

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. 2010-100

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN**
3 **AGREEMENT FOR THE ISLAND-KODIAK-KALGIN WATER PROJECT IN**
4 **THE AMOUNT OF TWO HUNDRED THOUSAND DOLLARS (\$200,000)**
5
6

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 an application for this loan in connection
19 with said project, said application for this loan has been approved, and
20 AWWU has negotiated the terms of this loan from the Fund in the amount of
21 \$200,000 to finance a portion of the costs of the Island-Kodiak-Kalgin Water
22 project; and,
23

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

34 **WHEREAS**, the terms and conditions of said loan are contained in the
35 Alaska Drinking Water Fund Loan Agreement between the Municipality and
36 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 this
7 project; now, therefore,
8

9 **THE ANCHORAGE ASSEMBLY RESOLVES:**

10
11 **Section 1. Loan Proceeds:** The subject loan proceeds in the amount of
12 Two Hundred Thousand Dollars (\$200,000) are hereby accepted.
13

14 **Section 2. Loan Terms:** The following primary terms of the loan are among
15 those incorporated in the Loan Agreement as hereby specifically approved:
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17 Principal Amount: Not to exceed \$200,000 (subject to individual draws)
18

19 Interest Rate: 1.5% per annum
20

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

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

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

29 Payment Interval: Annual
30

31 Amortization Schedule: Level, fully amortizing
32

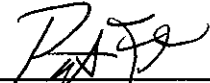
33 Security: A subordinate lien pledge of the Gross Revenues less the
34 Operating Expenses of the System as those terms are defined in Assembly
35 Ordinance, provided that if such monies are not sufficient, repayment of the
36 loan shall be from any legally available funds accruing to or in the
37 possession of the Municipality; and provided further that repayment of the
38 loan is not a direct obligation of the Municipality and neither the faith and
39 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 13th day of April, 2010.



Chair of the Assembly

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 178-2010

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 DRINKING
5 WATER FUND LOAN AGREEMENT FOR THE ISLAND-
6 KODIAK-KALGIN WATER PROJECT IN THE AMOUNT OF
7 TWO HUNDRED THOUSAND DOLLARS (\$200,000)
8

9 The Municipality of Anchorage has received the formal Alaska Drinking
10 Water Fund loan agreement from the State of Alaska for the purpose of
11 financing a portion of the cost of the Island-Kodiak-Kalgin Water project.
12

