

DATE OF ADOPTION
APPROVED
Date: 5/20/08

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater
Utility
For reading: April 29, 2008

ANCHORAGE, ALASKA
AR No. 2008-86

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING EIGHT STATE OF ALASKA DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF SIX MILLION SEVEN HUNDRED TWENTY THOUSAND DOLLARS (\$6,720,000) FOR FINANCING A PORTION OF THE COSTS OF THE ANCHORAGE LOOP WTM - PHASE IV, HILLSIDE TRANSMISSION MAIN, KNIK VIEW WATER, NORTHEAST WATER IMPROVEMENTS, WATER DATA PROCESSING, SAN ERNESTO WATER UPGRADE, DARYL-INDUSTRIAL WATER INTERTIE, AND SOUTH ANCHORAGE WATER EXTENSION 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 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 2007-127 and AO 2008-11, 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 2007 and 2008 Capital Improvement Budget projects; authorized the borrowing 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 DEC the terms of such loans; and

WHEREAS, AWWU has submitted 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 \$6,720,000 to finance a portion of the costs of the Anchorage Loop WTM - Phase IV (\$2,000,000), Hillside Transmission Main (\$1,000,000), Knik View Water (\$1,000,000), Northeast Water Improvements (\$840,000), Water Data Processing (\$600,000), San Ernesto Water Upgrade (\$500,000), Daryl-Industrial Water Intertie (\$420,000), and South Anchorage Water Extension (\$360,000) projects; and

WHEREAS, the terms and conditions of said loans are contained in the Alaska 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 April 2, 2008 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 amount of Six Million Seven Hundred Twenty Thousand Dollars (\$6,720,000) are hereby accepted and appropriated.

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

Principal Amount: Not to exceed \$6,720,000 (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 Projects

Date of First Payment: One year following substantial completion and initiation of operation of the respective Projects

Payment Interval: Annual

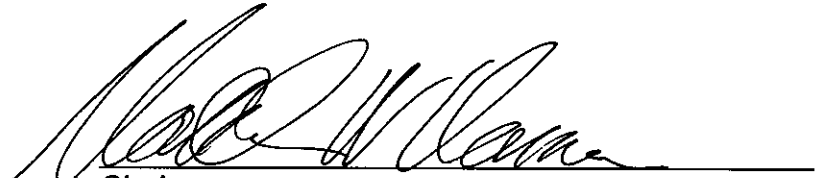
Amortization Schedule: Level, fully amortizing

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.

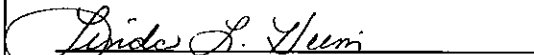
Section 3. Approval and Executing of Loan Agreements: The loan offers are approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreements for and on behalf of the Municipality, 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 20th day of May, 2008.


Chair

ATTEST:


Municipal Clerk
Deputy

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 285 -2008

Meeting Date: April 29, 2008

1 **From:** Mayor

2
3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
4 ACCEPTING AND APPROPRIATING EIGHT STATE OF ALASKA
5 DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE
6 AMOUNT OF SIX MILLION SEVEN HUNDRED TWENTY THOUSAND
7 DOLLARS (\$6,720,000) FOR FINANCING A PORTION OF THE COSTS
8 OF THE ANCHORAGE LOOP WTM - PHASE IV, HILLSIDE
9 TRANSMISSION MAIN, KNIK VIEW WATER, NORTHEAST WATER
10 IMPROVEMENTS, WATER DATA PROCESSING, SAN ERNESTO
11 WATER UPGRADE, DARYL-INDUSTRIAL WATER INTERTIE, AND
12 SOUTH ANCHORAGE WATER EXTENSION PROJECTS
13

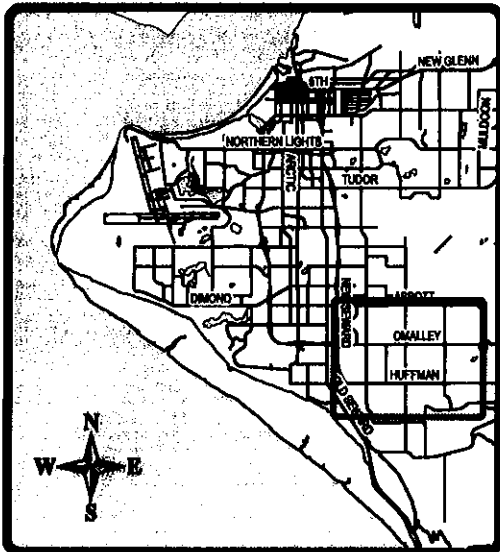
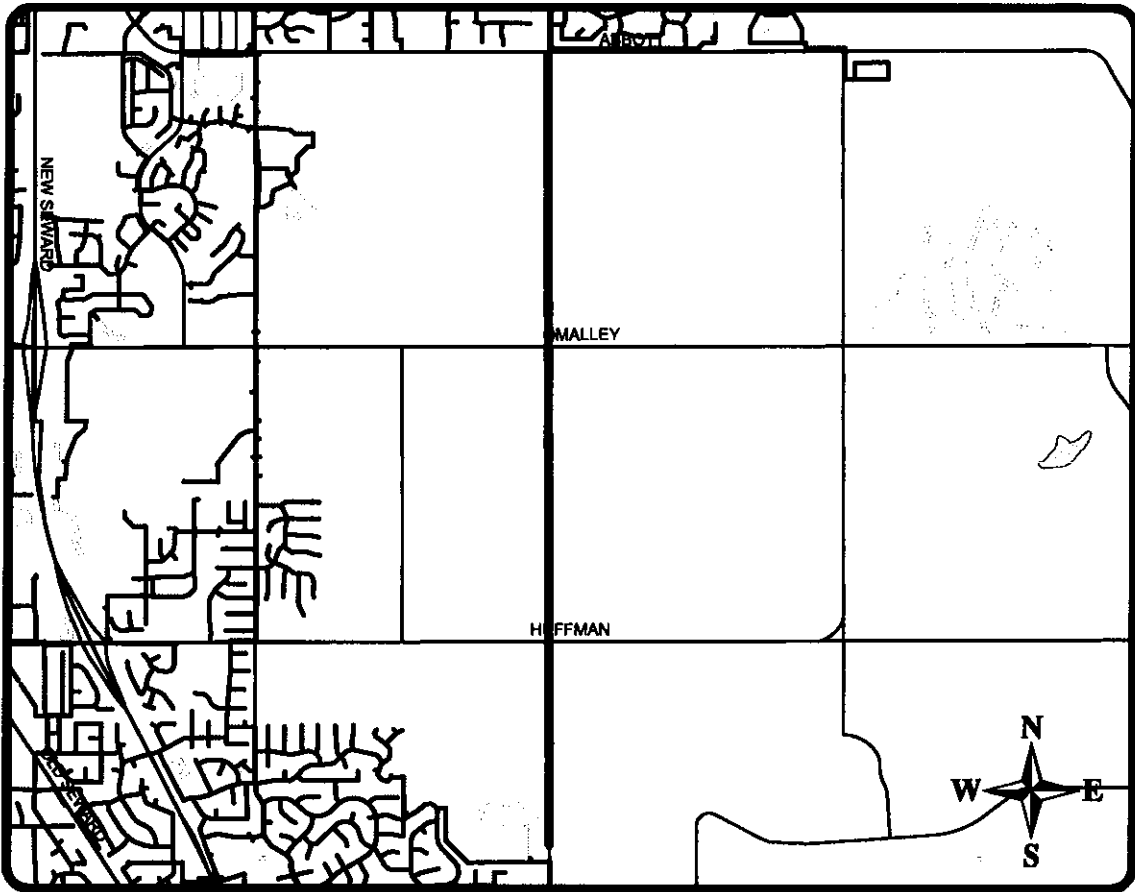
14 The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan
15 offers from the State of Alaska for the purpose of financing a portion of the cost of the
16 Anchorage Loop WTM, Phase IV, Hillside Transmission Main, Knik View Water,
17 Northeast Water Improvements, Water Data Processing, San Ernesto Water Upgrade,
18 Daryl-Industrial Water Intertie, and South Anchorage Water Extension projects.
19

