

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

CLERK'S OFFICE
APPROVED
5/12/09

Date:

ANCHORAGE, ALASKA
AR No. 2009-79

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 ACCEPTING FIVE STATE OF ALASKA DRINKING WATER FUND LOAN
3 AGREEMENTS IN THE AGGREGATE AMOUNT OF TWO MILLION TWO
4 HUNDRED SIXTY NINE THOUSAND DOLLARS (\$2,269,000) FOR
5 FINANCING A PORTION OF THE COSTS OF THE JUNEAU 21ST WATER
6 UPGRADE, ISLAND-KODIAK-KALGIN WATER UPGRADE, TWO WAY
7 RADIO UPGRADE-WATER, 3000 ARCTIC HVAC UPGRADE, AND 68TH
8 AVENUE REDHAWK INTERTIE PROJECTS
9

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

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

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

31 WHEREAS, AWWU has submitted applications for loans in connection with said
32 projects, said applications for these loans have been approved, and AWWU has
33 negotiated the terms of these loans from the Fund in the aggregate amount of \$2,269,000
34 to finance a portion of the costs of the Juneau 21st Water Upgrade, Island-Kodiak-Kalgin
35 Water Upgrade, Two Way Radio Upgrade-Water, 3000 Arctic HVAC Upgrade, and 68th
36 Avenue Redhawk Intertie projects; and,
37

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

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

4
5 WHEREAS, at its March 5, 2009 meeting, the AWWU Authority Board supported this
6 resolution to accept funding from said loan agreements for these projects; now, therefore,

7
8 THE ANCHORAGE ASSEMBLY RESOLVES:

9
10 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of Two Million Two
11 Hundred Sixty Nine Thousand Dollars (\$2,269,000) are hereby accepted.

12
13 **Section 2. Loan Terms:** The following primary terms of the loans are among those
14 incorporated in the Loan Agreements as hereby specifically approved:

15
16 Principal Amount: Not to exceed \$2,269,000 (subject to individual draws)

17
18 Interest Rate: 1.5% per annum

19
20 Interest Accrual: Accrual of interest will begin one year after the date of the first disbursement
21 to the Municipality

22
23 Term: Twenty years from the date of initiation of operation of the Projects

24
25 Date of First Payment: One year following substantial completion and initiation of operation
26 of the Projects

27
28 Payment Interval: Annual

29
30 Amortization Schedule: Level, fully amortizing

31
32 Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the
33 System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such
34 monies are not sufficient, repayment of the loans shall be from any legally available funds
35 accruing to or in the possession of the Municipality; and provided further that repayment of the
36 loans is not a direct obligation of the Municipality and neither the faith and credit nor the
37 taxing power of the Municipality are pledged therefore.

38
39 **Section 3. Approval and Executing of Loan Agreement:** The loan offers are approved and
40 the General Manager and Chief Financial Officer of AWWU, are hereby authorized,
41 empowered and directed to execute and deliver the Loan Agreements for and on behalf of the
42 Municipality, including necessary counterparts, and, from and after the executing and delivery
43 of the Loan Agreements, are hereby authorized, empowered and directed to do all such acts
44 and things as may be necessary to carry out and comply with the provisions of the Loan
45 Agreements as executed.

Assembly Resolution

Acceptance of ADWF Loan Agreements (\$2,269,000)

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 12th day of May, 2009.

Debbie Ossander
Chair

ATTEST:

Baldan S. Jurenski
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM168-2009

Meeting Date: March 24, 2009

1 **From:** Mayor

2
3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
4 ACCEPTING FIVE STATE OF ALASKA DRINKING WATER FUND
5 LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF TWO
6 MILLION TWO HUNDRED SIXTY NINE THOUSAND DOLLARS
7 (\$2,269,000) FOR FINANCING A PORTION OF THE COSTS OF THE
8 JUNEAU 21ST WATER UPGRADE, ISLAND-KODIAK-KALGIN WATER
9 UPGRADE, TWO WAY RADIO UPGRADE-WATER, 3000 ARCTIC HVAC
10 UPGRADE, AND 68TH AVENUE REDHAWK INTERTIE PROJECTS
11

