

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: January 20, 2009

CLERK'S OFFICE

APPROVED

Date: 2/3/09 ANCHORAGE, ALASKA
AR No. 2009-15

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN
AGREEMENT IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000)
FOR FINANCING A PORTION OF THE COSTS OF THE OLD GLENN
HIGHWAY (NORTHERN COMMUNITIES) SEWER INTERCEPTOR
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 \$1,000,000 to finance a portion of the costs of the Old Glenn Highway (Northern Communities) Sewer Interceptor 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 January 7, 2009 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 One Million Dollars (\$1,000,000) 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 \$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 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.

Assembly Resolution

Acceptance of ACWF Loan Offer (\$1,000,000)

Page 3

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 31st day of February, 2009.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 47-2009

Meeting Date: January 20, 2009

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 ONE MILLION
6 DOLLARS (\$1,000,000) FOR FINANCING A PORTION OF THE
7 COSTS OF THE OLD GLENN HIGHWAY (NORTHERN
8 COMMUNITIES) SEWER INTERCEPTOR PROJECT
9

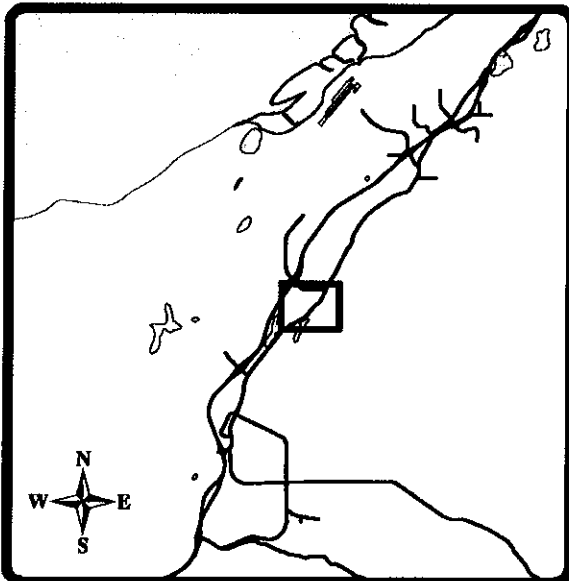
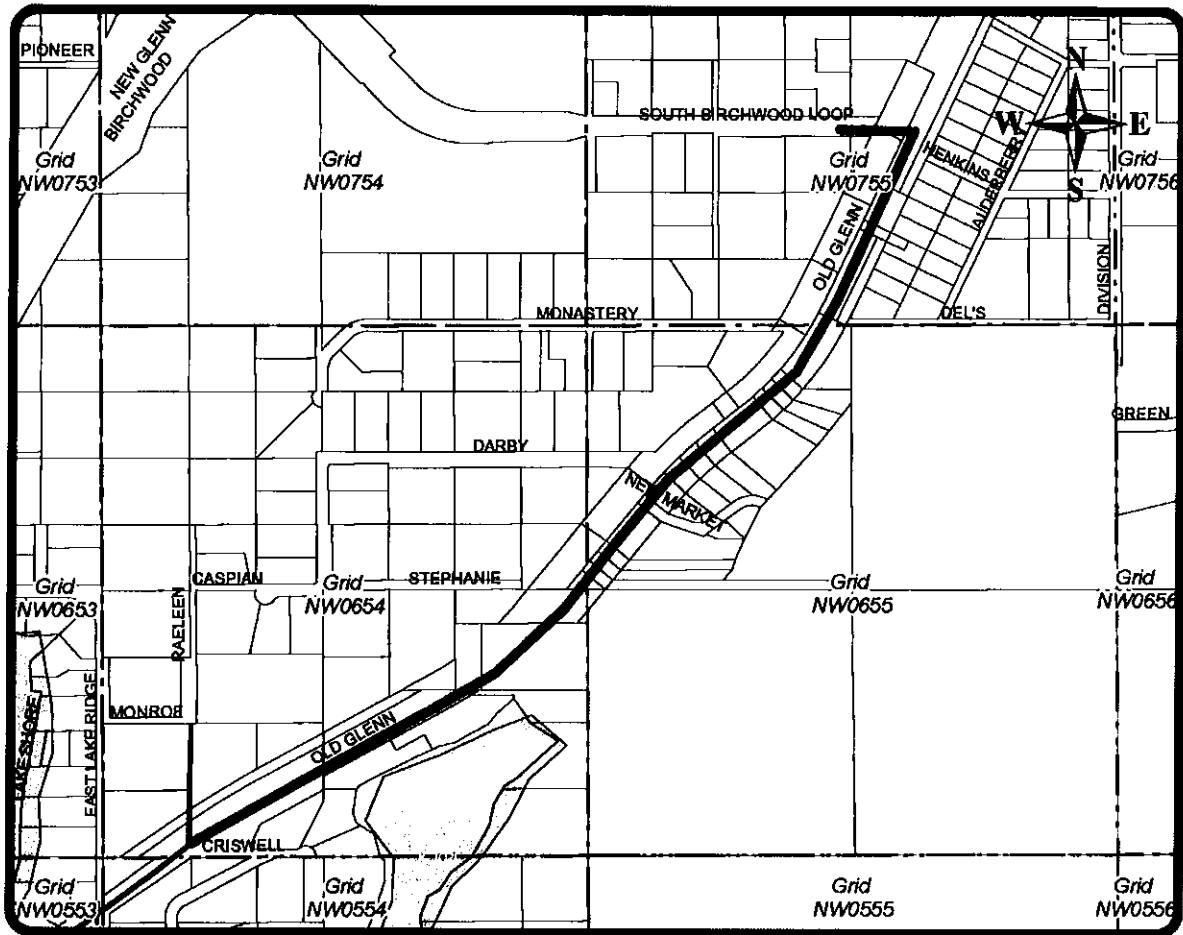
10 The Municipality of Anchorage has received a formal Alaska Clean Water Fund loan
11 agreement from the State of Alaska for the purpose of financing a portion of the cost of
12 the Old Glenn Highway (Northern Communities) Sewer Interceptor project.
13

