

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

ANCHORAGE, ALASKA

Date: 7-16-08

AR No. 2008- 133

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA DRINKING
WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF ONE
MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) FOR FINANCING
A PORTION OF THE COSTS OF THE SAND LAKE WATER EXTENSION, SOUTH
ADDITION PHASE IV, AND 68TH PEBBLEBROOK-BABY BEAR WATER
UPGRADE 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 loan; 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 \$1,200,000 to finance a portion of the costs of the Sand Lake Water Extension, South Addition Phase IV, and 68th Pebblebrook-Baby Bear Water Upgrade 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 June 4, 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 One Million Two Hundred Thousand Dollars (\$1,200,000) 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 \$1,200,000 (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 Agreement: 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 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 Agreements as executed.

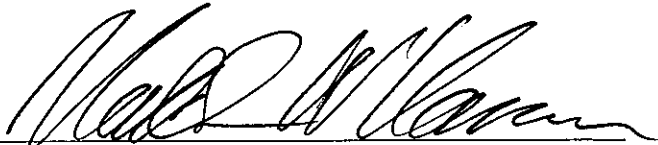
Section 4. Effective Date: This Resolution shall take effect immediately upon passage and approval by the Assembly.

Assembly Resolution

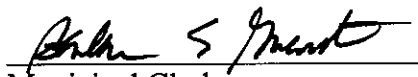
Acceptance and Appropriation of ADWF Loan Offers (\$1,200,000)

Page 3

PASSED AND APPROVED by the Anchorage Assembly this 16th day of July,
2008.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 411-2008

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 **DRINKING WATER FUND LOAN OFFERS IN THE AGGREGATE**
6 **AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS**
7 **(\$1,200,000) FOR FINANCING A PORTION OF THE COSTS OF THE**
8 **SAND LAKE WATER EXTENSION, SOUTH ADDITION PHASE IV, AND**
9 **68TH PEBBLEBROOK-BABY BEAR WATER UPGRADE PROJECTS**

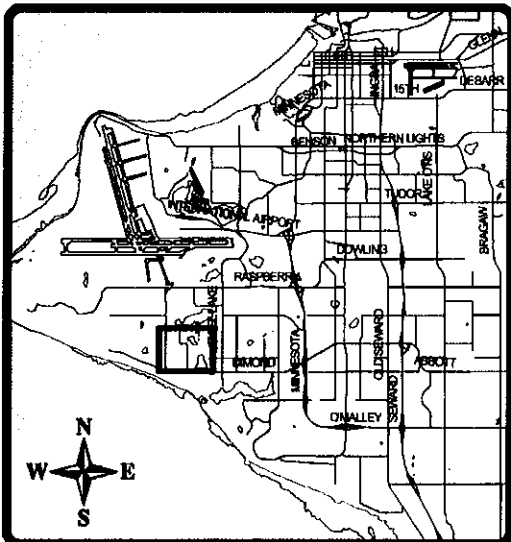
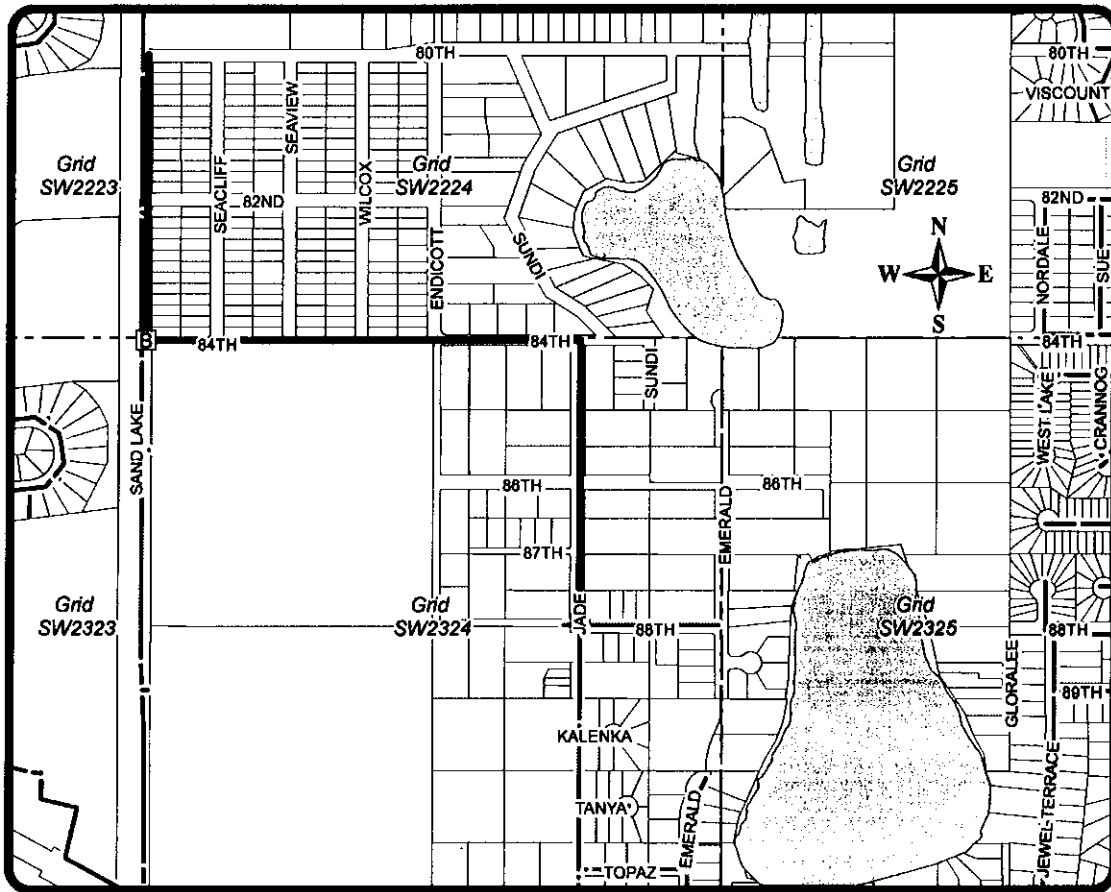
10
11 The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan offers
12 from the State of Alaska for the purpose of financing a portion of the cost of the Sand Lake
13 Water Extension, South Addition, Phase IV, and 68th Pebblebrook-Baby Bear Water Upgrade
14 Projects.