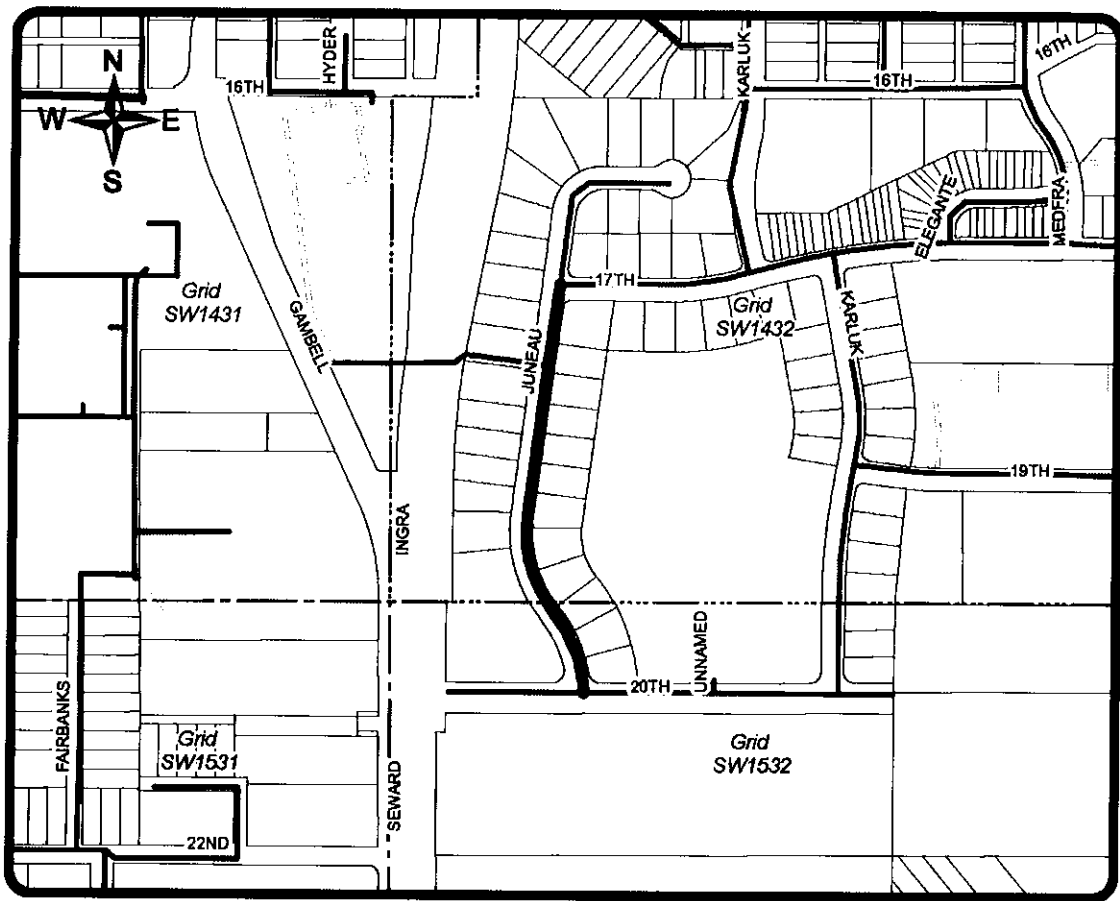
12 The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan
13 agreements from the State of Alaska for the purpose of financing a portion of the cost of the
14 Juneau 21st Water Upgrade, Island-Kodiak-Kalgin Water Upgrade, Two Way Radio Upgrade-
15 Water, 3000 Arctic HVAC Upgrade, and 68th Avenue Redhawk Intertie projects.
16

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

21 At its March 5, 2009 meeting, the AWWU Authority Board supported this resolution to accept
22 funding from said loan agreements for these projects.
23




