

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: February 24, 2009

CLERK'S OFFICE

APPROVED

4-14-09

ANCHORAGE, ALASKA
AR No. 2009-32

Date:

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 ACCEPTING SIX STATE OF ALASKA DRINKING WATER FUND LOAN
3 AGREEMENTS IN THE AGGREGATE AMOUNT OF EIGHT MILLION ONE
4 HUNDRED THOUSAND DOLLARS (\$8,100,000) FOR FINANCING A PORTION
5 OF THE COSTS OF THE ANCHORAGE LOOP WATER TRANSMISSION
6 MAIN PHASE IV, SOUTH ANCHORAGE WATER EXTENSION, HILAND
7 ROAD WATER INTERTIE, DEBARR-KLEVIN-HOYT WATER UPGRADE,
8 CHRISTENSEN DRIVE WATER UPGRADE, AND WELL 7 AND WELL 12
9 UPGRADE PROJECTS

10
11
12 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032
13 and 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska
14 Drinking Water Fund (the "Fund"), a fund which makes use of U.S. Government grants
15 as authorized by the Drinking Water Act, as amended by P.L. 104-182; and,

16
17 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow
18 from the Fund for the purposes of planning, designing, constructing, equipping,
19 modifying, improving and expanding public water treatment, transmission and
20 distribution facilities; and,

21
22 WHEREAS, the Assembly of the Municipality, in its Ordinance No. AO 2007-127 and
23 AO 2008-11, determined it was necessary to proceed to plan, design, develop, construct,
24 equip, acquire property for, or otherwise obtain items of capital improvements in
25 connection with the 2007 and 2008 Capital Improvement Budget projects; authorized the
26 borrowing from the Fund for the purpose of financing a portion of the cost of said
27 projects; and authorized and directed the General Manager of the Anchorage Water and
28 Wastewater Utility ("AWWU") to complete and submit to the State Department of
29 Environmental Conservation ("DEC") applications to borrow money from the Fund and
30 to negotiate with DEC the terms of such loans; and,

31
32 WHEREAS, AWWU has submitted applications for loans in connection with said
33 projects, said applications for these loans have been approved, and AWWU has
34 negotiated the terms of these loans from the Fund in the aggregate amount of \$8,100,000
35 to finance a portion of the costs of the Anchorage Loop Water Transmission Main Ph IV,
36 South Anchorage Water Extension, Hiland Road Water Intertie, Debarr-Klevin-Hoyt Water
37 Upgrade, Christensen Drive Water Upgrade, and Well 7 and Well 12 Upgrade projects; and,

38
39 WHEREAS, the terms and conditions of said loans are contained in the Alaska Drinking
40 Water Fund Loan Agreements between the Municipality and DEC; and,

41

WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said loan offers be approved and that the Loan Agreements be executed on behalf of the Municipality; and,

WHEREAS, at its February 4, 2009 meeting, the AWWU Authority Board supported this resolution to accept funding from said loan agreements for these projects; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. Loan Proceeds: The subject loan proceeds in the amount of Eight Million One Hundred Thousand Dollars (\$8,100,000) are hereby accepted.

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

Principal Amount: Not to exceed \$8,100,000 (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 Projects

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

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 loans shall be from any legally available funds accruing to or in the possession of the Municipality; and provided further that repayment of the loans 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 offers are approved and the General Manager and Chief Financial Officer of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreements for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreements, are hereby authorized, empowered and directed to do all such acts and things as may be necessary to carry out and comply with the provisions of the Loan Agreements as executed.

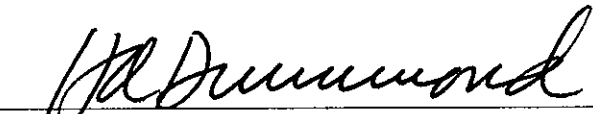
Section 4. Effective Date: This Resolution shall take effect immediately upon passage and approval by the Assembly.

