

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

CLERK'S OFFICE

APPROVED

Date: 1/6/09 ANCHORAGE, ALASKA
AR No. 2008-317

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN
AGREEMENT IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000)
FOR FINANCING A PORTION OF THE COSTS OF THE ASPLUND WWTF
PROCESS IMPROVEMENTS 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 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 project; 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 this 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 \$4,000,000 to finance a portion of the costs of the Asplund WWTF Process Improvements project; and,

WHEREAS, the terms and conditions of said loan are contained in the Alaska Clean 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 December 3, 2008 meeting, the AWWU Authority Board supported this resolution to accept 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 Four Million Dollars (\$4,000,000) are hereby accepted.

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 \$4,000,000 (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 Project

Date of First Payment: One year following substantial completion and initiation of operation of the 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. 99-119(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.

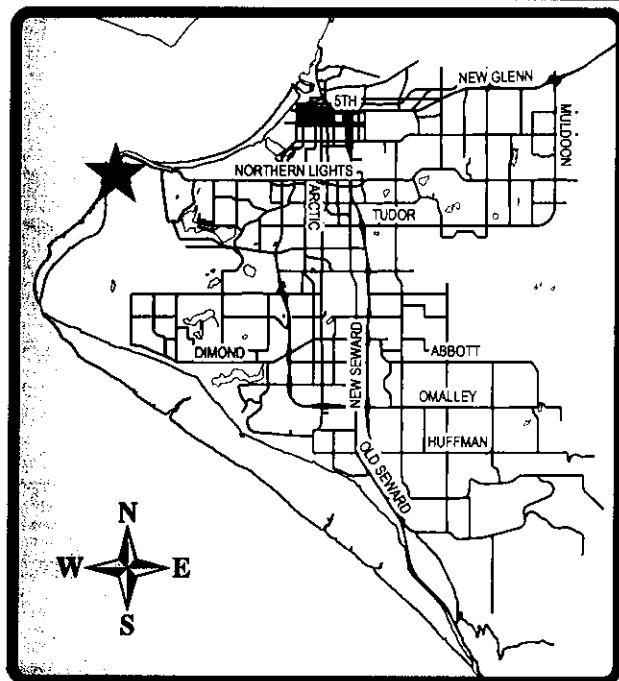
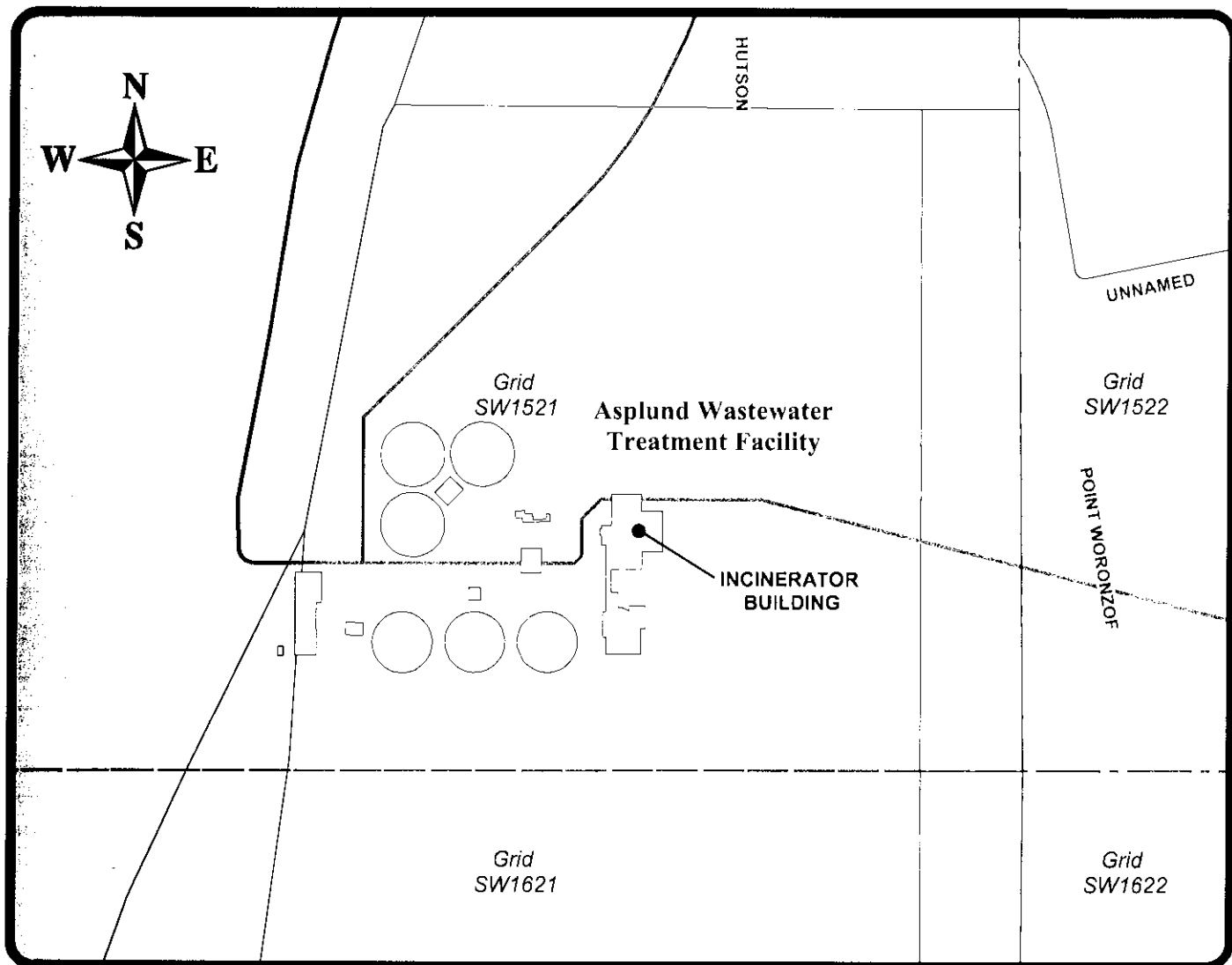
Section 4. Effective Date: This Resolution shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 6th day of January, 2009

