

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water and Wastewater  
Utility  
For reading: October 23, 2007

CLERK'S OFFICE

APPROVED

Date: 11-6-07

ANCHORAGE, ALASKA

AR No. 2007-237

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**  
2 **ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA DRINKING**  
3 **WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF THREE**  
4 **MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$3,830,000) FOR**  
5 **FINANCING A PORTION OF THE COSTS OF THE CREEKSIDE WATER**  
6 **IMPROVEMENTS (DEBARR, MULDOON TO TURPIN WATER UPGRADE)**  
7 **(\$2,492,000), SECURITY IMPROVEMENTS (MULTI-SITE) (\$846,000), AND EAST**  
8 **BLUFF WATER UPGRADE (\$492,000) 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 Drinking Water Fund (the 'Fund'), a fund which makes  
13 use of U.S. Government grants as authorized by the Drinking Water Act, as  
14 amended by P.L. 104-182; and  
15

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

21 **WHEREAS**, the Assembly of the Municipality, in its Ordinance No. AO 2006-141,  
22 determined it was necessary to proceed to plan, design, develop, construct, equip,  
23 acquire property for, or otherwise obtain items of capital improvements in  
24 connection with the Creekside Water Improvements (Debarr, Muldoon to Turpin  
25 Water Upgrade), Security Improvements (Multi-Site), and East Bluff Water  
26 Upgrade projects; authorized the borrowing of an aggregate amount not to exceed  
27 \$3,830,000, from the Fund for the purpose of financing a portion of the cost of said  
28 Projects; and authorized and directed the General Manager of the Anchorage  
29 Water and Wastewater Utility ("AWWU") to complete and submit to the State  
30 Department of Environmental Conservation ("DEC") applications to borrow money  
31 from the Fund and to negotiate with the DEC the terms of such loans; and  
32

33 **WHEREAS**, AWWU has submitted the applications for loans in connection with said  
34 projects, said applications for these loans have been approved, and AWWU has  
35 negotiated the terms of these loans from the Fund in the aggregate amount of  
36 \$3,830,000 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 Drinking Water Fund Loan Agreements between the Municipality and DEC; and

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

**WHEREAS**, at its October 3, 2007 meeting, the AWWU Authority Board supported this resolution to accept and appropriate funding from said loan agreements for these projects; now, therefore,

**THE ANCHORAGE ASSEMBLY RESOLVES:**

**Section 1. Loan Proceeds:** The subject loan proceeds in the aggregate amount of Three Million Eight Hundred Thirty Thousand Dollars (\$3,830,000) are hereby accepted and appropriated.

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

Principal Amount: Not to exceed \$3,830,000 (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 Loan Agreements:** The loan offers are 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 Agreements for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreements, 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 Agreements as executed.

**Section 4. Effective Date:** This Resolution shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 6<sup>th</sup> day of November, 2007.



Chair

*Area Capital Improvement Fund:*

*Fund 541 Account 1071 Project ID 0000002178*

*\$2,492,000 (Designated Loan)*

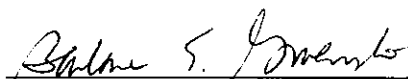
*Fund 541 Account 1071 Project ID 0000003340*

*\$846,000 (Designated Loan)*

*Fund 541 Account 1071 Project ID 0000002896*

*\$492,000 (Designated Loan)*

ATTEST:



Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 651-2007

Meeting Date: October 23, 2007

From: Mayor

Subject: **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF THREE MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$3,830,000) FOR FINANCING A PORTION OF THE COSTS OF THE CREEKSIDE WATER IMPROVEMENTS (DEBARR, MULDOON TO TURPIN WATER UPGRADE) (\$2,492,000), SECURITY IMPROVEMENTS (MULTI-SITE) (\$846,000), AND EAST BLUFF WATER UPGRADE (\$492,000) PROJECTS**

The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan offers from the State of Alaska for the purpose of financing a portion of the cost of the Creekside Water Improvements (Debarr, Muldoon to Turpin Water Upgrade), Security Improvements (Multi-Site), and East Bluff Water Upgrade 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 2.5% and the favorable payback terms of twenty years from one year after project's date of initiation of operation.

