

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:.....11/6/08.....

ANCHORAGE, ALASKA
AR No. 2008-318

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN**
3 **AGREEMENT IN THE AMOUNT OF FOUR HUNDRED FORTY THOUSAND**
4 **DOLLARS (\$440,000) FOR FINANCING A PORTION OF THE COSTS OF THE**
5 **EAGLE RIVER HEIGHTS WATER UPGRADE, PHASE I PROJECT**
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7
8 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032
9 and 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska
10 Drinking Water Fund (the "Fund"), a fund which makes use of U.S. Government grants
11 as authorized by the Drinking Water Act, as amended by P.L. 104-182; and,
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13 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow
14 from the Fund for the purposes of planning, designing, constructing, equipping,
15 modifying, improving and expanding public water treatment, transmission and
16 distribution facilities; and,
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18 WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 2007-127 and
19 AO 2008-11, determined it was necessary to proceed to plan, design, develop, construct,
20 equip, acquire property for, or otherwise obtain items of capital improvements in
21 connection with the 2007 and 2008 Capital Improvement Budget projects; authorized the
22 borrowing from the Fund for the purpose of financing a portion of the cost of said
23 project; and authorized and directed the General Manager of the Anchorage Water and
24 Wastewater Utility ("AWWU") to complete and submit to the State Department of
25 Environmental Conservation ("DEC") applications to borrow money from the Fund and
26 to negotiate with DEC the terms of such loan; and,
27

28 WHEREAS, AWWU has submitted an application for a loan in connection with said
29 project, said application for this loan has been approved, and AWWU has negotiated the
30 terms of this loan from the Fund in the amount of \$440,000 to finance a portion of the
31 costs of the Eagle River Heights Water Upgrade, Phase I Project; and,
32

33 WHEREAS, the terms and conditions of said loan are contained in the Alaska Drinking
34 Water Fund Loan Agreement between the Municipality and DEC; and,
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36 WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of
37 said loan offer be approved and that the Loan Agreement be executed on behalf of the
38 Municipality; and,
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1 WHEREAS, at its December 3, 2008 meeting, the AWWU Authority Board supported this
2 resolution to accept funding from said loan agreement for this project; now, therefore,

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4 THE ANCHORAGE ASSEMBLY RESOLVES:

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6 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of Four Hundred Forty
7 Thousand Dollars (\$440,000) are hereby accepted.

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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:

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12 Principal Amount: Not to exceed \$440,000 (subject to individual draws)

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14 Interest Rate: 1.5% per annum

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

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

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

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24 Payment Interval: Annual

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26 Amortization Schedule: Level, fully amortizing

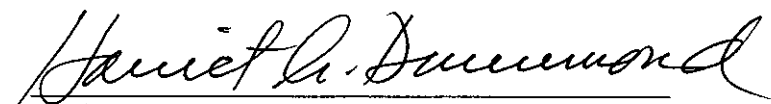
27
28 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
29 System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such
30 monies are not sufficient, repayment of the loan shall be from any legally available funds
31 accruing to 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.

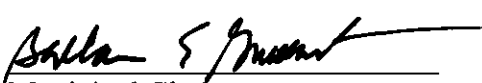
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44 **Section 4. Effective Date:** This Resolution shall take effect immediately upon passage and
45 approval by the Assembly.

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


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 845-2008

Meeting Date: December 16, 2008

1 **From:** Mayor

2
3 **Subject:** **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN**
5 **AGREEMENT IN THE AMOUNT OF FOUR HUNDRED FORTY**
6 **THOUSAND DOLLARS (\$440,000) FOR FINANCING A PORTION OF THE**
7 **COSTS OF THE EAGLE RIVER HEIGHTS WATER UPGRADE, PHASE I**
8 **PROJECT**

