

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

Prepared by: Anchorage Water and Wastewater
Utility

For reading: May 25, 2010

CLERK'S OFFICE

APPROVED

Date: 6-8-10 **ANCHORAGE, ALASKA**
AR No. 2010-160

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING THREE STATE OF ALASKA DRINKING WATER FUND
LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF NINE MILLION
EIGHT HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$9,835,000)**

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 \$9,835,000 to finance a portion of the costs of the G
Street 6th-7th Water Main, Downtown CIPP Water Improvements and
Hillside Transmission Main 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 May 5, 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 Nine Million Eight Hundred Thirty-Five Thousand Dollars (\$9,835,000) are
17 hereby accepted.
18

19 **Section 2. Loan Terms:** The following primary terms of the loans are
20 among those incorporated in the Loan Agreements as hereby specifically
21 approved:
22

23 Principal Amount: Not to exceed \$9,835,000 (subject to individual draws)
24

25 Interest Rate: 1.5% per annum
26

27 Interest Accrual: Accrual of interest will begin one year after the date of the
28 first disbursement to the Municipality
29

30 Term: Twenty years from the date of initiation of operation of the Projects
31

32 Date of First Payment: One year following substantial completion and
33 initiation of operation of the Projects
34

35 Payment Interval: Annual
36

37 Amortization Schedule: Level, fully amortizing
38

39 Security: A subordinate lien pledge of the Gross Revenues less the
40 Operating Expenses of the System as those terms are defined in Assembly
41 Ordinance, provided that if such monies are not sufficient, repayment of the
42 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.

PASSED AND APPROVED by the Anchorage Assembly this 8th day of June, 2010.



Chair of the Assembly

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
No. AM 305-2010

Meeting Date: May 125, 2010

From: MAYOR

**Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,
ALASKA, ACCEPTING THREE STATE OF ALASKA
DRINKING WATER FUND LOAN AGREEMENTS IN THE
AGGREGATE AMOUNT OF NINE MILLION EIGHT HUNDRED
THIRTY-FIVE THOUSAND DOLLARS (\$9,835,000)**

The Municipality of Anchorage has received formal Alaska Drinking Water Fund loan agreements from the State of Alaska for the purpose of financing a portion of the cost of the G Street 6th-7th Water Main, Downtown CIPP Water Improvements and Hillside Transmission Main projects.

