

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- 260

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING AND APPROPRIATING ONE STATE OF ALASKA DRINKING  
WATER FUND LOAN OFFER IN THE AMOUNT OF EIGHT HUNDRED FORTY-  
SIX THOUSAND DOLLARS (\$846,000) FOR FINANCING A PORTION OF THE  
COSTS OF THE MISCELLANEOUS WATER PROJECTS (2006)**

**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 Miscellaneous Water Projects (2006); authorized the borrowing of an amount not to exceed \$846,000, 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") applications to borrow money from the Fund and to negotiate with the DEC the terms of such loans; 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 \$846,000 to finance a portion of the cost of the 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; and

1 **WHEREAS**, it is hereby found to be in the best interest of the Municipality that terms  
2 of said loan offer be approved and that the Loan Agreement be executed on behalf  
3 of the Municipality; and  
4

5 **WHEREAS**, at its November 7, 2007 meeting, the AWWU Authority Board  
6 supported this resolution to accept and appropriate funding from said loan  
7 agreement for this project; now, therefore,  
8

9 **THE ANCHORAGE ASSEMBLY RESOLVES:**  
10

11 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of Eight  
12 Hundred Forty-Six Thousand Dollars (\$846,000) are hereby accepted and  
13 appropriated.  
14

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

18 Principal Amount: Not to exceed \$846,000 (subject to individual draws)  
19

20 Interest Rate: 2.5% per annum  
21

22 Interest Accrual: Accrual of interest will begin one year after the date of  
23 the first disbursement to the Municipality  
24

25 Term: Twenty years from the date of initiation of operation  
26 of the respective Project  
27

28 Date of First Payment: One year following substantial completion and initiation  
29 of operation of the respective Project  
30

31 Payment Interval: Annual  
32

33 Amortization Schedule: Level, fully amortizing  
34

35 Security: A subordinate lien pledge of the Gross Revenues less  
36 the Operating Expenses of the System as those terms  
37 are defined in Ordinance No. AO No. 99-118(S), provided  
38 that if such monies are not sufficient, repayment of the  
39 loan shall be from any legally available funds accruing to  
40 or in the possession of the Municipality; and provided  
41 further that repayment of the loan is not a direct  
42 obligation of the Municipality and neither the faith and  
43 credit nor the taxing power of the Municipality are  
44 pledged therefore.

**Section 3. Approval and Executing of Loan Agreements:** 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 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 721 -2007

Meeting Date: November 27, 2007

1     **From:** Mayor

2  
3     **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
4               ACCEPTING AND APPROPRIATING ONE STATE OF ALASKA  
5               DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF EIGHT  
6               HUNDRED FORTY-SIX THOUSAND DOLLARS (\$846,000) FOR  
7               FINANCING A PORTION OF THE COSTS OF THE MISCELLANEOUS  
8               WATER PROJECTS (2006)