Assembly Resolution

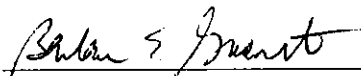
Acceptance of ADWF Loan Agreements (\$8,100,000)

Page 3

PASSED AND APPROVED by the Anchorage Assembly this 14th day of April,
2009.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 87-2009

Meeting Date: February 24, 2009

1 **From:** Mayor

2
3 **Subject:** **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **ACCEPTING SIX STATE OF ALASKA DRINKING WATER FUND LOAN**
5 **AGREEMENTS IN THE AGGREGATE AMOUNT OF EIGHT MILLION**
6 **ONE HUNDRED THOUSAND DOLLARS (\$8,100,000) FOR FINANCING A**
7 **PORTION OF THE COSTS OF THE ANCHORAGE LOOP WATER**
8 **TRANSMISSION MAIN PHASE IV, SOUTH ANCHORAGE WATER**
9 **EXTENSION, HILAND ROAD WATER INTERTIE, DEBARR-KLEVIN-**
10 **HOYT WATER UPGRADE, CHRISTENSEN DRIVE WATER UPGRADE,**
11 **AND WELL 7 AND WELL 12 UPGRADE PROJECTS**
12

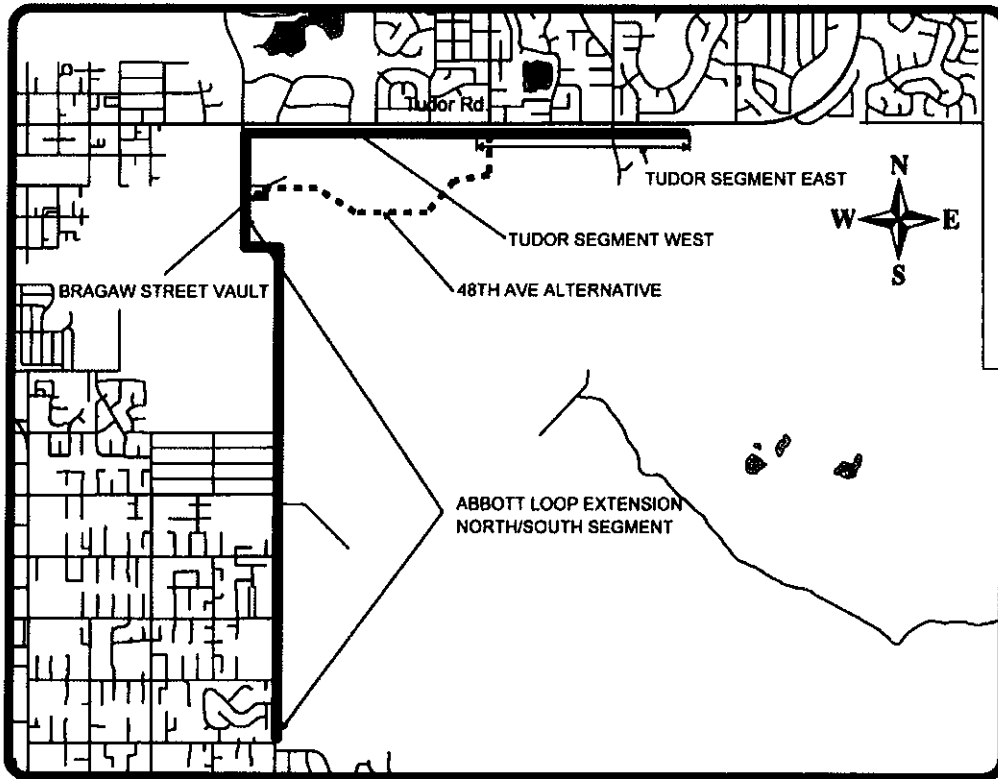
13 The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan
14 agreements from the State of Alaska for the purpose of financing a portion of the cost of the
15 Anchorage Loop Water Transmission Main Phase IV, South Anchorage Water Extension, Hiland
16 Road Water Intertie, Debarr-Klevin-Hoyt Water Upgrade, Christensen Drive Water Upgrade, and
17 Well 7 and Well 12 Upgrade projects.
18

