

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

ANCHORAGE, ALASKA

Date: 6-8-10

AR No. 2010-161

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN
AGREEMENT FOR THE ASPLUND DISINFECTION STUDY AND
UPGRADE PROJECT IN THE AMOUNT OF TWO MILLION SIX
HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$2,644,000)**

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 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 water treatment,
transmission and distribution facilities; 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
\$2,644,000 to finance a portion of the costs of the Asplund Disinfection
Study and Upgrade project; 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 this project; 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") an application to borrow
money from the Fund and to negotiate with DEC the terms of such loan; 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,

1 **WHEREAS**, it is hereby found to be in the best interest of the Municipality
2 that terms of said loan offer be approved and that the Loan Agreement be
3 executed on behalf of the Municipality; and,
4

5 **WHEREAS**, at its May 5, 2010 meeting, the AWWU Authority Board
6 supported this resolution to accept funding from said loan agreement for
7 these projects; now, therefore,
8

9 **THE ANCHORAGE ASSEMBLY RESOLVES:**

10
11 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of
12 Two Million Six Hundred Forty-Four Thousand Dollars (\$2,644,000) are
13 hereby accepted.
14

15 **Section 2. Loan Terms:** The following primary terms of the loan are among
16 those incorporated in the Loan Agreement as hereby specifically approved:
17

18 Principal Amount: Not to exceed \$2,644,000 (subject to individual draws)
19

20 Interest Rate: 1.5% per annum
21

22 Interest Accrual: Accrual of interest will begin one year after the date of the
23 first disbursement to the Municipality
24

25 Term: Twenty years from the date of initiation of operation of the Project
26

27 Date of First Payment: One year following substantial completion and
28 initiation of operation of the Project
29

30 Payment Interval: Annual
31

32 Amortization Schedule: Level, fully amortizing
33

34 Security: A subordinate lien pledge of the Gross Revenues less the
35 Operating Expenses of the System as those terms are defined in Assembly
36 Ordinance, provided that if such monies are not sufficient, repayment of the
37 loan shall be from any legally available funds accruing to or in the
38 possession of the Municipality; and provided further that repayment of the
39 loan is not a direct obligation of the Municipality and neither the faith and
40 credit nor the taxing power of the Municipality are pledged therefore.
41

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

10 **Section 4. Effective Date:** This Resolution shall take effect immediately
11 upon passage and approval by the Assembly.
12

13 PASSED AND APPROVED by the Anchorage Assembly this 8th day of
14 June, 2010.
15

16
17 
18 _____
19 Chair of the Assembly
20

21
22 ATTEST:
23

24 
25 _____
26 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
No. AM 306-2010

Meeting Date: May 25, 2010

From: MAYOR

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT FOR THE ASPLUND DISINFECTION STUDY AND UPGRADE PROJECT IN THE AMOUNT OF TWO MILLION SIX HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$2,644,000)

The Municipality of Anchorage has received the formal Alaska Clean Water Fund loan agreement from the State of Alaska for the purpose of financing a portion of the cost of the Asplund Disinfection Study and Upgrade project.