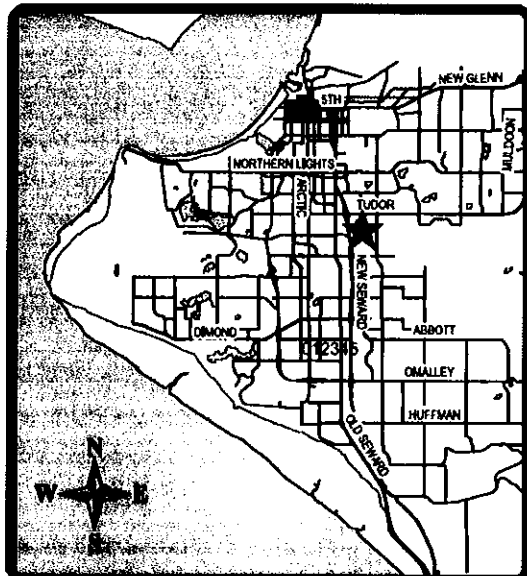
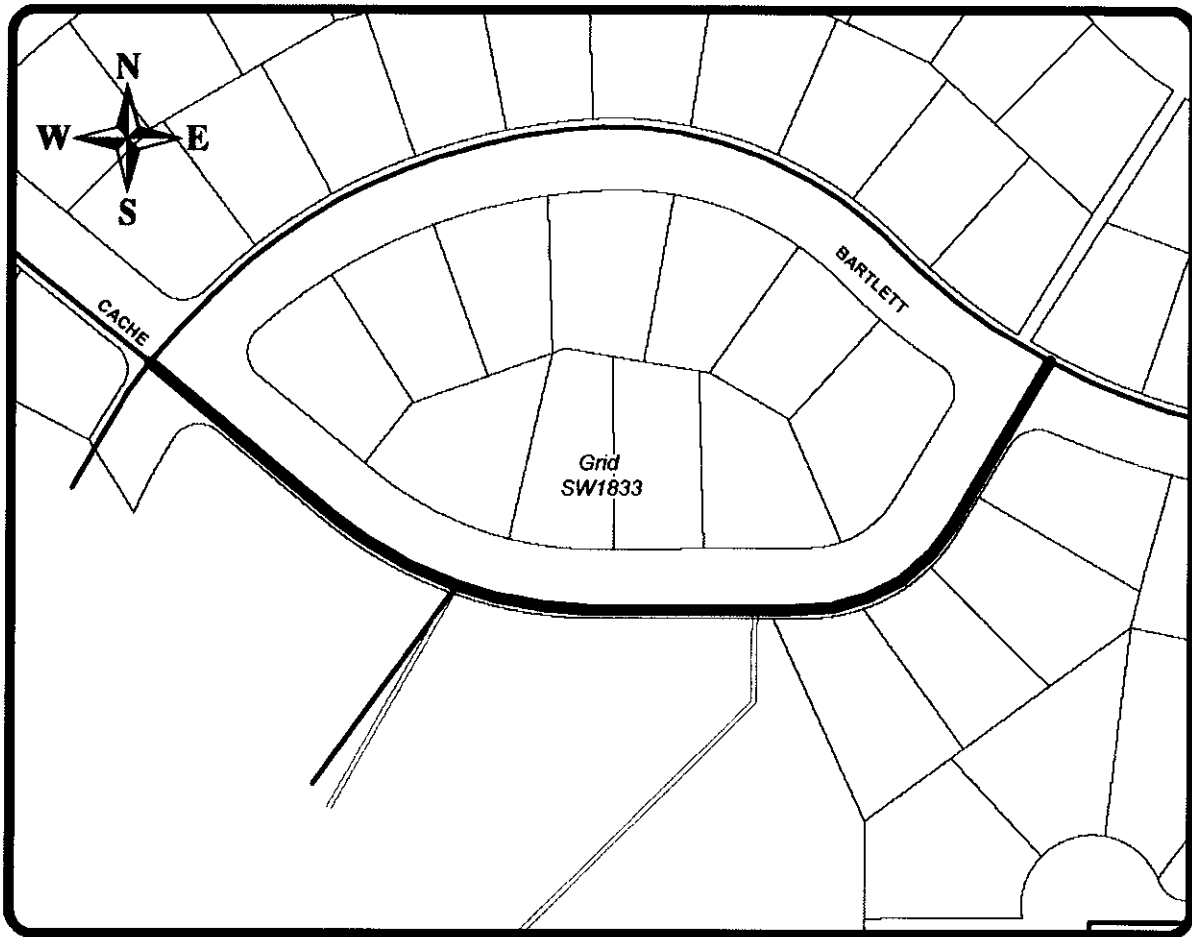
9  
10     The Municipality of Anchorage has received a formal Alaska Drinking Water Fund  
11     loan offer from the State of Alaska for the purpose of financing a portion of the cost  
12     of the Miscellaneous Water Projects (2006).

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

18  
19     At its November 7, 2007 meeting, the AWWU Authority Board supported this  
20     resolution to accept and appropriate funding from said loan agreement for this  
21     project.




22  
23     **THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION**  
24     **AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING AND**  
25     **APPROPRIATING ONE STATE OF ALASKA DRINKING WATER FUND LOAN**  
26     **OFFER IN THE AMOUNT OF EIGHT HUNDRED FORTY-SIX THOUSAND**  
27     **DOLLARS (\$846,000) FOR FINANCING A PORTION OF THE COSTS OF THE**  
28     **MISCELLANEOUS WATER PROJECTS (2006)**

29  
30     Prepared by: Anchorage Water & Wastewater Utility  
31     Recommended by: Mark Premo, P.E., General Manager, AWWU  
32     Concur: Denis C. LeBlanc, Municipal Manager  
33     Respectfully submitted: Mark Begich, Mayor



