

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Water and Wastewater  
Utility  
For reading: March 23, 2010

CLERK'S OFFICE

**APPROVED**

Date: 4-13-10

**ANCHORAGE, ALASKA**

**AR No. 2010-99**

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**  
2 **ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN**  
3 **AGREEMENT FOR THE PUMP STATION UPGRADES PROJECT IN THE**  
4 **AMOUNT OF ONE MILLION FIVE HUNDRED NINETY TWO THOUSAND**  
5 **DOLLARS (\$1,592,000)**  
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7  
8 **WHEREAS**, the State of Alaska (the "State") has, pursuant to Alaska  
9 Statutes 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative  
10 Code, established the Alaska Clean Water Fund (the "Fund"), a fund which  
11 makes use of U.S. Government grants as authorized by the Clean Water  
12 Act, as amended by P.L. 100-4; and,  
13

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

19 **WHEREAS**, AWWU has submitted an application for this loan in connection  
20 with said project, said application for this loan has been approved, and  
21 AWWU has negotiated the terms of this loan from the Fund in the amount of  
22 \$1,592,000 to finance a portion of the costs of the Pump Station Upgrades  
23 project; 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 this project; authorized the borrowing from  
29 the Fund for the purpose of financing a portion of the cost of said project;  
30 and authorized and directed the General Manager of the Anchorage Water  
31 and Wastewater Utility ("AWWU") to complete and submit to the State  
32 Department of Environmental Conservation ("DEC") an application to borrow  
33 money from the Fund and to negotiate with DEC the terms of such loan; and,  
34

35 **WHEREAS**, the terms and conditions of said loan are contained in the  
36 Alaska Clean Water Fund Loan Agreement between the Municipality and  
37 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 March 3, 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 One Million Five Hundred Ninety Two Thousand Dollars (\$1,592,000) 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 \$1,592,000 (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

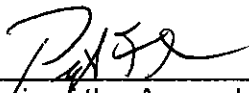
34 Security: A subordinate lien pledge of the Gross Revenues less the  
35 Operating Expenses of the System as those terms are defined in Assembly  
36 Ordinance, provided that if such monies are not sufficient, repayment of the  
37 loan shall be from any legally available funds accruing to or in the  
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.  
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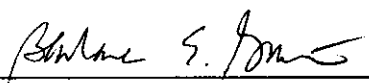
**Section 3. Approval and Executing of Loan Agreement:** The loan offer is approved and the General Manager and Chief Financial Officer of AWWU, are hereby authorized, empowered and directed to execute and deliver the Loan Agreement for and on behalf of the Municipality, including necessary counterparts, and, from and after the executing and delivery of the Loan Agreement, 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 Agreement 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 13<sup>th</sup> day of April, 2010.

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

ATTEST:

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

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

No. AM 177-2010

Meeting Date: March 23, 2010

1 **From: MAYOR**

2

3 **Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,**  
4 **ALASKA, ACCEPTING A STATE OF ALASKA CLEAN**  
5 **WATER FUND LOAN AGREEMENT FOR THE PUMP**  
6 **STATION UPGRADES PROJECT IN THE AMOUNT OF ONE**  
7 **MILLION FIVE HUNDRED NINETY TWO THOUSAND**  
8 **DOLLARS (\$1,592,000)**

9

10 The Municipality of Anchorage has received the formal Alaska Clean Water  
11 Fund loan agreement from the State of Alaska for the purpose of financing a  
12 portion of the cost of the Pump Station Upgrades project.

13

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

18

19 At its March 3, 2010 meeting, the AWWU Authority Board supported this  
20 resolution to accept funding from said loan agreement for this project.