Hariet A. Drummond
Chair

ATTEST:

Shela S. Gunn
Municipal Clerk



Maps Not-to-Scale

LEGEND

- Existing Sewer Mains
- ★ Project Map Area

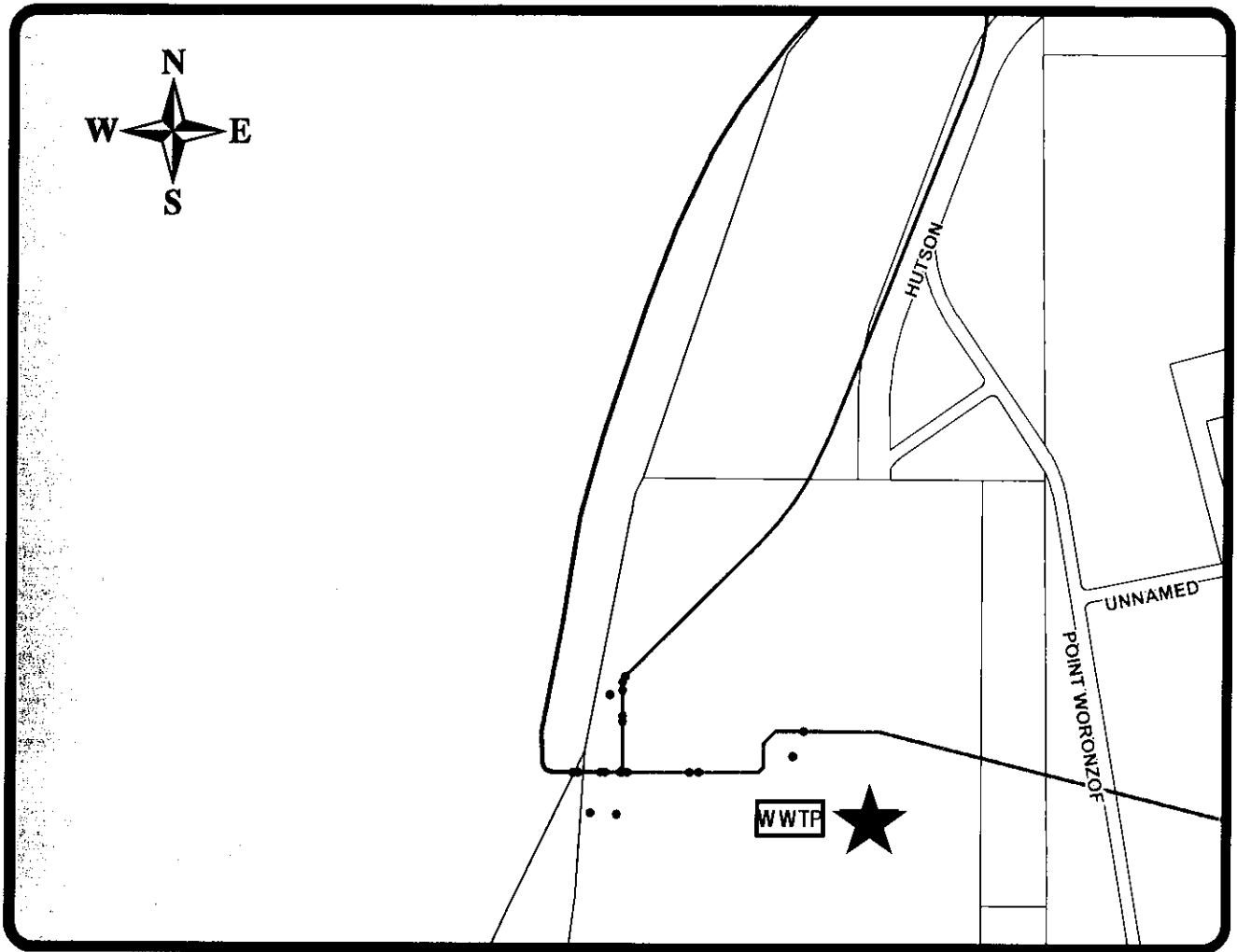


Map Created
by AJU
05/11/2005

Asplund Wastewater Treatment Facility Incinerator Upgrade

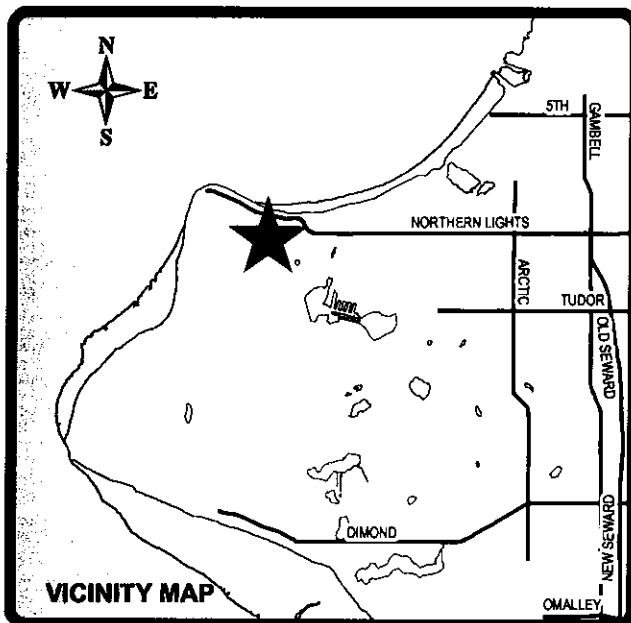
Asplund Incin Upgr
PeopleSoft Project ID 0000003336
PM ID 3012

Anchorage Water & Wastewater Utility



PROJECT MAP GRID SW1521

Maps Not-to-Scale



VICINITY MAP

Legend

— Existing Sanitary Sewer



Approximate location



Map Created
2/25/04 SDN
PM ID —

Asplund Wastewater Treatment Facility Process Improvements

(AWWTF-Process_Improvements)

PeopleSoft Project ID 0000002165

Anchorage Water & Wastewater Utility

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 844-2008

Meeting Date: December 16, 2008

1 **From:** Mayor

2
3 **Subject:** **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,**
4 **ALASKA, ACCEPTING A STATE OF ALASKA CLEAN WATER**
5 **FUND LOAN AGREEMENT IN THE AMOUNT OF FOUR MILLION**
6 **DOLLARS (\$4,000,000) FOR FINANCING A PORTION OF THE**
7 **COSTS OF THE ASPLUND WWTF PROCESS IMPROVEMENTS**
8 **PROJECT**
9

10 The Municipality of Anchorage has received a formal Alaska Clean Water Fund loan
11 agreement from the State of Alaska for the purpose of financing a portion of the cost of
12 the Asplund WWTF Process 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
16 payback terms of twenty years from one year after the project's dates of initiation of
