

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water and Wastewater  
Utility  
For reading: November 27, 2007

CLERK'S OFFICE

APPROVED

Date: 12-11-07

ANCHORAGE, ALASKA

AR No. 2007-259

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING TWO STATE OF ALASKA CLEAN WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF SIX MILLION SEVEN HUNDRED ONE THOUSAND DOLLARS (\$6,701,000) FOR FINANCING A PORTION OF THE COSTS OF THE ASPLUND WASTEWATER TREATMENT FACILITY PROCESS IMPROVEMENT (\$4,000,000) AND ASPLUND BUILDING IMPROVEMENTS (\$2,701,000) PROJECTS**

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

**WHEREAS**, the Assembly of the Municipality, in its Ordinance No. AO 2006-142, 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 Asplund Wastewater Treatment Facility Process Improvement and Asplund Building Improvements projects; authorized the borrowing of an aggregate amount not to exceed \$6,701,000, from the Fund for the purpose of financing a portion of the cost of said Projects; 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") applications to borrow money from the Fund and to negotiate with the DEC the terms of such loans; and

**WHEREAS**, AWWU has submitted the applications for loans in connection with said projects, said applications for these loans have been approved, and AWWU has negotiated the terms of these loans from the Fund in the aggregate amount of \$6,701,000 to finance a portion of the cost of the Projects; and

**WHEREAS**, the terms and conditions of said loans are contained in the Alaska Clean 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 November 7, 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 Six million seven hundred one thousand Dollars (\$6,701,000) 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 \$6,701,000 (subject to individual draws)

Interest Rate: 1.5% 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

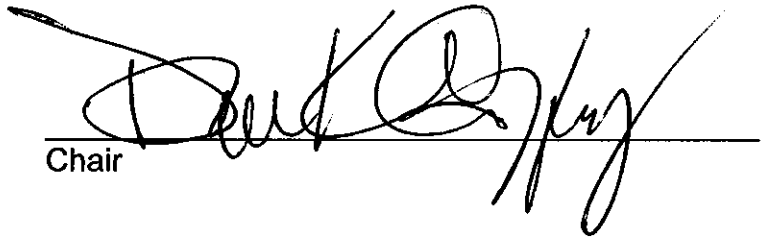
Amortization Schedule: Level, fully amortizing

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. 99-119(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.

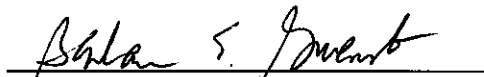
**Section 3. Approval and Executing of Loan Agreements:** The loan offers are approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreements for and on behalf of the Municipality, 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 11<sup>th</sup> day of December, 2007.

  
Chair

ATTEST:

  
Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 720 -2007

Meeting Date: November 27, 2007

1 **From:** Mayor

2  
3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,  
4 ALASKA, ACCEPTING AND APPROPRIATING TWO STATE OF  
5 ALASKA CLEAN WATER FUND LOAN OFFERS IN THE  
6 AGGREGATE AMOUNT OF SIX MILLION SEVEN HUNDRED ONE  
7 THOUSAND DOLLARS (\$6,701,000) FOR FINANCING A PORTION  
8 OF THE COSTS OF THE ASPLUND WASTEWATER TREATMENT  
9 FACILITY PROCESS IMPROVEMENT (\$4,000,000) AND ASPLUND  
10 BUILDING IMPROVEMENTS (\$2,701,000) PROJECTS  
11

