

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater
Utility
For reading: June 24, 2008

CLERK'S OFFICE

APPROVED

Date: 7-16-08

ANCHORAGE, ALASKA

AR No. 2008-132

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA CLEAN WATER
FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF TWO MILLION TWO
HUNDRED FIFTY THOUSAND DOLLARS (\$2,250,000) FOR FINANCING A
PORTION OF THE COSTS OF THE SAND LAKE SEWER EXTENSION, PUMP
STATION UPGRADES, AND EAGLE RIVER WASTEWATER TREATMENT
FACILITY IMPROVEMENTS 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 2007-128 and AO 2008-12, 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 \$2,250,000 to finance a portion of the costs of the Sand Lake Sewer Extension (\$600,000), Pump Station Upgrades (\$650,000), and Eagle River Wastewater Treatment Facility Improvements (\$1,000,000) 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

1 WHEREAS, at its June 4, 2008 meeting, the AWWU Authority Board supported this
2 resolution to accept and appropriate funding from said loan agreements for these projects; now,
3 therefore,
4

5 THE ANCHORAGE ASSEMBLY RESOLVES:
6

7 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of TWO MILLION TWO
8 HUNDRED FIFTY THOUSAND Dollars (\$2,250,000) are hereby accepted and appropriated.
9

10 **Section 2. Loan Terms:** The following primary terms of the loans are among those
11 incorporated in the Loan Agreements as hereby specifically approved:
12

13 Principal Amount: Not to exceed \$2,250,000 (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 Projects
21

22 Date of First Payment: One year following substantial completion and initiation of operation
23 of the respective Projects
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. 99-119(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 Agreements:** The loan offers are approved and
37 the Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of
38 AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan
39 Agreements for and on behalf of the Municipality, including necessary counterparts, and, from
40 and after the executing and delivery of the Loan Agreements, the Mayor, the Chief Fiscal
41 Officer of the Municipality and the General Manager of AWWU, are hereby authorized,
42 empowered and directed to do all such acts and things and to execute all such documents as
43 may be necessary to carry out and comply with the provisions of the Loan Agreements as
44 executed.
45

Assembly Resolution

Acceptance and Appropriation of ACWF Loan Offers (\$2,250,000)

Page 3

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 16th day of July, 2008.



Chair

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 410 -2008

Meeting Date: June 24, 2008

1 **From:** Mayor

2
3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
4 ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA
5 CLEAN WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT
6 OF TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS
7 (\$2,250,000) FOR FINANCING A PORTION OF THE COSTS OF THE
8 SAND LAKE SEWER EXTENSION, PUMP STATION UPGRADES, AND
9 EAGLE RIVER WASTEWATER TREATMENT FACILITY
10 IMPROVEMENTS PROJECTS
11

