

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater
Utility
For reading: August 19, 2003

CLERK'S OFFICE

ANCHORAGE, ALASKA

APPROVED

AO No. 2003-121

Date: 9-9-03

1 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND
2 PROVIDING FOR THE BORROWING FROM THE STATE OF ALASKA CLEAN WATER FUND
3 OF AN AMOUNT NOT TO EXCEED \$500,000 FOR THE PURPOSE OF FINANCING A PORTION
4 OF THE COSTS OF THE SEPTAGE RECEIVING STATION UPGRADE PROJECT IN THE
5 MUNICIPALITY, AND PROVIDING FOR RELATED MATTERS.
6

7
8 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032
9 and 18 AAC 76.005 et seq of the Alaska Administrative Code, established the Alaska Clean Water
10 Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Clean
11 Water Act, as amended by P.L. 100-4; and
12

13 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the
14 Fund to assist in the planning, designing, constructing, equipping, modifying, improving and
15 expanding of public wastewater collection, treatment and discharge facilities; and
16

17 WHEREAS, the interest rate to be paid by the Municipality on money borrowed from the
18 Fund is a favorable rate considering other sources of funds available to the Municipality; and
19

20 WHEREAS, the Home Rule Charter of the Municipality provides at Section 15.03 that the
21 Assembly by ordinance shall provide for the form and manner of sale of bonds and notes; and
22

23 WHEREAS, the Assembly of the Municipality has determined and does hereby determine
24 that it is necessary to proceed to plan, design, develop, construct, equip, acquire property for, or
25 otherwise obtain items of capital improvements in connection with the **SEPTAGE RECEIVING**
26 **STATION UPGRADE** project; and
27

28 WHEREAS, it is deemed necessary and advisable and in the best interests of the
29 Municipality and its inhabitants that final applications be submitted and such other actions as may
30 be necessary be taken to borrow a total amount not to exceed **\$500,000** from the Fund for the
31 purpose of paying a portion of the costs associated with said Project.
32

33 NOW THEREFORE, the Municipality of Anchorage ordains:
34

35 Section 1. Definitions. As used in this Ordinance, unless a different meaning clearly
36 appears from the context:
37

38 "Gross Revenues" means all rates and charges and other income, in each case derived by
39 or for the account of the Municipality, from the ownership, leasing or operation of the System
40 except proceeds from the sale of bonds or notes, any grants received for the Anchorage
41 Wastewater Utility, and interest received and profits derived from the investment of moneys
42 obtained from such sources or from moneys held in any fund to pay or secure the payment of any
43 bonds or notes issued in connection with the System. For the purposes of this Ordinance, Gross
44 Revenues shall not include allowance for funds used during construction.
45

"Operating Expenses" means the current expenses incurred for operation, maintenance or repair of the System of a non-capital nature, and shall include, without limiting the generality of the foregoing, collection, transmission and treatment expenses, fuel and electricity expenses, chemical expenses, customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory, and engineering expenses, payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds which are properly chargeable to current operations, interest on customers' deposits, payroll tax expenses, Municipal Utility Service Assessments or any assessment levied in lieu of municipal taxes and any other expenses required to be paid under the provisions of this Ordinance or by law or permitted by standard practices for public utility systems similar to the properties and business of the System (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the Municipality incurred in connection with and payable from Gross Revenues.

"System" means the existing wastewater utility system of the Municipality as the same will be added to, improved and extended as authorized and provided in this Ordinance, and as the same may be added to, improved and extended for as long as the loan authorized by this Ordinance are outstanding, but shall not include such collections, transmission and treatment facilities that may be hereafter purchased, constructed or otherwise acquired by the Municipality as a separate wastewater utility system, the revenues of which may be pledged to the payment of bonds or notes issued to purchase, construct or otherwise acquire and improve such separate system.

Section 2. Purpose. The purpose of this Ordinance is to authorize the borrowing of a total amount not to exceed **\$500,000** from the Fund in the form of a loan to provide funds to pay a portion of the capital costs of the Project and to fix certain details of said loan.

Section 3. Authority for Ordinance. The Assembly has ascertained and hereby determines that each and every matter and thing as to which provision is made in this Ordinance is necessary in order to carry out and effectuate the purposes of the Municipality in accordance with the Constitution and statutes of the State of Alaska, and the Home Rule Charter of the Municipality, and to incur the indebtedness authorized by this Ordinance.

Section 4. Obligation of Loan. The obligation to repay the loan authorized by this Ordinance shall not be a direct and general obligation of the Municipality and neither the faith and credit nor the taxing power of the Municipality is pledged to the payments of the principal of and interest on the loan. The Gross Revenues less the Operating Expenses of the System are hereby pledged to repayment of the loan authorized by this Ordinance.

Section 5. Authorization of Loan and Purpose of Issuance. For the purpose of providing a portion of the funds required to pay the cost of the Project described herein, and to pay all costs incidental thereto, the Municipality hereby authorizes and determines to borrow moneys from the Fund in the form of a loan in a principal amount not to exceed **\$500,000** for the specified construction project.

