

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

CLERK'S OFFICE

APPROVED

Date: 8/12/08

ANCHORAGE, ALASKA
AR No. 2008-158

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND
LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT HUNDRED FORTY
THOUSAND DOLLARS (\$1,840,000) FOR FINANCING A PORTION OF THE COSTS
OF THE NORTHEAST WATER 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 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 an application for a 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 amount of \$1,840,000 to finance a portion of the costs of the Northeast Water Improvements Project; and

WHEREAS, the terms and conditions of said loan is contained in the Alaska Drinking Water Fund Loan Agreement 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 offer be approved and that the Loan Agreement be executed on behalf of the Municipality; and

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

3
4 THE ANCHORAGE ASSEMBLY RESOLVES:

5
6 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of One Million Eight
7 Hundred Forty Thousand Dollars (\$1,840,000) is hereby accepted and appropriated.

8
9 **Section 2. Loan Terms:** The following primary terms of the loan are among those
10 incorporated in the Loan Agreement as hereby specifically approved:

11
12 Principal Amount: Not to exceed \$1,840,000 (subject to individual draws)

13
14 Interest Rate: 1.5% per annum

15
16 Interest Accrual: Accrual of interest will begin one year after the date of the first disbursement
17 to the Municipality

18
19 Term: Twenty years from the date of initiation of operation of the respective Project

20
21 Date of First Payment: One year following substantial completion and initiation of operation
22 of the respective Project

23
24 Payment Interval: Annual

25
26 Amortization Schedule: Level, fully amortizing

27
28 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
29 System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such
30 monies are not sufficient, repayment of the loan shall be from any legally available funds
31 accruing to or in the possession of the Municipality; and provided further that repayment of the
32 loan is not a direct obligation of the Municipality and neither the faith and credit nor the taxing
33 power of the Municipality are pledged therefore.

34
35 **Section 3. Approval and Executing of Loan Agreement:** The loan Offer is approved and the
36 Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU,
37 are hereby authorized, empowered and directed to execute and deliver the Loan Agreement for
38 and on behalf of the Municipality, including necessary counterparts, and, from and after the
39 executing and delivery of the Loan Agreement, the Mayor, the Chief Fiscal Officer of the
40 Municipality and the General Manager of AWWU, are hereby authorized, empowered and
41 directed to do all such acts and things and to execute all such documents as may be necessary
42 to carry out and comply with the provisions of the Loan Agreement as executed.

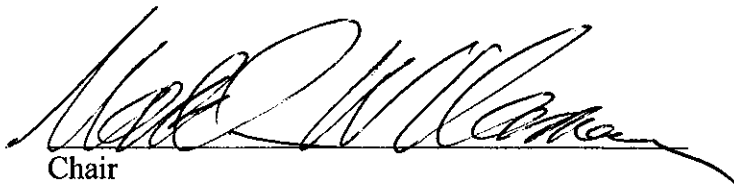
43
44 **Section 4. Effective Date:** This Resolution shall take effect immediately upon passage and
45 approval by the Assembly.

Assembly Resolution

Acceptance and Appropriation of ADWF Loan Offer (\$1,840,000)

