

CLERK'S OFFICE

APPROVED

Date: 9-13-05 ANCHORAGE, ALASKA
No. AO 2005- 112

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$7,200,000 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF THE PARTIAL LANDFILL CLOSURE OF 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 Municipality of Anchorage Home Rule Charter §15.03 requires the form and manner of sale of bonds and notes be approved by the Assembly by ordinance; and

WHEREAS, the Assembly hereby determines it is necessary to proceed to plan, design, construct, equip, or otherwise obtain items of capital improvements in connection with the partial closure of the Anchorage Regional Landfill (the "Project"); and

WHEREAS, it is deemed necessary, 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 \$7,200,000 from the Fund for the purpose of said Project; now therefore,

THE ANCHORAGE MUNICIPAL ASSEMBLY 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

1 or for the account of the Municipality, from the ownership, leasing or operation of the
2 Project Facility except proceeds from the sale of bonds or notes, any grants received for
3 the Solid Waste Disposal Utility, and interest received and profits derived from the
4 investment of moneys obtained from such sources or from moneys held in any fund to pay
5 or secure the payment of any bonds or notes issued in connection with the Project Facility.
6 For the purposes of this Ordinance, Gross Revenues shall not include allowance for funds
7 used during construction.

8
9 “*Operating Expenses*” means the current expenses incurred for operation, maintenance or
10 repair of the Project Facility of a non-capital nature, and shall include, without limiting the
11 generality of the foregoing, collection, transmission and treatment expenses, fuel and
12 electricity expenses, chemical expenses, customer accounts expenses, administrative and
13 general expenses, insurance premiums, lease rentals, legal, regulatory, and engineering
14 expenses, payments to pension, retirement, group life insurance, health and hospitalization
15 funds or other employee benefit funds which are properly chargeable to current
16 operations, interest on customers’ deposits, payroll tax expenses, Municipal Utility Service
17 Assessments or any assessment levied in lieu of municipal taxes and any other expenses
18 required to be paid under the provision of this Ordinance or by law or permitted by
19 standard practices for public utility systems similar to the properties and business of the
20 Project Facility (adjusted to reflect public ownership) and applicable in the circumstances.

21 Operating Expenses shall not include any allowances for depreciation or amortization or
22 any principal, redemption price or purchase price of, or interest on, any obligations of the
23 Municipality incurred in connection with any payable from Gross Revenues.

24
25 “*Project Facility*” means the existing Anchorage Regional Landfill of the Municipality as
26 the same will be added to, improved and extended as authorized and provided in this
27 Ordinance, and as the same may be added to, improved and extended for as long as any of
28 the loans authorized by this Ordinance are outstanding, but shall not include such landfill
29 facilities that may be hereafter purchased, constructed or otherwise acquired by the
30 Municipality as a separate system, the revenues of which may be pledged to the payment
31 of bonds or notes issued to purchase, construct or otherwise acquire and improve such
32 separate system.

33
34 **Section 2.** **Purpose.** The purpose of this Ordinance is to authorize the borrowing of not to
35 exceed \$7,200,000 from the Fund in the form of a loan to provide funds to pay the costs of the
36 Project and to fix certain details of said loan.

37
38 **Section 3.** **Authority for Ordinance.** The Assembly has ascertained and hereby determines
39 each and every matter and thing as to which provision is made in this ordinance is necessary in
40 order to carry out and effectuate the purposes of the Municipality in accordance with the
41 Constitution and statutes of the State of Alaska, and the Municipality of Anchorage Home Rule
42 Charter, and to incur the indebtedness authorized by this ordinance.

1
2 **Section 4. Obligation of Loan.** The obligation to repay the loan authorized by this ordinance
3 shall not be a direct and general obligation of the Municipality and neither the faith and credit nor
4 the taxing power of the Municipality is pledged to the payment of the principal of and interest on
5 the loan. The Gross Revenues less the Operating Expenses of the Project Facility are hereby
6 pledged to repayment of the loan authorized by this Ordinance.
7

8 **Section 5. Authorization of Loan and Purpose of Issuance.** For the purpose of providing the
9 funds required to pay the cost of the Project described herein, and to pay all costs incidental
10 thereto, the Municipality hereby authorizes and determines to borrow money from the Fund in the
11 form of a loan in an aggregate principal amount not to exceed \$7,200,000.
12

