ANCHORAGE, ALASKA
AR No. 2008-158

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND
LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT HUNDRED FORTY
THOUSAND DOLLARS ($1,840,000) FOR FINANCING A PORTION OF THE COSTS
OF THE NORTHEAST WATER IMPROVEMENTS PROJECTS

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 Drinking
Water Fund (the “Fund”), a fund which makes use of U.S. Government grants as authorized by
the Drinking Water Act, as amended by P.L. 104-182; 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, the Assembly of the Municipality, in its Ordinance No. AO 2007-127 and AO
2008-11, 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 the
2007 and 2008 Capital Improvement Budget projects; authorized the borrowing from the Fund
for the purpose of financing a portion of the cost of said projects; 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”) applications to
borrow money from the Fund and to negotiate with DEC the terms of such loan; and

WHEREAS, AWWU has submitted an application for a 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 $1,840,000 to finance a portion of the costs of the
Northeast Water Improvements Project; and

WHEREAS, the terms and conditions of said loan is contained in the Alaska Drinking Water
Fund Loan Agreement between the Municipality and DEC; and

WHEREAS, it is hereby found to be in the best interest of the Municipality that terms of said
loan offer be approved and that the Loan Agreement be executed on behalf of the Municipality; and
WHEREAS, at its July 2, 2008 meeting, the AWWU Authority Board supported this resolution to accept and appropriate funding from said loan agreement for this project; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. Loan Proceeds: The subject loan proceeds in the amount of One Million Eight Hundred Forty Thousand Dollars ($1,840,000) is hereby accepted and appropriated.

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

Principal Amount: Not to exceed $1,840,000 (subject to individual draws)

Interest Rate: 1.5% per annum

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

Term: Twenty years from the date of initiation of operation of the respective Project

Date of First Payment: One year following substantial completion and initiation of operation of the respective Project

Payment Interval: Annual

Amortization Schedule: Level, fully amortizing

Security: A subordinate lien pledge of the Gross Revenues less the Operating Expenses of the System as those terms are defined in Ordinance No. AO No. 99-118(S), provided that if such monies are not sufficient, repayment of the loan shall be from any legally available funds accruing to or in the possession of the Municipality; and provided further that repayment of the loan 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 Offer is approved and the Mayor, with the Chief Fiscal Officer of the Municipality and the General Manager 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, the Mayor, the Chief Fiscal Officer of the Municipality and the General Manager of AWWU, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents 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 _____ day of _____________, 2008.

________________________________________
Chair

ATTEST:

_________________________
Municipal Clerk
From: Mayor

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT HUNDRED FORTY THOUSAND DOLLARS ($1,840,000) FOR FINANCING A PORTION OF THE COSTS OF THE NORTHEAST WATER IMPROVEMENTS PROJECTS

The Municipality of Anchorage has received a formal Alaska Drinking Water Fund loan offer from the State of Alaska for the purpose of financing a portion of the cost of the Northeast Water Improvements 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 July 2, 2008 meeting, the AWWU Authority Board supported this resolution to accept and appropriate funding from said loan agreement for this project.

THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION AND REQUESTS APPROVAL OF THIS RESOLUTION ACCEPTING AND APPROPRIATING AN ALASKA DRINKING WATER FUND LOAN OFFER IN THE AMOUNT OF ONE MILLION EIGHT HUNDRED FORTY THOUSAND DOLLARS ($1,840,000) FOR FINANCING A PORTION OF THE COSTS OF THE NORTHEAST WATER IMPROVEMENTS PROJECTS

Prepared by: Anchorage Water and Wastewater Utility
Recommended by: Mark Premo, P.E., General Manager, AWWU
Fund Certification: Sharon Weddleton, CFO
Fund 541 Account 1071 Project IDs 0000003547/0000003851 $1,840,000 (Designated Loan)
Concur: Michael K. Abbott, Municipal Manager
Respectfully submitted: Mark Begich, Mayor
LEGEND

- Project Water Main
- Existing Water Mains
- Project Map Area

NE_Arch_Wtr_Impr_Ph2_3
Schedule A

PeopleSoft Project ID: 00000003547
Anchorage Water & Wastewater Utility
Map Created by AJU
03/16/2006

LEGEND
- Project Water Main
- Existing Water Mains
- Project Map Area

NE_Arch_Wtr_Impr_Ph2_3
Schedule E
PeopleSoft Project ID: 0000003547
Anchorage Water & Wastewater Utility
LEGEND

- Project Water Main
- Existing Water Mains
- Project Map Area

NE_Arch_Wtr_Impr_Ph2_3
Schedule B
PeopleSoft Project ID: 0000000324
Anchorage Water & Wastewater Utility
NE_Anch_Wtr_Impr_Ph2_3
Schedule C

Anchorage Water & Wastewater Utility
LEGEND

- Project Water Main
- Existing Water Mains
- Project Map Area

NE_Arch_Wtr_Impr_Ph2_3
Schedule D
PeopleSoft Project ID: 00000003547
Anchorage Water & Wastewater Utility

Map Created by AJU
03/16/2006
LEGEND

- Existing Water Mains
- Project Area
- Project Location

NE_Arch_Wtr_Impr_Ph4
PeopleSoft Project ID 0000003851
Anchorage Water & Wastewater Utility