

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

Prepared by: Anchorage Water and Wastewater  
Utility

For reading: February 16, 2010

CLERK'S OFFICE

**APPROVED**

Date: \_\_\_\_\_

*3-2-10*

**ANCHORAGE, ALASKA**

**AR No. 2010-50**

1    **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**  
2    **ACCEPTING TWO STATE OF ALASKA DRINKING WATER FUND LOAN**  
3    **AGREEMENTS IN THE AGGREGATE AMOUNT OF NINE MILLION**  
4    **DOLLARS (\$9,000,000)**  
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7    **WHEREAS**, the State of Alaska (the "State") has, pursuant to Alaska  
8    Statutes 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative  
9    Code, established the Alaska Drinking Water Fund (the "Fund"), a fund  
10   which makes use of U.S. Government grants as authorized by the Drinking  
11   Water Act, as amended by P.L. 104-182; and,  
12

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

18   **WHEREAS**, AWWU has submitted applications for loans in connection with  
19   the following projects, said applications for these loans have been approved,  
20   and AWWU has negotiated the terms of these loans from the Fund in the  
21   aggregate amount of \$9,000,000 to finance a portion of the costs of the  
22   Hiland Road Water Intertie and Girdwood Water Improvements Phase IIB  
23   projects; and,  
24

25   **WHEREAS**, the Assembly of the Municipality, through approved Assembly  
26   Ordinance determined it was necessary to proceed to plan, design, develop,  
27   construct, equip, acquire property for, or otherwise obtain items of capital  
28   improvements in connection with these projects; authorized the borrowing  
29   from the Fund for the purpose of financing a portion of the cost of said  
30   projects; and authorized and directed the General Manager of the  
31   Anchorage Water and Wastewater Utility ("AWWU") to complete and submit  
32   to the State Department of Environmental Conservation ("DEC") applications  
33   to borrow money from the Fund and to negotiate with DEC the terms of such  
34   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 February 3, 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 Dollars (\$9,000,000) 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 \$9,000,000 (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

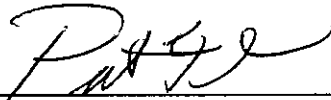
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loans is not a direct obligation of the Municipality and neither the faith and credit nor the taxing power of the Municipality are pledged therefore.

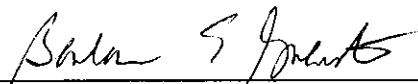
**Section 3. Approval and Executing of Loan Agreement:** The loan offers are approved and the General Manager and Chief Financial Officer of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreements for and on behalf of the Municipality, including necessary counterparts, 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 2nd day of March, 2010.

  
\_\_\_\_\_  
Chair of the Assembly

ATTEST:

  
\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY MEMORANDUM**

No. AM 94-2010

Meeting Date: February 16, 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 NINE MILLION DOLLARS (\$9,000,000)**  
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 Hiland Road Water Intertie and Girdwood Water  
11 Improvements Phase IIB projects.