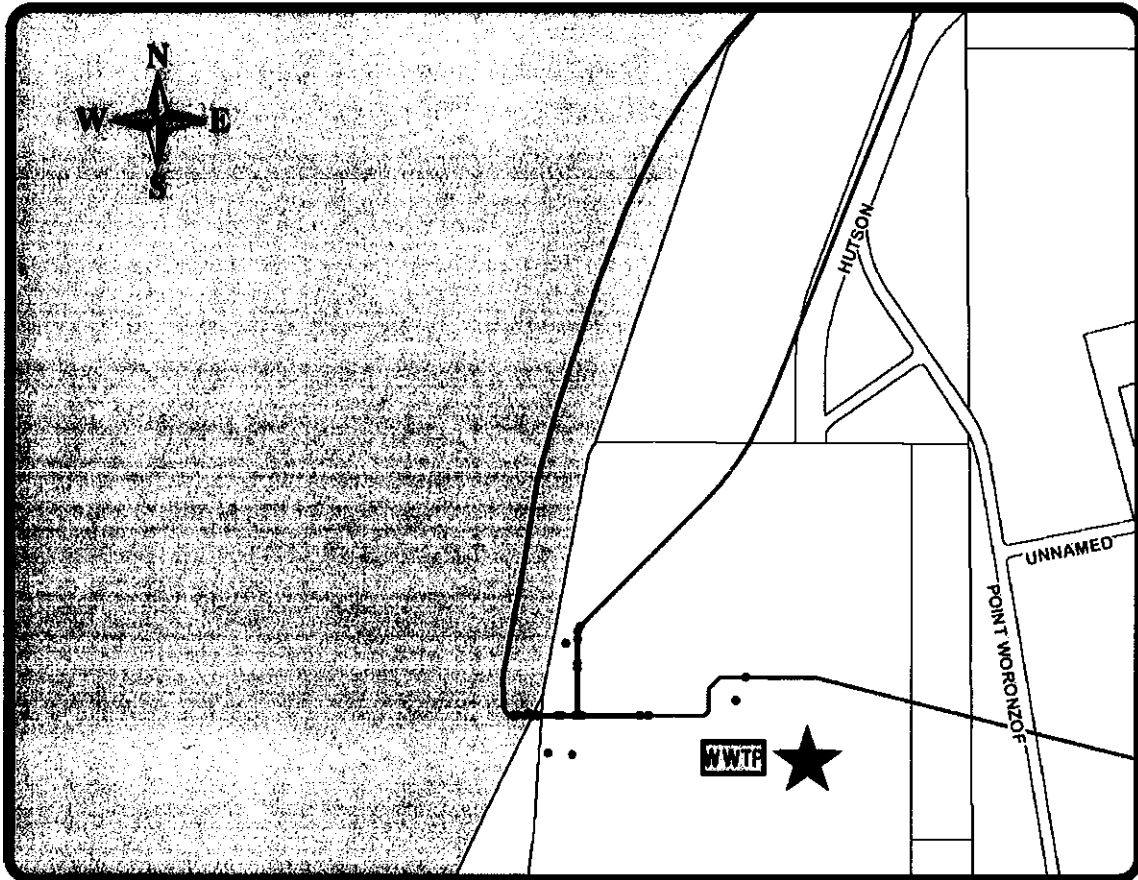
12 The Municipality of Anchorage has received formal Alaska Clean Water Fund loan  
13 offers from the State of Alaska for the purpose of financing a portion of the cost of  
14 the Asplund Wastewater Treatment Facility Process Improvement and Asplund  
15 Building Improvements projects.  
16

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 1.5% and the  
19 favorable payback terms of twenty years from one year after project's date of  
20 initiation of operation.  
21

22 At its November 7, 2007 meeting, the AWWU Authority Board supported this  
23 resolution to accept and appropriate funding from said loan agreements for these  
24 projects.  
25