19 These loan offers are made under the State's low-interest revolving loan program, which is
20 attractive to the Municipality due to the low interest rate of 1.5% and the favorable payback
21 terms of twenty years from one year after the project's date of initiation of operation.
22

23 At its February 4, 2009 meeting, the AWWU Authority Board supported this resolution to
24 accept funding from said loan agreements for these projects.
25

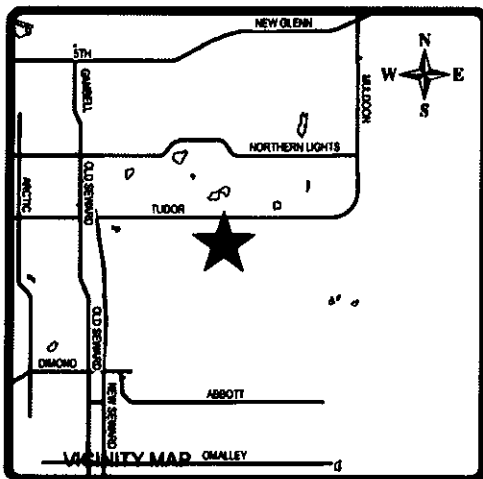
26 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
27 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
28 **ACCEPTING AND APPROPRIATING SIX STATE OF ALASKA DRINKING WATER**
29 **FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF EIGHT**
30 **MILLION ONE HUNDRED THOUSAND DOLLARS (\$8,100,000) FOR FINANCING A**
31 **PORTION OF THE COSTS OF THE ANCHORAGE LOOP WATER TRANSMISSION**
32 **MAIN PHASE IV, SOUTH ANCHORAGE WATER EXTENSION, HILAND ROAD**
33 **WATER INTERTIE, DEBARR-KLEVIN-HOYT WATER UPGRADE, CHRISTENSEN**
34 **DRIVE WATER UPGRADE, AND WELL 7 AND WELL 12 UPGRADE PROJECTS**
35

36 Prepared by: Anchorage Water and Wastewater Utility
37 Recommended by: Mark Premo, P.E., General Manager, AWWU
38 Concur: Michael K. Abbott, Municipal Manager
39 Respectfully submitted: Matt Claman, Acting Mayor



PROJECT MAP GRID SW1836-39, 1936, 2036

Maps Not-to-Scale



E:\AWWU Common\Capital Budget\Maps\Water\000000535...