Maps Not-to-Scale

### LEGEND

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

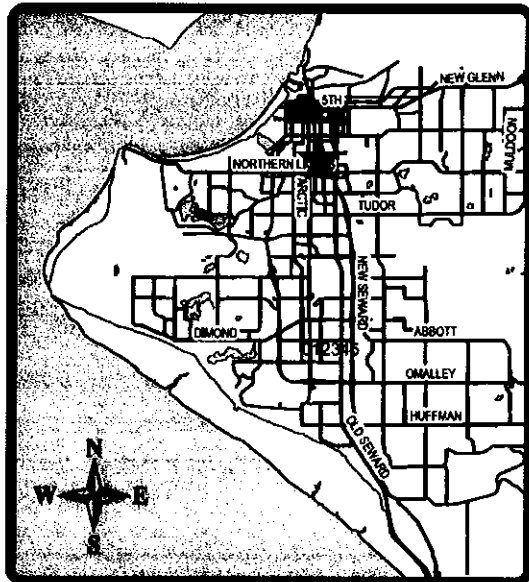
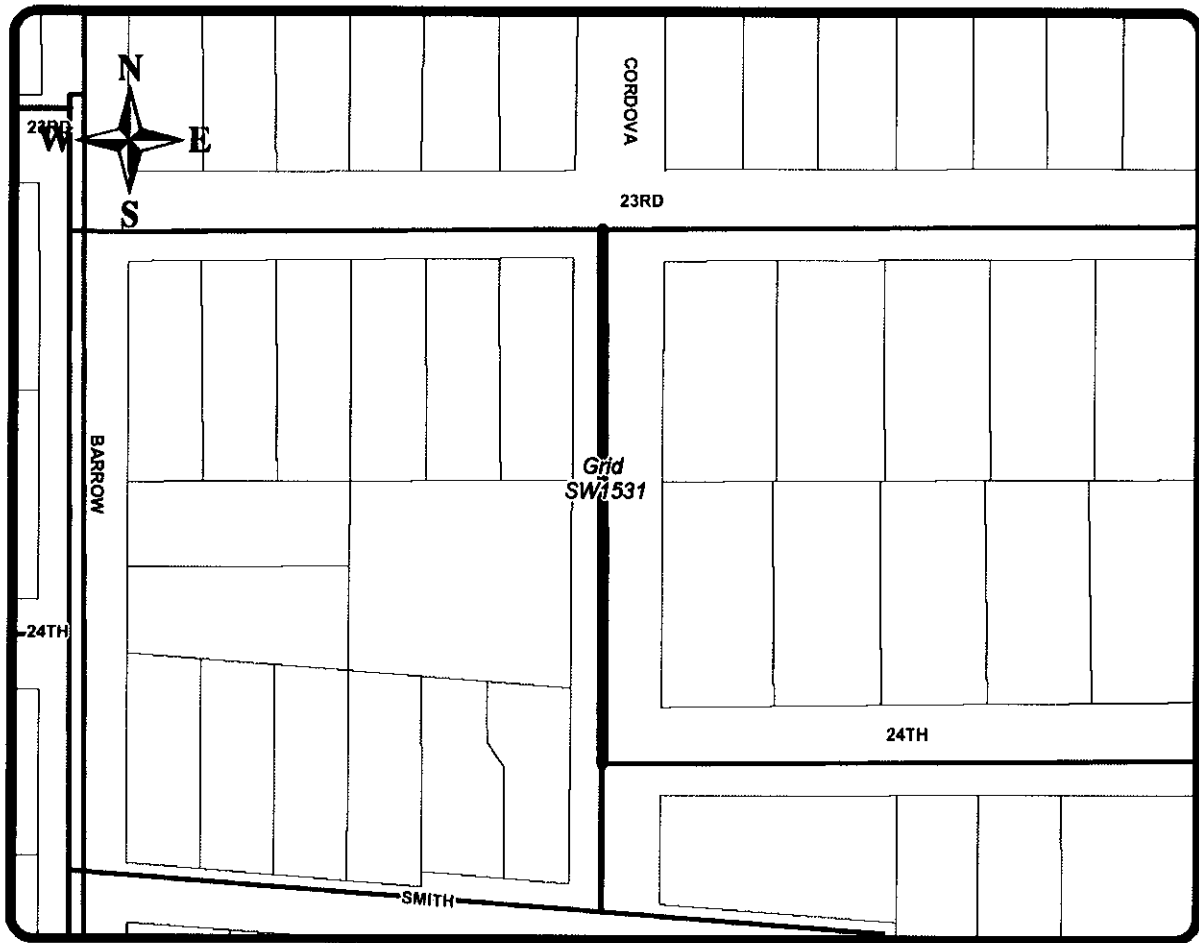


