

CLERK'S OFFICE
APPROVED

Date: _____

5-11-10

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

Prepared by: Anchorage Water and Wastewater
Utility

For reading: April 20, 2010

ANCHORAGE, ALASKA
AR No. 2010-120

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 FOUR MILLION**
4 **EIGHT HUNDRED EIGHTY ONE THOUSAND DOLLARS (\$4,881,000)**
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 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 \$4,881,000 to finance a portion of the costs of the Ship
22 Creek Water Treatment Plant Upgrade and Reservoir Goldenview-172nd
23 projects; and,
24

25 **WHEREAS**, the Municipal Assembly, 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 April 7, 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 Four Million Eight Hundred Eighty One Thousand Dollars (\$4,881,000) 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 \$4,881,000 (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


1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

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.

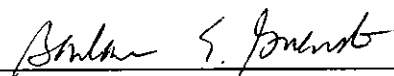
Section 4. Effective Date: This Resolution shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 11th day of May, 2010.



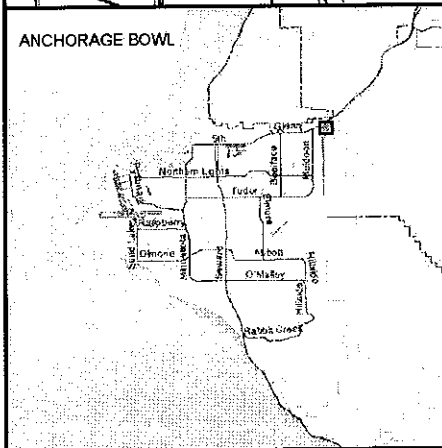
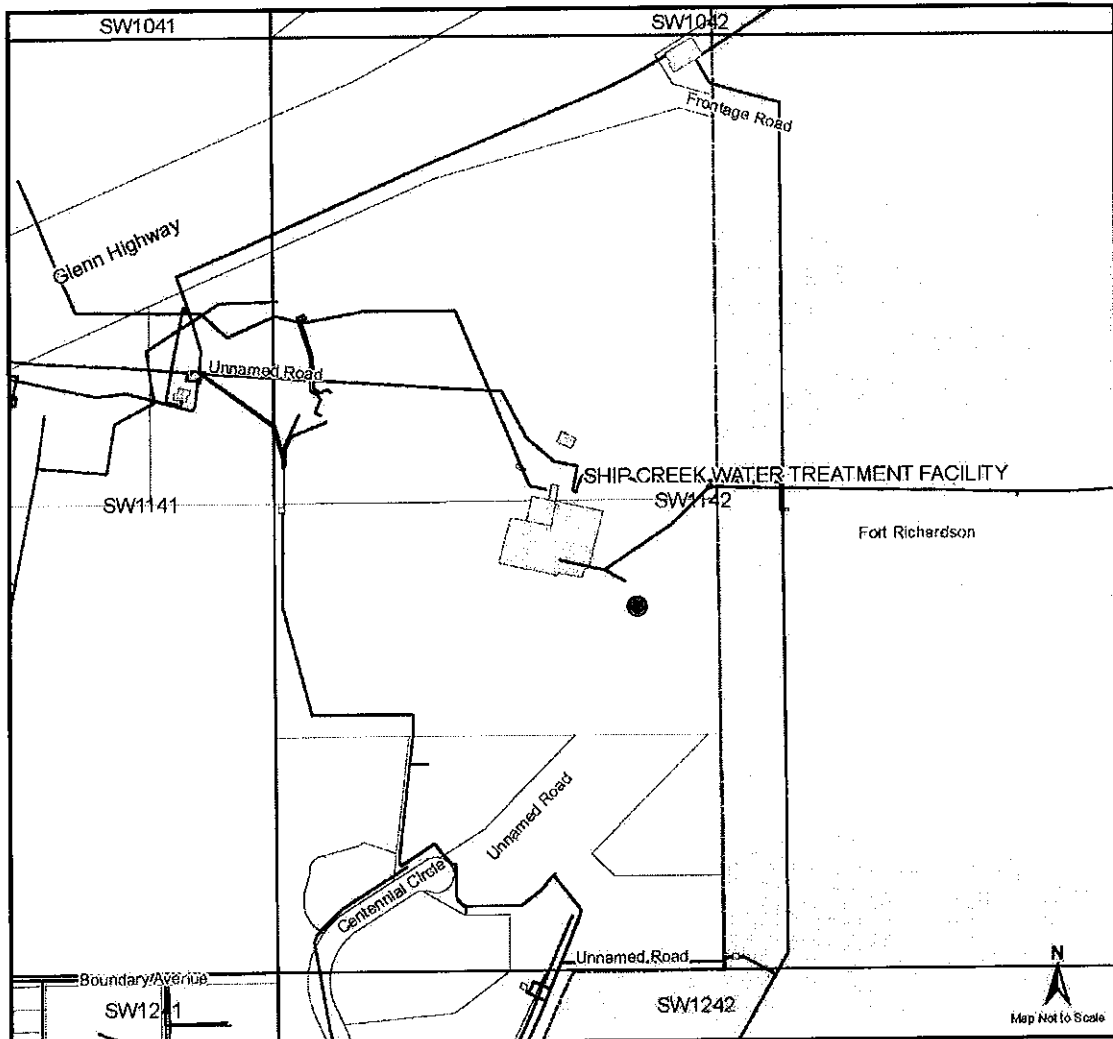
Chair of the Assembly