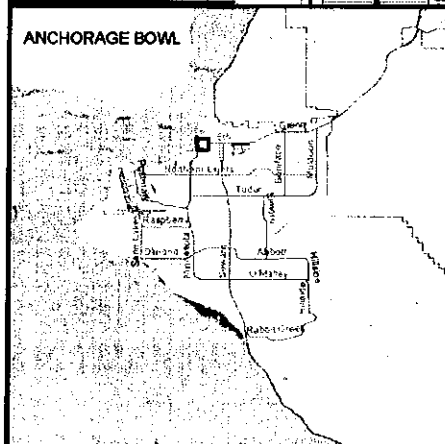
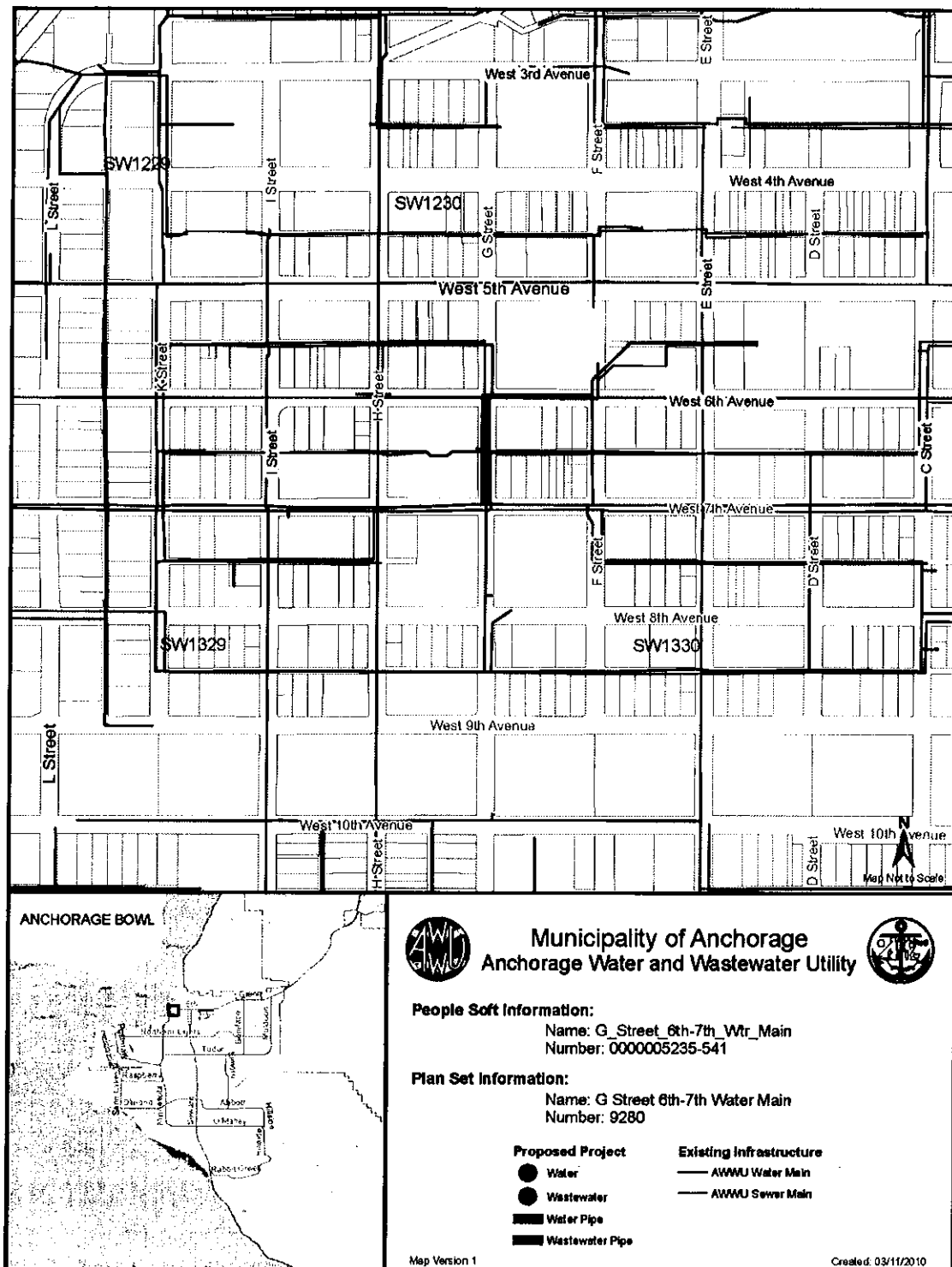
These loan offers are made under the State's low-interest revolving loan program, which is attractive to the Municipality due to the low interest rate of 1.5% and the favorable payback terms of twenty years from one year after the project's date of initiation of operation.

At its May 5, 2010 meeting, the AWWU Authority Board supported this resolution to accept funding from said loan agreements for these projects.

**THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY
BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS
RESOLUTION ACCEPTING THREE STATE OF ALASKA DRINKING
WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF
NINE MILLION EIGHT HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$9,835,000).**

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

EXHIBIT A



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: G_Street_6th-7th_Wtr_Main
 Number: 0000005235-541

Plan Set Information:

Name: G Street 6th-7th Water Main
 Number: 9280

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main

Map Version 1

Created: 03/11/2010

West 4th Avenue

West 5th Avenue

West 6th Avenue

West 7th Avenue

L Street

I Street

K Street

G Street

SW1229

SW1230

SW1329

SW1330

Coastal Pipeline

N

Map Not to Scale

Anchorage

Point Barrow

Northern Lights

Tutor

Reliance

Midtown

Roughly

Demond

Stewart

O'Malley

Malibu

Capital Creek

Municipality of Anchorage
Anchorage Water and Wastewater Utility

Downtown_CIPP_Wtr_Improvements
H & K St. 5 & 6 Ave.
PeopleSoft Project ID 0000003548

