

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Anchorage Water and Wastewater
Utility

For reading: January 19, 2010

CLERK'S OFFICE

APPROVED

Date: 2-2-10

ANCHORAGE, ALASKA

AR No. 2010-16

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING TWO STATE OF ALASKA DRINKING WATER FUND LOAN
AGREEMENTS IN THE AGGREGATE AMOUNT OF THREE MILLION
DOLLARS (\$3,000,000)**

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 Drinking Water Fund (the "Fund"), a fund
which makes use of U.S. Government grants as authorized by the Drinking
Water Act, as amended by P.L. 104-182; 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 water treatment,
transmission and distribution facilities; and,

WHEREAS, AWWU has submitted applications for loans in connection with
the following projects, said applications for these loans have been approved,
and AWWU has negotiated the terms of these loans from the Fund in the
aggregate amount of \$3,000,000 to finance a portion of the costs of the
Eklutna Water Treatment Facility Roof-Window Upgrade and Well 7 and
Well 12 Upgrade projects; and,

WHEREAS, the Assembly of the Municipality, through approved Assembly
Ordinance 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 these projects; authorized the borrowing
from the Fund for the purpose of financing a portion of the cost of said
projects; 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
loans; and,

1 **WHEREAS**, the terms and conditions of said loans are contained in the
2 Alaska Drinking Water Fund Loan Agreements between the Municipality and
3 DEC; and,
4

5 **WHEREAS**, it is hereby found to be in the best interest of the Municipality
6 that terms of said loan offers be approved and that the Loan Agreements be
7 executed on behalf of the Municipality; and,
8

9 **WHEREAS**, at its January 6, 2010 meeting, the AWWU Authority Board
10 supported this resolution to accept funding from said loan agreements for
11 these projects; now, therefore,
12

13 **THE ANCHORAGE ASSEMBLY RESOLVES:**
14

15 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of
16 Three Million Dollars (\$3,000,000) are hereby accepted.
17

18 **Section 2. Loan Terms:** The following primary terms of the loans are
19 among those incorporated in the Loan Agreements as hereby specifically
20 approved:
21

22 Principal Amount: Not to exceed \$3,000,000 (subject to individual draws)
23

24 Interest Rate: 1.5% per annum
25

26 Interest Accrual: Accrual of interest will begin one year after the date of the
27 first disbursement to the Municipality
28

29 Term: Twenty years from the date of initiation of operation of the Projects
30

31 Date of First Payment: One year following substantial completion and
32 initiation of operation of the Projects
33

34 Payment Interval: Annual
35

36 Amortization Schedule: Level, fully amortizing
37

38 Security: A subordinate lien pledge of the Gross Revenues less the
39 Operating Expenses of the System as those terms are defined in Assembly
40 Ordinance, provided that if such monies are not sufficient, repayment of the
41 loans shall be from any legally available funds accruing to or in the
42 possession of the Municipality; and provided further that repayment of the

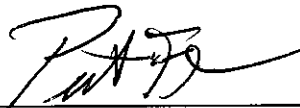
1 loans is not a direct obligation of the Municipality and neither the faith and
2 credit nor the taxing power of the Municipality are pledged therefore.
3

4 **Section 3. Approval and Executing of Loan Agreement:** The loan offers
5 are approved and the General Manager and Chief Financial Officer of
6 AWWU, are hereby authorized, empowered and directed to execute and
7 deliver the Loan Agreements for and on behalf of the Municipality, including
8 necessary counterparts, and, from and after the executing and delivery of
9 the Loan Agreements, are hereby authorized, empowered and directed to do
10 all such acts and things as may be necessary to carry out and comply with
11 the provisions of the Loan Agreements as executed.
12

13 **Section 4. Effective Date:** This Resolution shall take effect immediately
14 upon passage and approval by the Assembly.
15

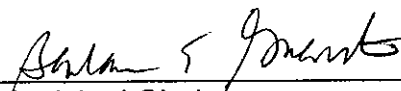
16 PASSED AND APPROVED by the Anchorage Assembly this 2nd day of
17 February, 2010.
18
19