ATTEST:



Municipal Clerk

EXHIBIT A



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: SCWTF_Heat_ Exchanger
Number: 0000004882-541

Plan Set Information:

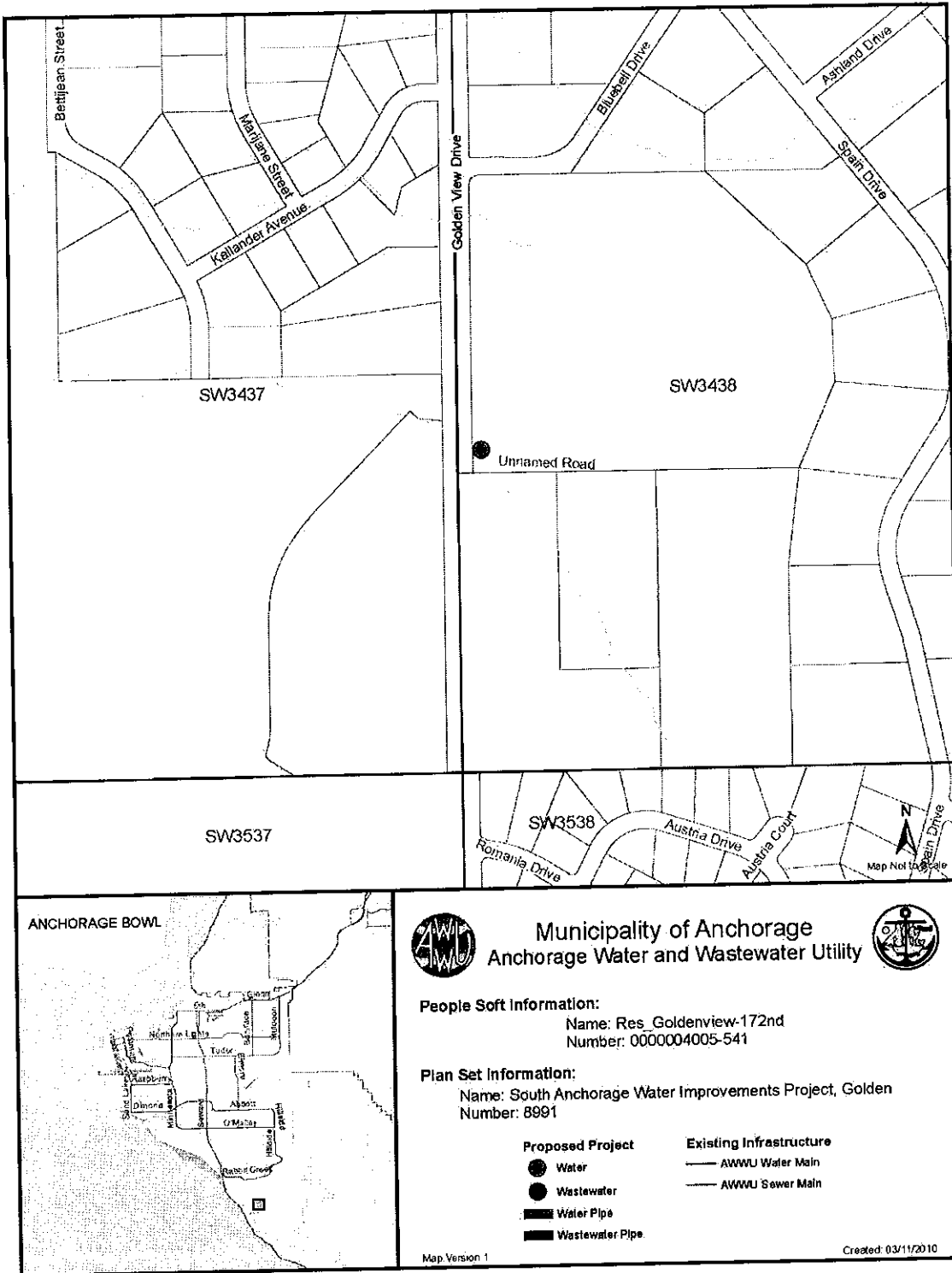
Name: Ship Creek Heat Exchanger
Number: 9279