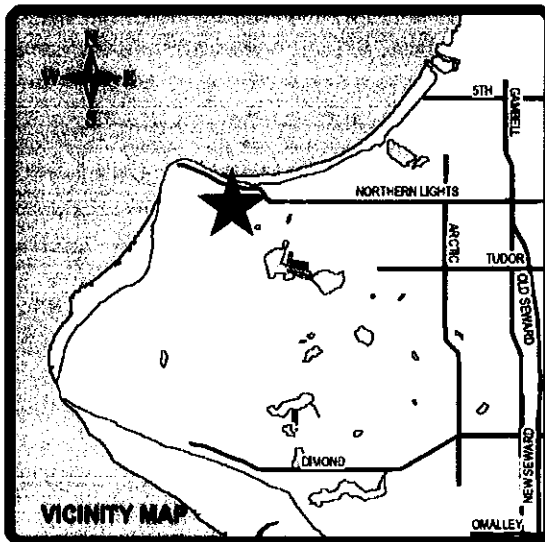
26 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION**  
27 **AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING AND**  
28 **APPROPRIATING TWO STATE OF ALASKA CLEAN WATER FUND LOAN**  
29 **OFFERS IN THE AGGREGATE AMOUNT OF SIX MILLION SEVEN HUNDRED**  
30 **ONE THOUSAND DOLLARS (\$6,701,000) FOR FINANCING A PORTION OF THE**  
31 **COSTS OF THE ASPLUND WASTEWATER TREATMENT FACILITY PROCESS**  
32 **IMPROVEMENT AND ASPLUND BUILDING IMPROVEMENTS PROJECTS**  
