, 2007.


Chairman

ATTEST:



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 354 -2007

Meeting Date: May 22, 2007

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF STATE OF ALASKA CLEAN WATER FUND LOAN OFFERS FOR FINANCING A PORTION OF THE DESIGN COSTS OF THE C-2 (A, B) SEWER IMPROVEMENTS (\$550,000), C-5-A KING ROVENNA SEWER UPGRADE (\$300,000), AND C-5-1 (NORTH CAMPBELL LAKE) SEWER (\$300,000) PROJECTS**

The Municipality of Anchorage has received formal Alaska Clean Water Fund loan offers from the State of Alaska in the aggregate amount of **\$1,150,000** for the purpose of financing a portion of the design cost of the **C-2 (A, B) Sewer Improvements (\$550,000), C-5-A King Rovenna Sewer Upgrade (\$300,000), and C-5-1 (North Campbell Lake) Sewer projects.**

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 **1.5%** and the favorable payback terms of **twenty years** from one year after project's date of initiation of operation.

AWWU supports this resolution. The AWWU Board endorsed this resolution at its regular meeting of May 2, 2007.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ASSEMBLY RESOLUTION ACCEPTING AND APPROPRIATING STATE OF ALASKA CLEAN WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF ONE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$1,150,000) FOR FINANCING A PORTION OF THE DESIGN COSTS OF THE C-2 (A, B) SEWER IMPROVEMENTS (\$550,000), C-5-A KING ROVENNA SEWER UPGRADE (\$300,000), AND C-5-1 (NORTH CAMPBELL LAKE) SEWER (\$300,000) PROJECTS

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

Fund Certification: Sharon Weddleton, Chief Financial Officer, AWWU

Fund 551 Account 1071 Project ID 0000003352 \$550,000 (Designated Loan)

Fund 551 Account 1071 Project ID 0000003051 \$300,000 (Designated Loan)

Fund 551 Account 1071 Project ID 0000002196 \$300,000 (Designated Loan)

Respectfully submitted: Mark Begich, Mayor

AWWU ELECTRONIC FUND CERTIFICATION**FUND**

551

Dept ID

W8000

Acct #

1071

Project ID - 0000003352

\$550,000.00

Project ID - 0000003051

\$300,000.00

Project ID - 0000002196

\$300,000.00

Total Loan Amount

\$1,150,000.00

Date 04/23/2007

By (electronic) Sharon Weddleton, CPA,
AWWU Finance Director

Content Information**Content ID :** 005071**Type:** AR_FundsApprop - Funds Approp ResolutionACCEPTING AND APPROPRIATING THREE STATE OF ALASKA
CLEAN WATER FUND LOAN OFFERS IN THE AGGREGATE**Title:** AMOUNT OF ONE MILLION ONE HUNDRED FIFTY THOUSAND
DOLLARS (\$1,150,000) FOR FINANCING A PORTION OF THE
DESIGN COSTS OF THE C-2, C-5-A, and C-5-1**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 5/3/07 3:03 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 5/22/07**MM/DD/YY:****Public Hearing****Date** 6/12/07**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	5/3/07 3:05 PM	Checkin	gibsonam	Public	005071
FundsAppropWorkflow	5/3/07 3:29 PM	Reject	premomc	Public	005071
FundsAppropWorkflow	5/3/07 3:36 PM	Checkin	gibsonam	Public	005071
AWWU_SubWorkflow	5/4/07 7:06 AM	Approve	premomc	Public	005071
OMB_SubWorkflow	5/8/07 11:44 AM	Approve	mitsonjl	Public	005071
Finance_SubWorkflow	5/9/07 9:48 AM	Approve	mitsonjl	Public	005071
MuniManager_SubWorkflow	5/11/07 12:28 PM	Approve	leblancdc	Public	005071
MuniMgrCoord_SubWorkflow	5/11/07 3:07 PM	Approve	abbottmk	Public	005071

M.O.A.
 2007 MAY 11 PM 4:29
 OLENA'S OFFICE