24 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
25 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION**
26 **ACCEPTING AND APPROPRIATING FIVE STATE OF ALASKA DRINKING**
27 **WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF TWO**
28 **MILLION TWO HUNDRED SIXTY NINE THOUSAND DOLLARS (\$2,269,000) FOR**
29 **FINANCING A PORTION OF THE COSTS OF THE JUNEAU 21ST WATER**
30 **UPGRADE, ISLAND-KODIAK-KALGIN WATER UPGRADE, TWO WAY RADIO**
31 **UPGRADE-WATER, 3000 ARCTIC HVAC UPGRADE, AND 68TH AVENUE**
32 **REDHAWK INTERTIE PROJECTS**
33

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



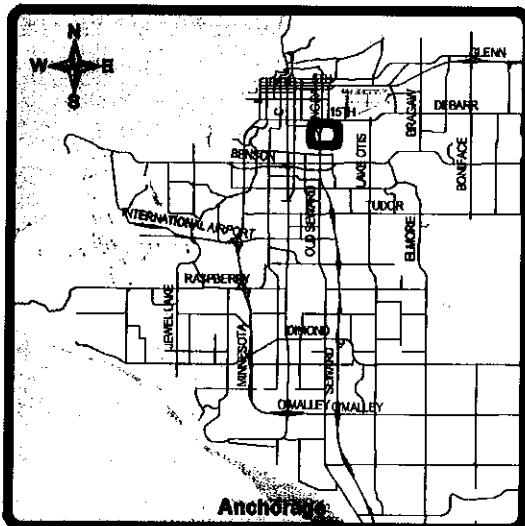
Maps Not-to-Scale

LEGEND

-  Existing Water Mains
-  Project Water Mains
-  Project Map Area

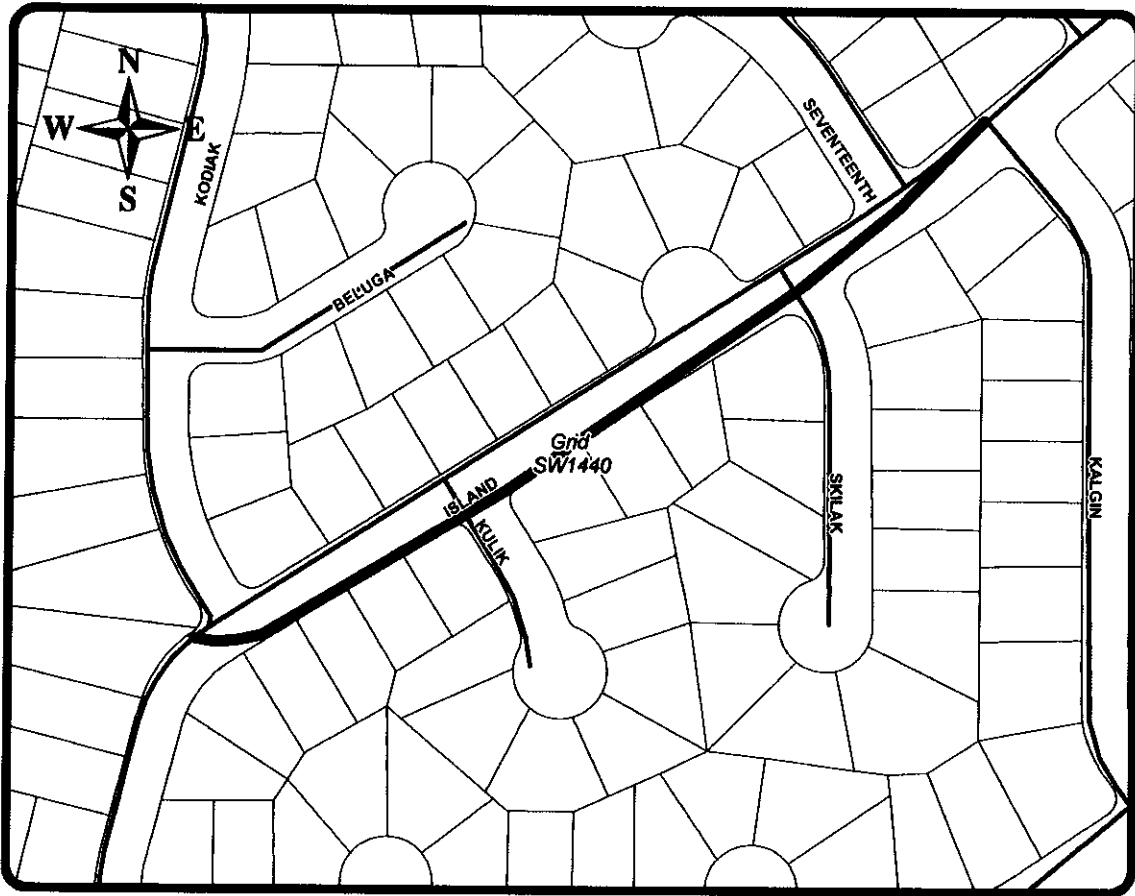