20 These loan offers are made under the State's low-interest revolving loan program,
21 which is attractive to the Municipality due to the low interest rate of 1.5% and the
22 favorable payback terms of twenty years from one year after project's date of initiation
23 of operation.
24

25 At its April 2, 2008 meeting, the AWWU Authority Board supported this resolution to
26 accept and appropriate funding from said loan agreements for these projects.
27




28 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION**
29 **AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING AND**
30 **APPROPRIATING EIGHT STATE OF ALASKA DRINKING WATER FUND LOAN**
31 **OFFERS IN THE AGGREGATE AMOUNT OF SIX MILLION SEVEN HUNDRED**
32 **TWENTY THOUSAND DOLLARS (\$6,720,000) FOR FINANCING A PORTION OF**
33 **THE COSTS OF THE ANCHORAGE LOOP WTM - PHASE IV (\$2,000,000),**
34 **HILLSIDE TRANSMISSION MAIN (\$1,000,000), KNIK VIEW WATER (\$1,000,000),**
35 **NORTHEAST WATER IMPROVEMENTS (\$840,000), WATER DATA PROCESSING**
36 **(\$600,000), SAN ERNESTO WATER UPGRADE (\$500,000), DARYL-INDUSTRIAL**
37 **WATER INTERTIE (\$420,000), AND SOUTH ANCHORAGE WATER EXTENSION**
38 **(\$360,000) PROJECTS**
39

40 Prepared by: Anchorage Water & Wastewater Utility
41 Recommended by: Mark Premo, P.E., General Manager, AWWU
42 Fund Concurrence: Sharon Weddleton, CFO
43 Concur: Michael K. Abbott, Municipal Manager
44 Respectfully submitted: Mark Begich, Mayor