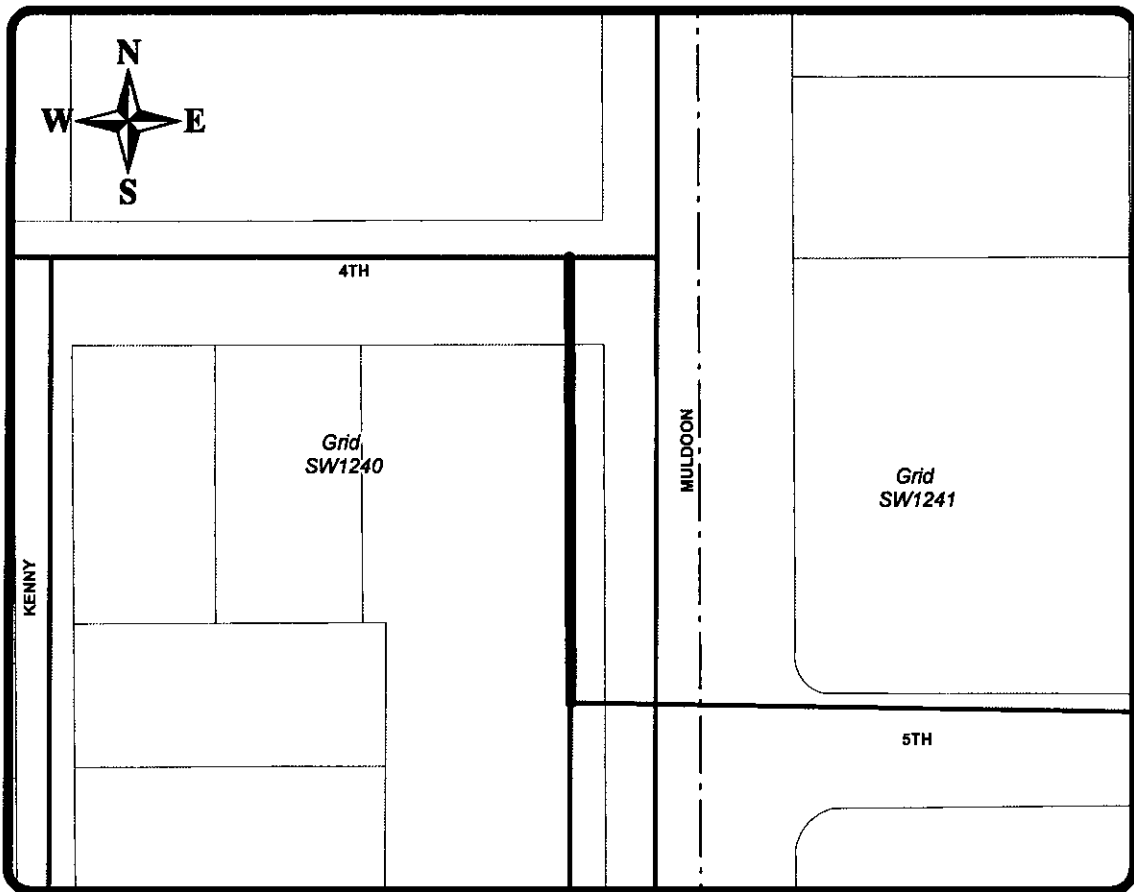
Page 3

PASSED AND APPROVED by the Anchorage Assembly this 12th day of August,
2008.


Chair




ATTEST:


