

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater
Utility
For reading: September 16, 2008

CLERK'S OFFICE

APPROVED

Date: 9-30-08 ANCHORAGE, ALASKA
AR No. 2008-193

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 SIX HUNDRED SIXTY-EIGHT THOUSAND**
4 **FOUR HUNDRED DOLLARS (\$668,400) FOR FINANCING A PORTION OF THE**
5 **COSTS OF THE NORM NEWT DRIVE WATER 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 projects; 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 \$668,400 to finance a portion of the costs of the Norm
30 Newt Drive Water 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
38

1 WHEREAS, at its September 3, 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 Six Hundred Sixty
8 Eight Thousand Four Hundred Dollars (\$668,400) is 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 \$668,400 (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

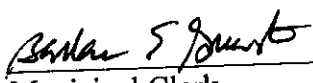
28
29 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
30 System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such
31 monies are not sufficient, repayment of the loan shall be from any legally available funds
32 accruing to 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.

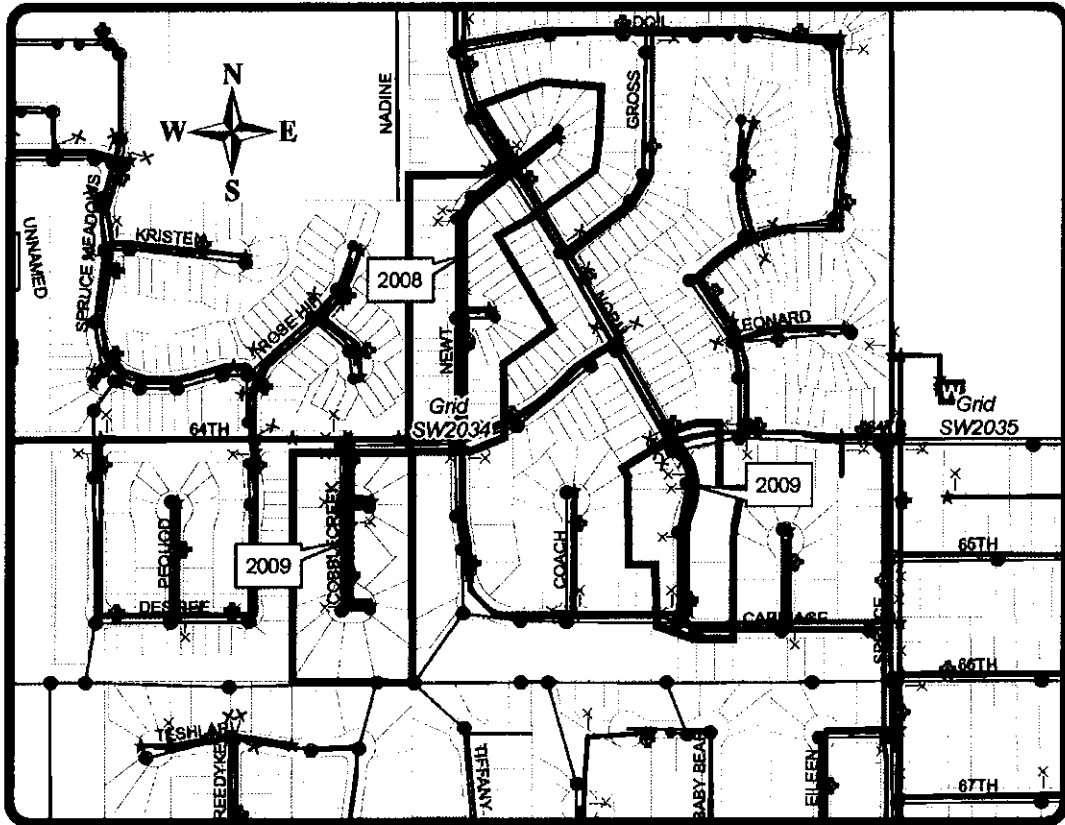
35
36 **Section 3. Approval and Executing of Loan Agreement:** The loan Offer is approved and the
37 Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager of AWWU,
38 are hereby authorized, empowered and directed to execute and deliver the Loan Agreement for
39 and on behalf 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.