Maps Not-to-Scale

LEGEND

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

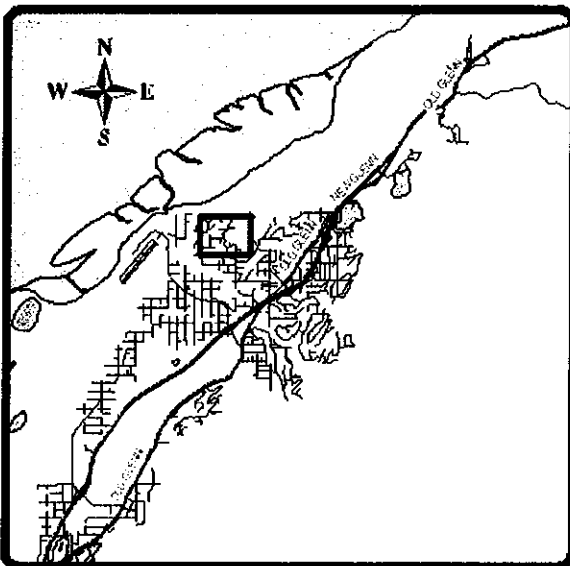
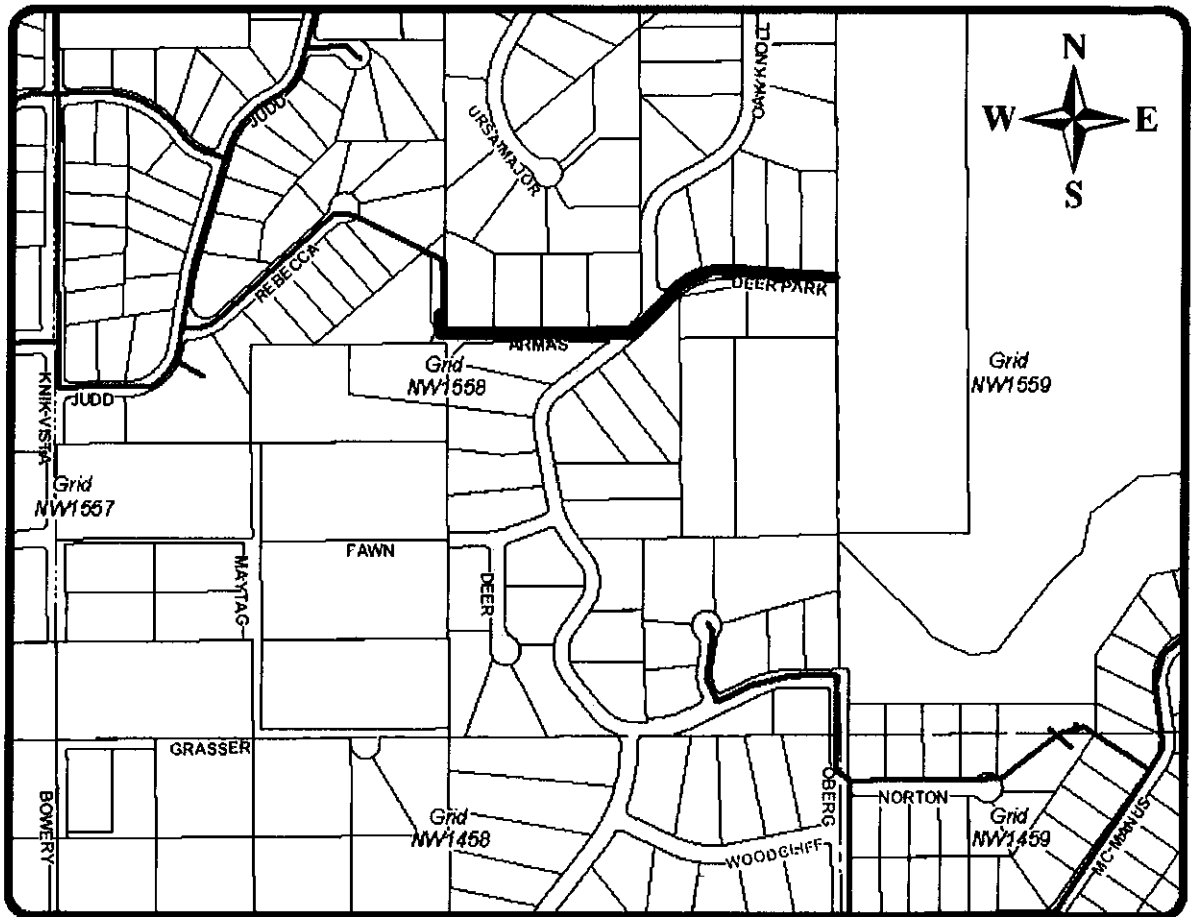


Map Created
by AJU
08/17/2005

Hillside_Trans_Main




PeopleSoft Project ID 0000003491

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

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

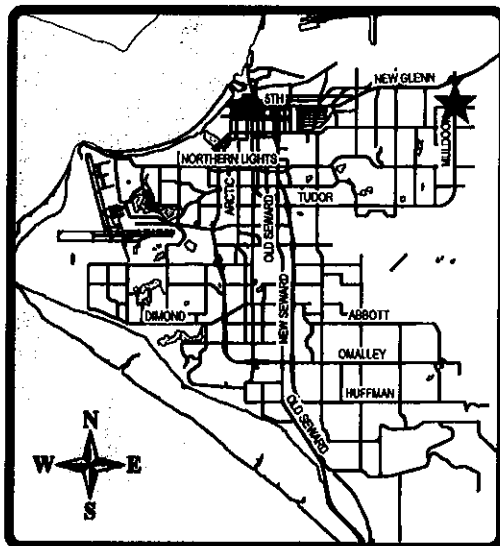
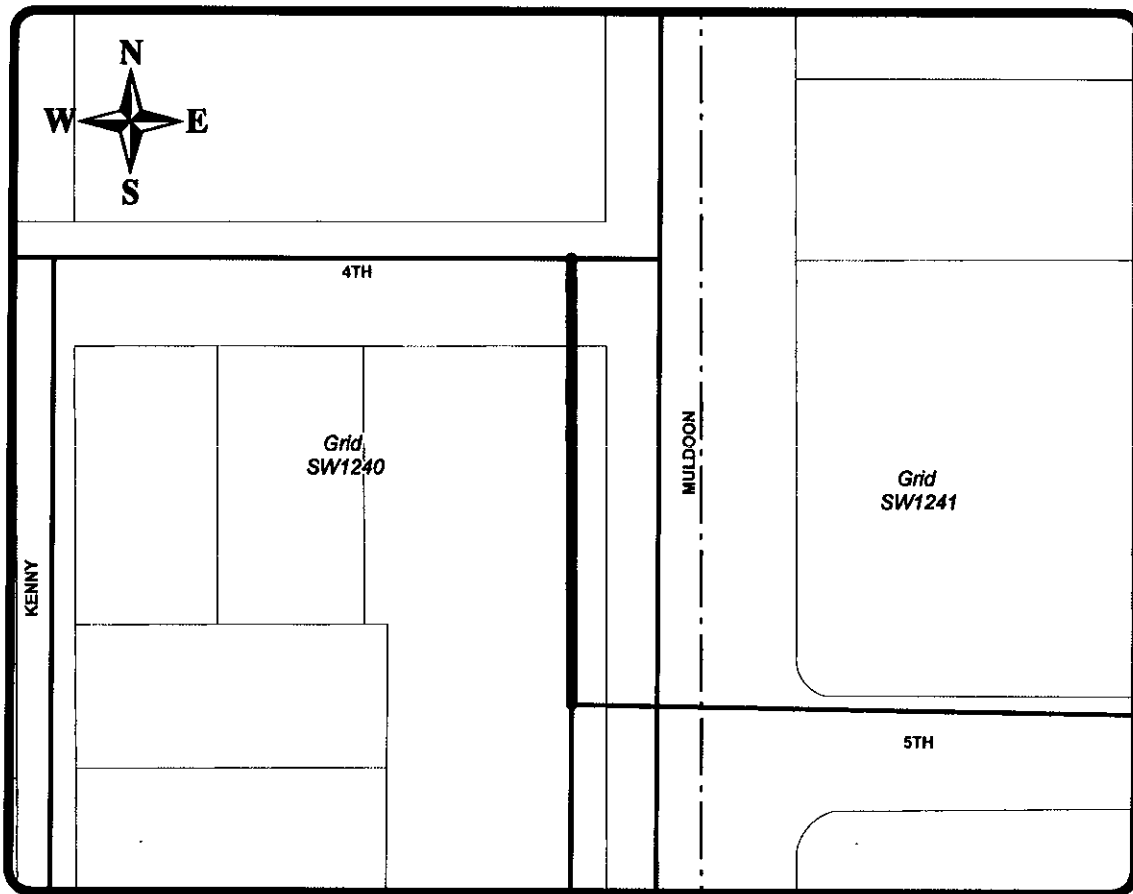