13 **Section 6. Loan Applications.** The Director of Solid Waste Services is hereby authorized and
14 directed to complete and submit to the State Department of Environmental Conservation an
15 application to borrow money from the Fund for the purpose of paying the cost of the Project as
16 authorized in this Ordinance.
17

18 **Section 7. Negotiation of Terms and Approval of Amount, Interest Rates, Maturities and**
19 **Other Details of Loans.** The Director of Solid Waste Services shall negotiate with the State and
20 the Assembly shall by resolution approve the total amount of the loan to be entered into for the
21 Project; the interest rate, which shall not exceed seventy-five percent (75%) of the Municipal
22 Bond Index as published in the Wall Street Journal on the Friday preceding the closing of any
23 loan; the interest and principal payment dates; the maturities, which shall not exceed 20 years;
24 and any other details of the loan.
25

26 **Section 8. Authority of Officers.** The Mayor, the Acting Mayor from time to time, the
27 Municipal Manager, the Chief Fiscal Officer, the Director of Solid Waste Services, the Municipal
28 Clerk and the Acting Municipal Clerk from time to time, are, and each of them hereby is,
29 authorized and directed to do and perform all things and determine all matters not determined by
30 this ordinance, or to be determined by a subsequent ordinance or resolution of the Municipality,
31 to the end that the Municipality may carry out its obligations under the loan and this ordinance.
32

33 **Section 9. Severability.** If any one or more of the covenants and agreements provided in this
34 ordinance to be performed on the part of the Municipality shall be declared by any court of
35 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or
36 agreements shall be null and void and shall be deemed separable from the remaining covenants
37 and agreements in this ordinance and shall in no way affect the validity of the other provisions of
38 this ordinance or of the loan entered into pursuant to this ordinance.
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40 **Section 10. Effective Date.** This Ordinance shall take effect immediately upon passage and
41 approval by the Anchorage Assembly.
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PASSED AND APPROVED by the Anchorage Assembly this 13th day of
September, 2005.

Anna L. Fairclough
Chair of the Assembly

ATTEST:

Bonnie S. Daulton
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2005- 112

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
 AUTHORIZING AND PROVIDING FOR THE BORROWING OF
 NOT TO EXCEED \$7,200,000 FROM THE STATE OF ALASKA
 CLEAN WATER FUND FOR THE PURPOSE OF THE PARTIAL
 LANDFILL CLOSURE OF THE ANCHORAGE REGIONAL
 LANDFILL AND PROVIDING FOR RELATED MATTERS.

Sponsor:

Preparing Agency: Solid Waste Services

Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	FY05	FY06	FY07	FY08	FY09
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
	\$ -				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
Interest Expense		\$ 27	\$ 107	\$ 101	\$ 96
TOTAL NON-OPERATING EXPENSES	\$ -	\$ 27	\$ 107	\$ 101	\$ 96
NET INCOME (REGULATED)		\$ (27)	\$ (107)	\$ (101)	\$ (96)
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

No projected impact. Rate for the disposal utility are projected to remain unchanged through 2009.
 Term of loan-level principal pay, 20 years, annual payments. (See attached amortization schedule.)
 Payments to begin one year after construction completion.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

None.

Prepared by: Mari Johnston, Finance Manager

Telephone: 343-6270

Approved by: Robert L. Hall, Director, Solid Waste Services
(Director, Preparing Agency)

Date: 8/9/2005

**Estimated Calculation of 2006 Clean Water Loans
 Partial Closure of Anchorage Regional Landfill
 Rate @ 1.5%/ 20 years**