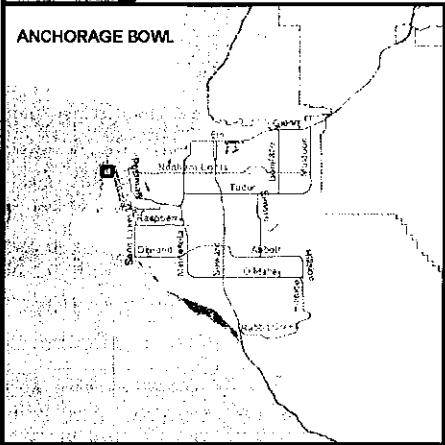
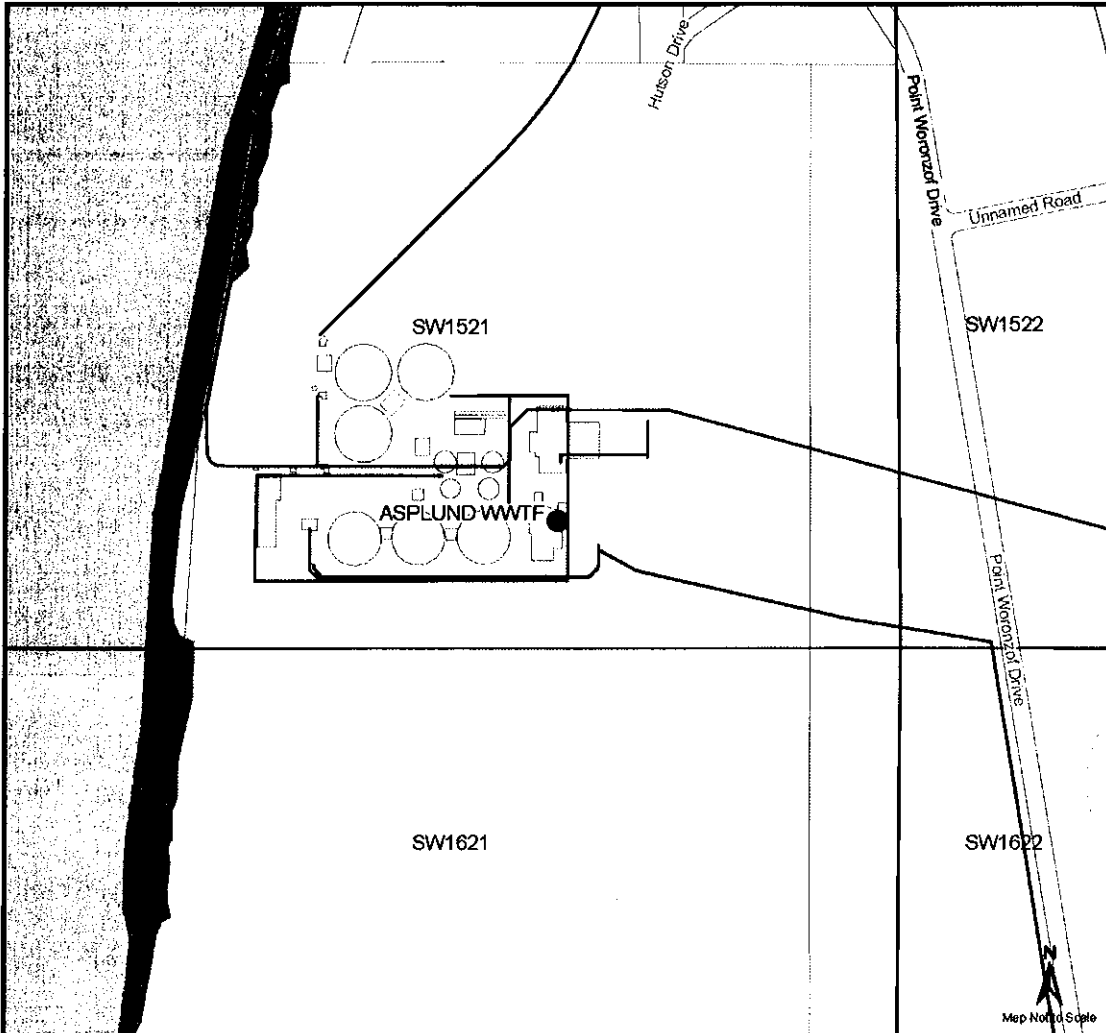
This loan offer is made under the State's low-interest revolving loan program, which is attractive to the Municipality due to the low interest rate of 1.5% and the favorable payback terms of twenty years from one year after the project's date of initiation of operation.

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

THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT FOR THE ASPLUND DISINFECTION STUDY AND UPGRADE PROJECT IN THE AMOUNT OF TWO MILLION SIX HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$2,644,000).

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: AWWTF_Disinfection_Upgrade
Number: 0000004612-551

Plan Set Information:

Name: Asplund Disinfection Study
Number: 6924

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main

Map Version 1

Created: 03/11/2010

Content ID: 009016**Type:** AR_AllOther - All Other Resolutions

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT
Title: FOR THE ASPLUND DISINFECTION STUDY AND UPGRADE PROJECT IN THE
AMOUNT OF TWO MILLION SIX HUNDRED FORTY-FOUR THOUSAND
DOLLARS (\$2,644,000)

Author: gibsonam**Initiating
Dept:** AWWU**Date** 5/6/10 12:45 PM
Prepared:**Director
Name:** Mark Premo**Assembly
Meeting** 5/25/10
Date:**Public
Hearing** 6/8/10
Date:

<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	5/14/10 1:34 PM	Exit	Nina Pruitt	Public	009016
MuniManager_SubWorkflow	5/14/10 1:34 PM	Approve	Nina Pruitt	Public	009016
CFO_SubWorkflow	5/10/10 3:34 PM	Approve	Lucinda Mahoney	Public	009016
AWWU_SubWorkflow	5/6/10 12:50 PM	Approve	Mark Premo	Public	009016
AllOtherARWorkflow	5/6/10 12:46 PM	Checkin	Alyssa Gibson	Public	009016