

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Anchorage Solid Waste Services  
For reading: September 12, 2023

**ANCHORAGE, ALASKA  
AO No. 2023-88**

1 **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**  
2 **AUTHORIZING THE BORROWING AND ACCEPTING, FROM THE STATE OF**  
3 **ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO**  
4 **EXCEED \$25,760,000 FOR THE PURPOSE OF FINANCING A PORTION OF**  
5 **TWO (2) SOLID WASTE SERVICES (SWS) CAPITAL IMPROVEMENT**  
6 **PROJECTS AND PROVIDING FOR RELATED MATTERS.**  
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9 **WHEREAS**, Anchorage Municipal Code 6.10.045 requires a majority vote of the  
10 Assembly to change “the amount of specific appropriations, project descriptions  
11 and budget years for individual projects within the ...utilities’ capital  
12 budgets/capital programs,” and the projects affected by this ordinance may  
13 require such changes; and  
14

15 **WHEREAS**, the State of Alaska (State), pursuant to Alaska Statutes 46.03.032  
16 and 18 AAC 76.005 et. seq., established the Alaska Clean Water Fund (Fund), a  
17 fund using U.S. Government grants as authorized by the Safe Clean Water Act,  
18 Amendments of 1996, P.L. 100-4; and  
19

20 **WHEREAS**, the Municipality of Anchorage (Municipality) is eligible to borrow from  
21 the Fund for the purposes of planning, designing, constructing, equipping,  
22 modifying, improving and expanding public solid waste disposal and leachate  
23 collection and disposal facilities; and  
24

25 **WHEREAS**, the interest rate to be paid by the Municipality on money borrowed  
26 from the Fund is a favorable rate considering other sources of funds available to  
27 the Municipality; and  
28

29 **WHEREAS**, the Municipality and Anchorage Solid Waste Services (SWS)  
30 determined it is necessary to proceed to plan, design, develop, construct, equip,  
31 acquire property for, or otherwise obtain items of capital improvements in  
32 connection with the Anchorage Regional Landfill (ARL) Leachate Upgrades  
33 project and Cell 9B/8C project. These Projects, listed in the Alaska Clean Water  
34 Fund Intended Use Plan, are included in an Assembly approved SWS Capital  
35 Improvement Budget; and  
36

37 **WHEREAS**, it is necessary, advisable, and in the best interests of the  
38 Municipality and its inhabitants for applications to be submitted and such other

1 actions as may be necessary be taken to borrow, and accept when approved, an  
2 amount not to exceed \$25,760,000 from the Fund for the purpose of financing a  
3 portion of the costs associated with said Projects; now, therefore,  
4

5 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
6

7 **Section 1.** These Projects, listed in the Alaska Clean Water Fund Intended Use  
8 Plan, are included in the Assembly approved Solid Waste Services Capital  
9 Improvement Budgets and are revised to reflect this financing funding source.  
10

11 **Section 2. Purpose.** The purpose of this Ordinance is to authorize the borrowing  
12 of, and accepting when approved, an amount not to exceed \$25,760,000 from  
13 the Fund in the form of a loan to provide funds to finance a portion of the capital  
14 costs of the Projects; and  
15

16 **Section 3. Authority for Ordinance.** It is hereby ascertained and determined that  
17 each and every matter and thing as to which provision is made in this Ordinance  
18 is necessary in order to carry out and effectuate the purposes of the Municipality  
19 in accordance with the Alaska Constitution, Alaska State Statutes, and the  
20 Municipality’s Charter and Code, and to incur the indebtedness authorized by this  
21 Ordinance.  
22

23 **Section 4. Obligation of Loans.** The Assembly by Ordinance No. 2018-76 has  
24 pledged the Revenues of the Refuse Collection Utility (RCU) and the Solid  
25 Waste Disposal Utility (SWDU) for sole purpose of paying and securing  
26 RCU/SWDU Obligations. AO 2021-35 amended 2018-76. Each of the RCU and  
27 the SWDU shall continue to be maintained and operated as a separate utility  
28 pursuant to the Article XVI of the Charter and Title 26 of the Anchorage  
29 Municipal Code. As provided by the Charter, the RCU and the SWDU shall  
30 each continue to have a separate budget within the annual municipal budget.  
31 The accounts of the RCU and the SWDU shall continue to be separately kept  
32 and classified in accordance with uniform accounting standards generally  
33 prescribed for public utilities providing the same utility service. Each utility shall  
34 continue to account separately for its respective share of debt service of  
35 RCU/SWDU Obligations secured by Revenues.  
36

37 The loans from the Fund authorized by this ordinance shall be RCW/SWDU  
38 Obligations, evidenced by loan agreement(s) (“Loan Agreements”) administered  
39 by the State of Alaska Department of Environmental Conservation. The pledge  
40 of Revenues shall be subordinate to the lien on Revenues of Parity Bonds and  
41 Other Senior Obligations as further provided in the Loan Agreement(s).  
42

43 **Section 5. Definitions.** As used in this Ordinance, unless a different meaning  
44 clearly appears from the context, the following words are defined as follows:  
45

1 **Authorized Municipal Representative** means the Chief Fiscal Officer of the  
2 Municipality or his/her designee appointed in writing.

