

CLERK'S OFFICE

APPROVED

Date:..... 12-17-03 ANCHORAGE, ALASKA
AO NO. 2003-163

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$5,704,515 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF THE CONSTRUCTION OF CELL 7 AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED MATTERS.

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 Clean Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Clean Water Act, as amended by P.L. 100-4; 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 of the Anchorage Regional Landfill; and

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

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

WHEREAS, the Assembly of the Municipality has determined and does hereby determine that it is necessary to proceed to plan, design, construct, equip, or otherwise obtain items of capital improvements in connection with Cell 7 of the Anchorage Regional Landfill (the "Project"); and

WHEREAS, it is deemed necessary and advisable and in the best interests of the Municipality and its inhabitants that a final application be submitted and such other actions as may be necessary be taken to borrow a total amount not to exceed \$5,704,515 from the Fund for the purpose of said Project.

NOW THEREFORE, the Municipality of Anchorage ordains:

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

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the Municipality, from the ownership, leasing or operation of the Project Facility except proceeds from the sale of bonds or notes, any grants received for the Solid Waste Disposal

Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund to pay or secure the payment of any bonds or notes issued in connection with the Project Facility. For the purposes of this Ordinance, Gross Revenues shall not include allowance for funds used during construction.

“Operating Expenses” means the current expenses incurred for operation, maintenance or repair of the Project Facility 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 provision of this Ordinance or by law or permitted by standard practices for public utility systems similar to the properties and business of the Project Facility (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 any payable from Gross Revenues.

“Project Facility” means the existing Anchorage Regional Landfill 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 any of the loans authorized by this Ordinance are outstanding, but shall not include such landfill facilities that may be hereafter purchased, constructed or otherwise acquired by the Municipality as a separate 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 not to exceed \$5,704,515 from the Fund in the form of a loan to provide funds to pay a portion of the 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 payment of the principal of and interest on the loan. The Gross Revenues less the Operating Expenses of the Project Facility 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 money from the Fund in the form of a loan in an aggregate principal amount not to exceed \$5,704,515.

Section 6. Loan Applications. The Director of Solid Waste Services is hereby authorized and directed to complete and submit to the State Department of Environmental Conservation an application to borrow money from the Fund for the purpose of paying a portion of the cost of the Project as authorized in this Ordinance.

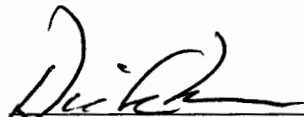
Section 7. Negotiation of Terms and Approval of Amount, Interest Rates, Maturities and Other Details of Loans. The Director of Solid Waste Services shall negotiate with the State and the Assembly shall by resolution approve the total amount of the loan to be entered into for the Project; the interest rate, which shall not exceed 75 percent of the Municipal Bond Index as published in the Wall Street Journal on the Friday preceding the closing of any loan; the interest and principal payment dates; the maturities, which shall not exceed 20 years; and any other details of the loan.

Section 8. Authority of Officers. The Mayor, the Acting Mayor from time to time, the Municipal Manager, the Chief Fiscal Officer, the Director of Solid Waste Services, the Municipal Clerk and the Acting Municipal Clerk from time to time, are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Ordinance, or to be determined by a subsequent ordinance or resolution of the Municipality, to the end that the Municipality may carry out its obligations under the loan and this Ordinance.

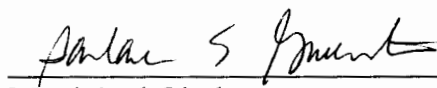
Section 9. Severability. If any one or more of the covenants and agreements provided in this Ordinance to be performed on the part of the Municipality shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the loan entered into pursuant to this Ordinance.

Section 10. Effective Date. This Ordinance shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly this 17th day of December, 2003.


Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2003-163

Title: An Ordinance authorizing and providing for the borrowing of a total amount of \$5,704,515 from the State of Alaska Clean Water Fund for the purpose of paying a portion of the cost of Cell 7 Construction for the Anchorage Regional Landfill

Sponsor:

Preparing Agency: Solid Waste Services

Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY03	FY04	FY05	FY06	FY07	
Operating Revenues:						
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
Interest Expense	\$ -	\$ 36	\$ 140	\$ 134	\$ 127	
TOTAL NON-OPERATING EXPENSES	\$ -	\$ 36	\$ 140	\$ 134	\$ 127	
NET INCOME (REGULATED)		\$ (36)	\$ (140)	\$ (134)	\$ (127)	
POSITIONS: FT/PT and Temp						

PUBLIC SECTOR ECONOMIC EFFECTS:

- No projected impact. Rate for the disposal utility are projected to remain unchanged through 2007.
- Terms of loan- level principal pay, 20 years, annual payments. (See attached amortization schedule.)
- Payments to begin one year after construction completion.