Map Created
7/2/03

Knik View Intertile-WTR


PeopleSoft Project ID 0000002431

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

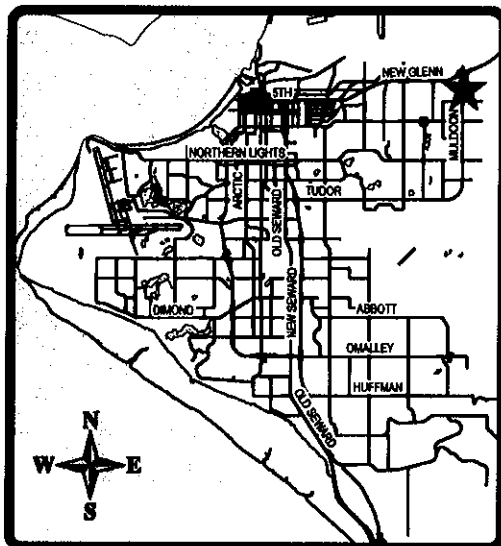
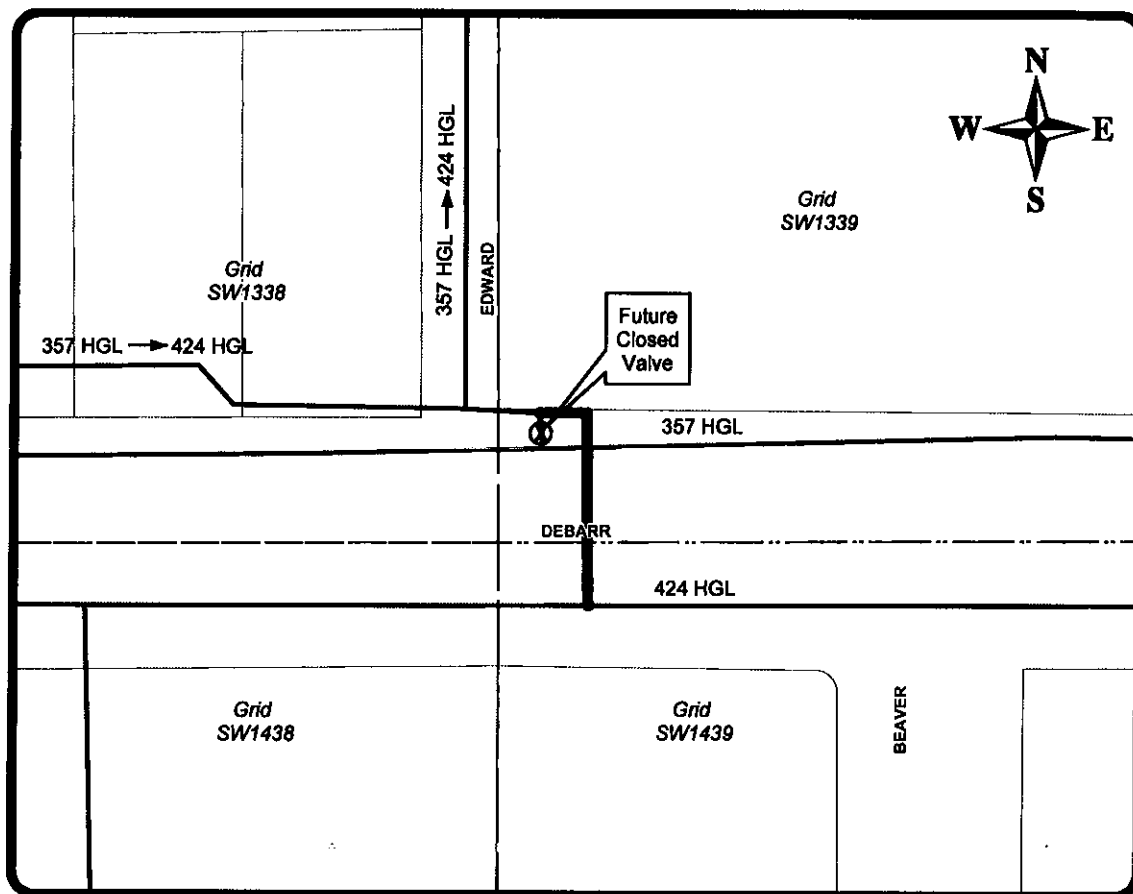
-  Project Water Main
-  Existing Water Mains
-  Project Map Area