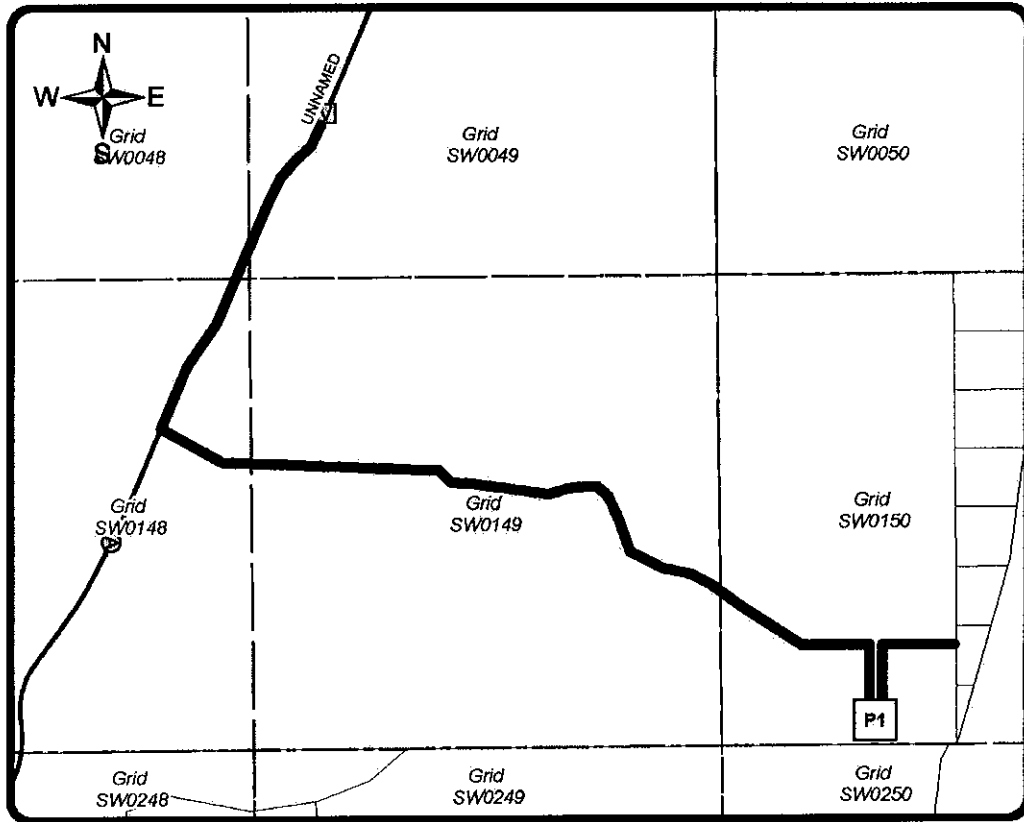
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13 These loan offers are made under the State's low-interest revolving loan  
14 program, which is attractive to the Municipality due to the low interest rate of  
15 1.5% and the favorable payback terms of twenty years from one year after  
16 the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

17  
18 At its February 3, 2010 meeting, the AWWU Authority Board supported this  
19 resolution to accept funding from said loan agreements for these projects.

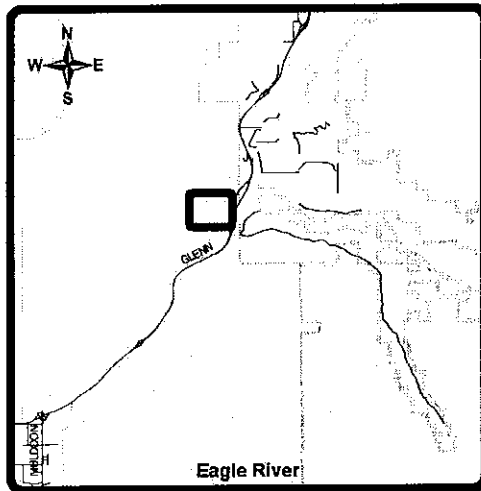
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21 **THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY**  
22 **BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS**  
23 **RESOLUTION ACCEPTING TWO STATE OF ALASKA DRINKING**  
24 **WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF**  
25 **NINE MILLION DOLLARS (\$9,000,000).**  
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