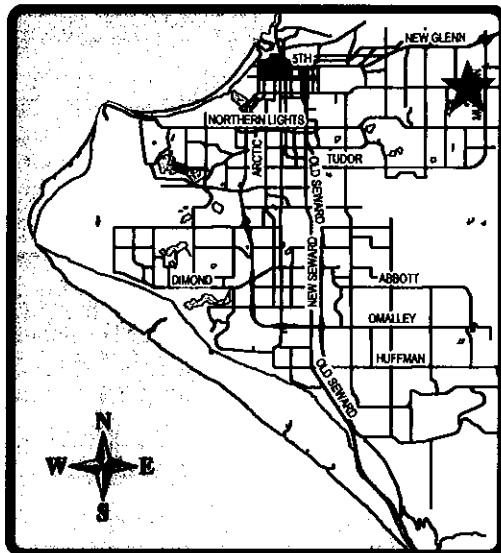
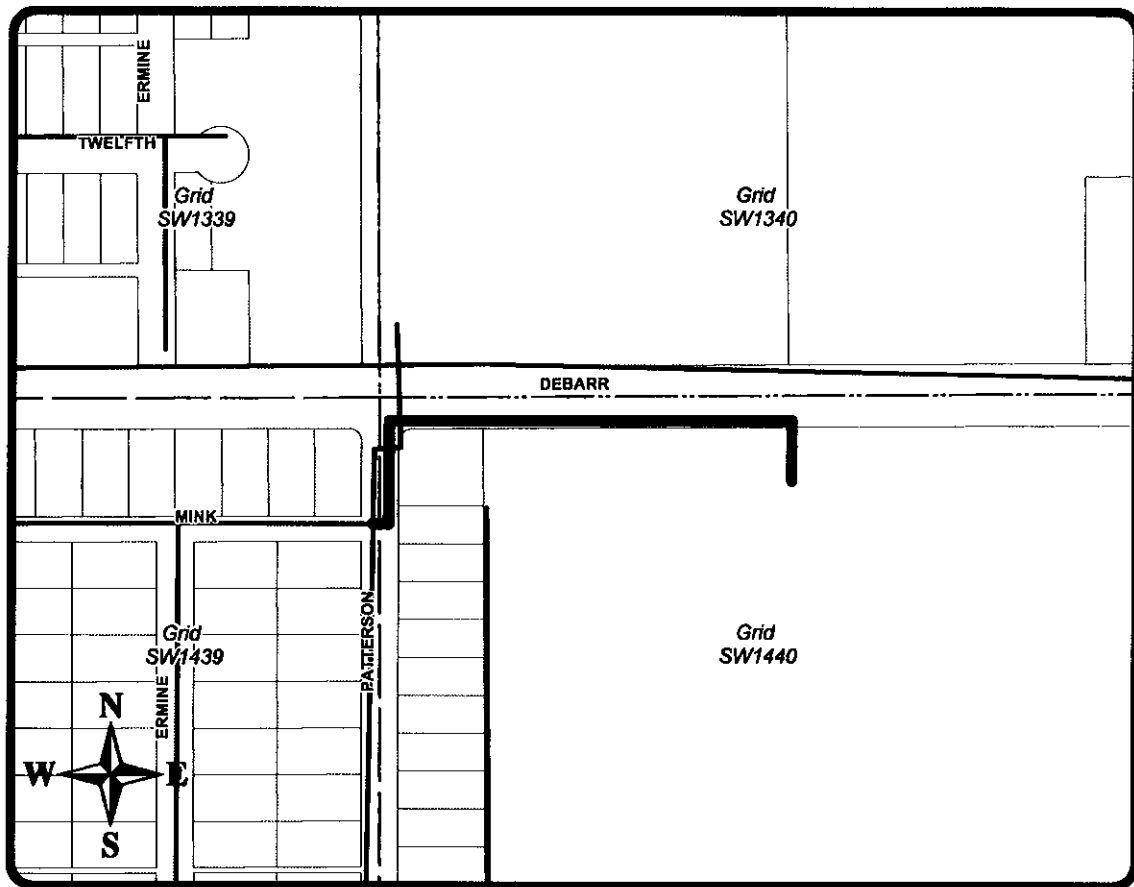
At its October 3, 2007 meeting, the AWWU Authority Board supported this resolution to accept and appropriate funding from said loan agreements for these projects.

**THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF THREE MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$3,830,000) FOR FINANCING A PORTION OF THE COSTS OF THE CREEKSIDE WATER IMPROVEMENTS (DEBARR, MULDOON TO TURPIN WATER UPGRADE), SECURITY IMPROVEMENTS (MULTI-SITE), AND EAST BLUFF WATER UPGRADE PROJECTS**

Prepared by: Anchorage Water & Wastewater Utility  
Recommended by: Mark Premo, P.E., General Manager, AWWU




Concur: Sharon Weddleton, CPA, CFO  
*Fund 541 Account 1071 Project ID 0000002178 - \$2,492,000 (Designated Loan)*  
*Fund 541 Account 1071 Project ID 0000003340 - \$846,000 (Designated Loan)*  
*Fund 541 Account 1071 Project ID 0000002896 - \$492,000 (Designated Loan)*

Concur: James N. Reeves, Municipal Attorney  
Concur: Denis C. LeBlanc, Municipal Manager  
Respectfully submitted: Mark Begich, Mayor



Maps Not-to-Scale

### LEGEND

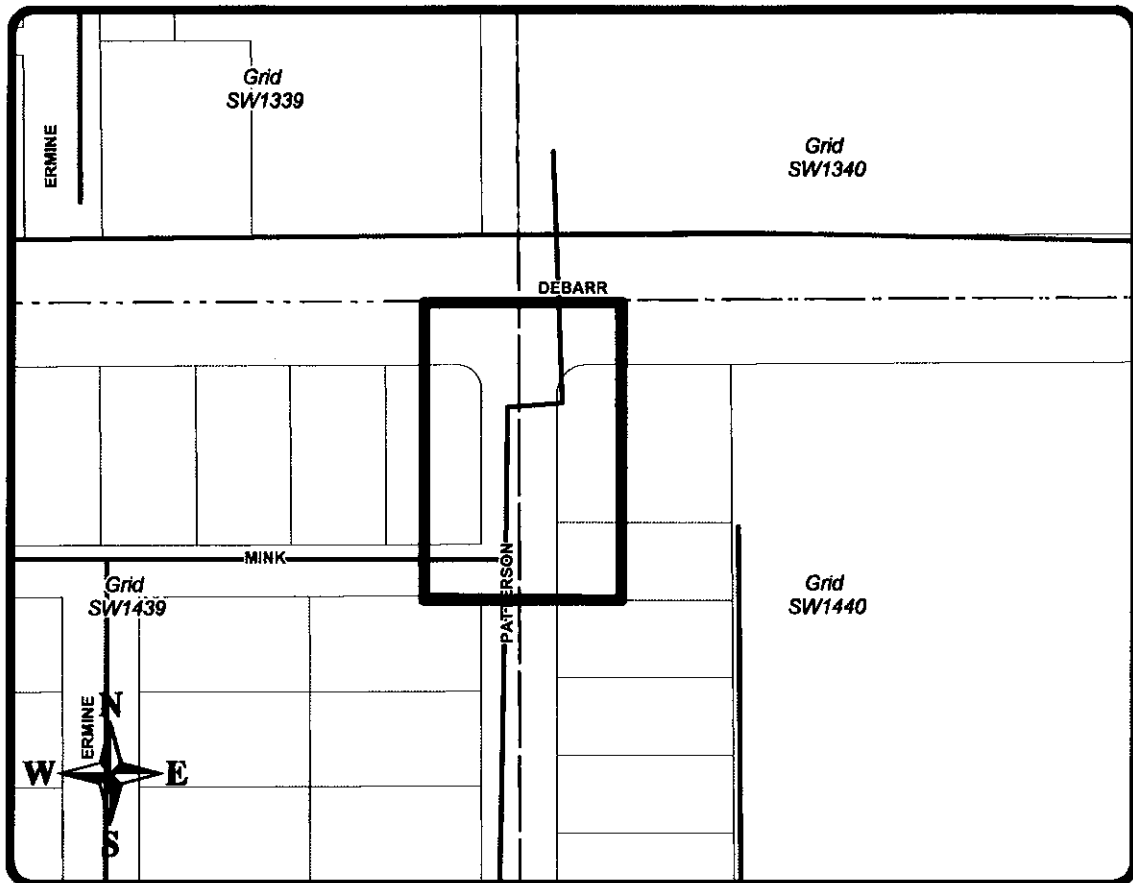
-  Project Water Main
-  Existing Water Mains
-  Project Map Area



