

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater
Utility
For reading: June 10, 2008

CLERK'S OFFICE

APPROVED

Date: 6-24-08 ANCHORAGE, ALASKA
AR No. 2008- 118

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND**
3 **LOAN OFFER IN THE AMOUNT OF SEVEN HUNDRED SEVENTY THOUSAND**
4 **DOLLARS (\$770,000) FOR FINANCING A PORTION OF THE COSTS OF THE 19TH**
5 **& SPENARD WATER UPGRADE PROJECT**
6

7
8
9 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and
10 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Drinking
11 Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by
12 the Drinking Water Act, as amended by P.L. 104-182; and
13

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

18 WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 2007-127 and AO
19 2008-11, determined it was necessary to proceed to plan, design, develop, construct, equip,
20 acquire property for, or otherwise obtain items of capital improvements in connection with the
21 2007 and 2008 Capital Improvement Budget projects; authorized the borrowing from the Fund
22 for the purpose of financing a portion of the cost of said project; and authorized and directed
23 the General Manager of the Anchorage Water and Wastewater Utility ("AWWU") to complete
24 and submit to the State Department of Environmental Conservation ("DEC") applications to
25 borrow money from the Fund and to negotiate with DEC the terms of such loan; and
26

27 WHEREAS, AWWU has submitted an application for a loan in connection with said project,
28 said application for this loan has been approved, and AWWU has negotiated the terms of this
29 loan from the Fund in the amount of \$770,000 to finance a portion of the costs of the 19th &
30 Spenard Water Upgrade project; and
31

32 WHEREAS, the terms and conditions of said loan is contained in the Alaska Drinking Water
33 Fund Loan Agreement between the Municipality and DEC; and
34

35 WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said
36 loan offer be approved and that the Loan Agreement be executed on behalf of the Municipality;
37 and

1 WHEREAS, at its May 7, 2008 meeting, the AWWU Authority Board supported this
2 resolution to accept and appropriate funding from said loan agreement for this project; now,
3 therefore,

4
5 THE ANCHORAGE ASSEMBLY RESOLVES:

6
7 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of Seven Hundred
8 Seventy Thousand Dollars (\$770,000) are hereby accepted and appropriated.

9
10 **Section 2. Loan Terms:** The following primary terms of the loan are among those
11 incorporated in the Loan Agreement as hereby specifically approved:

12
13 Principal Amount: Not to exceed \$770,000 (subject to individual draws)

14
15 Interest Rate: 1.5% per annum

16
17 Interest Accrual: Accrual of interest will begin one year after the date of the first disbursement
18 to the Municipality

19
20 Term: Twenty years from the date of initiation of operation of the respective Project

21
22 Date of First Payment: One year following substantial completion and initiation of operation
23 of the respective Project

24
25 Payment Interval: Annual

26
27 Amortization Schedule: Level, fully amortizing

28
29 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
30 System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such
31 monies are not sufficient, repayment of the loan shall be from any legally available funds
32 accruing to or in the possession of the Municipality; and provided further that repayment of the
33 loan is not a direct obligation of the Municipality and neither the faith and credit nor the taxing
34 power of the Municipality are pledged therefore.

35
36 **Section 3. Approval and Executing of Loan Agreement:** The loan offer is approved and the
37 Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU,
38 are hereby authorized, empowered and directed to execute and deliver the Loan Agreement for
39 and on behalf of the Municipality, including necessary counterparts, and, from and after the
40 executing and delivery of the Loan Agreement, the Mayor, the Chief Fiscal Officer of the
41 Municipality and the General Manager of AWWU, are hereby authorized, empowered and
42 directed to do all such acts and things and to execute all such documents as may be necessary
43 to carry out and comply with the provisions of the Loan Agreement as executed.

44
45 **Section 4. Effective Date:** This Resolution shall take effect immediately upon passage and
46 approval by the Assembly.

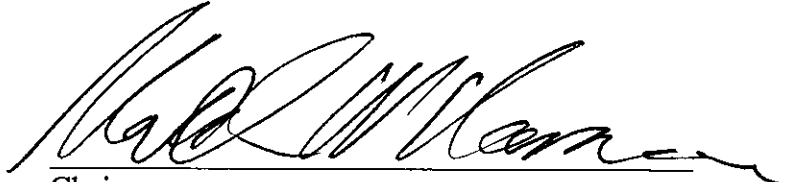
Assembly Resolution

Acceptance and Appropriation of ADWF Loan Offer (\$770,000)

Page 3

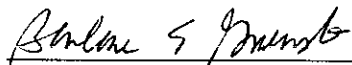
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PASSED AND APPROVED by the Anchorage Assembly this 24th day of June,
2008.