3  
4 **Bond** or **Bonds** means any of the refuse collection utility and solid waste  
5 disposal utility revenue bonds of the Municipality within one or more series  
6 issued pursuant to Article XV of the Charter.

7  
8 **Bond Fund** means the special fund designated as the “Anchorage Refuse  
9 Collection Utility and Solid Waste Disposal Utility Revenue Bond Fund.”

10  
11 **Charter** means the Anchorage Municipal Charter as the same may be  
12 amended from time to time.

13  
14 **Chief Fiscal Officer** means the chief fiscal officer of the Municipality appointed  
15 and confirmed pursuant to Section 5.05 of the Anchorage Municipal Charter.

16  
17 **Future Parity Bonds** mean those revenue bonds or other revenue obligations  
18 which will be issued by the Municipality in the future with a lien on Net  
19 Revenues equal to the lien thereon of the Bonds.

20  
21 **Loan Agreement(s)** mean the agreement(s) evidencing the loan(s) authorized  
22 by this ordinance between the Municipality and the State of Alaska Department  
23 of Environmental Conservation.

24  
25 **Municipality** means Anchorage, Alaska, a municipal corporation organized and  
26 existing under the Constitution and laws of the State of Alaska.

27  
28 **Net Revenue** means Revenues less Operation and Maintenance Expenses.

29  
30 **Operation and Maintenance Expenses or Operating Expenses** means the  
31 current expenses incurred for operation, maintenance, and repair of the RCU  
32 and the SWDU of a noncapital nature. Operation and Maintenance Expenses  
33 shall not include any transfer of money to other funds of the Municipality or the  
34 payment of license fees, or payments in lieu of taxes to the Municipality or  
35 allowances for depreciation or amortization of any principal or redemption price  
36 or purchase price of, or interest on, any obligations of the Municipality incurred  
37 in connection with and payable from Revenues. Operation and Maintenance  
38 Expenses of the RCU and the SWDU shall continue to be accounted for  
39 separately as required by the Charter.

40  
41 **Other Senior Obligations** mean those RCU/SWDU Obligations incurred by the  
42 Municipality having a lien on Net Revenue subordinate to Parity Bonds, payable  
43 to banks or issued as commercial paper under loan agreements that include  
44 covenants not identical to the covenants that have been made for the benefit of  
45 owners of Parity Bonds.

46

1 **Parity Bonds** means the Bonds and any Future Parity Bonds.

2  
3 **Project** means the improvements described in the recitals of this ordinance.

4  
5 **RCU** means the existing Refuse Collection Utility of the Municipality.

6  
7 **RCU/SWDU Obligations** means refuse collection utility and solid waste  
8 disposal revenue notes or bonds payable from Revenues

9  
10 **Revenue Fund** means the Refuse Collection Utility Revenue Fund and the  
11 Solid Waste Disposal Utility Revenue Fund, which fund names may be changed  
12 as directed by the Authorized Municipality Representative, of the Municipality  
13 into which the Municipality has pledged that all of the Revenues of the RCU and  
14 the SWDU, respectively, shall be paid as collected.

15  
16 **Revenues** means all rates and charges and other income and receipts in each  
17 case derived by or for the account of the Municipality from the ownership,  
18 leasing or operation of RCU and SWDU, except proceeds from the sale of the  
19 bonds or notes, any grants received for RCU or SWDU and interest received  
20 and profits derived from the investment of moneys obtained from such sources  
21 or from moneys held in any fund solely to pay or secure the payment of any  
22 bonds or notes issued in connection with the RCU and SWDU.

23  
24 **Subordinate Lien Note Fund** means the special fund designated as the  
25 “Anchorage Subordinate Lien Refuse Collection Utility and Solid Waste  
26 Disposal Utility Revenue Note Fund.”

27  
28 **SWDU** means the existing Solid Waste Disposal Utility of the Municipality.

29  
30 **Interpretation.** Notwithstanding the foregoing definitions, the Authorized  
31 Municipality Representative may maintain such separate funds and accounts in  
32 such names and under such additional designations as shall be required or  
33 advisable to comply with the accounting standards and conventions followed by  
34 the Municipality. The use of the term “Fund” is intended to meet legal  
35 requirements and is not intended to be defined as prescribed by generally  
36 accepted accounting principles.