Municipal Clerk



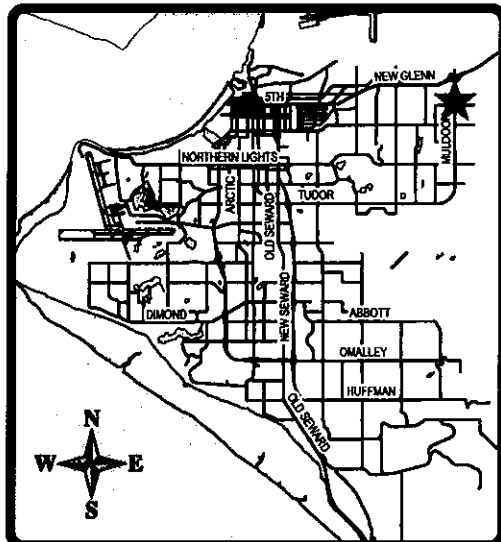
Maps Not-to-Scale

LEGEND

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

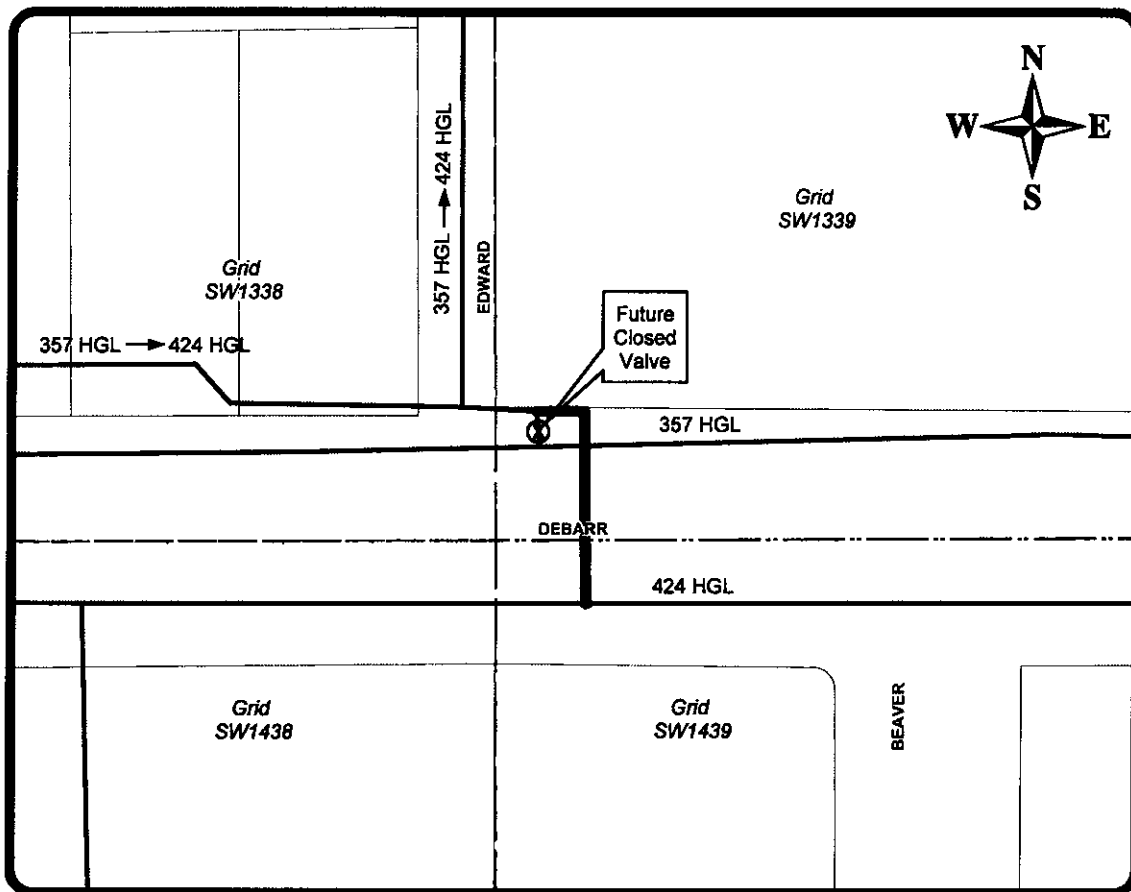


Map Created
by AJU
03/16/2006






NE_Anch_Wtr Impr_Ph2_3 Schedule A

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



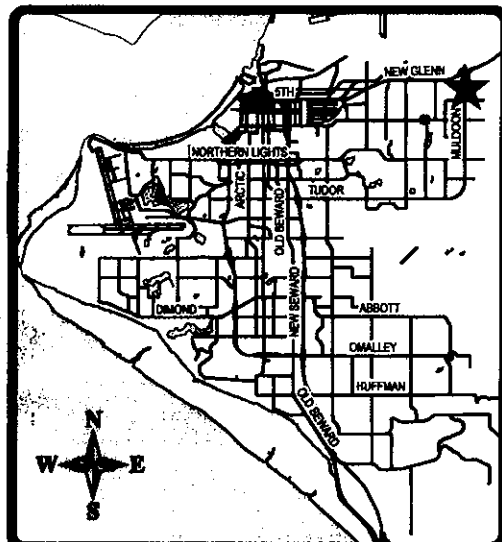
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LEGEND