20
21
22
23
24
25
26
27
28
29
30



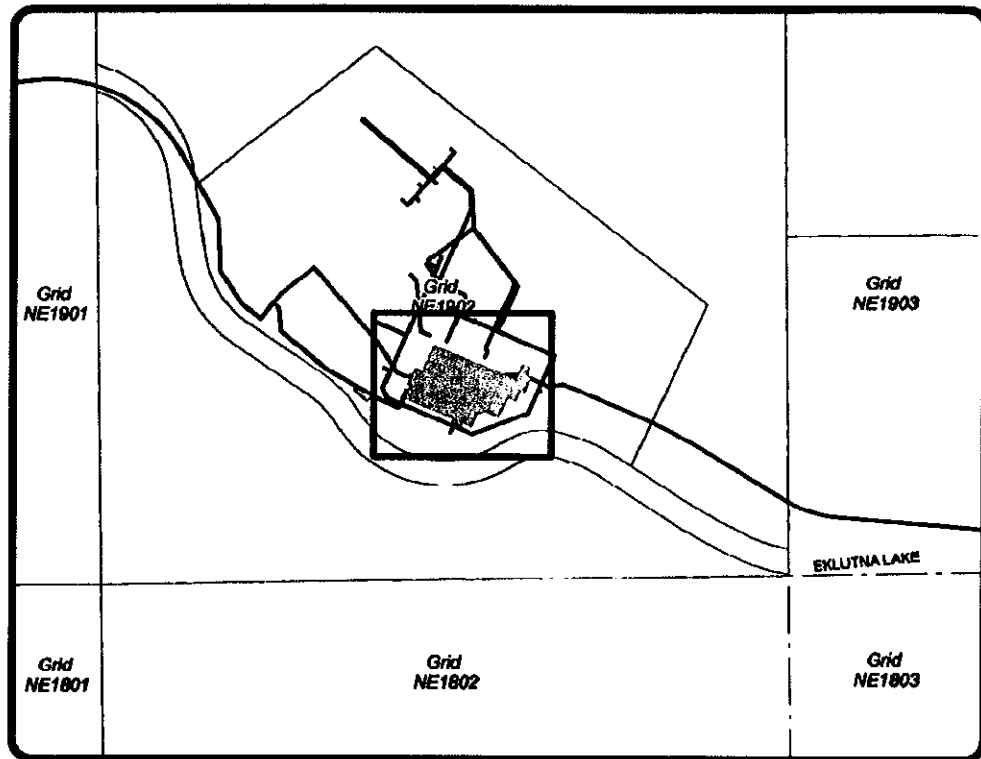
Chair of the Assembly

ATTEST:

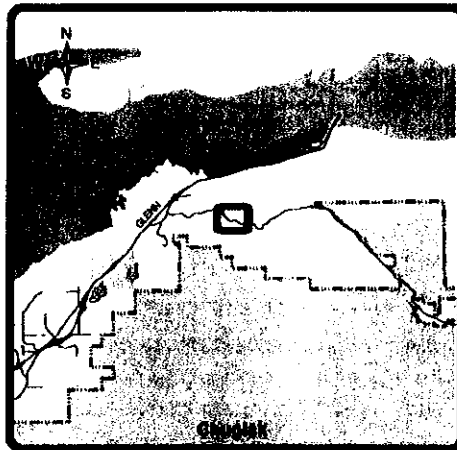


Municipal Clerk

EXHIBIT A



Maps Not-to-Scale



LEGEND

-  Existing Water Mains
-  Project Area

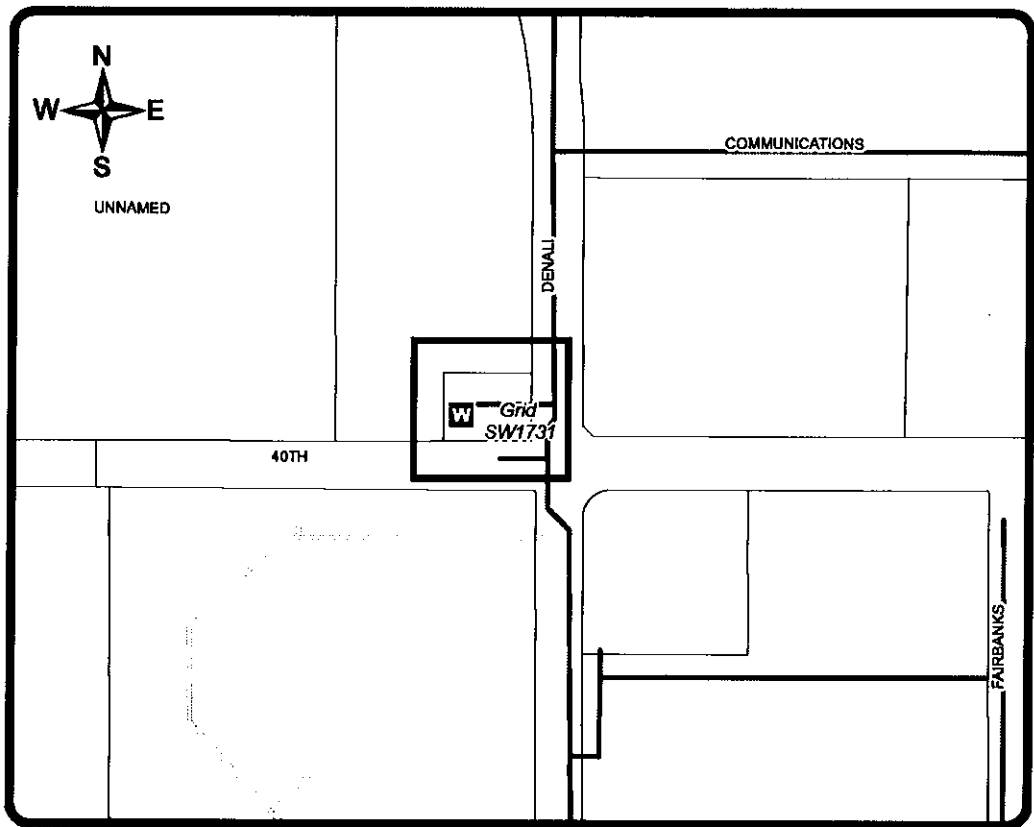


Map Created
by AJU
1-31-08

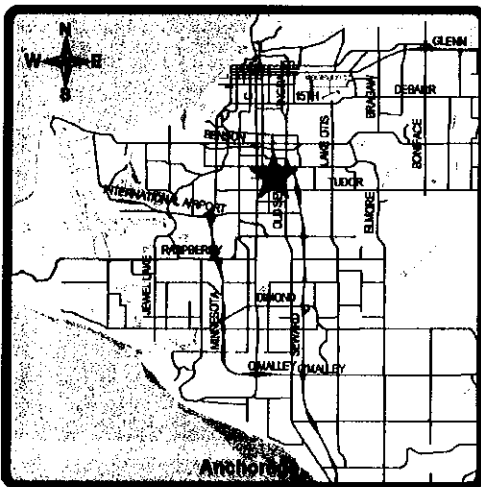
**EWTF Roof / Window
Replacement**
PeopleSoft Project ID 0000004877
Anchorage Water & Wastewater Utility

G:\AWWU Common\Capital Budget\Maps\Water\0000004877-EWTF
Roof / Window Replacement.pdf

EXHIBIT B



Maps Not-to-Scale



LEGEND

- Existing Water Mains
- Project Area
- Project Location



Map Created
by AJU
1/24/2008

Well_7_Capacity_Upgrade

PeopleSoft Project ID 0000004870
Anchorage Water & Wastewater Utility

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 46-2010

Meeting Date: January 19, 2010

1 **From: MAYOR**

2
3 **Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,**
4 **ALASKA, ACCEPTING TWO STATE OF ALASKA DRINKING**
5 **WATER FUND LOAN AGREEMENTS IN THE AGGREGATE**
6 **AMOUNT OF THREE MILLION DOLLARS (\$3,000,000)**
7

8 The Municipality of Anchorage has received formal Alaska Drinking Water
9 Fund loan agreements from the State of Alaska for the purpose of financing
10 a portion of the cost of the Eklutna Water Treatment Facility Roof-Window
11 Upgrade and Well 7 and Well 12 Upgrade projects.
12

13 These loan offers are made under the State's low-interest revolving loan
14 program, which is attractive to the Municipality due to the low interest rate of
15 1.5% and the favorable payback terms of twenty years from one year after
16 the project's date of initiation of operation.
17

18 At its January 6, 2010 meeting, the AWWU Authority Board supported this
19 resolution to accept funding from said loan agreements for these projects.
20

21 **THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY**
22 **BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS**
23 **RESOLUTION ACCEPTING TWO STATE OF ALASKA DRINKING**
24 **WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF**
25 **THREE MILLION DOLLARS (\$3,000,000).**
26

27 Prepared by: Anchorage Water and Wastewater Utility
28 Recommended by: Mark Premo, P.E., General Manager, AWWU
29 Concur: George J. Vakalis, Municipal Manager
30 Respectfully submitted: Daniel A. Sullivan, Mayor

Content ID: 008588**Type:** AR_AllOther - All Other Resolutions

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
Title: ACCEPTING TWO STATE OF ALASKA DRINKING WATER FUND LOAN
 AGREEMENTS IN THE AGGREGATE AMOUNT OF THREE MILLION
 DOLLARS (\$3,000,000)

Author: gibsonam**Initiating
Dept:** AWWU**Date** 1/7/10 4:02 PM**Prepared:****Director
Name:** Mark Premo**Assembly
Meeting** 1/19/10
Date:**Public
Hearing Date:** 2/2/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	1/8/10 11:47 AM	Exit	Joy Maglaqui	Public	008588
MuniManager_SubWorkflow	1/8/10 11:47 AM	Approve	Joy Maglaqui	Public	008588
CFO_SubWorkflow	1/8/10 11:27 AM	Approve	Lucinda Mahoney	Public	008588
AWWU_SubWorkflow	1/7/10 4:10 PM	Approve	Mark Premo	Public	008588
AllOtherARWorkflow	1/7/10 4:03 PM	Checkin	Alyssa Gibson	Public	008588