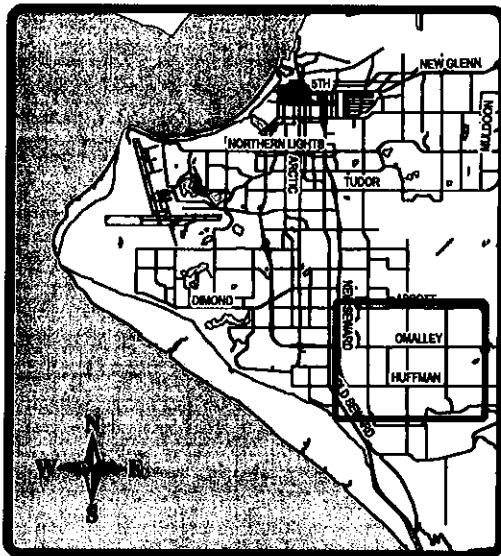
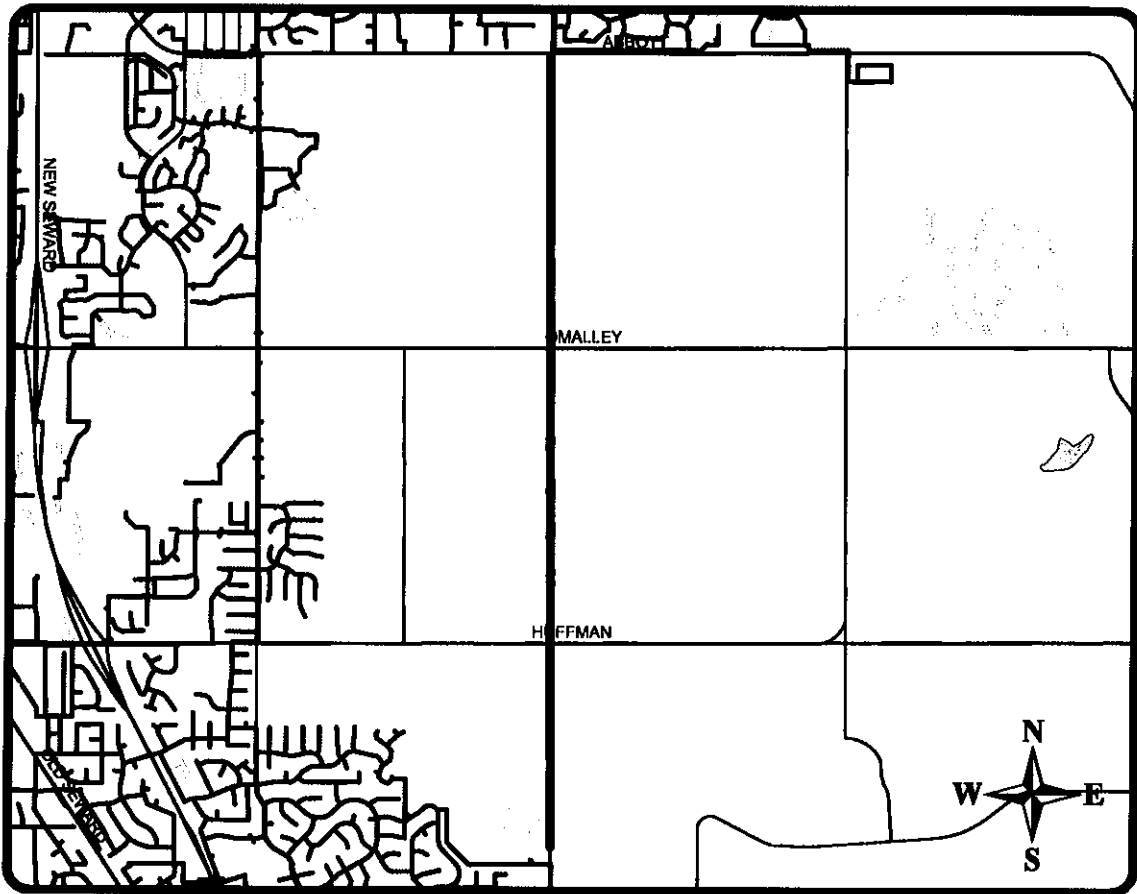
Proposed Water Main

AWWU Water Hydrant

AWWU Water Pipe

Map Created: 2/03/09

EXHIBIT C



Maps Not-to-Scale

LEGEND

- Project Water Main
- Existing Water Main
- Project Map Area



Map Created
by AJU
08/17/2005

Hillside_Trans_Main

PeopleSoft Project ID 0000003491

Anchorage Water & Wastewater Utility

G:\AWWU Common\Capital Budget\Maps\Water\0000003491.pdf

Content ID: 009015**Type:** AR_AllOther - All Other Resolutions

Title: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING THREE STATE OF ALASKA DRINKING WATER FUND LOAN
AGREEMENTS IN THE AGGREGATE AMOUNT OF NINE MILLION EIGHT
HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$9,835,000)

Author: gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 5/6/10 12:41 PM**Director
Name:** Mark Premo**Assembly
Meeting** 5/25/10**Date:****Public
Hearing** 6/8/10**Date:**

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	5/14/10 1:34 PM	Exit	Nina Pruitt	Public	009015
MuniManager_SubWorkflow	5/14/10 1:34 PM	Approve	Nina Pruitt	Public	009015
CFO_SubWorkflow	5/10/10 3:33 PM	Approve	Lucinda Mahoney	Public	009015
AWWU_SubWorkflow	5/6/10 12:49 PM	Approve	Mark Premo	Public	009015
AllOtherARWorkflow	5/6/10 12:43 PM	Checkin	Alyssa Gibson	Public	009015