37  
38 **Section 6. Loan Terms.** The following primary terms shall be incorporated into  
39 the Loan Agreement:

40  
41 Principal Amount: Not to exceed \$25,760,000 (subject to individual draws)  
42 Interest Rate: 1.5% when the Bond Rate is less than 4%; when the  
43 Bond Rate is greater than 4% a finance charge at a rate  
44 of 1.5% plus 62.5% of The Bond Buyer’s Municipal  
45 Bond Index’s Current Day – Yield to Maturity that is  
46 greater than 4% as published on the date that the

1 department extends the financial assistance offer; the  
2 finance charge will be determined using the calculation  
3  $1.5 + [0.625 \times (\text{Bond Index} - 4)]$ , where “Bond Index” is  
4 equal to The Bond Buyer’s Municipal Bond Index’s  
5 Current Day – Yield to Maturity  
6 Interest Accrual: Accrual begins one year after the date of first  
7 disbursement to the Municipality  
8 Term: Twenty years from the date of initiation of operation of  
9 the Project  
10 Date of First Payment: As defined by specific loan term, or one year following  
11 substantial completion and initiation of operation of the  
12 Project  
13 Payment Interval: Annual  
14 Amortization Schedule: Level, fully amortizing  
15 Security: A subordinate lien pledge of Gross Revenues less  
16 Operating Expenses, as those terms are defined  
17 herein, provided that if such monies are not sufficient,  
18 repayment of the loans shall be from any legally  
19 available funds accruing to or in the possession of the  
20 Municipality; and provided further that repayment of the  
21 loans is not a direct obligation of the Municipality and  
22 neither the faith and credit nor the taxing power of the  
23 Municipality are pledged therefore.  
24

25 **Section 7. Authorization of Loans; Purpose of Issuance.** For the purpose of  
26 providing a portion of the funds required to pay the cost of the Project described  
27 herein, and to pay all costs incidental thereto, the borrowing of money from the  
28 Fund in the form of loans in an aggregate principal amount not to exceed  
29 \$25,760,000 is hereby authorized.  
30

31 **Section 8. Loan Application and Loan Agreement.** The SWS General Manager  
32 is hereby authorized and directed to complete and submit to the State  
33 applications to borrow money from the Fund for the purpose of financing a portion  
34 of the costs of the Project authorized by this Ordinance. Further, the SWS  
35 General Manager and MOA Chief Fiscal Officer are hereby authorized,  
36 empowered and directed to execute and deliver the Loan Agreement, for and on  
37 behalf of the Municipality, including necessary counterparts, as authorized by this  
38 Ordinance.  
39

40 **Section 9. Acceptance of Loan Funds.** The SWS General Manager is hereby  
41 authorized to accept, when approved and available, loan funds from the State,  
42 pursuant to the loan application approved in this Ordinance, for the purpose of  
43 reimbursement of the costs of the Project. Upon notification from the State and  
44 acceptance of the funds, SWS shall file with the Assembly, on a quarterly basis,  
45 an Assembly Informational Memorandum, listing the amount of funds approved

1 and accepted by SWS, the authorizing Ordinance for the funds, and identifying  
2 the specific Project approved under the loan program.  
3

4 **Section 10. Authority of Officers.** The Mayor, the Municipal Manager, the Chief  
5 Fiscal Officer, the SWS General Manager, the Municipal Clerk, are, and each of  
6 them hereby is, authorized and directed to do and perform all things and  
7 determine all matters not determined by this Ordinance, or to be determined by  
8 a subsequent ordinance or resolution of the Municipality, to this end that the  
9 Municipality may carry out its obligations under the loans and this Ordinance.

10  
11 **Section 11. Severability.** If any one or more of the covenants and agreements  
12 provided in this Ordinance to be performed on the part of the Municipality shall  
13 be declared by any court of competent jurisdiction to be contrary to law, then such  
14 covenant and agreements shall be null and void and shall be deemed separable  
15 from the remaining covenant and agreement in this Ordinance and shall in no  
16 way affect the facility of the other provisions of this Ordinance or of the loans  
17 entered into pursuant to this Ordinance.  
18

19 **Section 12. Effective Date.** This Ordinance shall take effect immediately upon  
20 passage and approval by the Assembly.

21  
22 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of  
23 \_\_\_\_\_, 2023.