Map Created  
by AJU  
2/06/06




## DeBarr-Muldoon\_Turpin Sch A

PeopleSoft Project ID 0000002178  
Anchorage Water & Wastewater Utility



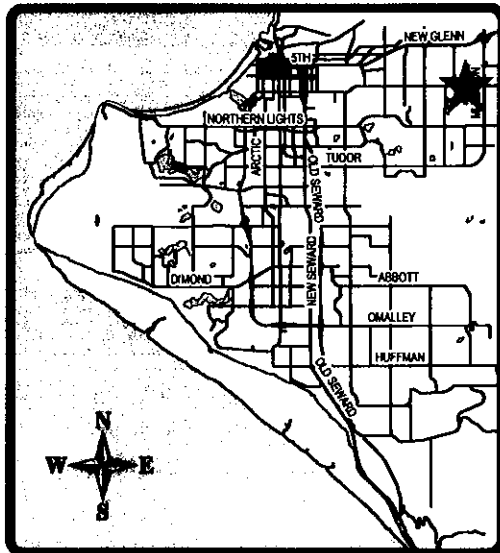
Maps Not-to-Scale

### LEGEND

-  Booster Station Upgrade
-  Existing Water Mains
-  Project Map Area

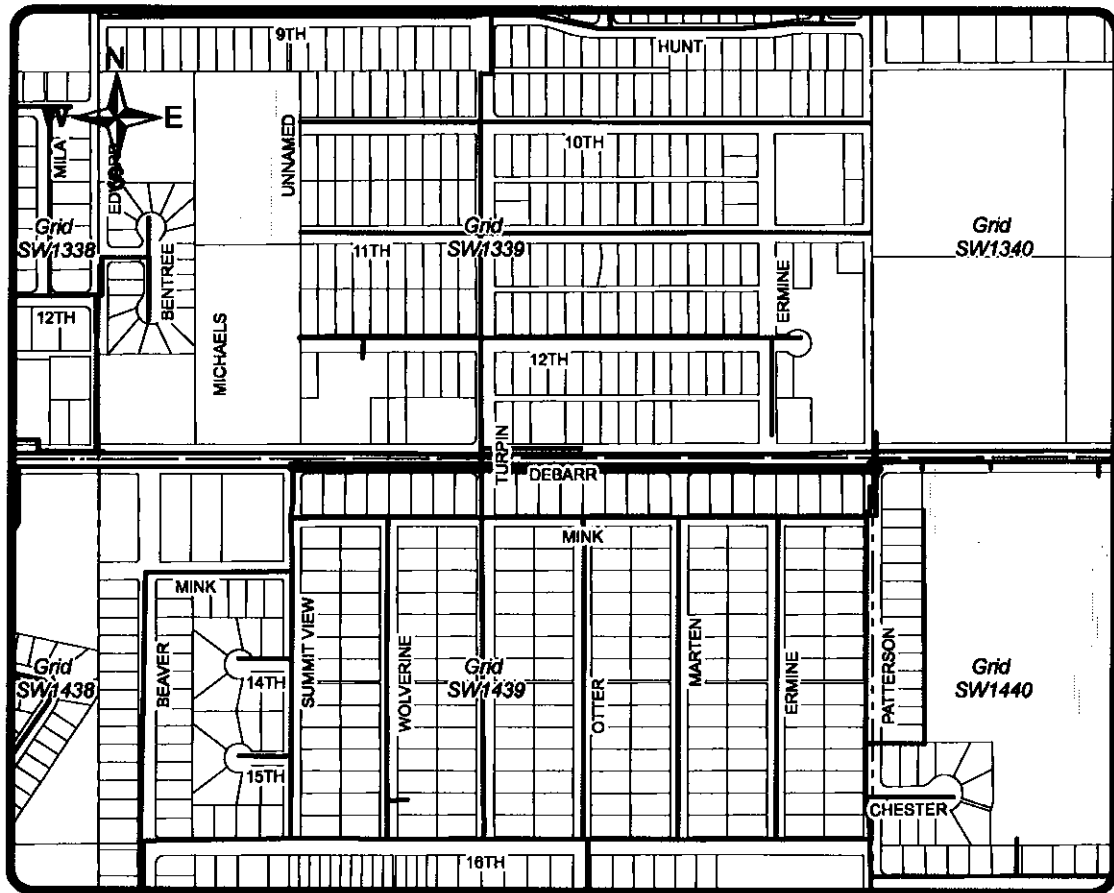


Map Created  
by AJU  
2/06/06






## DeBarr-Muldoon\_Turpin Sch B Patterson Booster Station Upgrade

PeopleSoft Project ID 0000002178  
Anchorage Water & Wastewater Utility



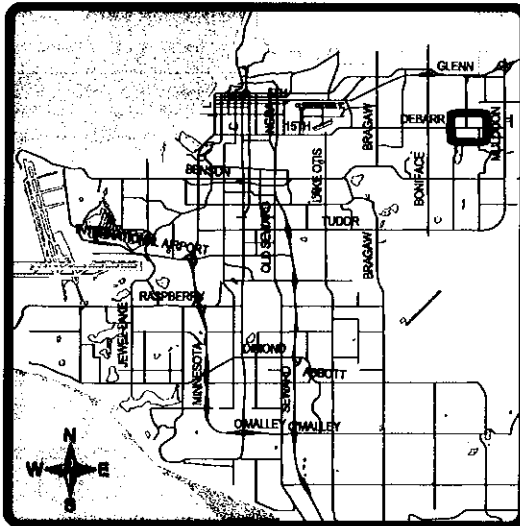
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### LEGEND