EXHIBIT A



Maps Not-to-Scale



**LEGEND**

-  Existing Water Mains
-  Project Water Mains
-  Project Area



Map Created  
by AJU  
4/17/2008

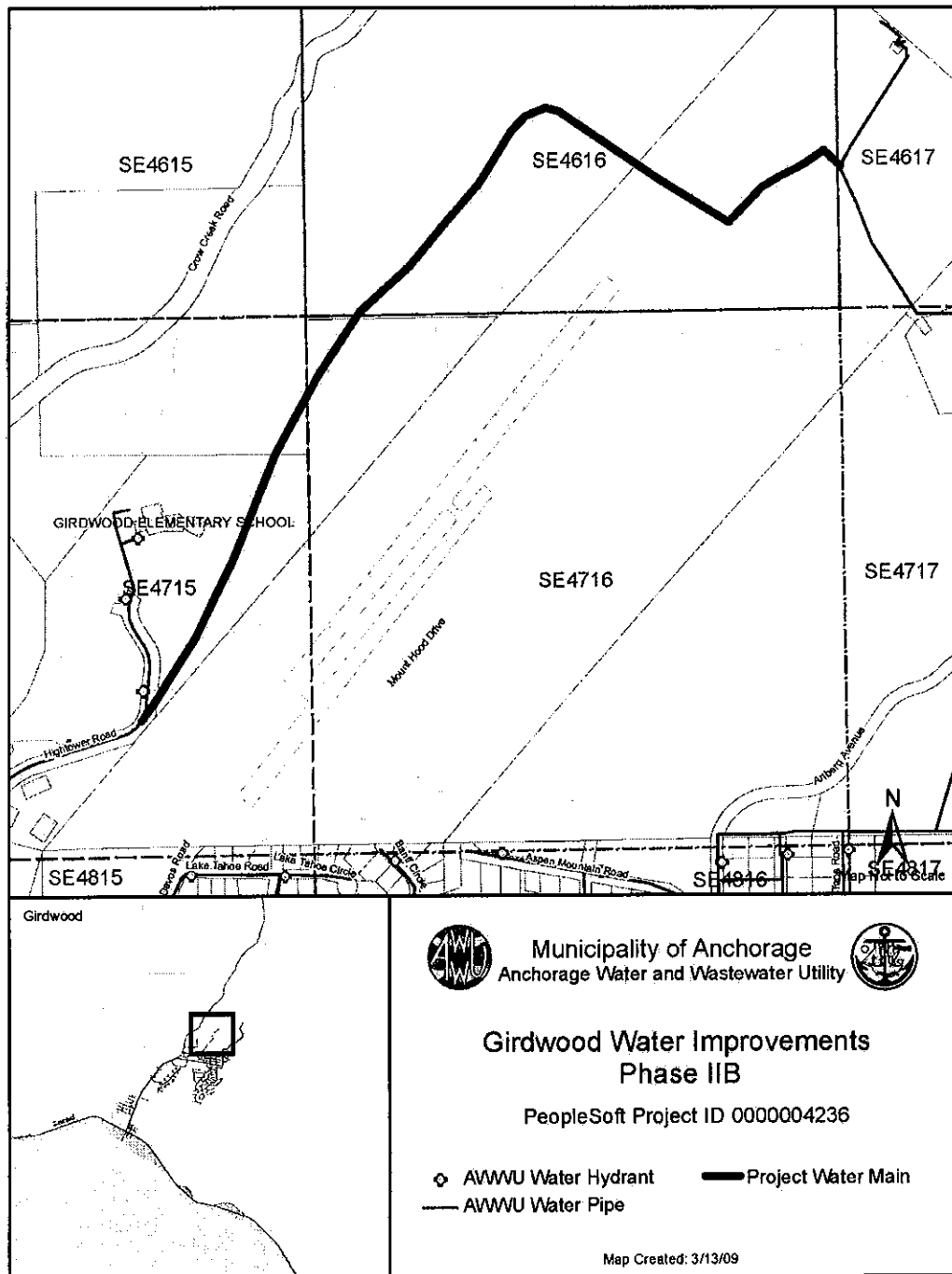
**Hiland\_Rd\_Wtr\_Intertie\_Ph\_2**

Revised

PeopleSoft Project ID: 0000002800

Anchorage Water & Wastewater Utility

EXHIBIT B



**Content ID:** 008699**Type:** AR\_AllOther - All Other Resolutions

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING TWO STATE OF ALASKA DRINKING WATER FUND  
**Title:** LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF NINE  
MILLION DOLLARS (\$9,000,000)

**Author:** gibsonam**Initiating  
Dept:** AWWU**Date** 2/4/10 10:58 AM**Prepared:****Director  
Name:** Mark Premo**Assembly  
Meeting** 2/16/10**Date:****Public  
Hearing** 3/2/10**Date:**

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	2/5/10 4:51 PM	Exit	Joy Maglaqui	Public	008699
MuniManager_SubWorkflow	2/5/10 4:51 PM	Approve	Joy Maglaqui	Public	008699
CFO_SubWorkflow	2/5/10 12:53 PM	Approve	Lucinda Mahoney	Public	008699
AWWU_SubWorkflow	2/4/10 11:05 AM	Approve	Mark Premo	Public	008699
AllOtherARWorkflow	2/4/10 10:59 AM	Checkin	Alyssa Gibson	Public	008699