

Submitted by: Chairman of the Assembly at the  
Request of the AWWU Board

Prepared by: Anchorage Water & Wastewater Utility

For reading: May 22, 2007

CITIZEN'S COUNCIL  
APPROVED  
Date: 6-12-07

ANCHORAGE, ALASKA  
AR No. 2007- 133

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING 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 OLD GLENN HIGHWAY  
(NORTHERN COMMUNITIES) WATER EXTENSION 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 2006-141**, 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 **Old Glenn Highway (Northern Communities) Water Extension** project; authorized the borrowing of an aggregate amount not to exceed **\$1,000,000**, 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 and 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 the loan in connection with said project, said application for this loan has been approved, and AWWU has negotiated the terms of this loan from the Fund in the aggregate amount of **\$1,000,000** to finance a portion of the cost of this Project; and,

WHEREAS, the terms and conditions of said loan are contained in the Alaska Drinking Water Fund Loan Agreements between the Municipality and DEC, dated **January 19, 2007**; 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; and,

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

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

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

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

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

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

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

1 PASSED AND APPROVED by the Anchorage Assembly this 12<sup>th</sup> day of  
2 June, 2007.

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7 Chairman

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9 Area Capital Improvement Fund

10 Fund 541 Account 1071 Project ID 0000000049

11 \$1,000,000 (Designated Loan)

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13 ATTEST:

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17 John S. Grant  
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# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 355-2007

Meeting Date: May 22, 2007

From: Mayor

Subject: **ACCEPTANCE AND APPROPRIATION OF STATE OF ALASKA DRINKING WATER FUND LOAN OFFER FOR FINANCING A PORTION OF THE COSTS OF THE OLD GLENN HIGHWAY (NORTHERN COMMUNITIES) WATER EXTENSION 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 **Old Glenn Highway (Northern Communities) Water Extension (\$1,000,000)** 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.

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 DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE OLD GLENN HIGHWAY (NORTHERN COMMUNITIES) WATER EXTENSION PROJECT.**

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

Fund Certification: Sharon Weddleton, Chief Financial Officer, AWWU

*Fund 541 Account 1071 Project ID 0000000049 \$1,000,000 (Designated Loan)*

Respectfully submitted: Mark Begich, Mayor

### AWWU ELECTRONIC FUND CERTIFICATION

FUND	Dept ID	Acct #
541	W8000	1071
Project ID - 0000000049	\$1,000,000.00	
Total Loan Amount	<b>\$1,000,000.00</b>	
Date 04/23/2007		
By (electronic) Sharon Weddleton, CPA,		
AWWU Finance Director		

**Content Information****Content ID :** 005074**Type:** AR\_FundsApprop - Funds Approp Resolution

**Title:** STATE OF ALASKA A LOAN OFFER IN THE AMOUNT OF ONE  
MILLION DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF  
THE COSTS OF THE OLD GLENN HIGHWAY (NORTHERN  
COMMUNITIES) WATER EXTENSION PROJECT

**Author:** gibsonam**Initiating Dept:** AWWU**Date Prepared:** 5/3/07 3:26 PM**Director Name:** Mark Premo**Assembly****Meeting Date** 5/22/07**MM/DD/YY:****Public Hearing** 6/12/07**Date MM/DD/YY:****Workflow History**

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
FundsAppropWorkflow	5/3/07 3:27 PM	Checkin	gibsonam	Public	005074
AWWU_SubWorkflow	5/4/07 7:06 AM	Approve	premomc	Public	005074
OMB_SubWorkflow	5/8/07 11:43 AM	Approve	mitsonjl	Public	005074
Finance_SubWorkflow	5/9/07 10:27 AM	Approve	mitsonjl	Public	005074
MuniManager_SubWorkflow	5/11/07 12:28 PM	Approve	leblancdc	Public	005074
MuniMgrCoord_SubWorkflow	5/11/07 3:07 PM	Approve	abbottmk	Public	005074

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