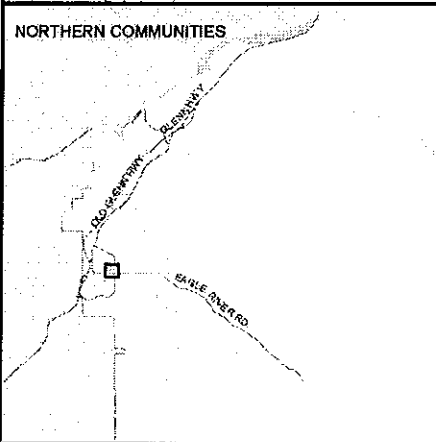
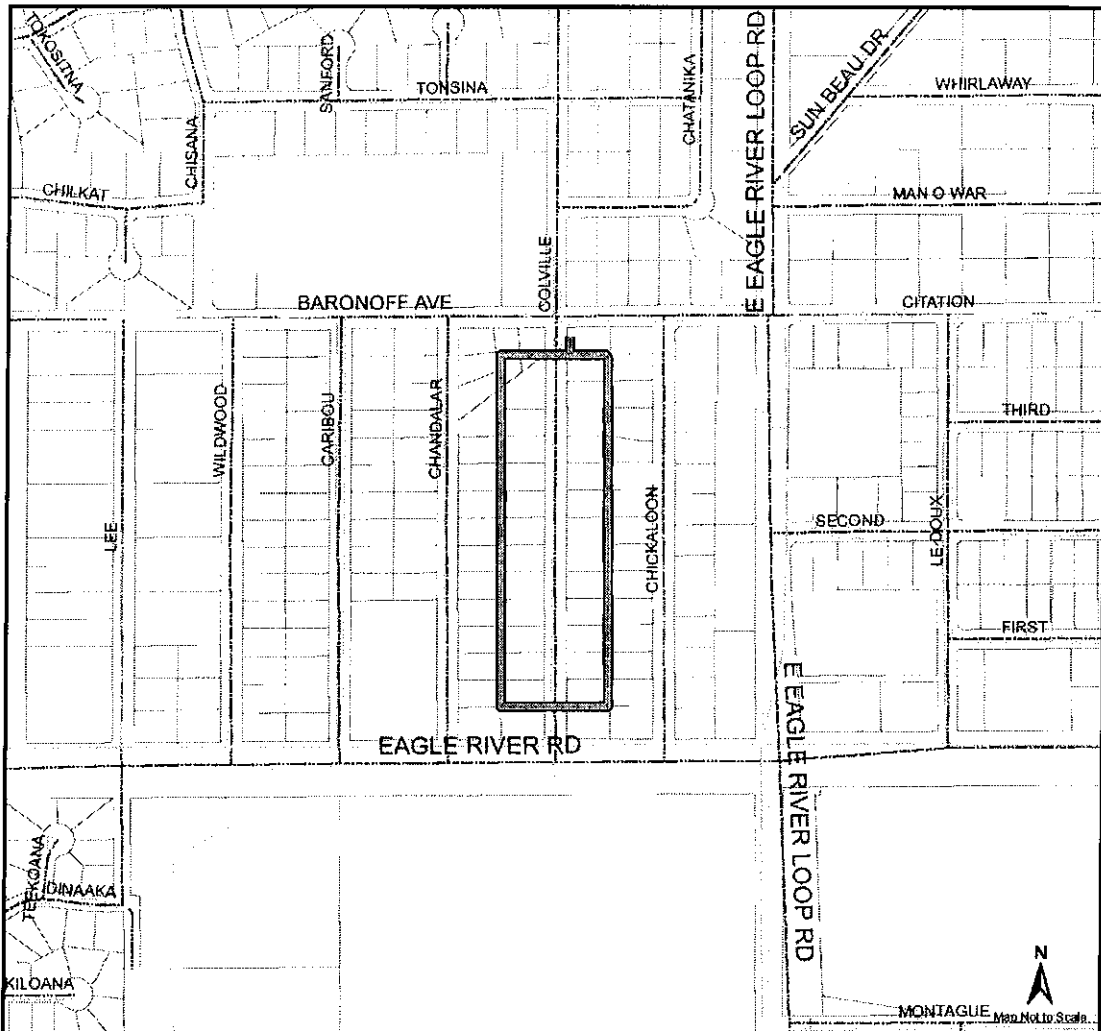
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10 The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan
11 agreement from the State of Alaska for the purpose of financing a portion of the cost of the
12 Eagle River Heights Water Upgrade, Phase I project.

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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.

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

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21 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
22 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
23 **ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN**
24 **AGREEMENT IN THE AMOUNT OF FOUR HUNDRED FORTY THOUSAND**
25 **DOLLARS (\$440,000) FOR FINANCING A PORTION OF THE COSTS OF THE**
26 **EAGLE RIVER HEIGHTS WATER UPGRADE, PHASE I 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







Municipality of Anchorage



Anchorage Water and Wastewater Utility

ER_Heights_Wtr_Upgr_Ph1

People Soft Number 0000003556

-  Water
-  Wastewater
-  Existing Water Pipe
-  Existing Wastewater Pipe

Map Created: 09/25/2007

Content ID: 007188**Type:** AR_AllOther - All Other ResolutionsA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN**Title:** AGREEMENT IN THE AMOUNT OF FOUR HUNDRED FORTY THOUSAND
DOLLARS (\$440,000) FOR FINANCING A PORTION OF THE COSTS OF THE
EAGLE RIVER HEIGHTS WATER UPGRADE, PHASE I PROJECT**Author:** gibsonam**Initiating
Dept:** AWWU**Date** 12/4/08 11:17 AM**Prepared:****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	007188
MuniMgrCoord_SubWorkflow	12/5/08 10:30 AM	Approve	Heather Handyside	Public	007188
MuniManager_SubWorkflow	12/5/08 10:30 AM	Approve	Heather Handyside	Public	007188
AWWU_SubWorkflow	12/4/08 11:26 AM	Approve	Mark Premo	Public	007188
AllOtherARWorkflow	12/4/08 11:18 AM	Checkin	Alyssa Gibson	Public	007188