Map Created  
by AJU  
09/02/2005

## Cache\_Bartlett\_Wtr\_Upgr

PeopleSoft Project ID 0000003470

Anchorage Water & Wastewater Utility



G:\AWWU Common\Capital Budget\Maps\Water\0000003466.pdf

Maps Not-to-Scale

### LEGEND

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



Map Created  
by AJU  
09/02/2005

**Cordova 23rd Wtr Upgr**  
PeopleSoft Project ID 0000003466

Anchorage Water & Wastewater Utility



ANCHORAGE WATER AND WASTEWATER UTILITY  
BOARD MEMORANDUM  
No. 2007-74

Meeting Date: November 7, 2007

**AUTHORITY BOARD  
APPROVED**

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

2  
3 Subject: Acceptance and Appropriation of ADW Loan Offer:  
4 Miscellaneous Water Projects (2006) (\$846,000)

Date: November 7, 2007

5  
6 AWWU Board Memorandum 2006-19 was introduced and approved at the AWWU Board  
7 meeting of October 4, 2006. It outlined and described the process for applying for project loan  
8 funding under the two loan programs, the Alaska Clean Water Fund (ACWF) and the Alaska  
9 Drinking Water Fund (ADWF). These programs provide loans at attractive rates (generally 2.5%  
10 for ADWF, and 1.5% for ACWF loans) for up to twenty years in duration to cities, boroughs  
11 and qualified private water utilities.

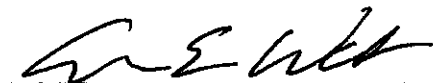
12  
13 Board Memorandum 2006-19 also approved AWWU to introduce at the Assembly Meeting of  
14 October 17, 2006, Anchorage Ordinance AO 2006-141 that would authorize the borrowing of  
15 said loan funds for 2006 CIB projects. The Public Hearing was held and subsequently closed for  
16 AO 2006-141 on October 31, 2006. The Assembly authorized AWWU to begin to secure the  
17 loan funds.

18  
19 Per the process outlined in Board Memorandum 2006-19, AWWU then began the process for its  
20 projects which are slated to receive loan funding. AWWU has now received one (1) ADWF  
21 loan agreement in the amount of \$846,000 for Miscellaneous Water Projects (2006). For this  
22 reason, we are now bringing before the Board the attached draft Assembly Resolution.

23  
24 Approval by the AWWU Board of the attached draft Resolution is requested at the regular  
25 meeting of November 7, 2007. With the Board's support, AWWU will present the attached  
26 Assembly Resolution and Memorandum to the Assembly seeking approval to appropriate  
27 funding from said loan agreement for this project.

28  
29 Prepared by: Wendy Drew, Project Support Supervisor, Engineering Division  
30 Respectfully submitted: Mark Premo, P.E., General Manager  
31 Fund Certification: Glenda Gibson, Chief Financial Officer, AWWU  
32 1071-541-W8000-0000003470/0000003466 - \$846,000 (Designated Loan)

33  
34 Approved:

35  
36 

37  
38 Chair, AWWU Board of Directors

7 Nov 2007  
Date

39  
40  
41 Attachments: Assembly Memorandum ADW Loan Offer  
42 Assembly Resolution ADW Loan Offer

**Content Information****Content ID :** 005705**Type:** AR\_AllOther - All Other Resolutions

ACCEPTING AND APPROPRIATING ONE STATE OF ALASKA

**Title:** DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF \$846,000  
FOR FINANCING A PORTION OF THE COSTS OF THE  
MISCELLANEOUS WATER PROJECTS (2006)**Author:** gibsonam**Initiating**  
**Dept:** AWWU**Date**  
**Prepared:** 11/9/07 1:53 PM**Director**  
**Name:** Mark Premo**Assembly**  
**Meeting Dat:** 11/27/07**Public**  
**Hearing** 12/11/07  
**DateY:**M.O.A.  
2007 NOV 15 PM 12:53  
CLEANUP 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>
AllOtherARWorkflow	11/9/07 1:56 PM	Checkin	gibsonam	Public	005705
AWWU_SubWorkflow	11/9/07 2:05 PM	Approve	premomc	Public	005705
MuniManager_SubWorkflow	11/15/07 11:38 AM	Approve	leblancdc	Public	005705
MuniMgrCoord_SubWorkflow	11/15/07 11:46 AM	Approve	abbottmk	Public	005705