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

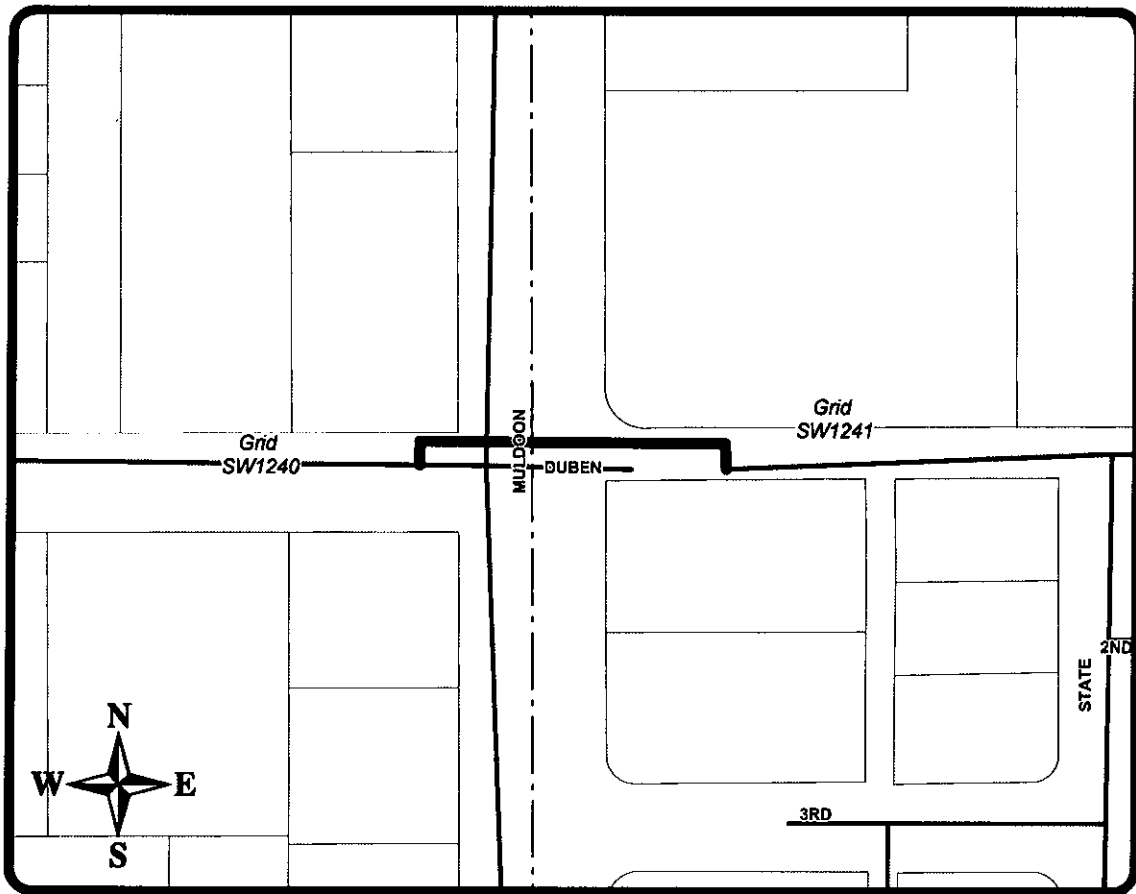


Map Created
by AJU
03/16/2006






NE_Arch_Wtr Impr_Ph2_3 Schedule E

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