PRIVATE SECTOR ECONOMIC EFFECTS:

- None

Prepared by: _____

Telephone: _____

Validated by OMB: _____

Date: _____

Approved by: _____
(Director, Preparing Agency)

Date: _____

Concurred by: _____
(Director, Impacted Agency)

Date: _____

Approved by: _____
(Municipal Manager)

Date: _____

Estimated Calculation of 2004 Clean Water Loans
Cell 7 Construction
Rate @ 2.5%/ 20 years
December 31, 2003

Loan #2 - Cell 7 Construction

<div style="text-align: right;"> 5,704,515.00 / 20.00 285,225.75 </div>						
<u>Pymt</u>	<u>Due</u>	<u>Interest</u>	<u>Expense (accrual)</u>	<u>Principal</u>	<u>Total Pymt</u>	<u>Loan Balance</u>
	10/1/2004		35,653.22			5,704,515.00
1	10/1/2005	142,612.88	140,830.21	285,225.75	427,838.63	5,419,289.25
2	10/1/2006	135,482.23	133,699.57	285,225.75	420,707.98	5,134,063.50
3	10/1/2007	128,351.59	126,568.93	285,225.75	413,577.34	4,848,837.75
4	10/1/2008	121,220.94	119,438.28	285,225.75	406,446.69	4,563,612.00
5	10/1/2009	114,090.30	112,307.64	285,225.75	399,316.05	4,278,386.25
6	10/1/2010	106,959.66	105,177.00	285,225.75	392,185.41	3,993,160.50
7	10/1/2011	99,829.01	98,046.35	285,225.75	385,054.76	3,707,934.75
8	10/1/2012	92,698.37	90,915.71	285,225.75	377,924.12	3,422,709.00
9	10/1/2013	85,567.73	83,785.06	285,225.75	370,793.48	3,137,483.25
10	10/1/2014	78,437.08	76,654.42	285,225.75	363,662.83	2,852,257.50
11	10/1/2015	71,306.44	69,523.78	285,225.75	356,532.19	2,567,031.75
12	10/1/2016	64,175.79	62,393.13	285,225.75	349,401.54	2,281,806.00
13	10/1/2017	57,045.15	55,262.49	285,225.75	342,270.90	1,996,580.25
14	10/1/2018	49,914.51	48,131.85	285,225.75	335,140.26	1,711,354.50
15	10/1/2019	42,783.86	41,001.20	285,225.75	328,009.61	1,426,128.75
16	10/1/2020	35,653.22	33,870.56	285,225.75	320,878.97	1,140,903.00
17	10/1/2021	28,522.58	26,739.91	285,225.75	313,748.33	855,677.25
18	10/1/2022	21,391.93	19,609.27	285,225.75	306,617.68	570,451.50
19	10/1/2023	14,261.29	12,478.63	285,225.75	299,487.04	285,225.75
20	10/1/2024	7,130.64	5,347.98	285,225.75	292,356.39	-
Total Repayments		1,497,435.19	1,497,435.19	5,704,515.00	7,201,950.19	

NOTES

* FY 2004 assumes 1/4 year of interest.

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 950-2003

Meeting Date: December 2, 2003

From: Mayor

Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO
EXCEED \$5,704,515 FROM THE STATE OF ALASKA CLEAN WATER
FUND FOR THE PURPOSE OF THE CONSTRUCTION OF CELL 7 AT THE
ANCHORAGE REGIONAL LANDFILL 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 capital projects.

The Anchorage Regional Landfill is made up of a series of 12 cells. Solid Waste Services is currently using Cell 6. Cell 7 is the next cell to be constructed and will be in use by the year 2005. The Project should provide adequate landfill capacity to serve Anchorage's needs to the year 2008.

The attached Ordinance authorizes borrowing of not to exceed \$5,704,515 to be used specifically for financing a portion of the costs for the construction of Cell 7 at the Anchorage Regional Landfill. Annual principal and interest payments are included in the cash flow projections of the enterprise for the next twenty years.

THE ADMINISTRATION RECOMMENDS AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$5,704,515 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE CONSTRUCTION OF CELL 7 AT THE ANCHORAGE REGIONAL LANDFILL.

Recommended by: Robert L. Hall, Director, Solid Waste Services

Concur: Denis C. LeBlanc, Municipal Manager

Concur: Jeffrey E. Sinz, Chief Fiscal Officer

Respectfully submitted, Mark Begich, Mayor

Content Information**Content ID :** 001266

Title: AN ORDINANCE AUTHORIZING BORROWING NTE \$5,704,515
FROM THE SOA CLEAN WATER FUND FOR FINANCING A
PORTION OF CONSTRUCTION OF CELL 7 AT ANCHORAGE
REGIONAL LANDFILL

Author: kilsonpa**Initiating Dept:** SWS**Date Prepared:** 11/3/03 11:34 AM**Director Name:** Robert L. Hall

Document
Number: AO 2003-163

Assembly
Meeting Date 12/02/03
MM/DD/YY:

Public Hearing
Date MM/DD/YY: 12/16/03

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Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	11/3/03 11:36 AM	Checkin	kilsonpa	Public	001266
SWS_SubWorkflow	11/3/03 11:45 AM	Approve	hallrl	Public	001266
AllOrdinanceWorkflow	11/4/03 9:12 AM	Reject	wiltsep	Public	001266
AllOrdinanceWorkflow	11/4/03 2:10 PM	Checkin	kilsonpa	Public	001266
SWS_SubWorkflow	11/4/03 3:34 PM	Approve	hallrl	Public	001266
OMB_SubWorkflow	11/7/03 3:16 PM	Approve	wiltsep	Public	001266
AllOrdinanceWorkflow	11/10/03 10:05 AM	Reject	fehlenrl	Public	001266
AllOrdinanceWorkflow	11/10/03 11:30 AM	Checkin	kilsonpa	Public	001266
SWS_SubWorkflow	11/10/03 2:47 PM	Approve	hallrl	Public	001266
OMB_SubWorkflow	11/18/03 8:47 AM	Approve	wiltsep	Public	001266
Legal_SubWorkflow	11/18/03 10:30 AM	Approve	fehlenrl	Public	001266
MuniManager_SubWorkflow	11/21/03 1:32 PM	Approve	leblancdc	Public	001266
MuniMgrCoord_SubWorkflow	11/21/03 4:16 PM	Approve	katkusja	Public	001266