Legend



Approximate location



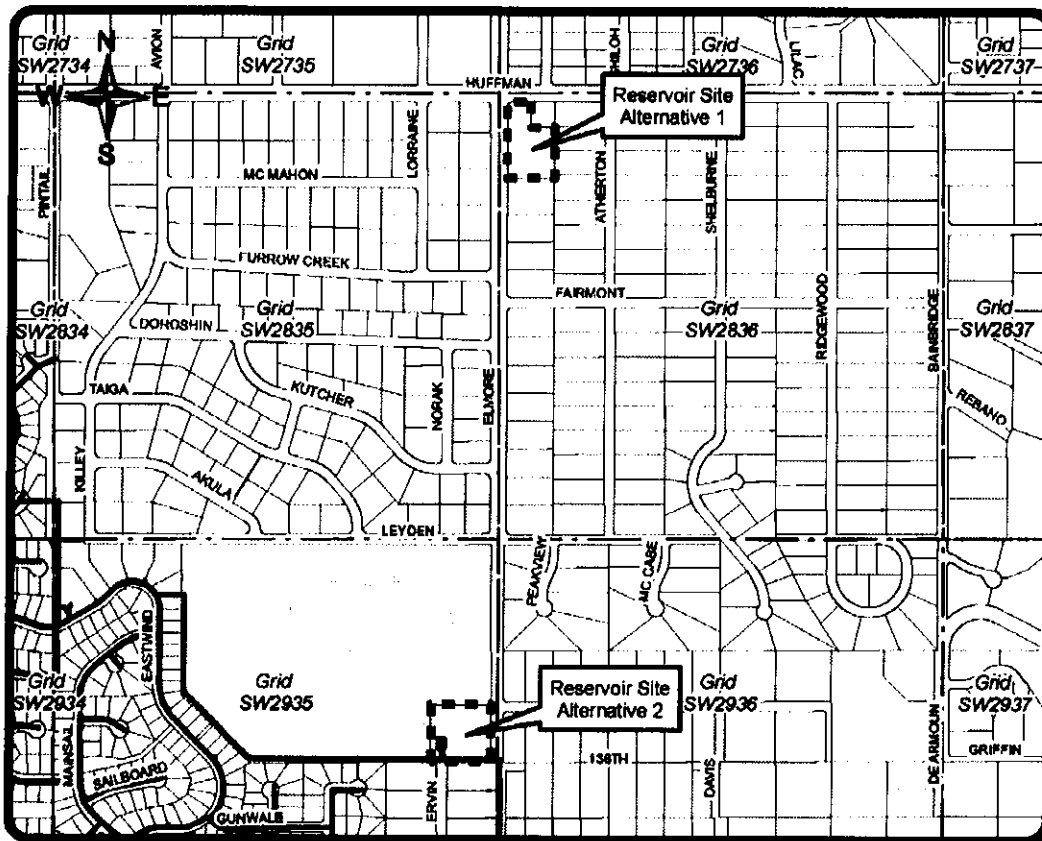
Proposed Main



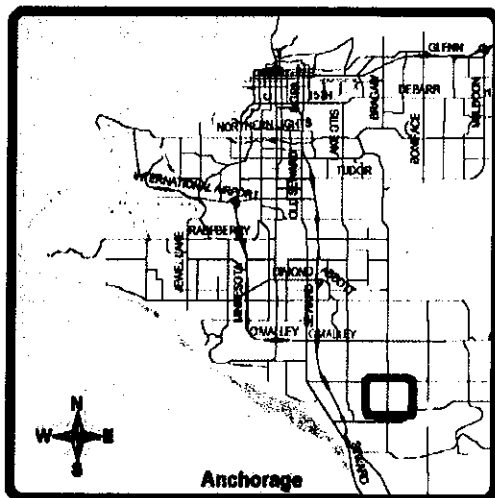
Anchorage Loop WTM Ph IV

PeopleSoft Project ID 000000535



Anchorage Water & Wastewater Utility



Maps Not-to-Scale