Map Created
by AJU
1/04/2008






Juneau_17th-20th_St_Wtr_Upgr

PeopleSoft Project ID 0000003548
Anchorage Water & Wastewater Utility



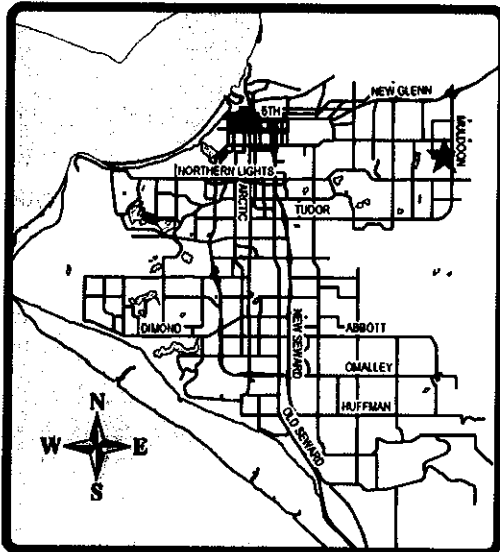
Maps Not-to-Scale

LEGEND

-  Project Water Main
-  Existing Water Mains
-  Project Area



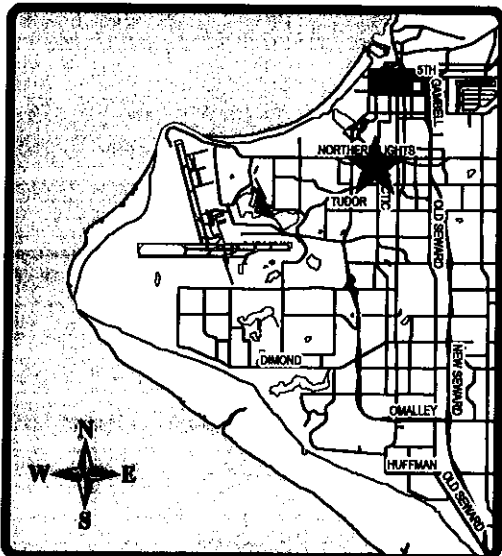
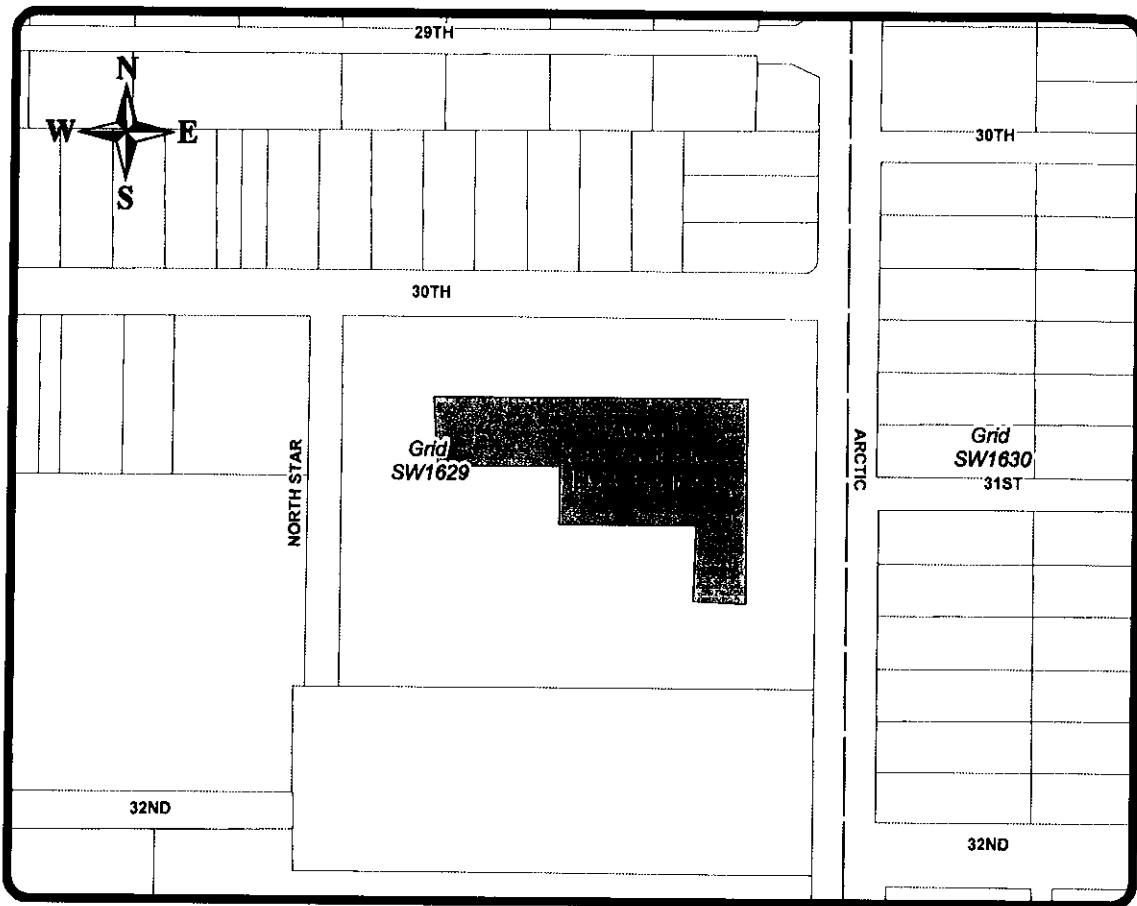
Map Created
by AJU
08/18/2004