-  Project Water Mains
-  Existing Water Mains
-  Project Map Area

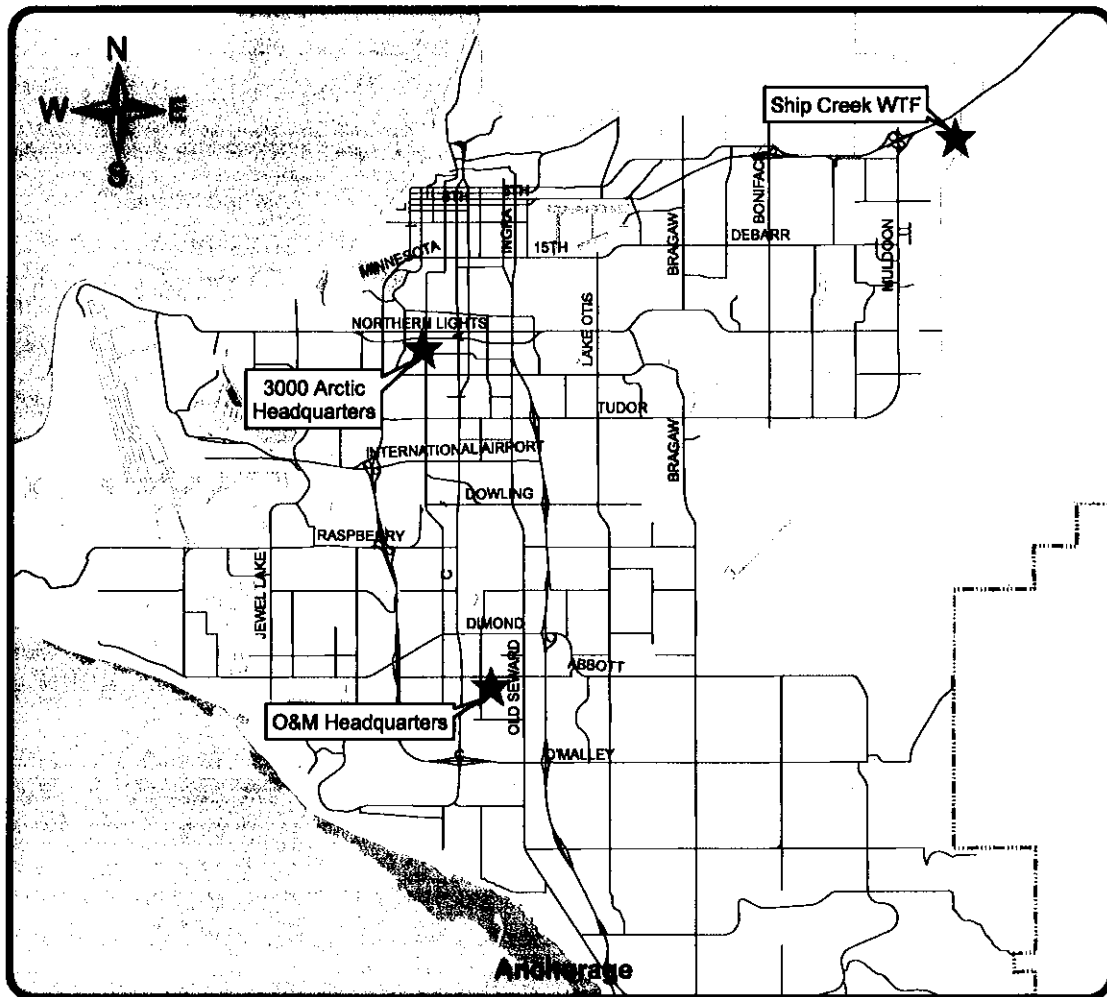


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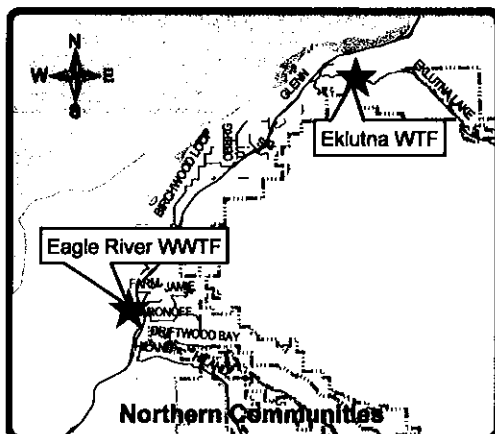