15
16 These loan offers are made under the State's low-interest revolving loan program, which is
17 attractive to the Municipality due to the low interest rate of 1.5% and the favorable payback
18 terms of twenty years from one year after the project's dates of initiation of operation.

19
20 At its June 4, 2008 meeting, the AWWU Authority Board supported this resolution to accept
21 and appropriate funding from said loan agreements for these projects.




22
23 **THE ADMINISTRATION CONCURS WITH THE AWWU BOARD**
24 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
25 **ACCEPTING AND APPROPRIATING THREE STATE OF ALASKA DRINKING**
26 **WATER FUND LOAN OFFERS IN THE AGGREGATE AMOUNT OF ONE**
27 **MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) FOR FINANCING**
28 **A PORTION OF THE COSTS OF THE SAND LAKE WATER EXTENSION, SOUTH**
29 **ADDITION PHASE IV, AND 68TH PEBBLEBROOK-BABY BEAR WATER**
30 **UPGRADE PROJECTS**

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



Maps Not-to-Scale

LEGEND

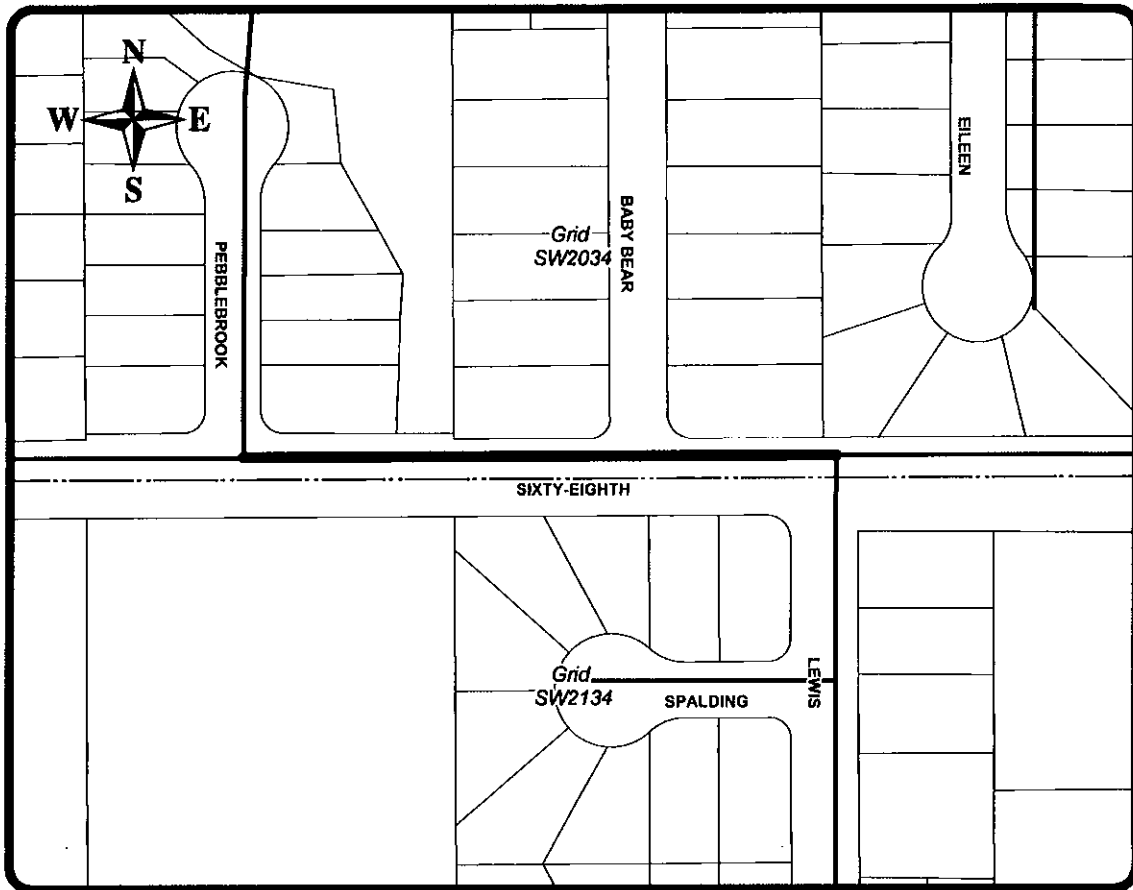
-  Project Water Mains
-  Existing Water Mains
-  Project Map Area