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 January 7, 2009 meeting, the AWWU Authority Board supported this resolution to
20 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 ONE MILLION DOLLARS (\$1,000,000)**
26 **FOR FINANCING A PORTION OF THE COSTS OF THE OLD GLENN**
27 **HIGHWAY (NORTHERN COMMUNITIES) SEWER INTERCEPTOR**
28 **PROJECT**
29

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



Maps Not-to-Scale

LEGEND

-  Project Sewer Mains
-  Existing Sewer Mains
-  Project Map Area

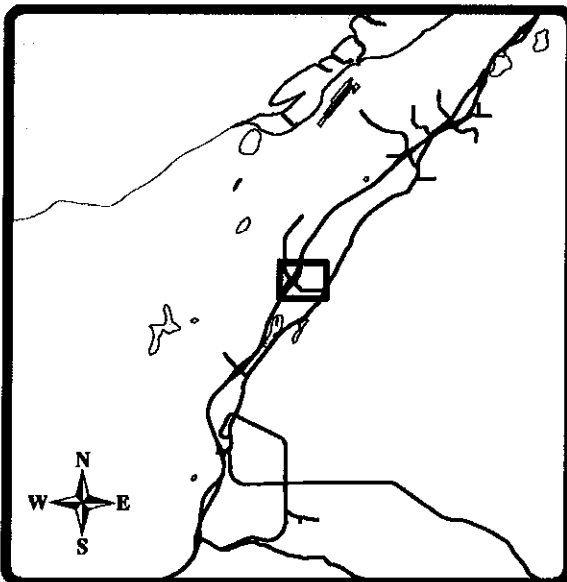
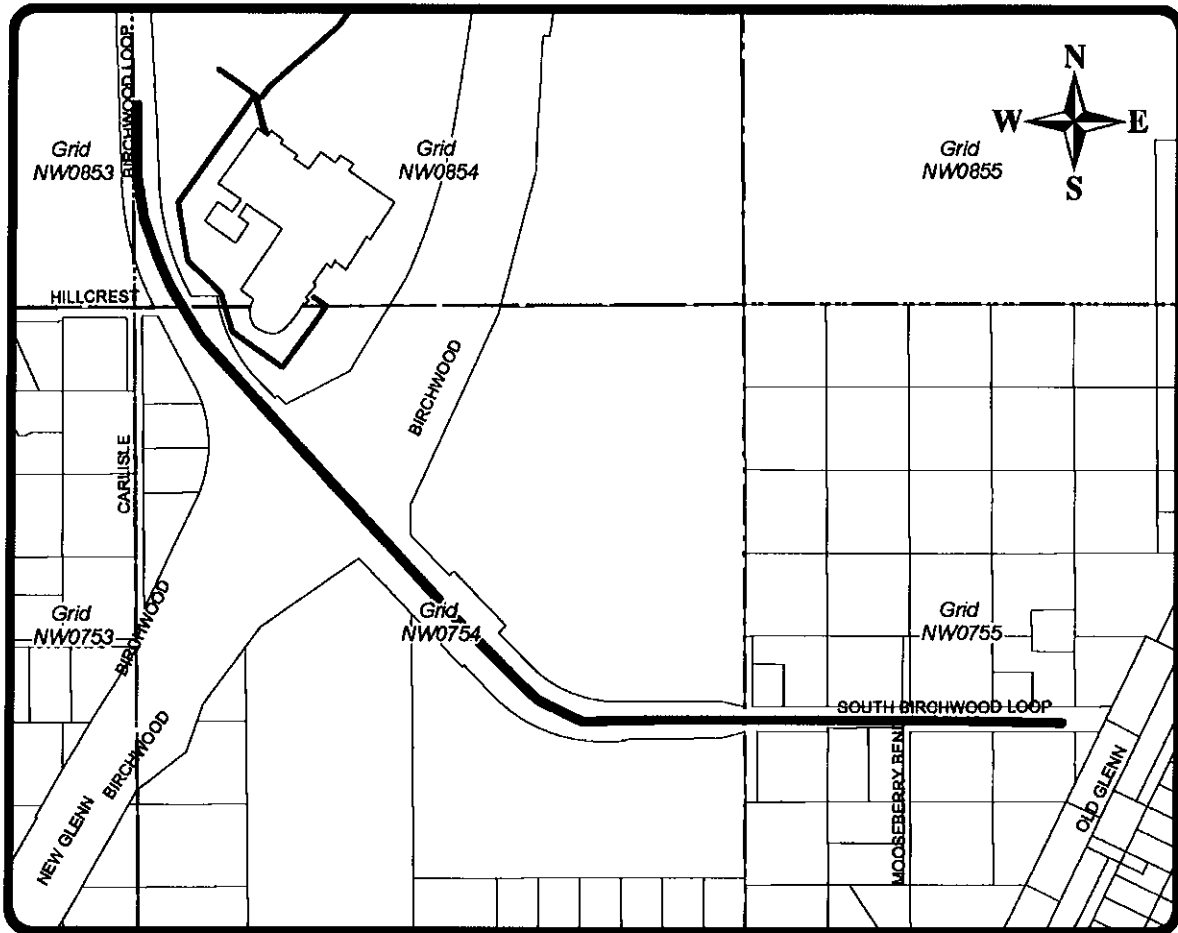


Map Created
by AJU
4-10-2006

NC_Old Glenn Highway Sewer Ext.




People Soft Project ID 0000000069

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

-  Project Sewer Mains
-  Existing Sewer Mains
-  Project Map Area



Map Created
by AJU
4-10-2006

N_Comm-ASD_Swr_Force_Main

People Soft Project ID 0000002291

Anchorage Water & Wastewater Utility

Content ID: 007293**Type:** AR_FundsApprop - Funds Approp ResolutionA RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT**Title:** IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) FOR FINANCING A
PORTION OF THE COSTS OF THE OLD GLENN HIGHWAY (NORTHERN
COMMUNITIES) SEWER INTERCEPTOR PROJECT**Author:** gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 1/8/09 11:17 AM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 1/20/09**Public
Hearing
Date:** 2/3/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	1/9/09 9:59 AM	Exit	Heather Handyside	Public	007293
MuniMgrCoord_SubWorkflow	1/9/09 9:59 AM	Approve	Heather Handyside	Public	007293
MuniManager_SubWorkflow	1/9/09 9:43 AM	Approve	Michael Abbott	Public	007293
Finance_SubWorkflow	1/8/09 5:09 PM	Approve	Sharon Weddleton	Public	007293
OMB_SubWorkflow	1/8/09 4:21 PM	Approve	Wanda Phillips	Public	007293
AWWU_SubWorkflow	1/8/09 11:25 AM	Approve	Mark Premo	Public	007293
FundsAppropWorkflow	1/8/09 11:22 AM	Checkin	Alyssa Gibson	Public	007293