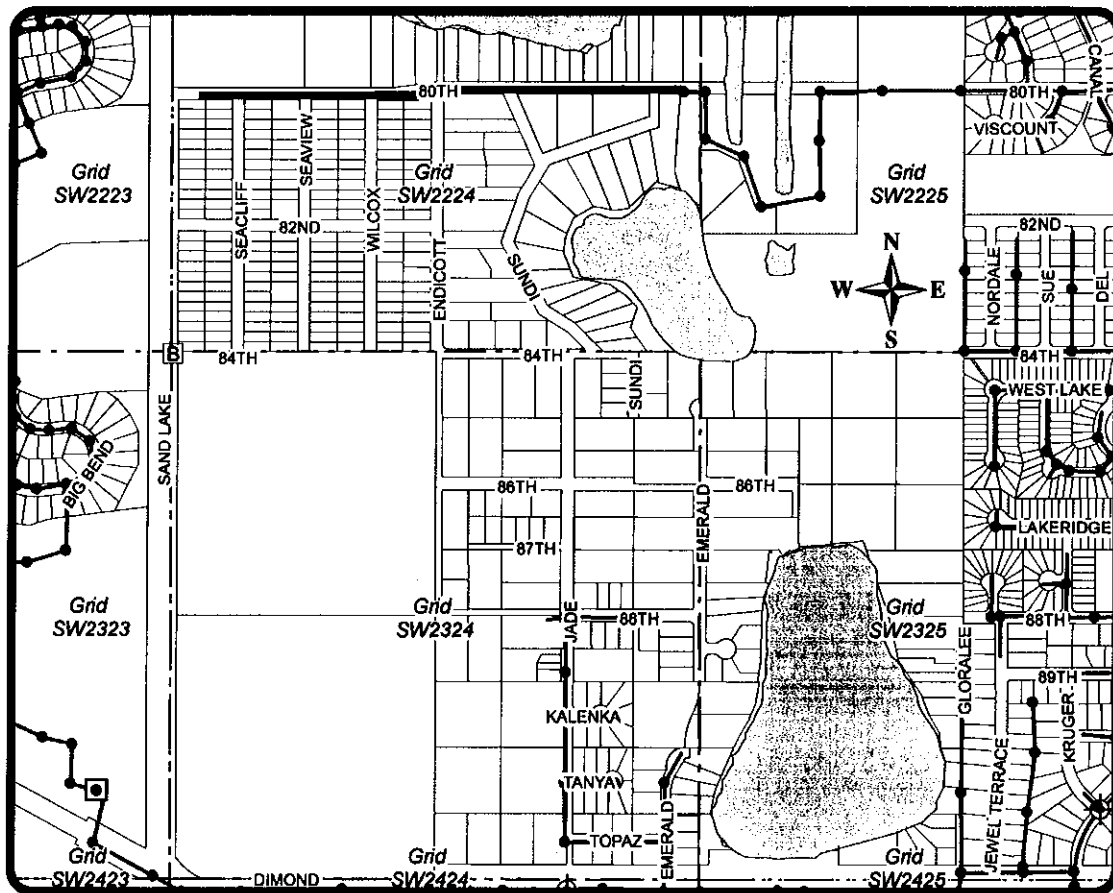
12 The Municipality of Anchorage has received formal Alaska Clean Water Fund loan offers from
13 the State of Alaska for the purpose of financing a portion of the cost of the Sand Lake Sewer
14 Extension, Pump Station Upgrades, and Eagle River Wastewater Treatment Facility
15 Improvements projects.
16

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

21 At its June 4, 2008 meeting, the AWWU Authority Board supported this resolution to accept
22 and appropriate funding from said loan agreements for these projects.
23




24 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
25 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
26 **ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA CLEAN WATER**
27 **FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF TWO MILLION TWO**
28 **HUNDRED FIFTY THOUSAND DOLLARS (\$2,250,000) FOR FINANCING A**
29 **PORTION OF THE COSTS OF THE SAND LAKE SEWER EXTENSION, PUMP**
30 **STATION UPGRADES, AND EAGLE RIVER WASTEWATER TREATMENT**
31 **FACILITY IMPROVEMENTS PROJECTS**
32

33 Prepared by: Anchorage Water and Wastewater Utility
34 Recommended by: Mark Premo, P.E., General Manager, AWWU
35 Fund Certification: Sharon Weddleton, CFO
36 Concur: Michael K. Abbott, Municipal Manager
37 Respectfully submitted: Mark Begich, Mayor