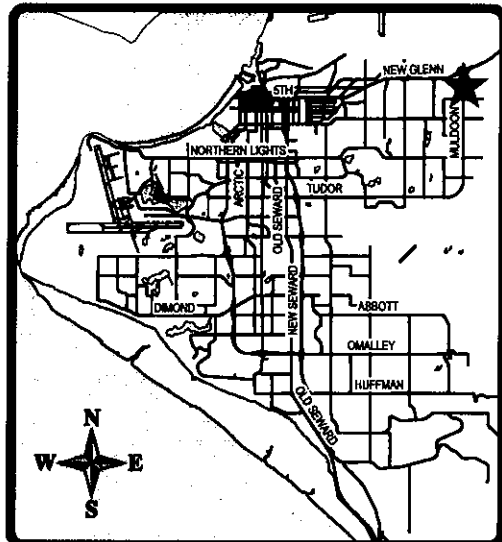
Maps Not-to-Scale

LEGEND

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

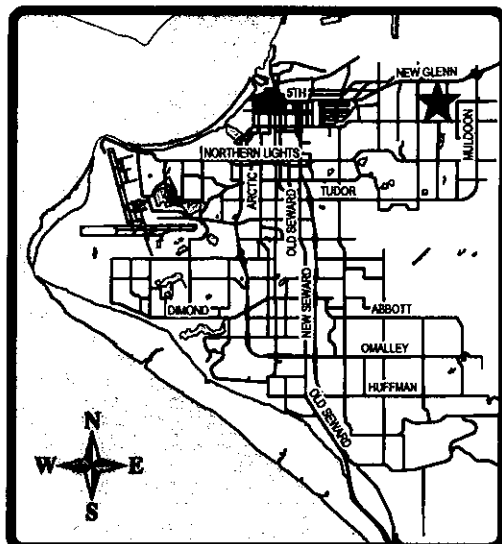
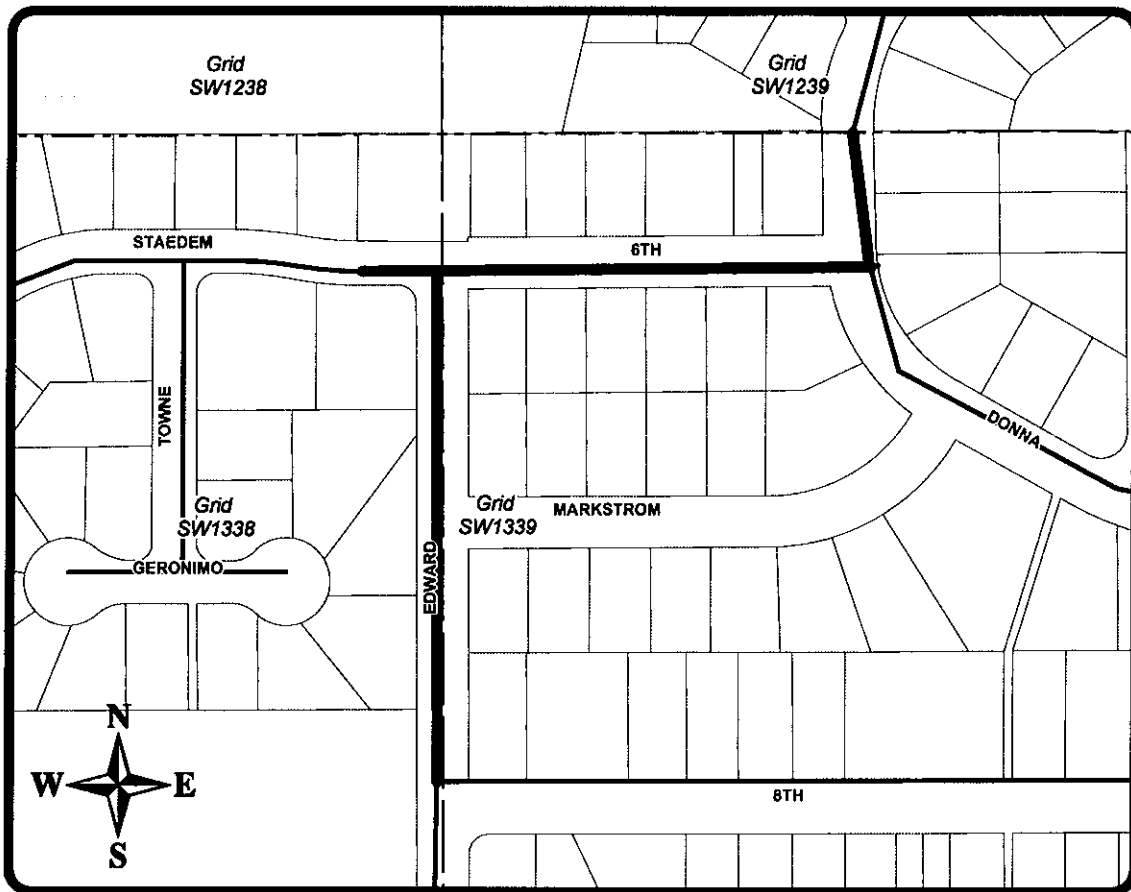


