

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: November 25, 2008

CLERK'S OFFICE

APPROVED

Date:.....12-17-08..... **ANCHORAGE, ALASKA**
AR No. 2008-288

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND
LOAN OFFER IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000)
FOR FINANCING A PORTION OF THE COSTS OF THE HILAND ROAD
WATER INTERTIE PROJECT**

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 \$1,000,000 to finance a portion of the costs of the Hiland Road Water Intertie 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,

WHEREAS, at its November 5, 2008 meeting, the AWWU Authority Board supported this resolution to accept and appropriate funding from said loan agreement for this project; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. Loan Proceeds: The subject loan proceeds in the amount of One Million Dollars (\$1,000,000) is hereby accepted and appropriated.

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

Principal Amount: Not to exceed \$1,000,000 (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 Project

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

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 Offer is 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 Agreement 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 Offer (\$1,000,000)

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PASSED AND APPROVED by the Anchorage Assembly this 17th day of December,
2008.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 801-2008

Meeting Date: November 25, 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 DOLLARS**
6 **(\$1,000,000) FOR FINANCING A PORTION OF THE COSTS OF THE**
7 **HILAND ROAD WATER INTERTIE PROJECT**
8

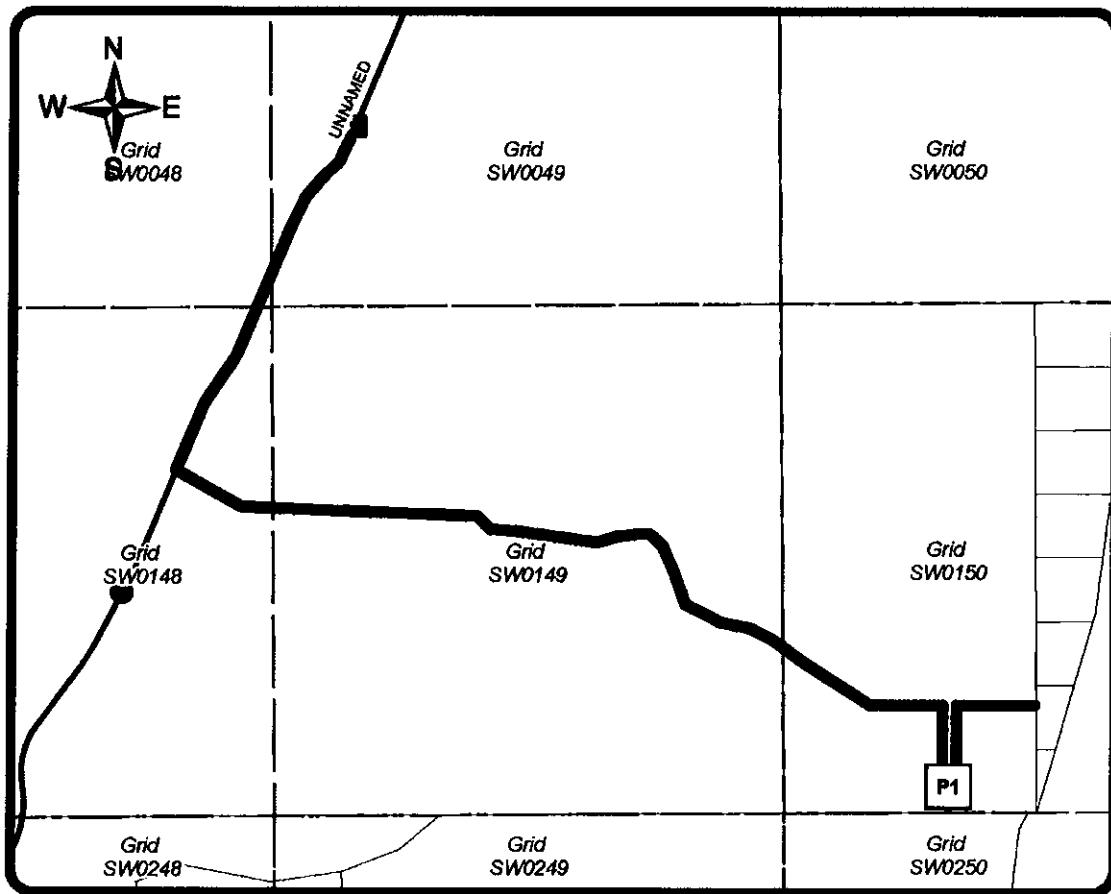
9 The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer
10 from the State of Alaska for the purpose of financing a portion of the cost of the Hiland Road
11 Water Intertie project.
12

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

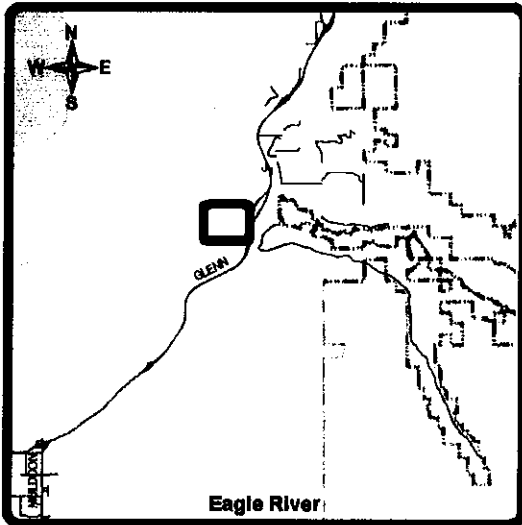
17 At its November 5, 2008 meeting, the AWWU Authority Board supported this resolution to
18 accept and appropriate funding from said loan agreement for this project.
19