## Debarr-Muldoon\_Turpin Sch C

PeopleSoft Project ID 0000002178  
Anchorage Water & Wastewater Utility



Maps not to scale



★ Project Areas



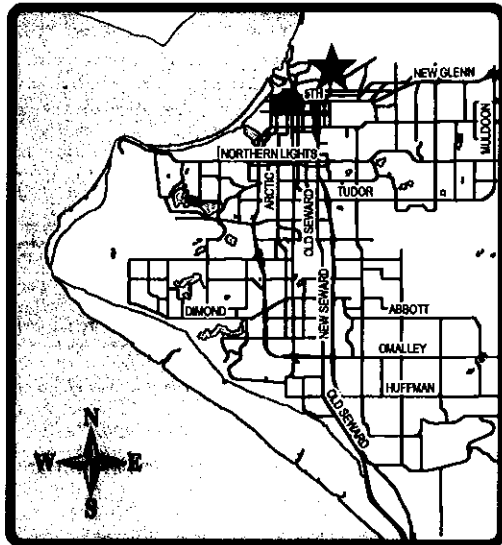
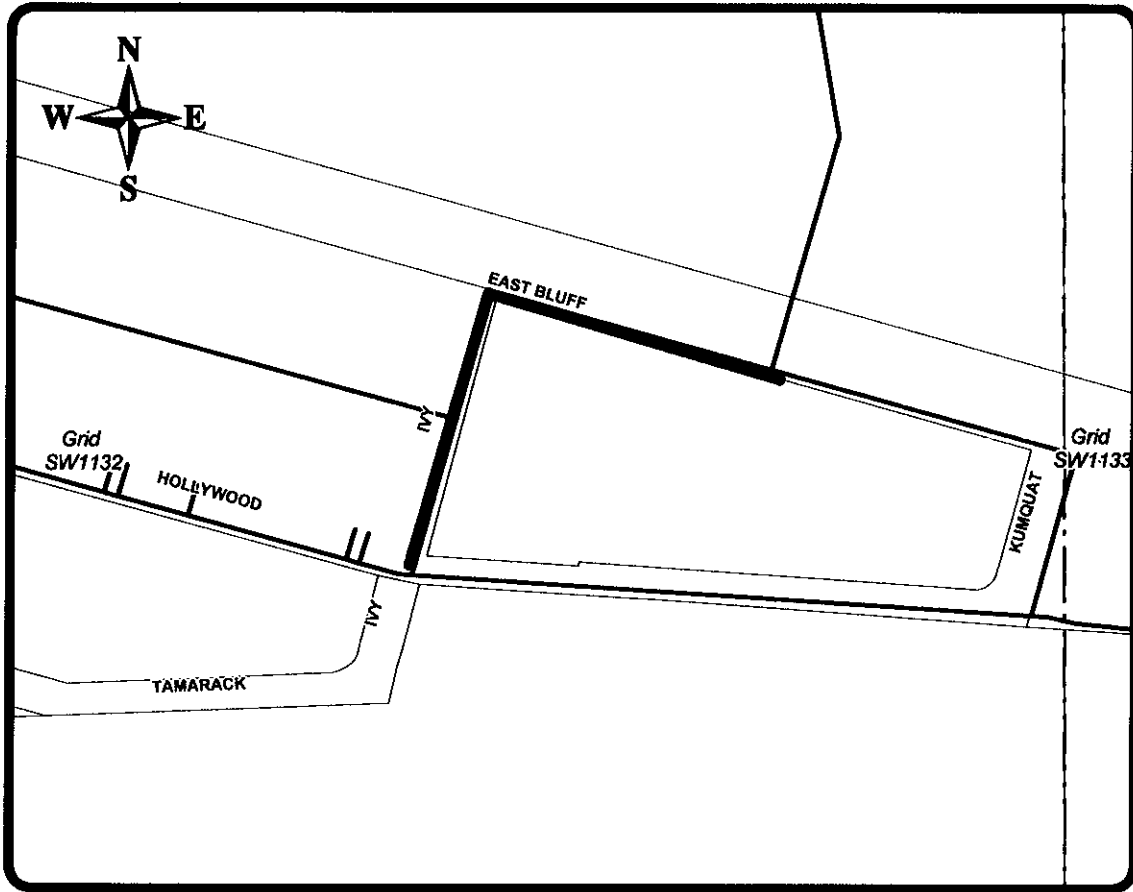
## Multi Site Security Improvements