- | Proposed Project | Existing Infrastructure |
|------------------|-------------------------|
| Water | AWWU Water Main |
| Wastewater | AWWU Sewer Main |
| Water Pipe | |
| Wastewater Pipe | |

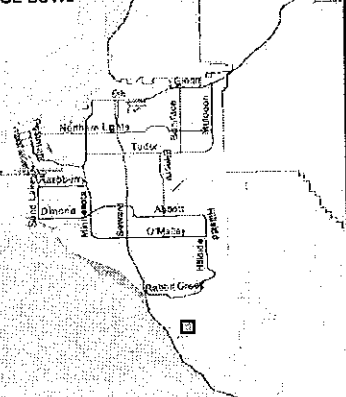
Map Version 1

Created: 03/11/2010

EXHIBIT B



ANCHORAGE BOWL



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: Res_Goldenview-172nd
Number: 0000004005-541

Plan Set Information:

Name: South Anchorage Water Improvements Project, Golden
Number: 8991

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 239-2010

Meeting Date: April 20, 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 FOUR MILLION EIGHT HUNDRED EIGHTY ONE**
7 **THOUSAND DOLLARS (\$4,881,000)**
8

9 The Municipality of Anchorage has received formal Alaska Drinking Water
10 Fund loan agreements from the State of Alaska for the purpose of financing
11 a portion of the cost of the Ship Creek Water Treatment Plant Upgrade and
12 Reservoir Goldenview-172nd projects.
13

14 These loan offers are 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 April 7, 2010 meeting, the AWWU Authority Board supported this
20 resolution to accept funding from said loan agreements for these projects.
21

22 **THE ADMINISTRATION CONCURS WITH THE AWWU AUTHORITY**
23 **BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS**
24 **RESOLUTION ACCEPTING TWO STATE OF ALASKA DRINKING**
25 **WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF**
26 **FOUR MILLION EIGHT HUNDRED EIGHTY ONE THOUSAND DOLLARS**
27 **(\$4,881,000).**
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

Content ID: 008904**Type:** AR_AllOther - All Other Resolutions

Title: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING TWO STATE OF ALASKA DRINKING WATER FUND LOAN AGREEMENTS IN THE AGGREGATE AMOUNT OF FOUR MILLION EIGHT HUNDRED EIGHTY ONE THOUSAND DOLLARS (\$4,881,000).

Author: [maglaquijp](#)**Initiating Dept:** AWWU**Prepared:** 4/8/10 11:21 AM**Director Name:** Mark Premo**Assembly Meeting Date:** 4/20/10**Date:****Public Hearing Date:** 5/11/10**Date:**

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	4/9/10 12:26 PM	Exit	Joy Maglaqui	Public	008904
MuniManager_SubWorkflow	4/9/10 12:26 PM	Approve	Joy Maglaqui	Public	008904
MuniManager_SubWorkflow	4/9/10 12:24 PM	Checkin	Joy Maglaqui	Public	008904
CFO_SubWorkflow	4/9/10 10:20 AM	Approve	Lucinda Mahoney	Public	008904
AWWU_SubWorkflow	4/8/10 11:31 AM	Approve	Mark Premo	Public	008904
AllOtherARWorkflow	4/8/10 11:23 AM	Checkin	Alyssa Gibson	Public	008904