33

34 Prepared by: Anchorage Water & Wastewater Utility  
35 Recommended by: Mark Premo, P.E., General Manager, AWWU  
36 Concur: Denis C. LeBlanc, Municipal Manager  
37 Respectfully submitted: Mark Begich, Mayor



PROJECT MAP GRID SW1521

Maps Not-to-Scale



VICINITY MAP

G:\AWWU Common\Capital Budget\FAR\000002165...

## Legend

- Existing Sanitary Sewer
- ★ Approximate location



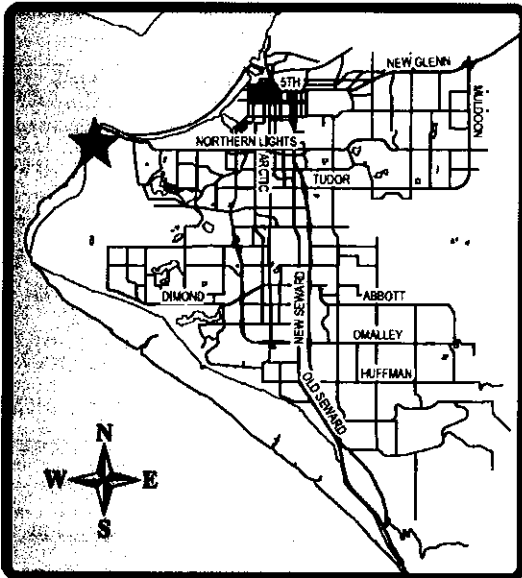
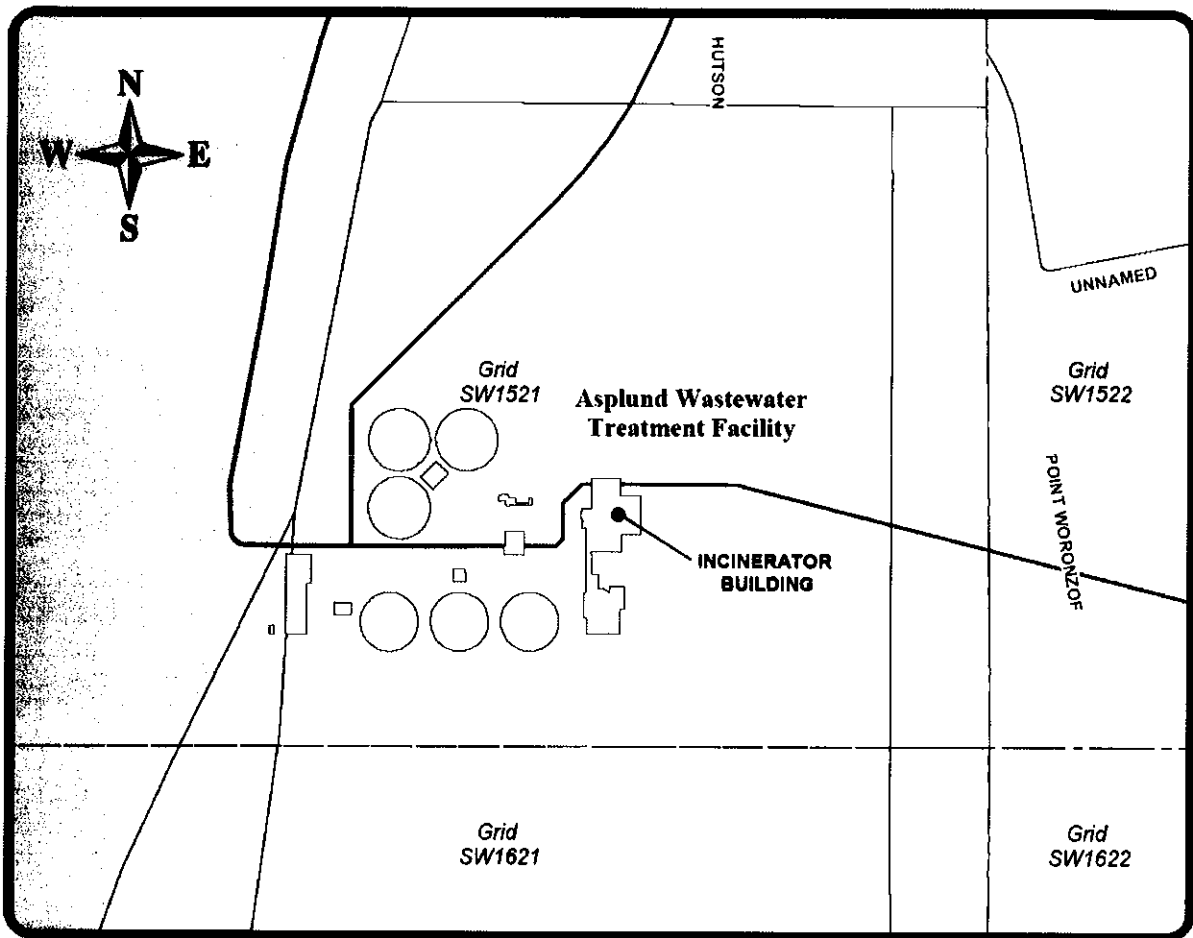
Map Created  
2/25/04 SDN  
PM ID \_