Map Created
by BKL
4/30/2007




Sand Lake Area Water Extension

PeopleSoft Project ID 0000004602
Anchorage Water & Wastewater Utility



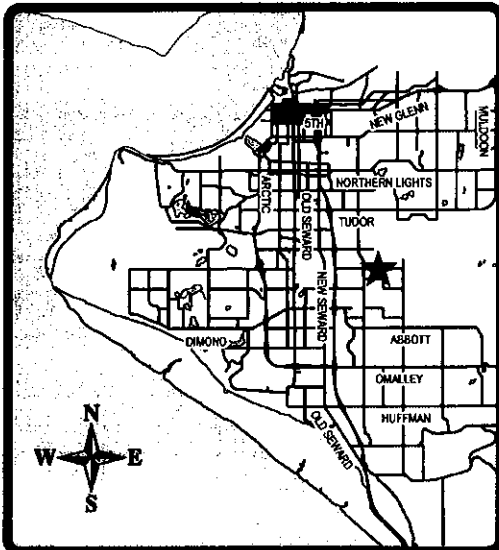
Maps Not-to-Scale

LEGEND

-  Project Water Main
-  Existing Water Mains
-  Project Area



Map Created
by AJU
08/18/2004



**68th - Pebblebrook
to Baby Bear**
Anchorage Water & Wastewater Utility



ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2008-66

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 Drinking Water Fund
4 Loan Offers in the Aggregate Amount of \$1,200,000

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 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) ADWF loan agreements: Sand Lake Water Extension
19 (\$400,000), South Addition Phase IV (\$500,000), and 68th Pebblebrook-Baby Bear Water
20 Upgrade (\$300,000). For this reason, we are now bringing before the Board the attached draft
21 Assembly Resolution.

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

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

30 Designated Loans -

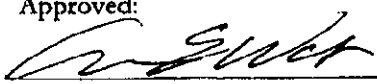
31 1071-541-0000004602 \$400,000 Sand Lake Water Extension

32 1071-541-0000003472 \$500,000 South Addition Phase IV

33 1071-541-0000003469 \$300,000 68th Pebblebrook-Baby Bear Water Upgrade

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

35
36 Approved:

37 
38 Calvin E. West, P.E.

39 Date

40 Chair, AWWU Board of Directors

Content ID: 006477**Type:** AR_FundsApprop - Funds Approp ResolutionTHREE STATE OF ALASKA DRINKING WATER FUND LOAN OFFERS IN THE
AGGREGATE AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND**Title:** DOLLARS (\$1,200,000) FOR FINANCING A PORTION OF THE COSTS OF THE
SAND LAKE WATER EXTENSION, SOUTH ADDITION PHASE IV, AND 68TH
PEBBLEBROOK-BABY BEAR WATER UPGRADE PROJECTS**Author:** gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 6/5/08 12:06 PM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 6/24/08**Public
Hearing
Date:** 7/15/082008 JUN 12 PM 2:13
006477

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	6/12/08 11:11 AM	Exit	Heather Handyside	Public	006477
MuniMgrCoord_SubWorkflow	6/12/08 11:11 AM	Approve	Heather Handyside	Public	006477
MuniManager_SubWorkflow	6/12/08 9:47 AM	Approve	Michael Abbott	Public	006477
Finance_SubWorkflow	6/6/08 2:49 PM	Approve	Sharon Weddleton	Public	006477
OMB_SubWorkflow	6/6/08 11:09 AM	Approve	Wanda Phillips	Public	006477
AWWU_SubWorkflow	6/5/08 12:15 PM	Approve	Mark Premo	Public	006477
FundsAppropWorkflow	6/5/08 12:08 PM	Checkin	Alyssa Gibson	Public	006477