Map Created
by AJU
03/16/2006




NE_Arch_Wtr Impr_Ph2_3 Schedule A

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

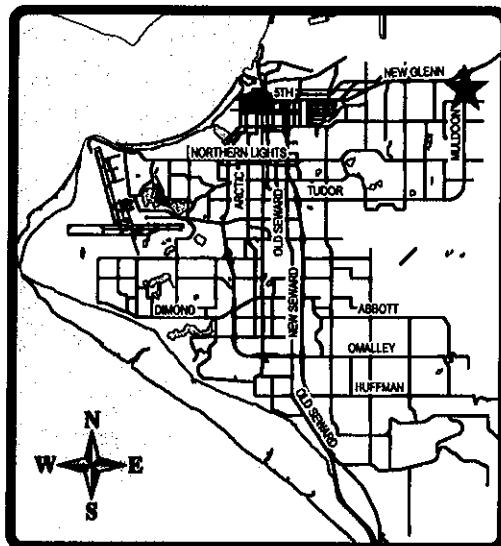
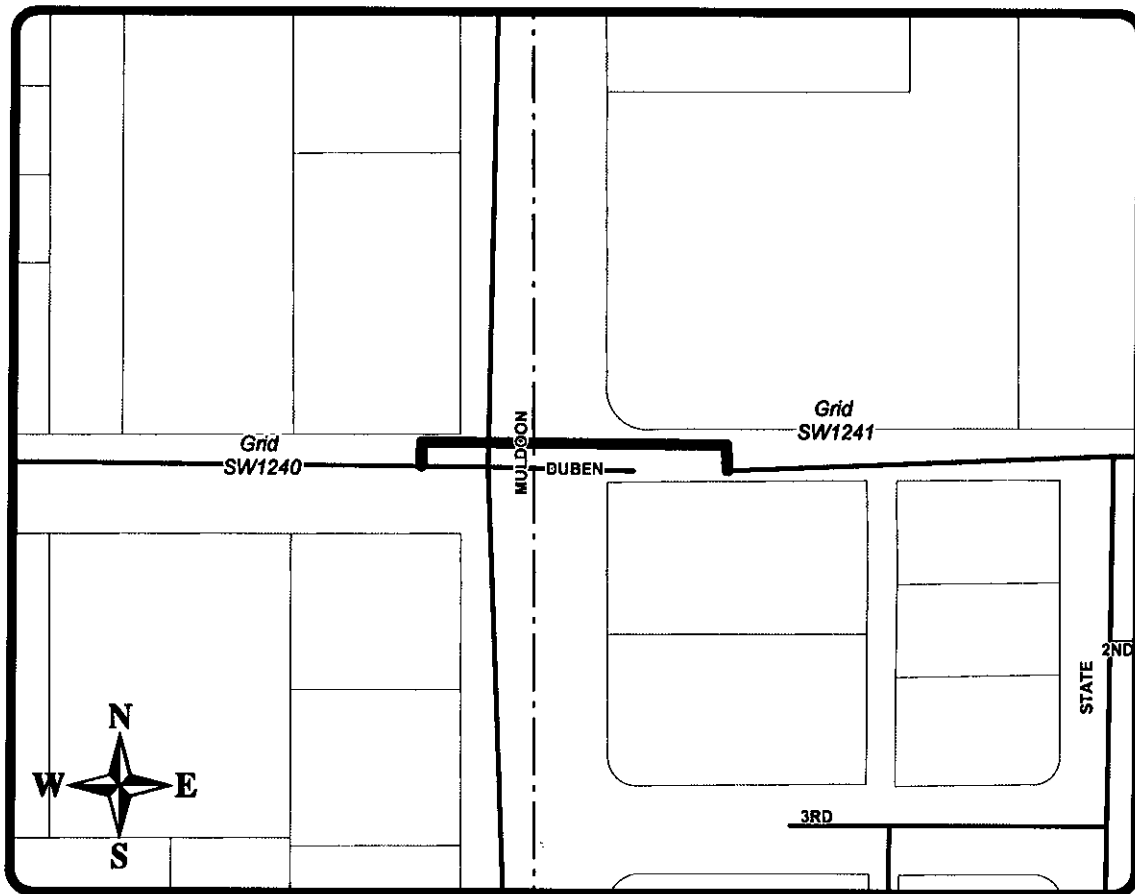
-  Project Water Main
-  Existing Water Mains
-  Project Map Area



Map Created
by AJU
03/16/2006




NE_Anch_Wtr Impr_Ph2_3 Schedule E

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

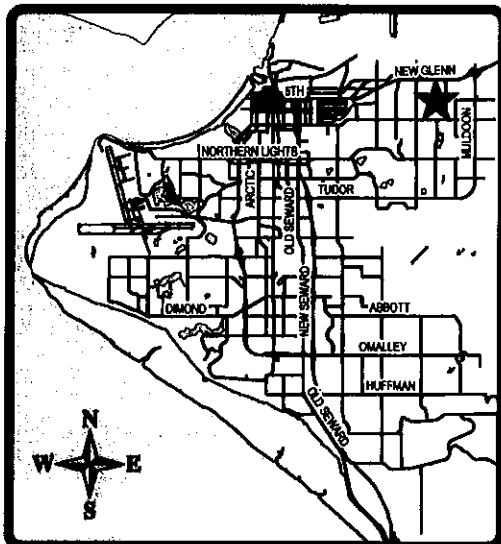
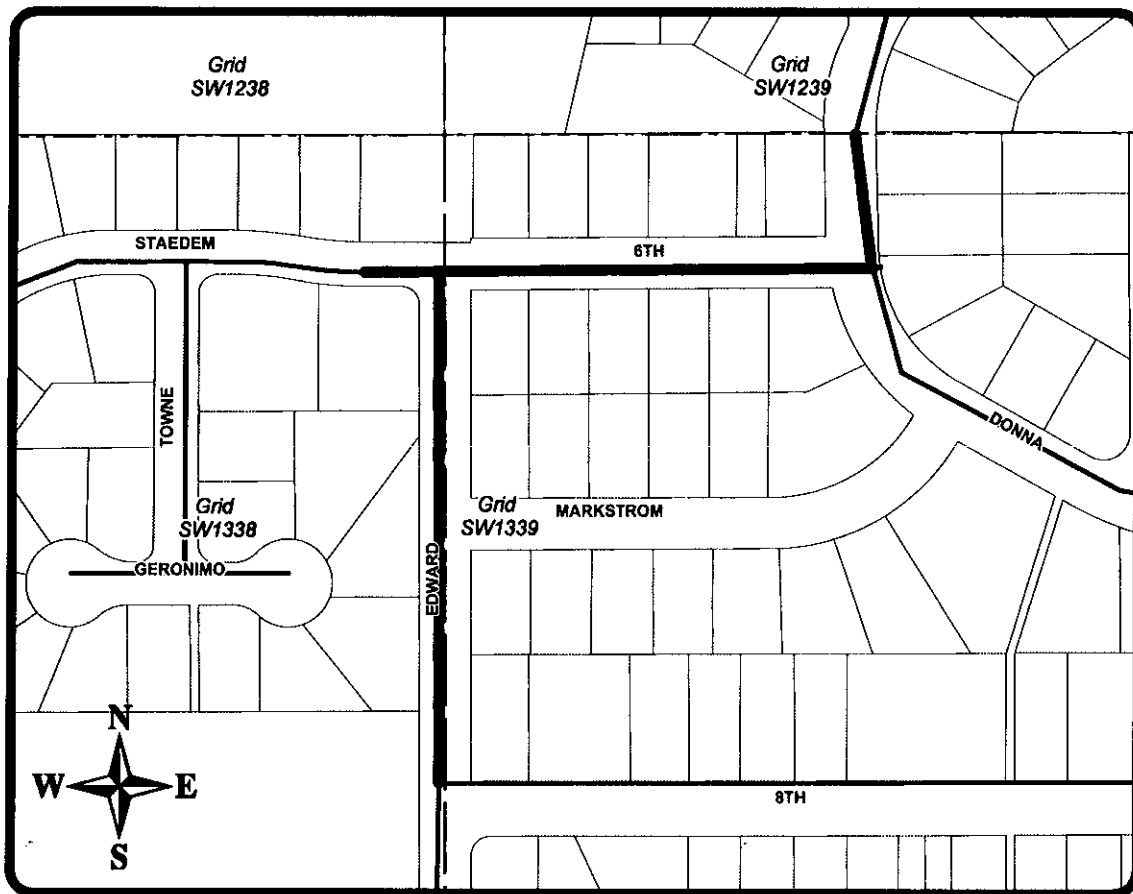
-  Project Water Main
-  Existing Water Mains
-  Project Map Area



