

CLERK'S OFFICE

APPROVED

ANCHORAGE, ALASKA

Date: 7-17-07

AR No. 2007- 154

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 FIVE MILLION THREE HUNDRED**
4 **THOUSAND DOLLARS (\$5,300,000) FOR FINANCING A PORTION OF THE**
5 **COSTS OF THE SCADA WATER, PHASE III PROJECT**
6

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

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

18 WHEREAS, the Assembly of the Municipality, in its Ordinance No. **AO 2006-**
19 **141**, determined it was necessary to proceed to plan, design, develop, construct,
20 equip, acquire property for, or otherwise obtain items of capital improvements in
21 connection with the **SCADA Water, Phase III** project; authorized the borrowing of an
22 amount not to exceed **\$5,300,000**, from the Fund for the purpose of financing a
23 portion of the cost of said Project; and authorized and directed the General Manager
24 of the Anchorage Water & Wastewater Utility ("AWWU") to complete and submit to
25 the State Department of Environmental Conservation ("DEC") applications to borrow
26 money from the Fund and to negotiate with the DEC the terms of such loan; and
27

28 WHEREAS, AWWU has submitted the application for the loan in connection
29 with said project, said application for this loan has been approved, and AWWU has
30 negotiated the terms of this loan from the Fund in the amount of **\$5,300,000** to
31 finance a portion of the cost of the Project; and
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33 WHEREAS, the terms and conditions of said loan are contained in the Alaska
34 Drinking Water Fund Loan Agreement between the Municipality and DEC, dated
35 **April 26, 2007**; and
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37 WHEREAS, it is hereby found to be in the best interest of the Municipality that
38 terms of said loan offer be approved and that the Loan Agreement be executed on
39 behalf of the Municipality; and

WHEREAS, the AWWU Board endorsed this resolution at its regular meeting of June 6, 2007.

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

Section 1. **Loan Proceeds**: The subject loan proceeds in the amount of **Five Million Three Hundred Thousand Dollars (\$5,300,000)** 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 \$5,300,000 (subject to individual draws)
Interest Rate:	2.5% per annum
Interest Accrual:	Accrual of interest will begin one year after the date of the first disbursement to the Municipality.
Term:	Twenty years from the date of initiation of operation of the respective Project
Date of First Payment:	One year following substantial completion and initiation of operation of the respective 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. AO No. 99-118(S) , 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 the 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 17th day of
2 July, 2007.

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6 Chairman

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8 Area Capital Improvement Fund:

9 Fund 541 Account 1071 Project ID 0000000083

10 \$5,300,000 (Designated Loan)

11
12 ATTEST:

13
14 Brian S. Juelent
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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 398 -2007

Meeting Date: June 26, 2007

1 **From:** Mayor

2
3 **Subject:** **ACCEPTANCE AND APPROPRIATION OF A STATE OF ALASKA**
4 **DRINKING WATER FUND LOAN OFFER FOR FINANCING A PORTION**
5 **OF THE COSTS OF THE SCADA WATER, PHASE III PROJECT**
6 **(\$5,300,000)**

7
8 The Municipality of Anchorage has received a formal Alaska Drinking Water Fund
9 loan offer from the State of Alaska in the amount of **\$5,300,000** for the purpose of
10 financing a portion of the cost of the **SCADA Water, Phase III** project.

11
12 This loan offer is made under the State's low-interest revolving loan program, which
13 is attractive to the Municipality due to the low interest rate of **2.5%** and the favorable
14 payback terms of **twenty years** from one year after project's date of initiation of
15 operation.

16
17 AWWU supports this resolution. The AWWU Board endorsed this resolution at its
18 regular meeting of June 6, 2007.

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20 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS ASSEMBLY**
21 **RESOLUTION ACCEPTING AND APPROPRIATING A STATE OF ALASKA**
22 **DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF FIVE MILLION**
23 **THREE HUNDRED THOUSAND DOLLARS (\$5,300,000) FOR FINANCING A**
24 **PORTION OF THE COSTS OF THE SCADA WATER, PHASE III PROJECT**

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26
27 Prepared by: Mark Premo, P.E., General Manager, AWWU

28 Fund Certification: Jeffrey Sinz, Chief Fiscal Officer

29 *Fund 541 Account 1071 Project ID 0000000083 \$5,300,000 (Designated Loan)*

30 Concur: Denis C. LeBlanc, Municipal Manager

31 Respectfully submitted: Mark Begich, Mayor
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Content Information**Content ID :** 005173**Type:** AR_FundsApprop - Funds Approp ResolutionACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING
WATER FUND LOAN OFFER IN THE AMOUNT OF FIVE MILLION**Title:** THREE HUNDRED THOUSAND DOLLARS (\$5,300,000) FOR
FINANCING A PORTION OF THE COSTS OF THE SCADA WATER,
PHASE III PROJECT**Author:** gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 6/8/07 3:53 PM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 6/26/07**Public
Hearing
Date:** 7/17/07M.O.A.
2007 JUN 18 AM 10:35
CLEAN'S 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	6/8/07 3:55 PM	Checkin	gibsonam	Public	005173
AWWU_SubWorkflow	6/8/07 4:02 PM	Approve	premomc	Public	005173
OMB_SubWorkflow	6/11/07 8:07 AM	Approve	mitsonjl	Public	005173
Finance_SubWorkflow	6/15/07 9:35 AM	Approve	mitsonjl	Public	005173
MuniManager_SubWorkflow	6/15/07 2:04 PM	Approve	abbottmk	Public	005173
MuniMgrCoord_SubWorkflow	6/15/07 2:04 PM	Approve	abbottmk	Public	005173