Chair

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 365 -2008

Meeting Date: June 10, 2008

1 **From:** Mayor

2
3 **Subject:** **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING**
5 **WATER FUND LOAN OFFER IN THE AMOUNT OF SEVEN HUNDRED**
6 **SEVENTY THOUSAND DOLLARS (\$770,000) FOR FINANCING A**
7 **PORTION OF THE COSTS OF THE 19TH & SPENARD WATER UPGRADE**
8 **PROJECT**

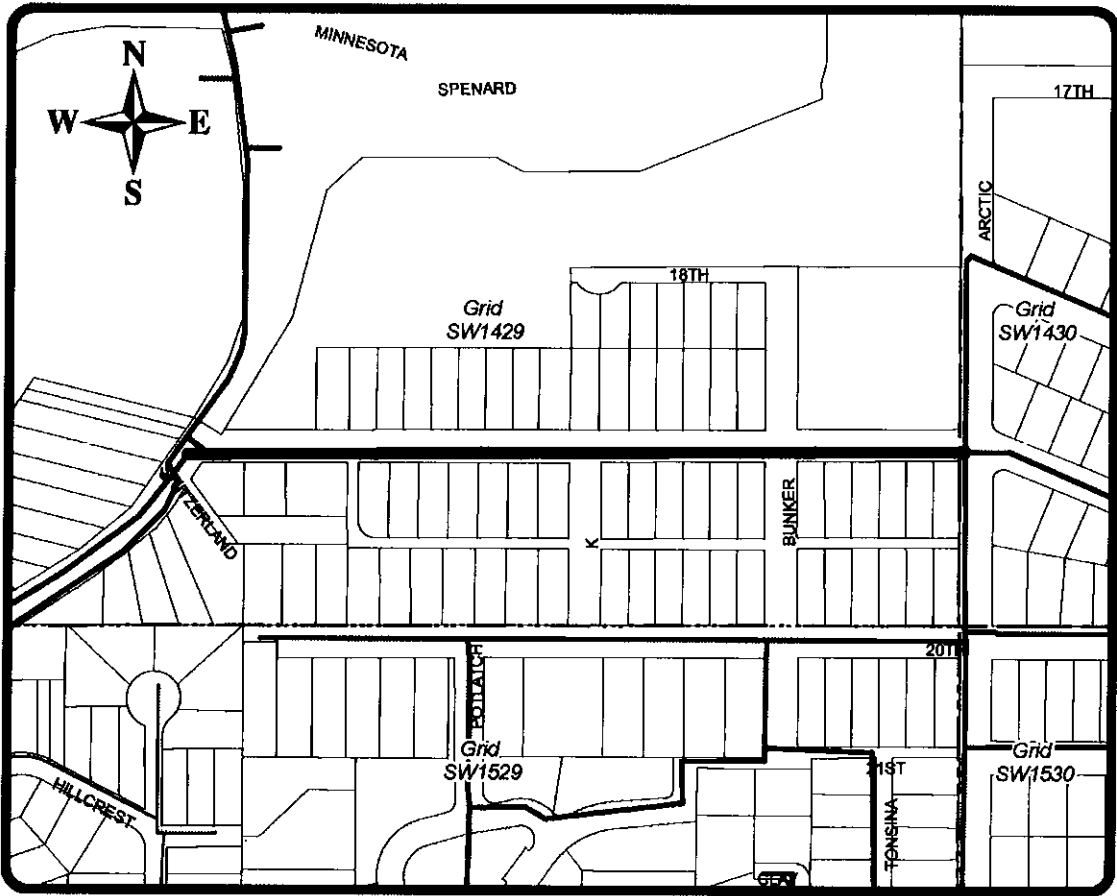
9
10 The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer
11 from the State of Alaska for the purpose of financing a portion of the cost of the 19th &
12 Spenard Water Upgrade project.

13
14 This loan offer is made under the State's low-interest revolving loan program, which is
15 attractive to the Municipality due to the low interest rate of 1.5% and the favorable payback
16 terms of twenty years from one year after project's date of initiation of operation.

17
18 At its May 7, 2008 meeting, the AWWU Authority Board supported this resolution to accept
19 and appropriate funding from said loan agreement for this project.




20
21 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
22 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
23 **ACCEPTING AND APPROPRIATING A STATE OF ALASKA DRINKING WATER**
24 **FUND LOAN OFFER IN THE AMOUNT OF SEVEN HUNDRED SEVENTY**
25 **THOUSAND DOLLARS (\$770,000) FOR FINANCING A PORTION OF THE COSTS**
26 **OF THE 19TH & SPENARD WATER UPGRADE PROJECT**

27
28 Prepared by: Anchorage Water and Wastewater Utility
29 Recommended by: Mark Premo, P.E., General Manager, AWWU
30 Fund Certification: Sharon Weddleton, CFO
31 Concur: Michael K. Abbott, Municipal Manager
32 Respectfully submitted: Mark Begich, Mayor