G:\AWWU Common\Capital Budget\Maps\Water
Island_Kodiak-Kalgin_WTR_Upgr.jpg

Island - Kodiak - Kalgin Water Upgrade

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

★ Project Map Area

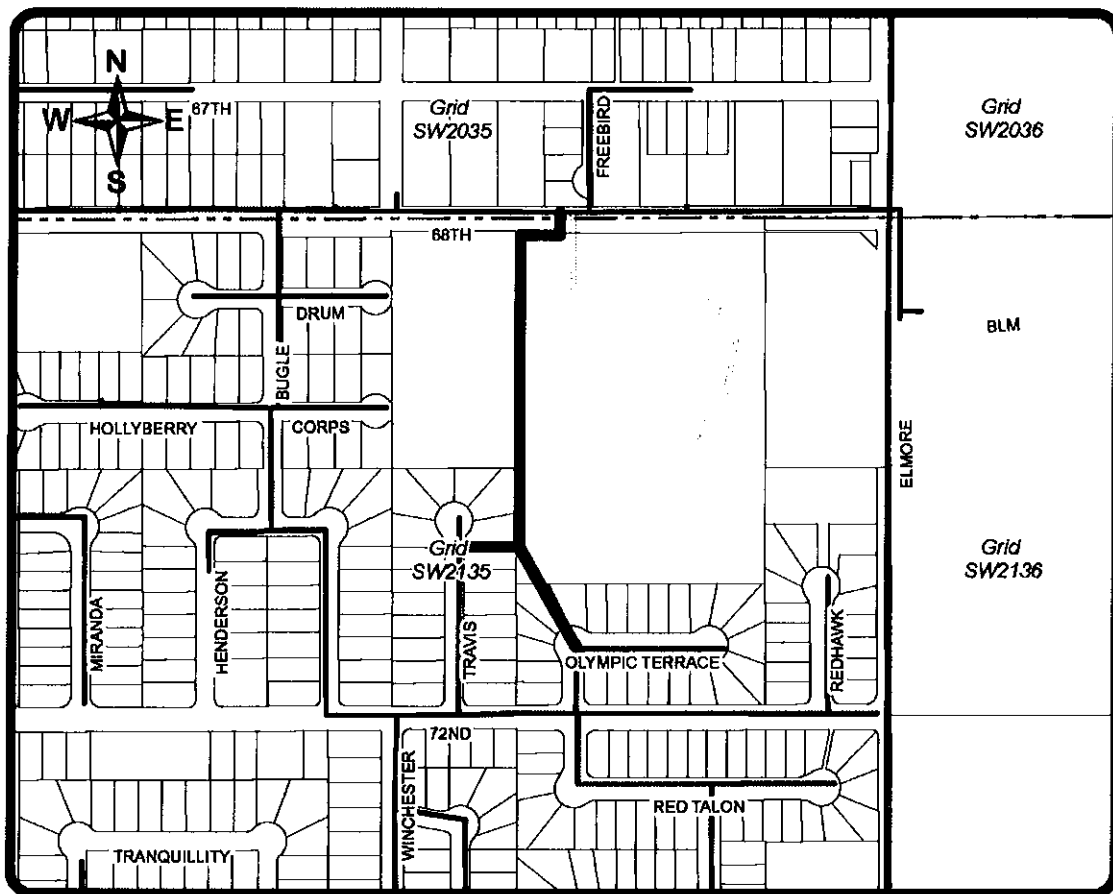


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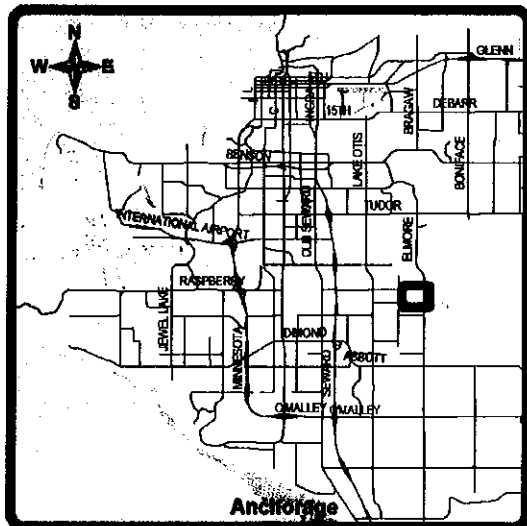
3000_Arctic_HVAC_Upgr

PeopleSoft Project ID 0000003847




Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

-  Project Water Mains
-  Existing Water Mains
-  Project Area



Map Created
by AJU
11/13/2007

68th Ave-Redhawk Int

PeopleSoft Project ID 0000004871
Anchorage Water & Wastewater Utility

Content ID: 007508**Type:** AR_AllOther - All Other Resolutions

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Author: gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 3/11/09 4:49 PM**Director
Name:** Mark Premo**Assembly
Meeting Date:** 3/24/09**Public
Hearing Date:** 4/28/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	3/13/09 9:29 AM	Exit	Joy Maglaqui	Public	007508
MuniMgrCoord_SubWorkflow	3/13/09 9:29 AM	Approve	Joy Maglaqui	Public	007508
MuniManager_SubWorkflow	3/13/09 9:25 AM	Approve	Michael Abbott	Public	007508
CFO_SubWorkflow	3/12/09 3:41 PM	Approve	Teresa Peterson	Public	007508
AWWU_SubWorkflow	3/11/09 4:56 PM	Approve	Mark Premo	Public	007508
AllOtherARWorkflow	3/11/09 4:51 PM	Checkin	Alyssa Gibson	Public	007508