20 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
21 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
22 **ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND**
23 **LOAN OFFER IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) FOR**
24 **FINANCING A PORTION OF THE COSTS OF THE HILAND ROAD WATER**
25 **INTERTIE PROJECT**
26




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



Maps Not-to-Scale



LEGEND

-  Existing Water Mains
-  Project Water Mains
-  Project Area



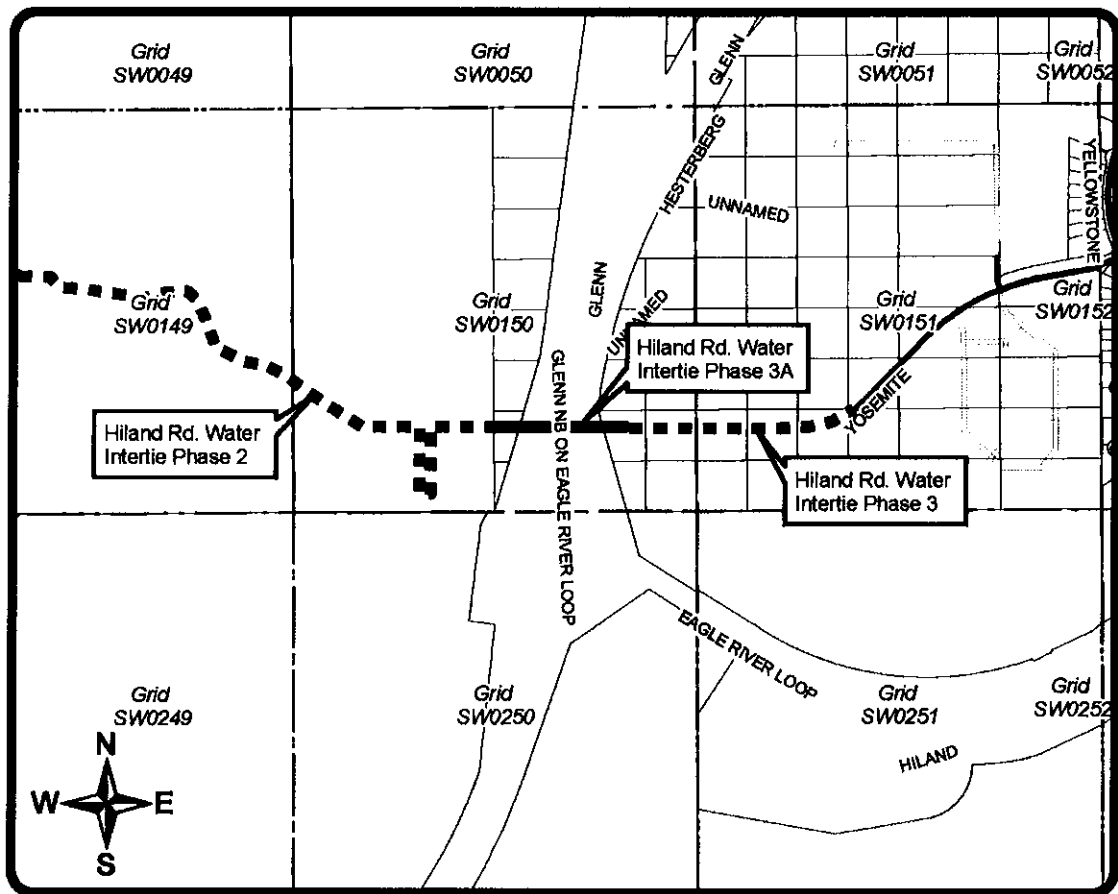
Map Created
by AJU
4/17/2008

Hiland_Rd_Wtr_Intertie_Ph_2

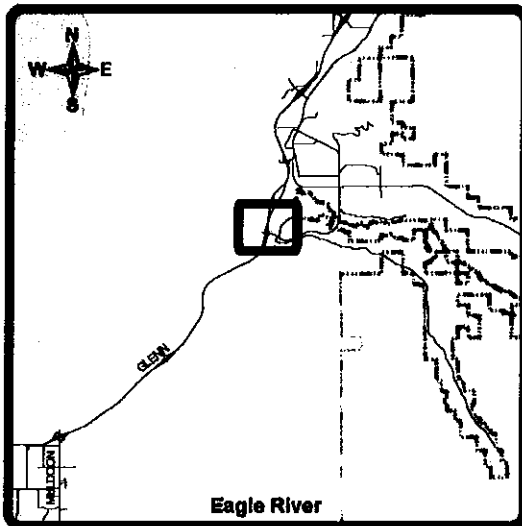
Revised

PeopleSoft Project ID 0000002800




Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

-  Existing Water Mains
-  Intertie Phase 3A
-  Project Area



Map Created
by AJU
7/24/2008

Hiland_Rd_Wtr_Intertie-Ph3A

PeopleSoft Project ID 0000002912
Anchorage Water & Wastewater Utility

Content ID: 007107**Type:** AR_AllOther - All Other ResolutionsA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND**Title:** LOAN OFFER IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) FOR
FINANCING A PORTION OF THE COSTS OF THE HILAND ROAD WATER
INTERTIE PROJECT**Author:** gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 11/10/08 6:54 PM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 11/25/08**Public
Hearing
Date:** 12/16/08

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	11/14/08 10:38 AM	Exit	Heather Handyside	Public	007107
MuniMgrCoord_SubWorkflow	11/14/08 10:38 AM	Approve	Heather Handyside	Public	007107
MuniManager_SubWorkflow	11/14/08 10:23 AM	Approve	Michael Abbott	Public	007107
AWWU_SubWorkflow	11/10/08 6:59 PM	Approve	Mark Premo	Public	007107
AllOtherARWorkflow	11/10/08 6:55 PM	Checkin	Alyssa Gibson	Public	007107