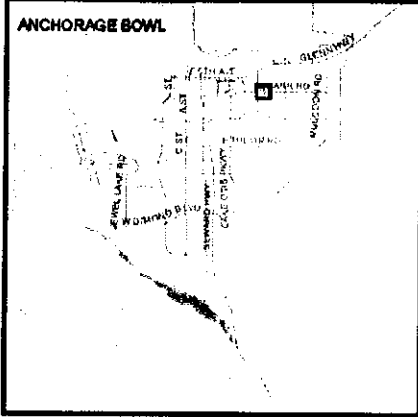
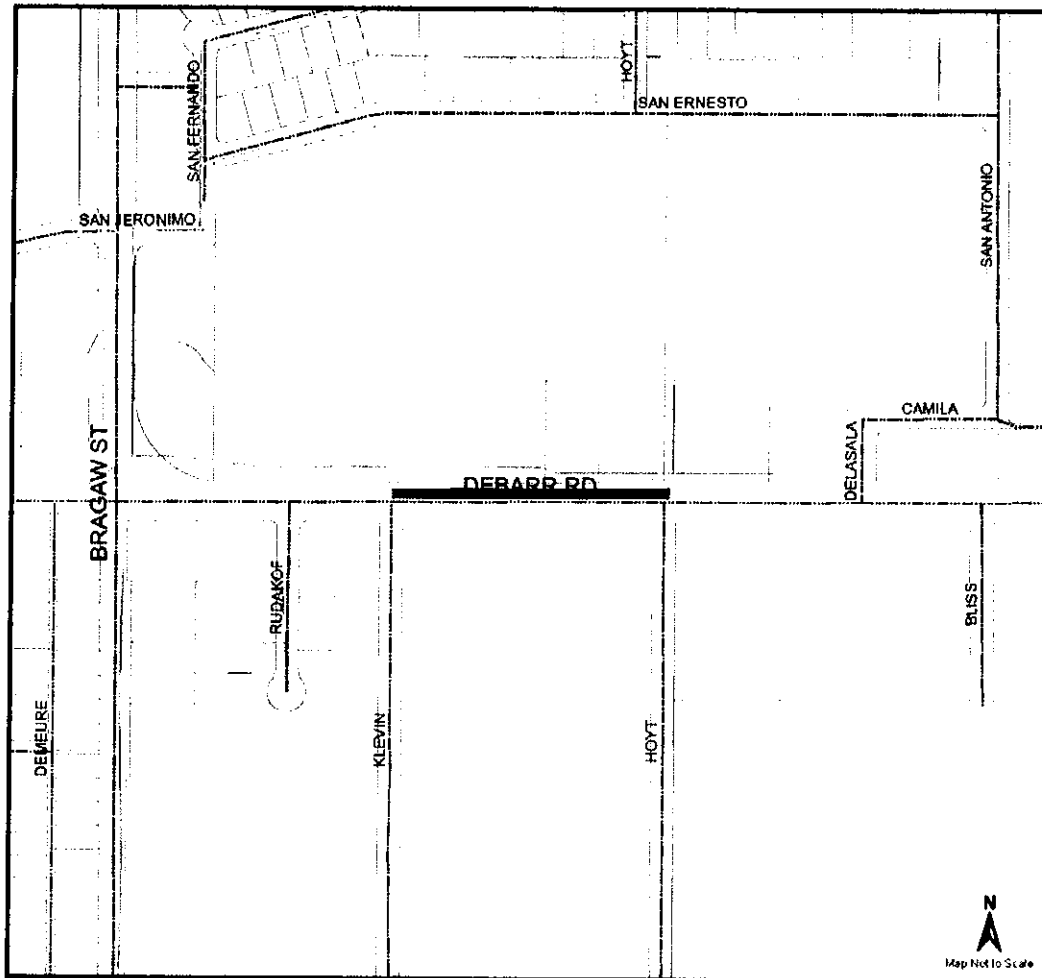
LEGEND

-  Existing Water Mains
-  Project Area



Map Created
by AJU
9/23/2008

Res_135th-Davis
Revised
PeopleSoft Project ID 0000004004
Anchorage Water & Wastewater Utility