1 PASSED AND APPROVED by the Anchorage Assembly this 30th day of September,
2 2008.

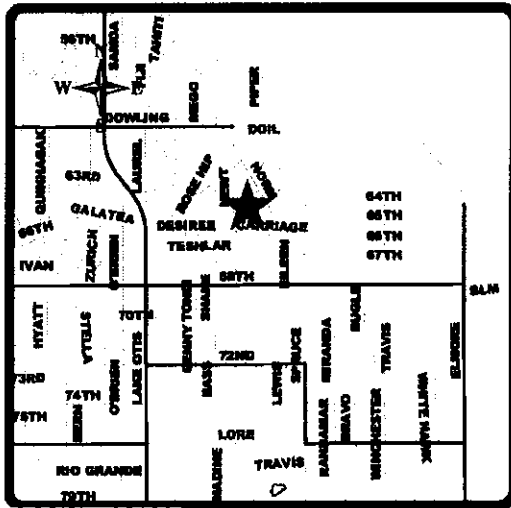
3
4
5
6 
7 Chair

8
9
10
11 ATTEST:
12 
13 _____
14 Municipal Clerk







PROJECT MAP GRID: SW2034

Map N.T.S.



VICINITY MAP

Legend:

-  Proposed main
-  Project Boundary
-  Approximate location
-  Year of Construction



Map Created
7/30/2008 SDN
PM ID 3873

Newt Drive, Cobblecreek Circle & Norm Drive Water Upgrade

PeopleSoft Project ID 0000004492
(Norm-Newt_Drive_Wtr_Upgr)

Anchorage Water & Wastewater Utility

Awwufile\AWWU Common\Capital Budget\Maps\Water\0000004492-Norm-Newt_Drive_Wtr_Upgr

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 573-2008

Meeting Date: September 16, 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 SIX HUNDRED SIXTY-**
6 **EIGHT THOUSAND FOUR HUNDRED DOLLARS (\$668,400) FOR**
7 **FINANCING A PORTION OF THE COSTS OF THE NORM NEWT DRIVE**
8 **WATER 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 Norm Newt
12 Drive Water project.

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

17
18 At its September 3, 2008 meeting, the AWWU Authority Board supported this resolution to
19 accept 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 SIX HUNDRED SIXTY-EIGHT THOUSAND**
25 **FOUR HUNDRED DOLLARS (\$668,400) FOR FINANCING A PORTION OF THE**
26 **COSTS OF THE NORM NEWT DRIVE WATER PROJECT.**

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

Content ID: 006763

Type: AR_AllOther - All Other Resolutions

Title: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF SIX HUNDRED SIXTY EIGHT THOUSAND FOUR HUNDRED DOLLARS (\$668,400) FOR FINANCING A PORTION OF THE COSTS OF THE NORM NEWT DRIVE WATER PROJECT

Author: pruittns
Initiating Dept: AWWU
Review Depts: Finance
Date Prepared: 9/4/08 1:08 PM
Director Name: Mark Premo
Assembly Meeting Date: 9/16/08
Public Hearing Date: 10/14/08

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	9/5/08 10:06 AM	Exit	Joy Maglaqui	Public	006763
MuniMgrCoord_SubWorkflow	9/5/08 10:06 AM	Approve	Joy Maglaqui	Public	006763
MuniManager_SubWorkflow	9/5/08 8:38 AM	Approve	Joy Maglaqui	Public	006763
Finance_SubWorkflow	9/4/08 4:55 PM	Approve	Sharon Weddleton	Public	006763
Finance_SubWorkflow	9/4/08 4:52 PM	Checkin	Nina Pruitt	Public	006763
AWWU_SubWorkflow	9/4/08 2:16 PM	Approve	Mark Premo	Public	006763
AllOtherARWorkflow	9/4/08 2:10 PM	Checkin	Alyssa Gibson	Public	006763
MuniManager_SubWorkflow	9/4/08 1:44 PM	Reject	Joy Maglaqui	Public	006763
AWWU_SubWorkflow	9/4/08 1:21 PM	Approve	Mark Premo	Public	006763
AllOtherARWorkflow	9/4/08 1:09 PM	Checkin	Alyssa Gibson	Public	006763