24  
25  
26 \_\_\_\_\_  
27 Chair of the Assembly

28  
29 ATTEST:

30  
31 \_\_\_\_\_  
32 Municipal Clerk  
33

**MUNICIPALITY OF ANCHORAGE**

**ASSEMBLY MEMORANDUM**

**AM No. 669-2023**

Meeting Date: September 12, 2023

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**FROM: MAYOR**

**SUBJECT: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE BORROWING AND ACCEPTING, FROM THE STATE OF ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO EXCEED \$25,760,000 FOR THE PURPOSE OF FINANCING A PORTION OF TWO (2) SOLID WASTE SERVICES (SWS) CAPITAL IMPROVEMENT PROJECTS AND PROVIDING FOR RELATED MATTERS.**

The State of Alaska Department of Environmental Conservation offers low-interest loans through the Alaska Clean Water Fund program to communities for the planning, design, and construction of publicly owned wastewater and solid waste capital projects.

The attached Ordinance authorizes the borrowing and accepting of not to exceed \$25,760,000 to be used specifically for financing a portion of the costs of the Anchorage Regional Landfill (ARL) Leachate Upgrades project and Cell 9B/8C project. These projects are included in an Assembly-approved SWS Capital Improvement Budget and are listed in the Alaska Clean Water Fund Intended Use Plan.

A summary of economic effects is attached.

**THE ADMINISTRATION RECOMMENDS APPROVAL.**

Prepared by: Anchorage Solid Waste Services  
Recommended by: Evalu Filitaula, Acting General Manager, SWS  
Concur: Alden Thern, Acting Chief Financial Officer  
Concur: Anne Helzer, Municipal Attorney  
Concur: Kent Kohlhase, P.E., Municipal Manager  
Respectfully submitted: Dave Bronson, Mayor

MUNICIPALITY OF ANCHORAGE  
Summary of Economic Effects - Utilities

AO NO.: 2023-88

Title: **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE BORROWING AND ACCEPTING, FROM THE STATE OF ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO EXCEED \$25,760,000 FOR THE PURPOSE OF FINANCING A PORTION OF TWO (2) SOLID WASTE SERVICES (SWS) CAPITAL IMPROVEMENT PROJECTS AND PROVIDING FOR RELATED MATTERS.**

Sponsor: MAYOR

Preparing Agency: **Anchorage Solid Waste Services**

Others Affected: **None**

CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)

|                               | FY23     | FY24       | FY25       | FY26       | FY27       |
|-------------------------------|----------|------------|------------|------------|------------|
| Operating Revenues:           |          |            |            |            |            |
| TOTAL OPERATING REVENUES:     | 1500     | 1575       | 1670       | 1753       | 1872       |
| Operating Expenses:           | 800      | 1020       | 1071       | 1125       | 1181       |
| TOTAL OPERATING EXPENSES:     | 800      | 1020       | 1071       | 1125       | 1181       |
| Non-Operating Revenues:       |          |            |            |            |            |
| TOTAL NON-OPERATING REVENUES: |          |            |            |            |            |
| Non-Operating Expenses:       | 0        | 0          | 0          | 0          | 0          |
| Interest Expense              | <b>0</b> | <b>120</b> | <b>115</b> | <b>110</b> | <b>104</b> |
| TOTAL NON-OPERATING EXPENSES: | <b>0</b> | <b>120</b> | <b>115</b> | <b>110</b> | <b>104</b> |
| NET INCOME (REGULATED)        | 700      | 435        | 484        | 518        | 587        |
| POSITIONS: FT/PT/TEMP         |          |            |            |            |            |

Impact on General Government (Yes or No) **No** (If yes, attach SEE for General Government agency impacted.)

Public Sector Economic Effects:

- **Interest expense is 1.5% for any Bond Rate less than 4%; for Bond Rate greater than 4% a finance charge at a rate of 1.5% plus 62.5% of The Bond Buyer's Municipal Bond Index's Current Day – Yield to Maturity that is greater than 4% as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation  $1.5 + [0.625 \times (\text{Bond Index} - 4)]$ , where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day – Yield to Maturity. 2.00% interest expense used in Changes in Expenditure and Revenues**
- **Terms of Loans - fully amortizing, equal payments, 20 years, end of period, annual payments**
- **Total Principal and Interest per year = \$465,966 (based on 1.50% interest rate)**
- **Payments to begin as defined by specific loan term, or one year following substantial completion and initiation of operation**
- **Program offers a lower cost alternative when compared to the issuance of revenue bonds**

Private Sector Economic Effects:

- **None**

If further explanation is necessary, a separate page may be attached.

Prepared by: Susan Kent-Crafts 343-6287

Approved by: Susan Kent-Crafts, CFO, SWS

Approved by: Evala Filitaula, Acting General Manager, SWS