Municipality of Anchorage

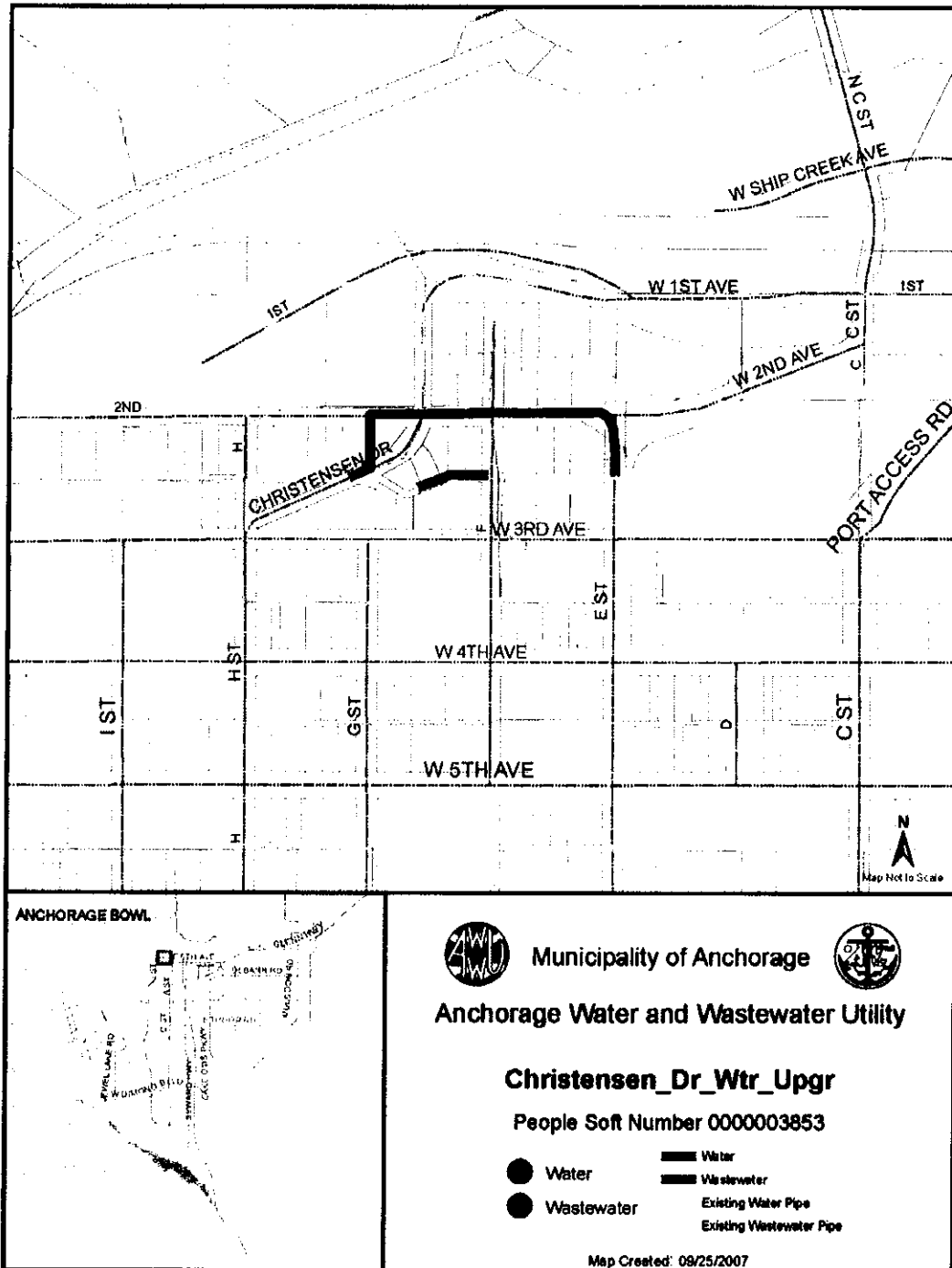
Anchorage Water and Wastewater Utility

DeBarr_Klevin-Hoyt_Wtr_Upgr

People Soft Number 0000003549

- | | |
|---|--|
| <ul style="list-style-type: none"> Water Wastewater | <ul style="list-style-type: none"> Water Wastewater Existing Water Pipe Existing Wastewater Pipe |
|---|--|

Map Created: 09/25/2007





ANCHORAGE WATER AND WASTEWATER UTILITY
BOARD MEMORANDUM
No. 2009-7

Meeting Date: February 4, 2009

1 **From:** Mark Premo, P.E., General Manager

2
3 **Subject:** Acceptance of Six (6) Alaska Drinking Water Fund Loan Agreements in the
4 **Aggregate Amount of \$8,100,000**

5
6 AWWU Board Memorandum 2006-19 was introduced and approved at the Board meeting of
7 October 4, 2006. It outlined the process for applying for project loan funding under the Alaska
8 Clean Water Fund (ACWF) and the Alaska Drinking Water Fund (ADWF) loan programs.
9 These programs provide loans at the rate of 1.5% for up to twenty years in duration to
10 municipalities, boroughs and qualified private water utilities.