Map Created
by AJU
03/16/2006






NE_Arch_Wtr Impr_Ph2_3 Schedule B

PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

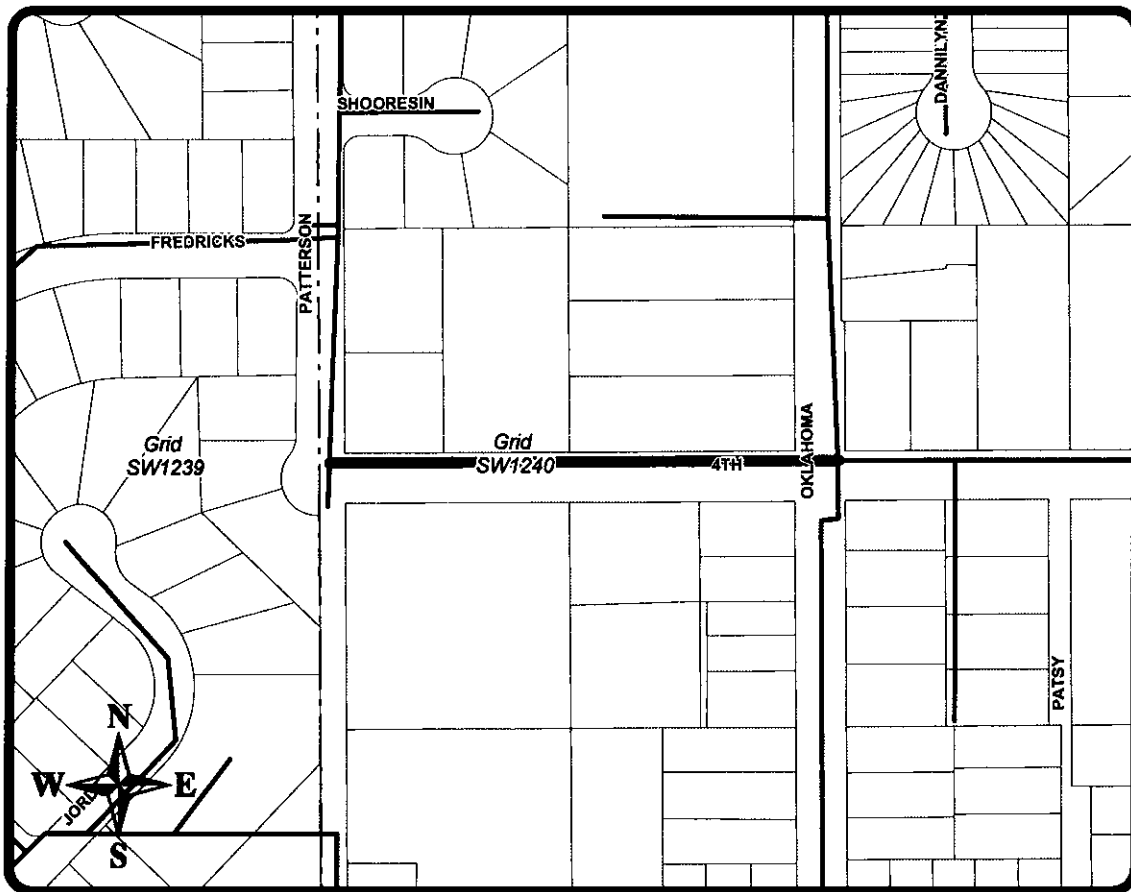
-  Project Water Mains
-  Existing Water Mains
-  Project Map Area



Map Created
by AJU
03/16/2006




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PeopleSoft Project ID 0000003547
Anchorage Water & Wastewater Utility