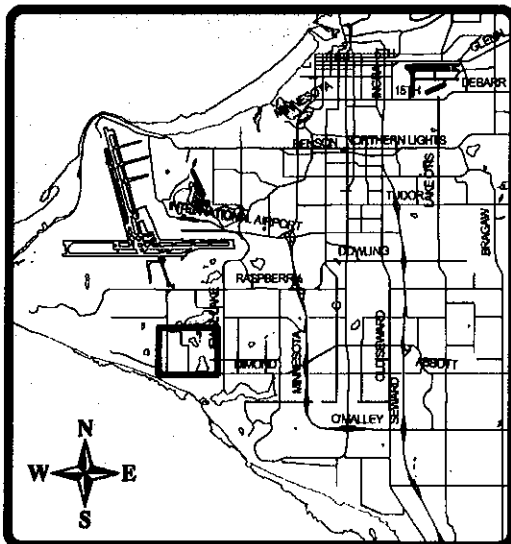
Maps Not-to-Scale

LEGEND

-  Project Sewer Mains
-  Existing Sewer Mains
-  Project Map Area

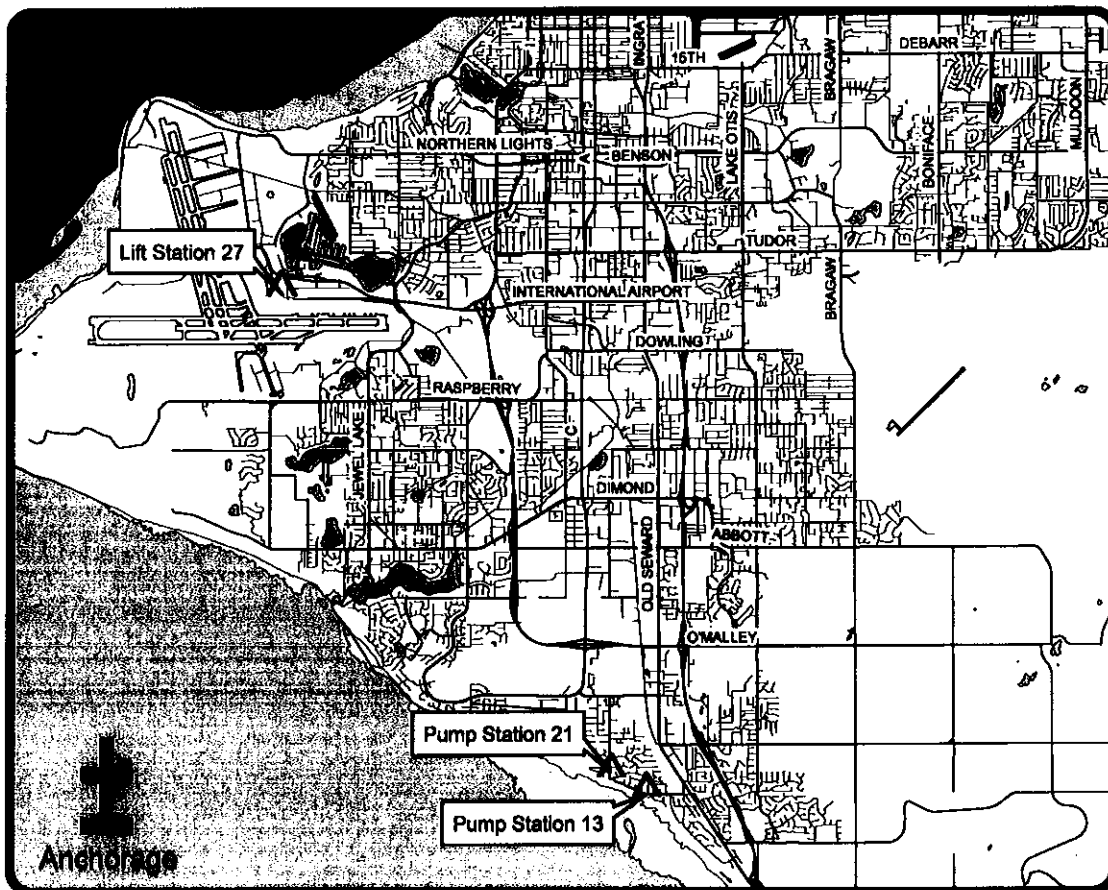


Map Created
by BKL
4/30/2007



Sand Lake Area Sewer Extension

PeopleSoft Project ID 0000004603
Anchorage Water & Wastewater Utility



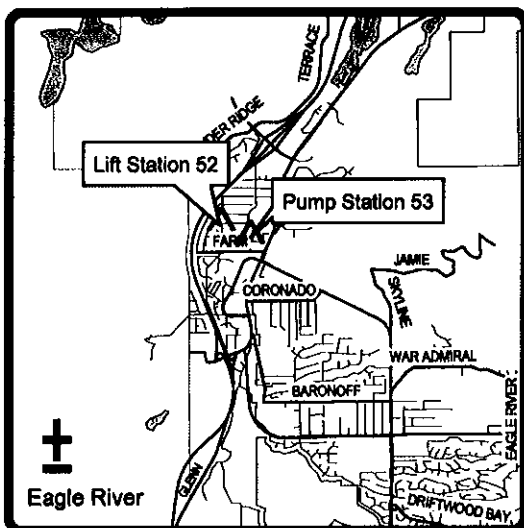
Maps Not-to-Scale

LEGEND

- Existing Sewer Mains
- ▲ Lift & Pump Stations in Project



Map Created
by AJU
1-18-07



Lift_Stns_13_21_27_52_53_Upgr

PeopleSoft Project ID 0000004604
Anchorage Water & Wastewater Utility



ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2008-70

AUTHORITY BOARD
APPROVED

Date: June 4, 2008

Meeting Date: June 4, 2008

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

2
3 Subject: **Acceptance and Appropriation of Three (3) Alaska Clean Water Fund**
4 **Loan Offers in the Aggregate Amount of \$2,250,000**

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 AO2007-128 and AO2008-12 authorizing for the borrowing of said loan
14 funds for 2007 and 2008 CIB projects. Public hearings were held and subsequently closed
15 October 9, 2007 and February 12, 2008. The Assembly authorized AWWU to begin to secure
16 the loan funds.

17
18 AWWU has now received Three (3) ACWF loan agreements: Sand Lake Sewer Extension
19 (\$600,000), Pump Station Upgrades (\$650,000), and Eagle River Wastewater Treatment Facility
20 Improvements (\$1,000,000). For this reason, we are now bringing before the Board the attached
21 draft Assembly Resolution.

22
23 Approval by the AWWU Board of the attached draft Assembly Resolution is requested at the
24 regular meeting of June 4, 2008. With the Board's support, AWWU will present the attached