11
12 AWWU Board Memoranda 2007-56(s) and 2008-10 also approved AWWU to introduce
13 Assembly Ordinances AO2007-127 and AO2008-11 authorizing for the borrowing of said loan
14 funds for 2007 and 2008 CIB projects. Public hearings were held and subsequently closed
15 October 09, 2007 and February 12, 2008. The Assembly authorized AWWU to begin to secure
16 the loan funds.

17
18 AWWU has now received Six (6) ADWF loan agreements: Anchorage Loop Water
19 Transmission Main Phase IV (\$5,500,000 loan increase), South Anchorage Water Extension
20 (\$400,000 loan increase), Hiland Road Water Intertie (\$700,000 loan increase), Debarr-Klevin-
21 Hoyt Water Upgrade (\$430,000), Christensen Drive Water Upgrade (\$650,000), and Well 7 and
22 Well 12 Upgrade (\$420,000). With ADWF agreements in hand, AWWU brings before the
23 Board the attached draft Assembly Resolution.

24
25 Approval by the AWWU Board of the attached draft Resolution is requested at the regular
26 meeting of February 4, 2009. With the Board's support, AWWU will present the attached
27 Assembly Resolution and Memorandum to the Assembly seeking approval to accept said loan
28 agreements for these projects.

29
30 Prepared by: Wendy Drew, Project Support/Grants Supervisor, Engineering Division
31 Fund Concurrence: Glenda Gibson, CPA, CFO
32 Submitted by: Mark Premo, P.E., General Manager

33
34 **Approved:**

35  2/4/09
36 Sharon B. Weddleton Date
37 Chair, AWWU Board of Directors
38

AUTHORITY BOARD
APPROVED

Date: February 4, 2009

Content ID: 007392**Type:** AR_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING SIX STATE OF ALASKA DRINKING WATER FUND LOAN
AGREEMENTS IN THE AGGREGATE AMOUNT OF EIGHT MILLION ONE
HUNDRED THOUSAND DOLLARS (\$8,100,000) FOR FINANCING A PORTION

Title: OF THE COSTS OF THE ANCHORAGE LOOP WATER TRANSMISSION MAIN
PHASE IV, SOUTH ANCHORAGE WATER EXTENSION, HILAND ROAD
WATER INTERTIE, DEBARR-KLEVIN-HOYT WATER UPGRADE,
CHRISTENSEN DRIVE WATER UPGRADE, AND WELL 7 AND WELL 12
UPGRADE PROJECTS

Author: gibsonam

**Initiating
Dept:** AWWU

Description: ACCEPTING SIX STATE OF ALASKA DRINKING WATER FUND LOAN
AGREEMENTS IN THE AGGREGATE AMOUNT OF EIGHT MILLION ONE
HUNDRED THOUSAND DOLLARS (\$8,100,000)

**Date
Prepared:** 2/5/09 4:54 PM

**Director
Name:** Mark Premo

**Assembly
Meeting Date:** 2/24/09

**Public
Hearing Date:** 3/24/09

| <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 | 2/9/09 9:45 AM | Exit | Heather Handyside | Public | 007392 |
| MuniMgrCoord_SubWorkflow | 2/9/09 9:45 AM | Approve | Heather Handyside | Public | 007392 |
| MuniManager_SubWorkflow | 2/9/09 9:33 AM | Approve | Michael Abbott | Public | 007392 |
| Finance_SubWorkflow | 2/6/09 3:03 PM | Approve | Teresa Peterson | Public | 007392 |
| OMB_SubWorkflow | 2/6/09 11:13 AM | Approve | Wanda Phillips | Public | 007392 |
| AWWU_SubWorkflow | 2/5/09 4:59 PM | Approve | Mark Premo | Public | 007392 |
| FundsAppropWorkflow | 2/5/09 4:57 PM | Checkin | Alyssa Gibson | Public | 007392 |