Map Created
by AJU
03/16/2006




NE_Arch_Wtr Impr_Ph2_3 Schedule B

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

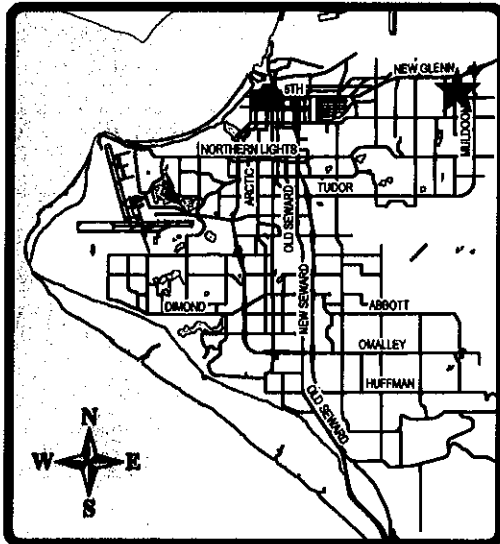
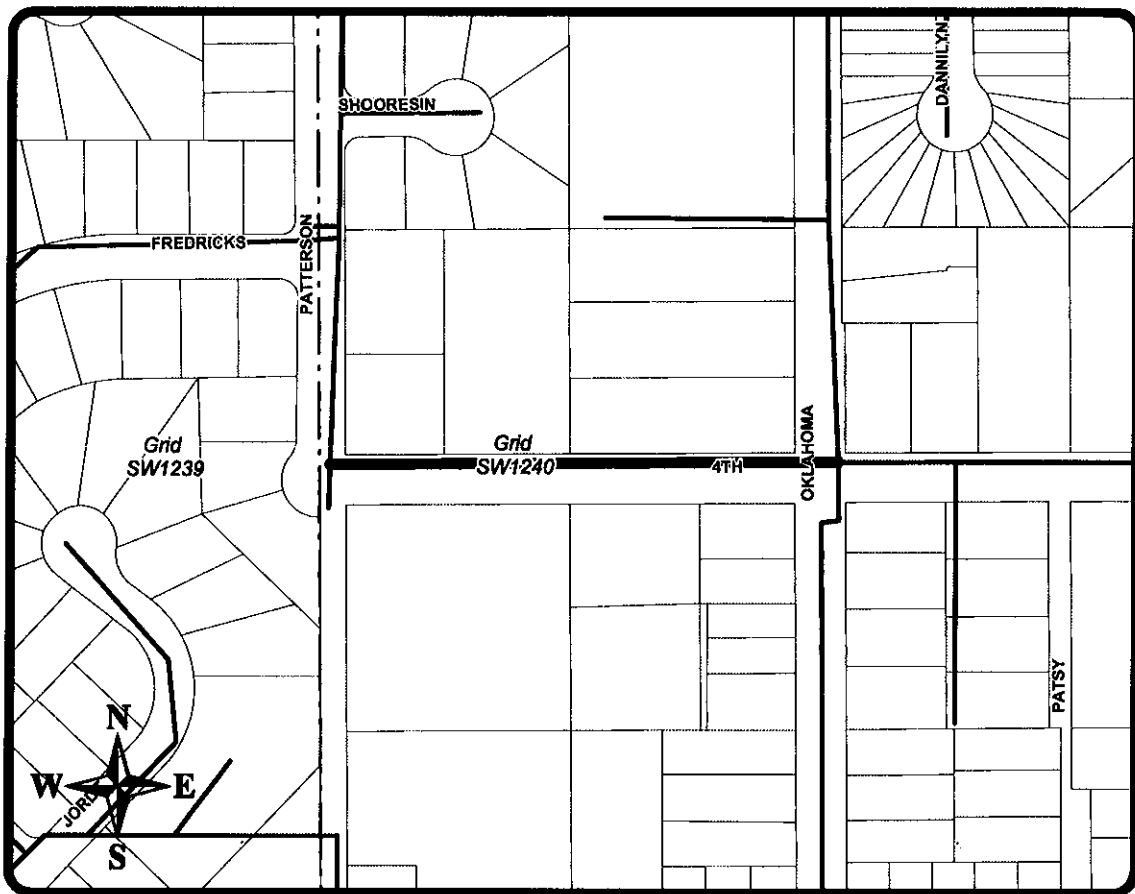
-  Project Water Mains
-  Existing Water Mains
-  Project Map Area