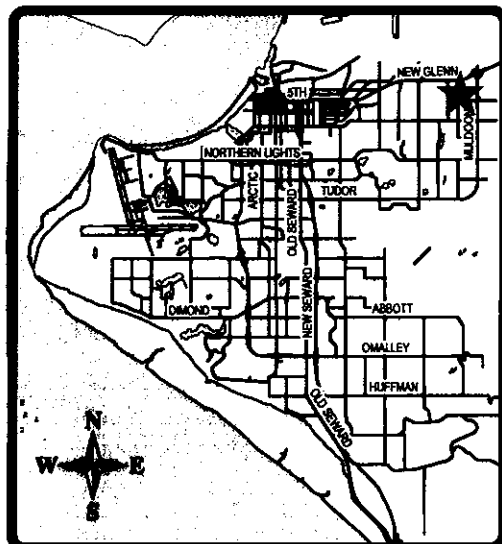
Maps Not-to-Scale

LEGEND

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

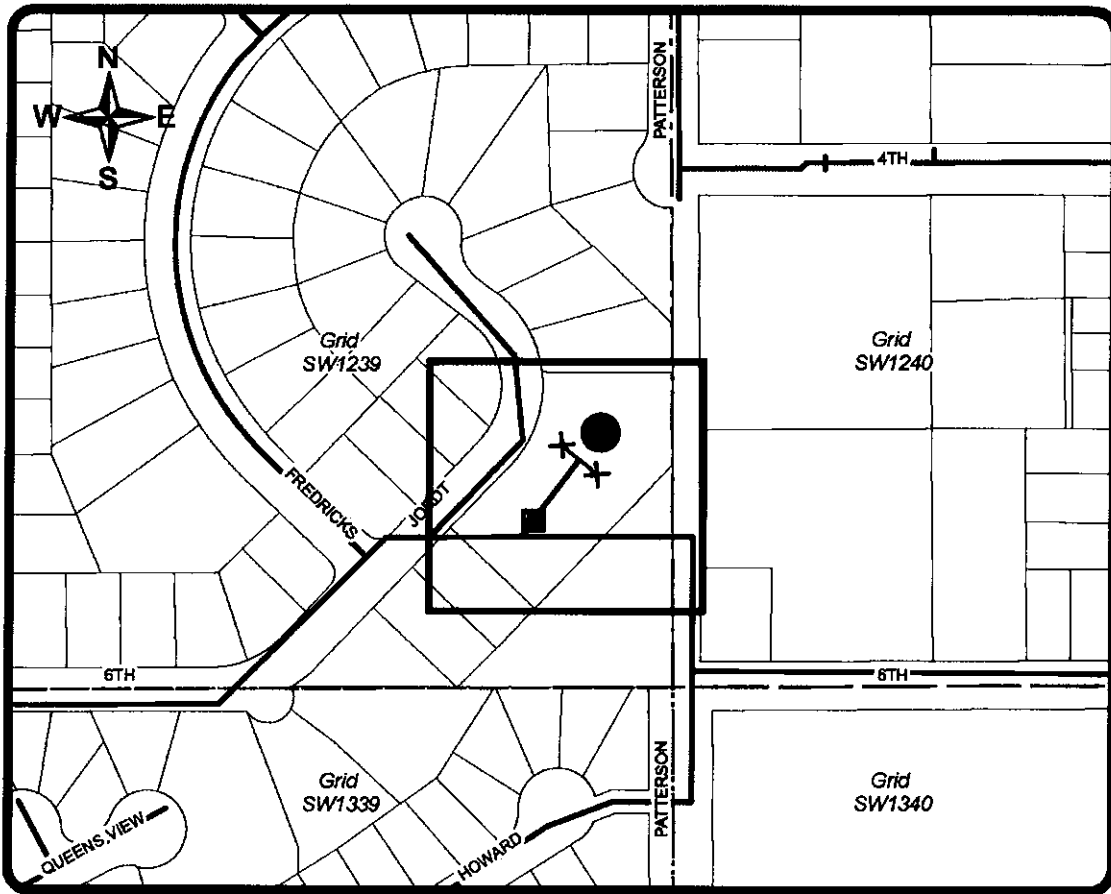


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03/16/2006

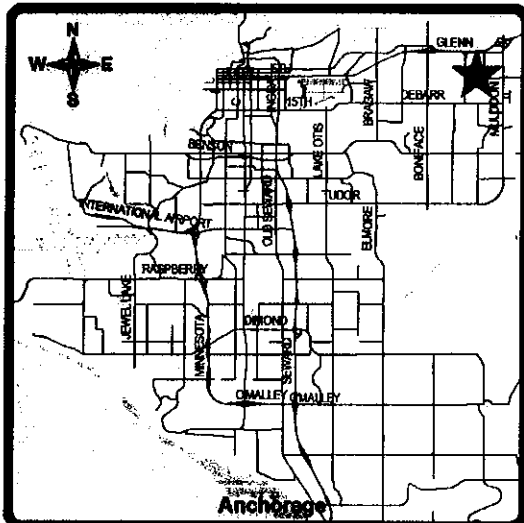


NE_Arch_Wtr Impr_Ph2_3 Schedule D




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_Anch_Wtr Impr_Ph4

PeopleSoft Project ID 0000003851
Anchorage Water & Wastewater Utility

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 487-2008

Meeting Date: July 29, 2008

1 **From:** Mayor

2
3 **Subject:** **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER**
5 **FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT**
6 **HUNDRED FORTY THOUSAND DOLLARS (\$1,840,000) FOR FINANCING**
7 **A PORTION OF THE COSTS OF THE NORTHEAST WATER**
8 **IMPROVEMENTS PROJECTS**
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 Northeast
12 Water Improvements 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 the project's date of initiation of operation.
17

18 At its July 2, 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 AN ALASKA DRINKING WATER FUND**
24 **LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT HUNDRED FORTY**
25 **THOUSAND DOLLARS (\$1,840,000) FOR FINANCING A PORTION OF THE COSTS**
26 **OF THE NORTHEAST WATER IMPROVEMENTS PROJECTS**
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 Fund 541 Account 1071 Project IDs 0000003547/0000003851 \$1,840,000 (Designated Loan)

32 Concur: Michael K. Abbott, Municipal Manager

33 Respectfully submitted: Mark Begich, Mayor



**ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2008-78**

**AUTHORITY BOARD
APPROVED**

Date:

July 2, 2008

Meeting Date: July 2, 2008

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

Subject: Acceptance and Appropriation of an Alaska Drinking Water Fund