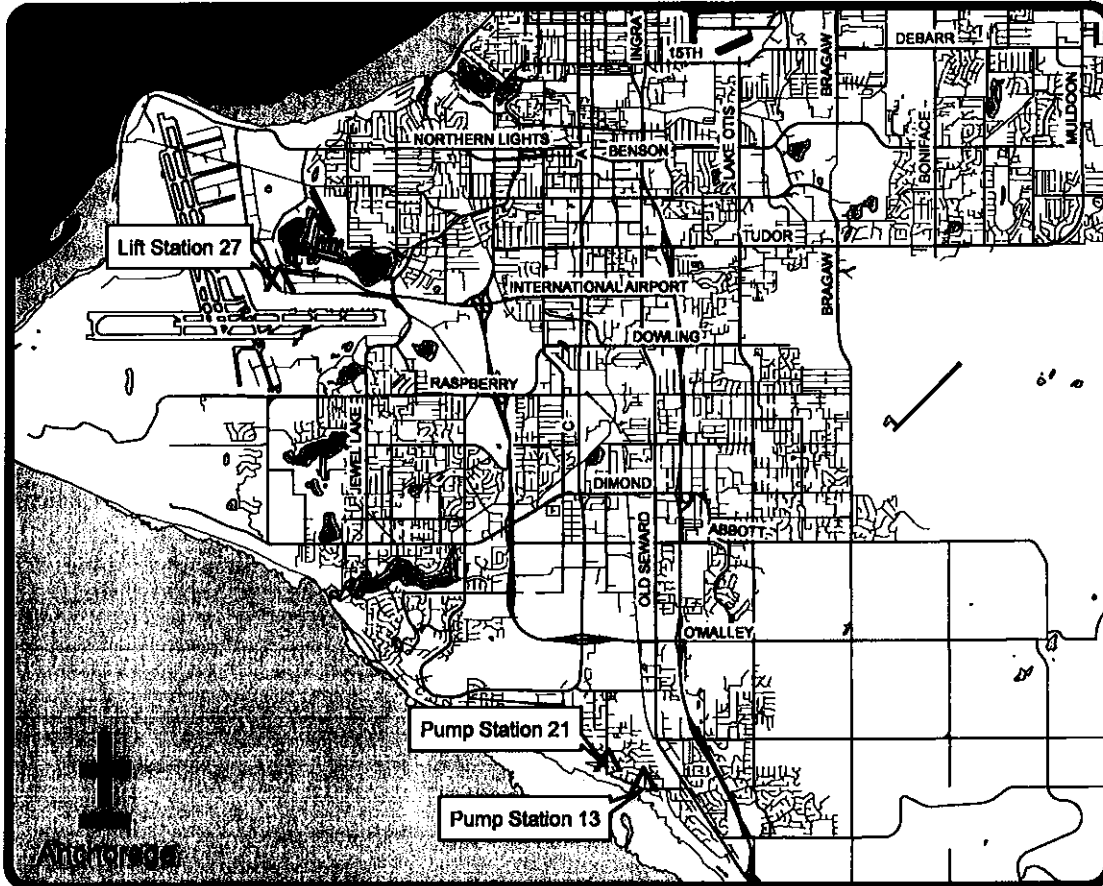
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22 **THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY**  
23 **BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS**  
24 **RESOLUTION ACCEPTING A STATE OF ALASKA CLEAN WATER**  
25 **FUND LOAN AGREEMENT FOR THE PUMP STATION UPGRADES**  
26 **PROJECT IN THE AMOUNT OF ONE MILLION FIVE HUNDRED NINETY**  
27 **TWO THOUSAND DOLLARS (\$1,592,000).**

28

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

EXHIBIT A



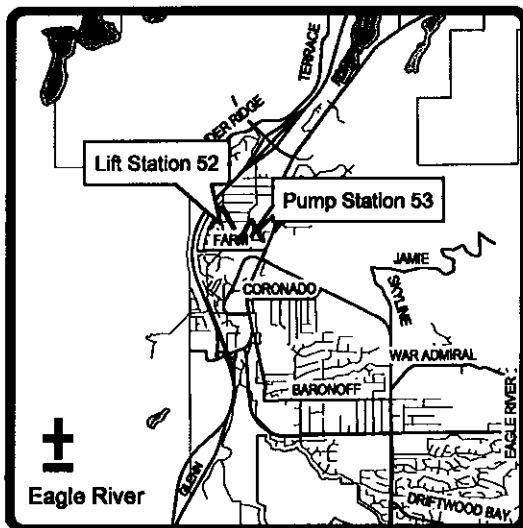
Maps Not-to-Scale

LEGEND

- Existing Sewer Mains
- ▲ Lift & Pump Stations in Project



Map Created  
by AJU  
1-18-07



**Lift Stns\_13\_21\_27\_52\_53\_Upgr**

PeopleSoft Project ID 000004604  
Anchorage Water & Wastewater Utility

**Content ID:** 008806**Type:** AR\_AllOther - All Other Resolutions**Title:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
ACCEPTING A STATE OF ALASKA CLEAN WATER FUND LOAN AGREEMENT  
FOR THE PUMP STATION UPGRADES PROJECT IN THE AMOUNT OF ONE  
MILLION FIVE HUNDRED NINETY TWO THOUSAND DOLLARS (\$1,592,000)**Author:** gibsonam**Initiating  
Dept:** AWWU**Date  
Prepared:** 3/4/10 9:18 AM**Director  
Name:** Mark Premo**Assembly  
Meeting Date:** 3/23/10**Public  
Hearing Date:** 4/13/10

<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	3/12/10 10:49 AM	Exit	Joy Maglaqui	Public	008806
MuniManager_SubWorkflow	3/12/10 10:49 AM	Approve	Joy Maglaqui	Public	008806
CFO_SubWorkflow	3/11/10 10:46 AM	Approve	David Ryan	Public	008806
AWWU_SubWorkflow	3/4/10 9:25 AM	Approve	Mark Premo	Public	008806
AllOtherARWorkflow	3/4/10 9:20 AM	Checkin	Alyssa Gibson	Public	008806