Map Created
by AJU
03/16/2006


NE_Arch_Wtr Impr_Ph2_3 Schedule C

PeopleSoft Project ID 000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

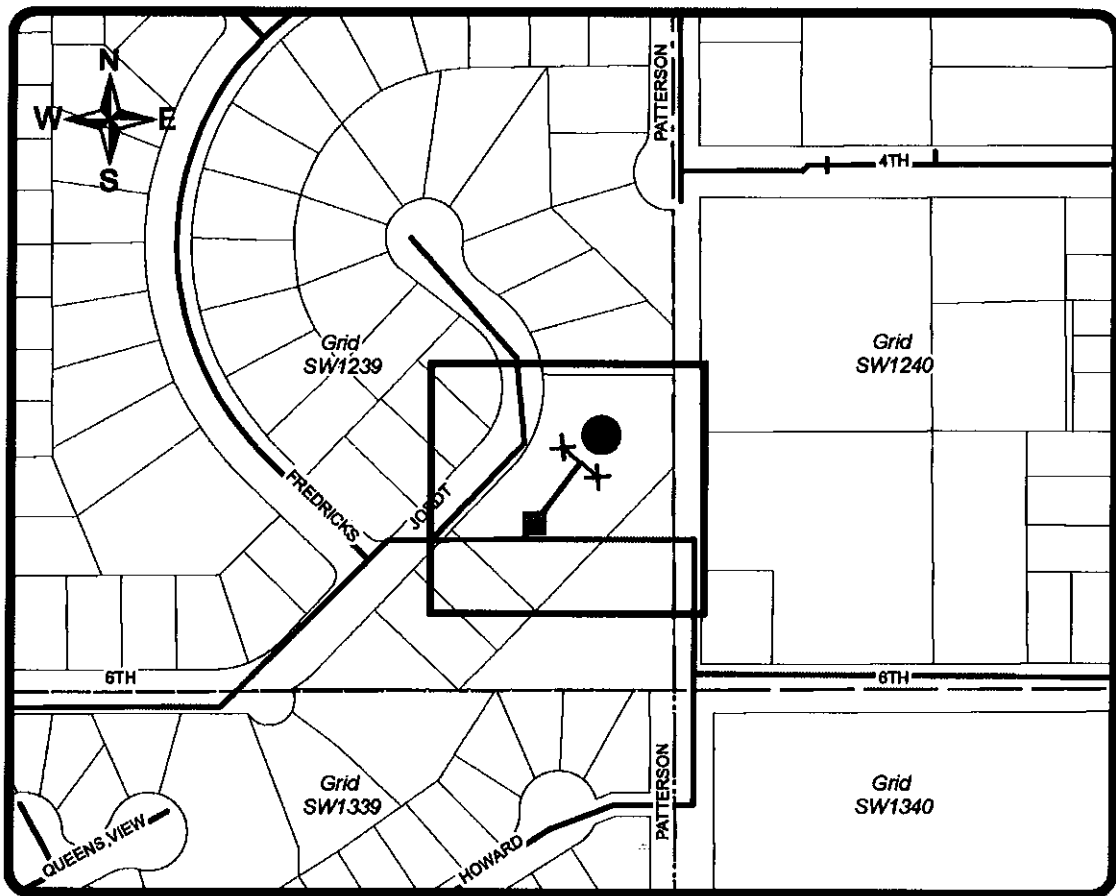
-  Project Water Main
-  Existing Water Mains
-  Project Map Area



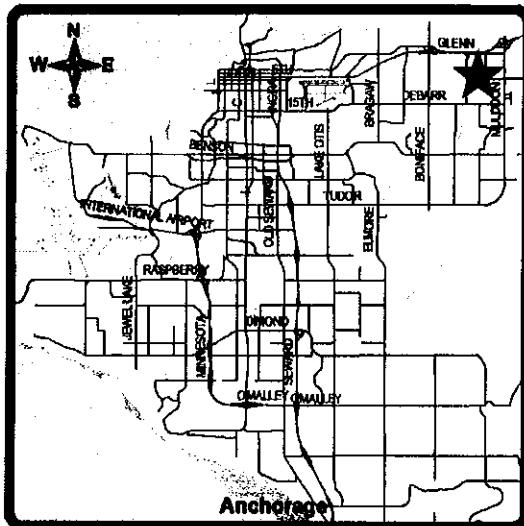
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by AJU
03/16/2006