August 9, 2006

Payment	Date Due	Interest Amt	Expense (accrual)	Principal Amt	Total Payt	Loan Balance
	10/1/2006		\$26,926			\$7,200,000
1	10/1/2007	\$108,000	\$106,724	\$360,000	\$468,000	\$6,840,000
2	10/1/2008	\$102,600	\$101,250	\$360,000	\$462,600	\$6,480,000
3	10/1/2009	\$97,200	\$95,850	\$360,000	\$457,200	\$6,120,000
4	10/1/2010	\$91,800	\$90,450	\$360,000	\$451,800	\$5,760,000
5	10/1/2011	\$86,400	\$85,050	\$360,000	\$446,400	\$5,400,000
6	10/1/2012	\$81,000	\$79,650	\$360,000	\$441,000	\$5,040,000
7	10/1/2013	\$75,600	\$74,250	\$360,000	\$435,600	\$4,680,000
8	10/1/2014	\$70,200	\$68,850	\$360,000	\$430,200	\$4,320,000
9	10/1/2015	\$64,800	\$63,450	\$360,000	\$424,800	\$3,960,000
10	10/1/2016	\$59,400	\$58,050	\$360,000	\$419,400	\$3,600,000
11	10/1/2017	\$54,000	\$52,650	\$360,000	\$414,000	\$3,240,000
12	10/1/2018	\$48,600	\$47,250	\$360,000	\$408,600	\$2,880,000
13	10/1/2019	\$43,200	\$41,850	\$360,000	\$403,200	\$2,520,000
14	10/1/2020	\$37,800	\$36,450	\$360,000	\$397,800	\$2,160,000
15	10/1/2021	\$32,400	\$31,050	\$360,000	\$392,400	\$1,800,000
16	10/1/2022	\$27,000	\$25,650	\$360,000	\$387,000	\$1,440,000
17	10/1/2023	\$21,600	\$20,250	\$360,000	\$381,600	\$1,080,000
18	10/1/2024	\$16,200	\$14,850	\$360,000	\$376,200	\$720,000
19	10/1/2025	\$10,800	\$9,450	\$360,000	\$370,800	\$360,000
20	10/1/2026	\$5,400	\$4,050	\$360,000	\$365,400	\$0
	Total Repayments	\$1,134,000	\$1,134,000	\$7,200,000	\$8,334,000	

NOTES

* FY 2006 assumes 1/4 year of interest.

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 597 -2005

Meeting Date: August 23, 2005

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
4 AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO
5 EXCEED \$7,200,000 FROM THE STATE OF ALASKA CLEAN WATER
6 FUND FOR THE PURPOSE OF THE PARTIAL LANDFILL CLOSURE OF
7 THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR
8 RELATED MATTERS.
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, and
13 construction of publicly owned wastewater capital projects.
14

15 As the landfill reaches capacity in portions of the site, these areas are closed to reduce leachate
16 generation and assist in handling of landfill gas generation. Closure includes activities such as
17 capping of landfill areas, installation of landfill gas control systems and stormwater control
18 measures. The Project provides for the partial closure of exterior slopes at the Anchorage
19 Regional Landfill.
20

21 The ordinance authorizes borrowing of not to exceed \$7,200,000 to be used specifically for
22 financing the costs for the partial landfill closure of the Anchorage Regional Landfill. Annual
23 principal and interest payments are included in the cash flow projections of the enterprise for the
24 next twenty years.
25

26 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE**
27 **AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED**
28 **\$7,200,000 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE**
29 **PURPOSE OF FINANCING THE COSTS FOR THE PARTIAL LANDFILL CLOSURE**
30 **OF THE ANCHORAGE REGIONAL LANDFILL.**
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32
33 Recommended by: Robert L. Hall, Director, Solid Waste Services
34 Concur: Denis C. LeBlanc, Municipal Manager
35 Concur: Jeffrey E. Sinz, Chief Fiscal Officer
36 Respectfully submitted, Mark Begich, Mayor
37
38

Content Information

Content ID : 003169

Type: Ordinance - AO

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT

Title: TO EXCEED \$7,200,000 FROM THE STATE OF ALASKA CLEAN
WATER FUND FOR THE PURPOSE OF THE PARTIAL CLOSURE OF
THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR REL

Author: curtiscr2

Initiating Dept: SWS

Date Prepared: 8/10/05 8:45 AM

Director Name: Robert L. Hall

Assembly

Meeting Date 8/23/05

MM/DD/YY:

Public Hearing

Date 9/13/05

MM/DD/YY:

M.O.A.
 2005 AUG 15 PM 1:22
 CLERKS OFFICE

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	8/10/05 8:50 AM	Checkin	kilsonpa	Public	003169
SWS_SubWorkflow	8/10/05 8:53 AM	Approve	hallrl	Public	003169
OMB_SubWorkflow	8/10/05 5:25 PM	Approve	mitsonjl	Public	003169
Legal_SubWorkflow	8/11/05 10:38 AM	Approve	fehlenrl	Public	003169
MuniManager_SubWorkflow	8/11/05 10:55 AM	Checkin	curtiscr2	Public	003169
MuniManager_SubWorkflow	8/12/05 12:56 PM	Approve	abbottmk	Public	003169
MuniMgrCoord_SubWorkflow	8/12/05 1:08 PM	Approve	curtiscr2	Public	003169