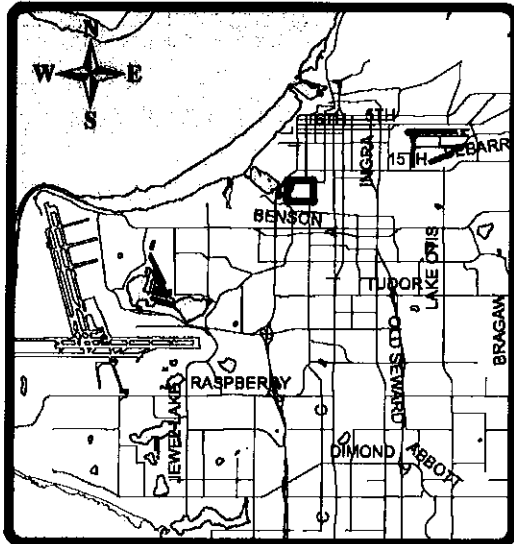
Maps Not-to-Scale

LEGEND

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



Map Created
by AJU
09/25/2006



19th_Spenard_Wtr_Upgr

PeopleSoft Project ID 000003550
Anchorage Water & Wastewater Utility



**ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2008-59**

**AUTHORITY BOARD
APPROVED**

Date: May 7, 2008

Meeting Date: May 7, 2008

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

2
3 **Subject:** **Acceptance and Appropriation of the 19th & Spenard Water Upgrade Alaska**
4 **Drinking Water Fund Loan Offer in the Amount of \$770,000**
5

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

12 AWWU Board Memoranda 2007-56(s) and 2008-10 also approved AWWU to introduce
13 Assembly Ordinances AO2007-127 and AO2008-11 authorizing for the borrowing of said loan
14 funds for 2007 and 2008 CIB projects. Public hearings were held and subsequently closed
15 October 09, 2007 and February 12, 2008. The Assembly authorized AWWU to begin to secure
16 the loan funds.
17

18 AWWU has now received the 19th & Spenard Water Upgrade ADWF loan agreement. For this
19 reason, we are now bringing before the Board the attached draft Assembly Resolution.
20

21 Approval by the AWWU Board of the attached draft Resolution is requested at the regular
22 meeting of May 7, 2008. With the Board's support, AWWU will present the attached Assembly
23 Resolution and Memorandum to the Assembly seeking approval to appropriate funding from
24 said loan agreement for this project.
25

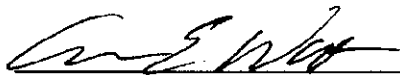
26 Prepared by: Wendy Drew, Project Support/Grants Supervisor, Engineering Division

27 Fund Certification: Glenda Gibson, CPA, CFO

28 Designated Loans - 1071-541-0000003550 \$770,000

29 Respectfully submitted: Mark Premo, P.E., General Manager
30

31 Approved:
32

33 

34 Calvin E. West, P.E.

35 Chair, AWWU Board of Directors

33 \ 7 May 2008

34 Date

Content ID: 006389**Type:** AR_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND
Title: LOAN OFFER IN THE AMOUNT OF SEVEN HUNDRED SEVENTY THOUSAND
DOLLARS (\$770,000) FOR FINANCING A PORTION OF THE COSTS OF THE
19TH & SPENARD WATER UPGRADE PROJECT

Author: gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 5/9/08 8:37 AM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 6/10/08**Public
Hearing
Date:** 6/24/08

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	5/30/08 10:48 AM	Exit	Heather Handyside	Public	006389
MuniMgrCoord_SubWorkflow	5/30/08 10:48 AM	Approve	Heather Handyside	Public	006389
MuniManager_SubWorkflow	5/29/08 4:37 PM	Approve	Michael Abbott	Public	006389
Finance_SubWorkflow	5/15/08 4:25 PM	Approve	Sharon Weddleton	Public	006389
OMB_SubWorkflow	5/14/08 1:40 PM	Approve	Wanda Phillips	Public	006389
AWWU_SubWorkflow	5/13/08 3:38 PM	Approve	Mark Premo	Public	006389
FundsAppropWorkflow	5/13/08 3:37 PM	Checkin	Alyssa Gibson	Public	006389
OMB_SubWorkflow	5/13/08 12:55 PM	Reject	Wanda Phillips	Public	006389
AWWU_SubWorkflow	5/9/08 4:12 PM	Approve	Mark Premo	Public	006389
FundsAppropWorkflow	5/9/08 4:10 PM	Checkin	Alyssa Gibson	Public	006389
OMB_SubWorkflow	5/9/08 10:05 AM	Reject	Regina Alatervo	Public	006389
AWWU_SubWorkflow	5/9/08 8:42 AM	Approve	Mark Premo	Public	006389
FundsAppropWorkflow	5/9/08 8:39 AM	Checkin	Alyssa Gibson	Public	006389