Loan Offer for the Northeast Water Improvements Project in the
Amount of \$1,840,000

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 (20) 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 the Northeast Water Improvements ADWF loan agreement. For this reason we are now bringing before the Board the attached draft Assembly Resolution.

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 agreement for this project.

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

Designated Loan –

1071-541-0000003547/0000003851 \$1,840,000 Northeast Anchorage Water Improvements
Respectfully submitted: Mark Premo, P.E., General Manager

Approved:

Calvin E. West

Calvin E. West, P.E.

Chair, AWWU Board of Directors

12 Jul 2008
Date

Content ID: 006572

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 ONE MILLION EIGHT HUNDRED FORTY
THOUSAND DOLLARS (\$1,840,000) FOR FINANCING A PORTION OF THE
COSTS OF THE NORTHEAST WATER IMPROVEMENTS PROJECTS

Author: gibsonam

Initiating Dept: AWWU

Date Prepared: 7/3/08 3:10 PM

Director Name: Mark Premo

Assembly Meeting Date: 7/29/08

Public Hearing Date: 8/12/08

2008 JUL 17 PM 3:12
CLERK'S FILE

| Workflow Name | Action Date | Action | User | Security Group | Content ID |
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| Clerk_Admin_SubWorkflow | 7/17/08 10:22 AM | Exit | Heather Handyside | Public | 006572 |
| MuniMgrCoord_SubWorkflow | 7/17/08 10:22 AM | Approve | Heather Handyside | Public | 006572 |
| MuniManager_SubWorkflow | 7/17/08 10:10 AM | Approve | Michael Abbott | Public | 006572 |
| Finance_SubWorkflow | 7/8/08 11:42 PM | Approve | Sharon Weddleton | Public | 006572 |
| OMB_SubWorkflow | 7/8/08 10:48 AM | Approve | Wanda Phillips | Public | 006572 |
| AWWU_SubWorkflow | 7/3/08 3:43 PM | Approve | Mark Premo | Public | 006572 |
| FundsAppropWorkflow | 7/3/08 3:12 PM | Checkin | Alyssa Gibson | Public | 006572 |