## Asplund Wastewater Treatment Facility Process Improvements

(AWWTF-Process\_Improvements)

PeopleSoft Project ID 0000002165

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

## LEGEND

- Existing Sewer Mains
- ★ Project Map Area

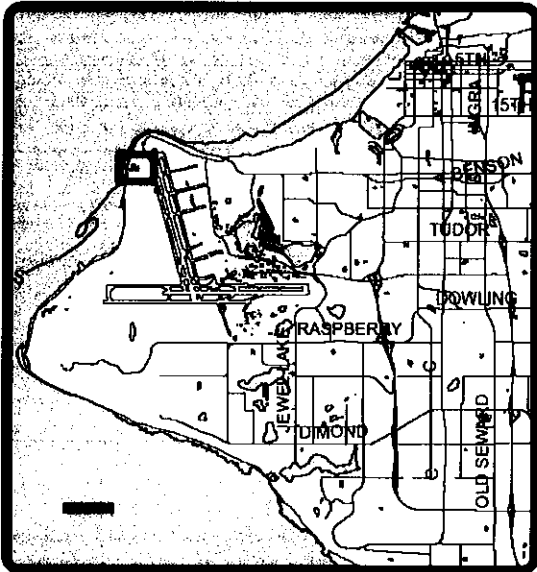
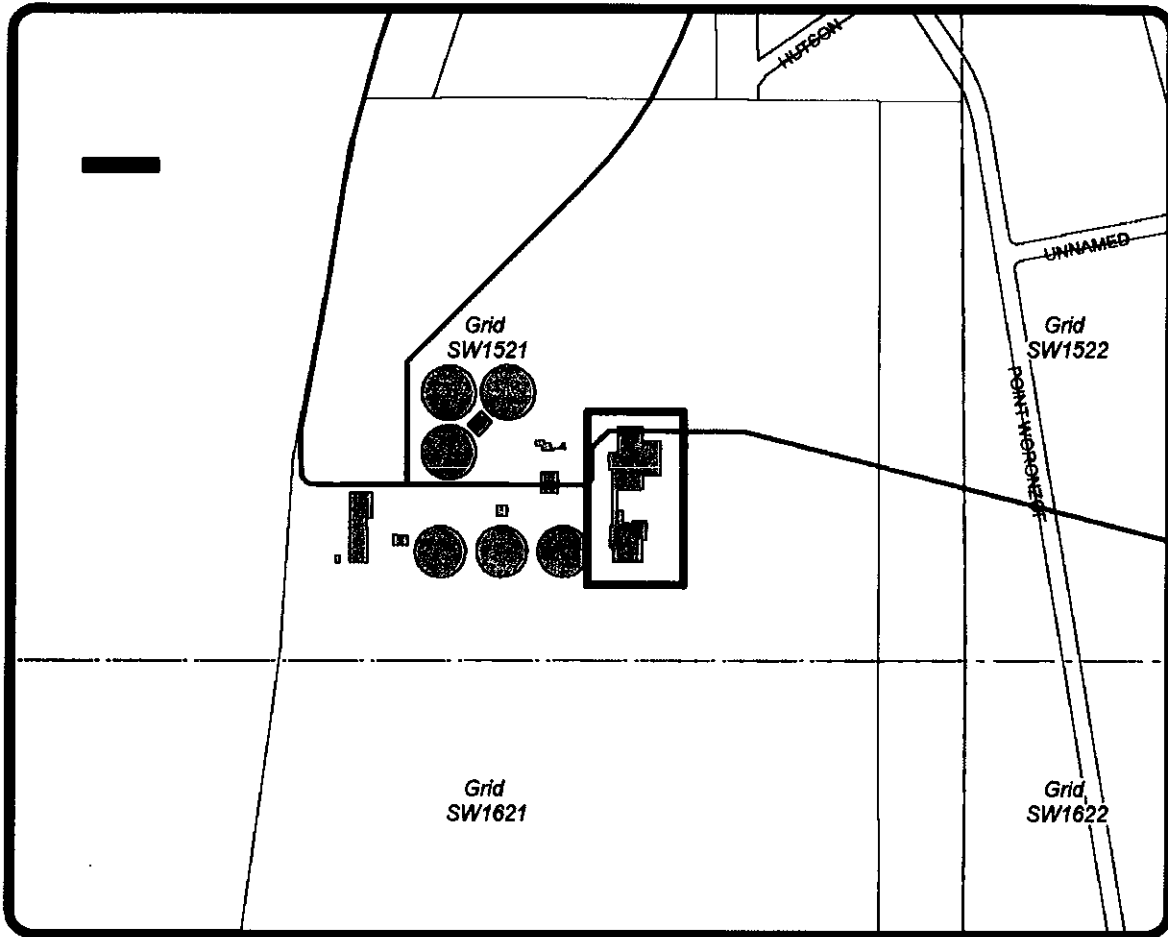


Map Created  
by AJU  
05/11/2005

## Asplund Wastewater Treatment Facility Incinerator Upgrade





Asplund Incin Upgr  
PeopleSoft Project ID 0000003336  
PM ID 3012

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

## LEGEND

-  Project Sewer Main
-  Existing Sewer Mains
-  Existing Manholes
-  Project Map Area



Map Created  
by AJU  
08/08/2006

## Asplund\_Bldg\_Improvements

PeopleSoft Project ID 0000003335  
Anchorage Water & Wastewater Utility



ANCHORAGE WATER AND WASTEWATER UTILITY  
BOARD MEMORANDUM  
No. 2007-73

Meeting Date: November 7, 2007

**AUTHORITY BOARD  
APPROVED**

**From:** Mark Premo, P.E., General Manager

Date: November 7, 2007

**Subject:** Acceptance and Appropriation of ACW Loan Offers:  
Asplund Wastewater Treatment Facility Process Improvement (\$4,000,000)  
Asplund Building Improvements (\$2,701,000)