Map Created  
by AJU  
8-14-07

PeopleSoft Project ID  
0000003339 / 0000003340




Anchorage Water & Wastewater Utility





Maps Not-to-Scale

### LEGEND

-  Project Water Main
-  Existing Water Mains
-  Project Map Area



Map Created  
by AJU  
12/08/2005

## E\_Bluff\_PhI\_Wtr\_Upgr

(East Bluff & Ivy)

PeopleSoft Project ID 0000002896  
Anchorage Water & Wastewater Utility

**Content Information****Content ID :** 005574**Type:** AR\_FundsApprop - Funds Approp ResolutionACCEPTING AND APPROPRIATING THREE STATE OF ALASKA  
DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE**Title:** AMOUNT OF THREE MILLION EIGHT HUNDRED THIRTY THOUSAND  
DOLLARS (\$3,830,000) FOR FINANCING A PORTION OF THE COSTS  
OF THE CREEKSIDE WATER IMPROVEMENTS**Author:** gibsonam**Initiating  
Dept:** AWWU**Date  
Prepared:** 10/5/07 3:20 PM**Director  
Name:** Mark Premo**Assembly  
Meeting  
Date:** 10/23/07**Public  
Hearing  
Date:** 11/6/072007 OCT 19  
CULLEN'S OFFICE  
M.O.A.  
SM 11-46**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	10/5/07 3:23 PM	Checkin	gibsonam	Public	005574
AWWU_SubWorkflow	10/5/07 3:43 PM	Approve	premomc	Public	005574
FundsAppropWorkflow	10/11/07 9:17 AM	Reject	mitsonjl	Public	005574
FundsAppropWorkflow	10/12/07 11:55 AM	Checkin	gibsonam	Public	005574
AWWU_SubWorkflow	10/15/07 4:07 PM	Approve	premomc	Public	005574
OMB_SubWorkflow	10/16/07 7:48 AM	Approve	mitsonjl	Public	005574
Finance_SubWorkflow	10/16/07 1:56 PM	Approve	weddletonsb	Public	005574
MuniManager_SubWorkflow	10/19/07 9:01 AM	Approve	leblancdc	Public	005574
MuniMgrCoord_SubWorkflow	10/19/07 10:57 AM	Approve	abbottmk	Public	005574

\_\_\_\_ CONSENT AGENDA - INTRODUCTION