NE_Arch_Wtr Impr_Ph2_3 Schedule D




PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

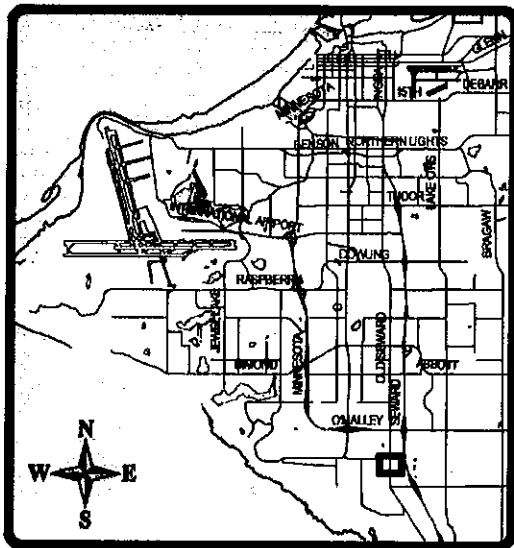
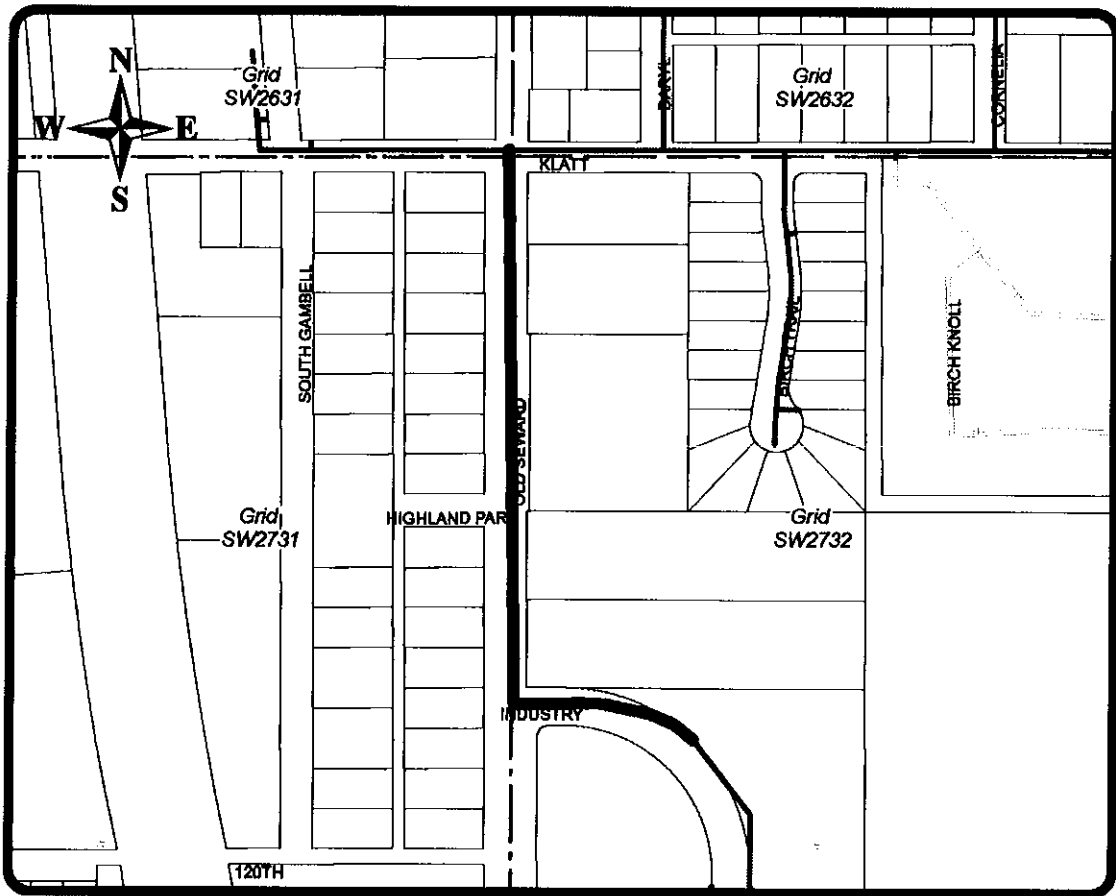
-  Existing Water Mains
-  Project Area
-  Project Location



Map Created
by AJU
1/22/2008




NE_Anc_Wtr Impr_Ph4

PeopleSoft Project ID 0000003851
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

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



Map Created
by AJU
3/30/2007

Daryl_Industry_Way_Wtr_Int

PeopleSoft Project ID 0000003463
Anchorage Water & Wastewater Utility



ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2008-24

Meeting Date: April 7, 2008
AUTHORITY BOARD
APPROVED

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

Subject: Acceptance and Appropriation of Eight (8) Alaska Drinking Water Fund
Loan Offers in the Aggregate Amount of \$6,720,000

Date: April 7, 2008

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

AWWU Board Memoranda 2007-56(s) and 2008-10 also approved AWWU to introduce Assembly Ordinances AO2007-127 and AO2008-11 authorizing for the borrowing of said loan funds for 2007 and 2008 CIB projects. Public hearings were held and subsequently closed October 09, 2007 and February 12, 2008. The Assembly authorized AWWU to begin to secure the loan funds.

AWWU has now received Eight (8) ADWF loan agreements: Anchorage Loop WTM - Phase IV (\$2,000,000), Hillside Transmission Main (\$1,000,000), Knik View Water (\$1,000,000), Northeast Water Improvements (\$840,000), Water Data Processing (\$600,000), San Ernesto Water Upgrade (\$500,000), Daryl-Industrial Water Intertie (\$420,000), and South Anchorage Water Extension (\$360,000). 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 April 2, 2008. 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/Grants Supervisor, Engineering Division
Fund Certification: Glenda Gibson, CPA, CFO, AWWU

Designated Loans -

1071-541-0000000535	\$2,000,000	1071-541-0000003491	\$1,000,000
1071-541-0000002431	\$1,000,000	1071-541-0000003547/3851	\$840,000
1071-541-0000003930	\$600,000	1071-541-0000002179	\$500,000
1071-541-0000003463	\$420,000	1071-541-0000004004/4005	\$360,000

Respectfully submitted: Mark Premo, P.E., General Manager

Approved:

Calvin E. West, P.E.
Chair, AWWU Board of Directors

7 APR 2008
Date

Content ID: 006228**Type:** AR_FundsApprop - Funds Approp Resolution

ACCEPTING AND APPROPRIATING EIGHT STATE OF ALASKA DRINKING

Title: WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF SIX
MILLION SEVEN HUNDRED TWENTY THOUSAND DOLLARS (\$6,720,000)**Author:** maglaquijp**Initiating
Dept:** AWWU**Date
Prepared:** 4/8/08 3:06 PM**Director
Name:** Mark Premo**Assembly
Meeting Date:** 4/29/08**Public
Hearing Date:** 5/20/08

11:0 A.
2008 APR 18 PM 12:47
CLERKS OFFICE

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	4/18/08 9:54 AM	Exit	Heather Handyside	Public	006228
MuniMgrCoord_SubWorkflow	4/18/08 9:54 AM	Approve	Heather Handyside	Public	006228
MuniManager_SubWorkflow	4/18/08 9:40 AM	Approve	Michael Abbott	Public	006228
MuniManager_SubWorkflow	4/11/08 9:30 AM	Checkin	Joy Maglaqui	Public	006228
Finance_SubWorkflow	4/10/08 9:55 AM	Approve	Sharon Weddleton	Public	006228
OMB_SubWorkflow	4/9/08 4:08 PM	Approve	Wanda Phillips	Public	006228
AWWU_SubWorkflow	4/8/08 3:21 PM	Approve	Mark Premo	Public	006228
FundsAppropWorkflow	4/8/08 3:08 PM	Checkin	Alyssa Gibson	Public	006228