Section 6. Loan Applications. The General Manager of the Anchorage Water & Wastewater Utility ("AWWU") is hereby authorized and directed to complete and submit to the State Department of Environmental Conservation applications to borrow moneys from the Fund for the purposes of paying a portion of the costs of the Project as authorized in this Ordinance.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - Utilities

AO Number: 2003-121

Title: An Ordinance authorizing and providing for the borrowing of a total amount of \$500,000 from the State of Alaska Clean Water Fund for the purpose of paying a portion of the cost of wastewater capital improvements (Septage Receiving Station Upgrade)

Sponsor:

Preparing Agency: Anchorage Water & Wastewater Utility

Others Affected: None

CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)

Operating Revenues:	FY03	FY04	FY05	FY06	FY07
TOTAL OPERATING REVENUES:					
Operating Expenses:					
TOTAL OPERATING EXPENSES:					
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES:					
Non-Operating Expenses:	13	12	12	11	10
Interest Expense					
TOTAL NON-OPERATING EXPENSES:					
NET INCOME (REGULATED)					
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 30 percent of the current bond rate as defined by the Municipal Bond Index or 2.5%, whichever is greater (2.5%)
- Terms of Loan - fully amortizing, equal payments, 20 years, end of period, annual payments
- Total Principal and Interest per year = \$32,074
- Payments to begin one year after construction completion

Private Sector Economic Effects:

- None

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

Prepared by: David Johnston, Senior Staff Accountant, AWWU Telephone: 786-5512

Approved by: Mark Premo, General Manager, AWWU

Validated by OMB: Jeffrey Sinz, Chief Fiscal Officer

Approved by: Denis C. LeBlanc, Municipal Manager

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 666-2003

Meeting Date: August 19, 2003

1 **From:** Mayor

2
3 **Subject:** **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
4 **AUTHORIZING THE BORROWING AND PROVIDING FOR THE**
5 **BORROWING OF NOT TO EXCEED \$500,000 FROM THE**
6 **STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF**
7 **FINANCING A PORTION OF THE COSTS OF THE SEPTAGE RECEIVING**
8 **STATION UPGRADE PROJECT**
9

10
11 The State of Alaska Department of Environmental Conservation offers low-interest loans
12 through the Alaska Clean Water Fund program to communities for the planning, design,
13 and construction of publicly owned wastewater capital projects.
14

15 The attached Ordinance authorizes borrowing of not to exceed \$500,000 to be used
16 specifically for financing a portion of the costs for the Septage Receiving Station Upgrade
17 project.
18

19 **THE ADMINISTRATION RECOMMENDS APPROVAL OF ANCHORAGE ORDINANCE AO**
20 **2003-121 AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED**
21 **\$500,000 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF**
22 **FINANCING A PORTION OF THE COSTS OF THE SEPTAGE RECEIVING STATION**
23 **UPGRADE PROJECT.**
24

25
26
27 Recommended by: Mark Premo, P.E., General Manager, Anchorage Water & Wastewater Utility
28 Concur: Jeffrey Sinz, Chief Fiscal Officer
29 Concur: Denis C. LeBlanc, Municipal Manager
30 Respectfully submitted, Mark Begich, Mayor

Content Information

AO 2003-121

Content ID : 001002

Revision: 0

Type: Ordinance - AO

AN ORDINANCE OF THE MOA, ALASKA, AUTHORIZING AND PROVIDING
FOR THE BORROWING FROM THE STATE OF ALASKA CLEAN WATER

Title: FUND OF AN AMOUNT NOT TO EXCEED \$500,000 FOR THE PURPOSE
OF FINANCING A PORTION OF THE COSTS OF THE SEPTAGE
RECEIVING STATION UPGRADE PROJECT

Author: gibsonam

Initiating Dept: AWWU

Description:

Keywords:

Date Prepared: 7/22/03 12:48 PM

Director Name: Mark Premo

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>	<u>Revision</u>
AllOrdinanceWorkflow	7/22/03 12:49 PM	Checkin	gibsonam	Public		
AllOrdinanceWorkflow	7/22/03 1:00 PM	Reject	premomc	Public	001002	0
AllOrdinanceWorkflow	7/22/03 1:05 PM	Checkin	gibsonam	Public	001002	0
AWWU_SubWorkflow	7/22/03 1:07 PM	Approve	premomc	Public	001002	0
OMB_SubWorkflow	7/22/03 3:30 PM	Approve	wiltsep	Public	001002	0
Legal_SubWorkflow	7/24/03 9:50 AM	Approve	fehlenrl	Public	001002	0
AllOrdinanceWorkflow	8/1/03 2:02 PM	Reject	leblancdc	Public	001002	0
AllOrdinanceWorkflow	8/4/03 4:16 PM	Checkin	gibsonam	Public	001002	0
AWWU_SubWorkflow	8/4/03 4:29 PM	Approve	premomc	Public	001002	0
OMB_SubWorkflow	8/5/03 11:38 AM	Approve	wiltsep	Public	001002	0
Legal_SubWorkflow	8/6/03 10:49 AM	Approve	fehlenrl	Public	001002	0
MuniManager_SubWorkflow	8/10/03 6:55 PM	Approve	leblancdc	Public	001002	0
MuniMgrCoord_SubWorkflow	8/11/03 11:34 AM	Approve	katkusja	Public	001002	0