17 operation.
18

19 At its December 3, 2008 meeting, the AWWU Authority Board supported this resolution
20 to accept funding from said loan agreement for this project.
21

22 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
23 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
24 **ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN**
25 **AGREEMENT IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000)**
26 **FOR FINANCING A PORTION OF THE COSTS OF THE ASPLUND WWTF**
27 **PROCESS IMPROVEMENTS PROJECT**
28

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

Content ID: 007187**Type:** AR_AllOther - All Other Resolutions

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT
Title: IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000) FOR FINANCING
A PORTION OF THE COSTS OF THE ASPLUND WWTF PROCESS
IMPROVEMENTS PROJECT

Author: gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 12/4/08 11:08 AM**Director
Name:** Mark Premo**Assembly
Meeting** 12/16/08 ➡
Date:**Public
Hearing** 1/6/09
Date:

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	12/5/08 10:30 AM	Exit	Heather Handyside	Public	007187
MuniMgrCoord_SubWorkflow	12/5/08 10:30 AM	Approve	Heather Handyside	Public	007187
MuniManager_SubWorkflow	12/5/08 10:00 AM	Approve	Heather Handyside	Public	007187
AWWU_SubWorkflow	12/4/08 11:25 AM	Approve	Mark Premo	Public	007187
AllOtherARWorkflow	12/4/08 11:11 AM	Checkin	Alyssa Gibson	Public	007187