25 Assembly Resolution and Memorandum to the Assembly seeking approval to appropriate
26 funding from said loan agreements for these projects.

27
28 Prepared by: Wendy Drew, Project Support/Grants Supervisor, Engineering Division
29 Fund Certification: Glenda Gibson, CPA, CFO, AWWU

30 Designated Loans -


31 1071-551-0000004603 \$600,000

32 1071-551-0000004604 \$650,000

33 1071-551-0000003835/0000004837/0000004955 \$1,000,000

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

35
36 Approved:

37
38 
39 Calvin E. West, P.E.

40 Date

Chair, AWWU Board of Directors

June 4, 2008

Content ID: 006478**Type:** AR_FundsApprop - Funds Approp Resolution

THREE STATE OF ALASKA CLEAN WATER FUND LOAN OFFERS IN THE
 AGGREGATE AMOUNT OF TWO MILLION TWO HUNDRED FIFTY THOUSAND
Title: DOLLARS (\$2,250,000) FOR FINANCING A PORTION OF THE COSTS OF THE
 SAND LAKE SEWER EXTENSION, PUMP STATION UPGRADES, AND EAGLE
 RIVER WASTEWATER TREATMENT FACILITY IMPROVEMENTS PROJECTS

Author: gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 6/5/08 12:10 PM**Director
Name:** Mark Premo**Assembly
Meeting Date:** 6/24/08**Public
Hearing Date:** 7/15/08

2008 JUN 12 PM 2:13
 2008 JUN 12 PM 2:13
 2008 JUN 12 PM 2:13

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	6/12/08 11:11 AM	Exit	Heather Handyside	Public	006478
MuniMgrCoord_SubWorkflow	6/12/08 11:11 AM	Approve	Heather Handyside	Public	006478
MuniManager_SubWorkflow	6/12/08 9:49 AM	Approve	Michael Abbott	Public	006478
Finance_SubWorkflow	6/6/08 2:53 PM	Approve	Sharon Weddleton	Public	006478
OMB_SubWorkflow	6/6/08 11:10 AM	Approve	Wanda Phillips	Public	006478
AWWU_SubWorkflow	6/5/08 12:15 PM	Approve	Mark Premo	Public	006478
FundsAppropWorkflow	6/5/08 12:11 PM	Checkin	Alyssa Gibson	Public	006478