AWWU Board Memorandum 2006-19 was introduced and approved at the AWWU Board meeting of October 4, 2006. It outlined and described the process for applying for project loan funding under the two loan programs, the Alaska Clean Water Fund (ACWF) and the Alaska Drinking Water Fund (ADWF). These programs provide loans at attractive rates (generally 2.5% for ADWF, and 1.5% for ACWF loans) for up to twenty years in duration to cities, boroughs and qualified private water utilities.

Board Memorandum 2006-19 also approved AWWU to introduce at the Assembly Meeting of October 17, 2006, Anchorage Ordinance AO 2006-142 that would authorize the borrowing of said loan funds for 2006 CIB projects. The Public Hearing was held and subsequently closed for AO 2006-142 on October 31, 2006. The Assembly authorized AWWU to begin to secure the loan funds.

Per the process outlined in Board Memorandum 2006-19, AWWU then began the process for its projects which are slated to receive loan funding. AWWU has now received two (2) ACWF loan agreements in the aggregate amount of \$6,701,000 for projects intended to receive loan assistance: Asplund Wastewater Treatment Facility Process Improvement and Asplund Building Improvements. For this reason, we are now bringing before the Board the attached draft Assembly Resolution.

Approval by the AWWU Board of the attached draft Resolution is requested at the regular meeting of November 7, 2007. With the Board's support, AWWU will present the attached Assembly Resolution and Memorandum to the Assembly seeking approval to appropriate funding from said loan agreements for these projects.

Prepared by: Wendy Drew, Project Support Supervisor, Engineering Division  
Respectfully submitted: Mark Premo, P.E., General Manager  
Fund Certification: Glenda Gibson, Chief Financial Officer, AWWU  
1071-551-W8000-0000002165/0000003336 - \$4,000,000 (Designated Loan)  
1071-551-W8000-0000003335 - \$2,701,000 (Designated Loan)

Approved:



Chair, AWWU Board of Directors

7 Nov 2007  
Date

Attachments: Assembly Memorandum ACW Loan Offers  
Assembly Resolution ACW Loan Offers



**Content Information****Content ID :** 005703**Type:** AR\_FundsApprop - Funds Approp ResolutionACCEPTING AND APPROPRIATING TWO STATE OF ALASKA CLEAN  
WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF**Title:** \$6,701,000 FOR FINANCING A PORTION OF THE COSTS OF THE  
ASPLUND WASTEWATER TREATMENT FACILITY PROCESS  
IMPROVEMENT**Author:** gibsonam**Initiating  
Dept:** AWWU**Date  
Prepared:** 11/9/07 1:36 PM**Director  
Name:** Mark Premo**Assembly  
Meeting** 11/27/07**Date:****Public  
Hearing** 12/11/07  
**Date:**M.O.A.  
2007 NOV 15 PM 12:53  
CLEANWATER 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> |
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| FundsAppropWorkflow      | 11/9/07<br>1:40 PM   | Checkin       | gibsonam    | Public                | 005703            |
| AWWU_SubWorkflow         | 11/9/07<br>2:05 PM   | Approve       | premomc     | Public                | 005703            |
| OMB_SubWorkflow          | 11/14/07<br>11:38 AM | Approve       | mitsonjl    | Public                | 005703            |
| Finance_SubWorkflow      | 11/14/07<br>4:48 PM  | Approve       | weddletonsb | Public                | 005703            |
| MuniManager_SubWorkflow  | 11/15/07<br>11:09 AM | Approve       | leblancdc   | Public                | 005703            |
| MuniMgrCoord_SubWorkflow | 11/15/07<br>11:34 AM | Approve       | abbottmk    | Public                | 005703            |