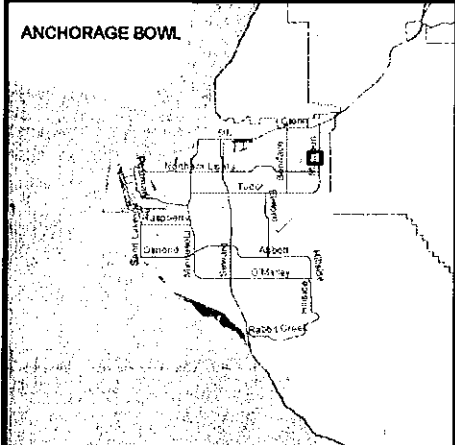
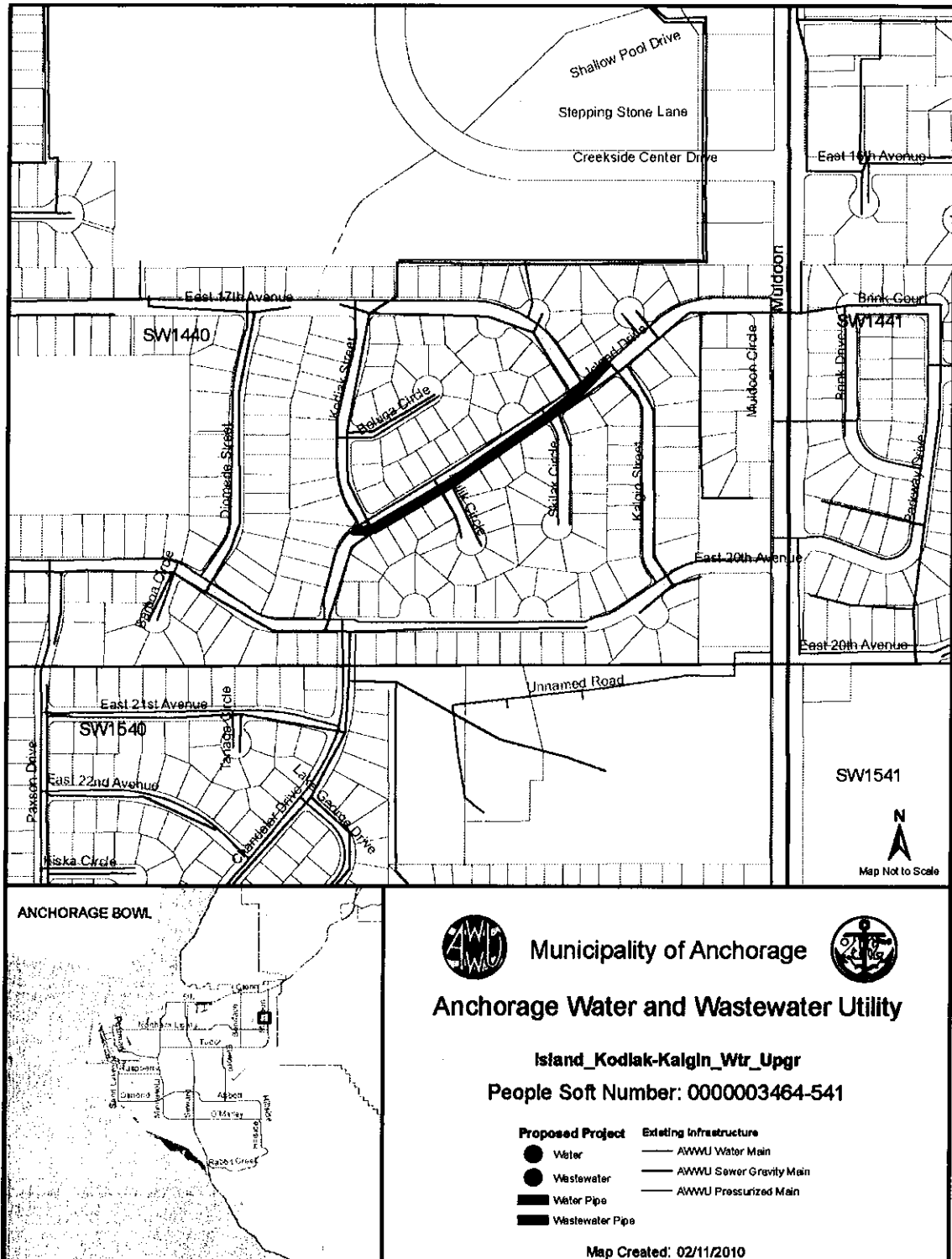
13 This loan offer is made under the State's low-interest revolving loan
14 program, which is attractive to the Municipality due to the low interest rate of
15 1.5% and the favorable payback terms of twenty years from one year after
16 the project's date of initiation of operation.
17



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

21 **THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY**
22 **BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS**
23 **RESOLUTION ACCEPTING A STATE OF ALASKA DRINKING WATER**
24 **FUND LOAN AGREEMENT FOR THE ISLAND-KODIAK-KALGIN WATER**
25 **PROJECT IN THE AMOUNT OF TWO HUNDRED THOUSAND DOLLARS**
26 **(\$200,000).**
27

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

EXHIBIT A




Municipality of Anchorage


Anchorage Water and Wastewater Utility

Island_Kodiak-Kalgin_Wtr_Upgr
People Soft Number: 0000003464-541



Content ID: 008807**Type:** AR_AllOther - All Other Resolutions

Title: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING A STATE OF ALASKA DRINKING WATER FUND LOAN
AGREEMENT FOR THE ISLAND-KODIAK-KALGIN WATER PROJECT IN
THE AMOUNT OF TWO HUNDRED THOUSAND DOLLARS (\$200,000)

Author: gibsonam**Initiating Dept:** AWWU**Date Prepared:** 3/4/10 9:20 AM**Director Name:** Mark Premo**Assembly Meeting
Date:** 3/23/10**Public Hearing
Date:** 4/13/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	3/12/10 10:50 AM	Exit	Joy Maglaqui	Public	008807
MuniManager_SubWorkflow	3/12/10 10:50 AM	Approve	Joy Maglaqui	Public	008807
CFO_SubWorkflow	3/11/10 10:48 AM	Approve	David Ryan	Public	008807
AWWU_SubWorkflow	3/4/10 9:25 AM	Approve	Mark Premo	Public	008807
AllOtherARWorkflow	3/4/10 9:22 AM	Checkin	Alyssa Gibson	Public	008807