

CLERK'S OFFICE

APPROVED

Date: 1-24-05

ANCHORAGE, ALASKA

AO NO. 2005-180

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF AN ADDITIONAL \$1,000,000 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 an additional \$1,000,000 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

1 sources or from moneys held in any fund to pay or secure the payment of any bonds or notes issued  
2 in connection with the Project Facility. For the purposes of this Ordinance, Gross Revenues shall not  
3 include allowance for funds used during construction.

4  
5 “Operating Expenses” means the current expenses incurred for operation, maintenance or  
6 repair of the Project Facility of a non-capital nature, and shall include, without limiting the  
7 generality of the foregoing, collection, transmission and treatment expenses, fuel and electricity  
8 expenses, chemical expenses, customer accounts expenses, administrative and general expenses,  
9 insurance premiums, lease rentals, legal, regulatory, and engineering expenses, payments to pension,  
10 retirement, group life insurance, health and hospitalization funds or other employee benefit funds  
11 which are properly chargeable to current operations, interest on customers’ deposits, payroll tax  
12 expenses, Municipal Utility Service Assessments or any assessment levied in lieu of municipal taxes  
13 and any other expenses required to be paid under the provision of this Ordinance or by law or  
14 permitted by standard practices for public utility systems similar to the properties and business of the  
15 Project Facility (adjusted to reflect public ownership) and applicable in the circumstances.  
16 Operating Expenses shall not include any allowances for depreciation or amortization or any  
17 principal, redemption price or purchase price of, or interest on, any obligations of the Municipality  
18 incurred in connection with any payable from Gross Revenues.

19  
20 “Project Facility” means the existing Anchorage Regional Landfill of the Municipality as the  
21 same will be added to, improved and extended as authorized and provided in this Ordinance, and as  
22 the same may be added to, improved and extended for as long as any of the loans authorized by this  
23 Ordinance are outstanding, but shall not include such landfill facilities that may be hereafter  
24 purchased, constructed or otherwise acquired by the Municipality as a separate system, the revenues  
25 of which may be pledged to the payment of bonds or notes issued to purchase, construct or otherwise  
26 acquire and improve such separate system.

27  
28 Section 2. Purpose. The purpose of this Ordinance is to authorize the borrowing of an  
29 additional \$1,000,000 from the Fund in the form of an addition to the existing loan for a total not to  
30 exceed amount of \$6,704,515 to provide funds to pay a portion of the costs of the Project and to fix  
31 certain details of said loan.

32  
33 Section 3. Authority for Ordinance. The Assembly has ascertained and hereby determines  
34 that each and every matter and thing as to which provision is made in this Ordinance is necessary in  
35 order to carry out and effectuate the purposes of the Municipality in accordance with the  
36 Constitution and statutes of the State of Alaska, and the Home Rule Charter of the Municipality, and  
37 to incur the indebtedness authorized by this Ordinance.

38  
39 Section 4. Obligation of Loan. The obligation to repay the loan authorized by this Ordinance  
40 shall not be a direct and general obligation of the Municipality and neither the faith and credit nor  
41 the taxing power of the Municipality is pledged to the payment of the principal of and interest on the  
42 loan. The Gross Revenues less the Operating Expenses of the Project Facility are hereby pledged to  
43 repayment of the loan authorized by this Ordinance.

1           Section 5. Authorization of Loan and Purpose of Issuance. For the purpose of providing a  
2 portion of the funds required to pay the cost of the Project described herein, and to pay all costs  
3 incidental thereto, the Municipality hereby authorizes and determines to borrow money from the  
4 Fund in the form of an addition to the loan in an aggregate principal amount not to exceed  
5 \$1,000,000.  
6

7           Section 6. Loan Applications. The Director of Solid Waste Services is hereby authorized  
8 and directed to complete and submit to the State Department of Environmental Conservation an  
9 application to borrow money from the Fund for the purpose of paying a portion of the cost of the  
10 Project as authorized in this Ordinance.  
11

12           Section 7. Negotiation of Terms and Approval of Amount, Interest Rates, Maturities and  
13 Other Details of Loans. The Director of Solid Waste Services shall negotiate with the State and the  
14 Assembly shall by resolution approve the total amount of the loan to be entered into for the Project;  
15 the interest rate, which shall not exceed 75 percent of the Municipal Bond Index as published in the  
16 Wall Street Journal on the Friday preceding the closing of any loan; the interest and principal  
17 payment dates; the maturities, which shall not exceed 20 years; and any other details of the loan.  
18

19           Section 8. Authority of Officers. The Mayor, the Acting Mayor from time to time, the  
20 Municipal Manager, the Chief Fiscal Officer, the Director of Solid Waste Services, the Municipal  
21 Clerk and the Acting Municipal Clerk from time to time, are, and each of them hereby is, authorized  
22 and directed to do and perform all things and determine all matters not determined by this  
23 Ordinance, or to be determined by a subsequent ordinance or resolution of the Municipality, to the  
24 end that the Municipality may carry out its obligations under the loan and this Ordinance.  
25

26           Section 9. Severability. If any one or more of the covenants and agreements provided in this  
27 Ordinance to be performed on the part of the Municipality shall be declared by any court of  
28 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or  
29 agreements shall be null and void and shall be deemed separable from the remaining covenants and  
30 agreements in this Ordinance and shall in no way affect the validity of the other provisions of this  
31 Ordinance or of the loan entered into pursuant to this Ordinance.  
32

33           Section 10. Effective Date. This Ordinance shall take effect immediately.  
34

35 PASSED AND APPROVED by the Anchorage Assembly this 24<sup>th</sup> day of January,  
36 2006.

37  
38 Anna Fairclough  
39 Chair of the Assembly  
40

41 ATTEST:

42 Balme S. Buentz  
43

44 Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- Utilities**

AO Number: 2005- 180

Title: An Ordinance of the Municipality of Anchorage authorizing and providing for the borrowing of an additional \$1,000,000 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.

Sponsor:

Preparing Agency: SWS

Others Impacted: None

<b>CHANGES IN REVENUES AND EXPENSES:</b>		<b>(In Thousands of Dollars)</b>				
	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	
<b>Operating Revenues:</b>						
<b>TOTAL OPERATING REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating Expenses:</b>						
<b>TOTAL OPERATING EXPENSES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Non-Operating Revenues:</b>						
<b>TOTAL NON-OPERATING REVENUES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Non-Operating Expenses:</b>						
<b>Interest Expense</b>	\$ -	\$ 19	\$ 24	\$ 23	\$ 22	
<b>TOTAL NON-OPERATING EXPENSES</b>	\$ -	\$ 19	\$ 24	\$ 23	\$ 22	
<b>NET INCOME (REGULATED)</b>	\$ 603	\$ (1,383)	\$ (398)	\$ (89)	\$ 81	

**POSITIONS: FT/PT and Temp**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

- No projected impact. There are no projected rate increases at this time.
- Terms of loan- level principal pay, 20 years, annual payments. (See attached amortization schedule.)
- Payments to begin one year after construction completion.

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PRIVATE SECTOR ECONOMIC EFFECTS:

- None

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Prepared by:	<u>Mari Johnston</u>	Telephone:	<u>343-6270</u>
Validated by OMB:	_____	Date:	_____
Approved by:	<u>Robert L. Hall</u> (Director, Preparing Agency)	Date:	<u>11/10/2005</u>
Concurred by:	<u>N/A</u> (Director, Impacted Agency)	Date:	_____
Approved by:	_____ (Municipal Manager)	Date:	_____

**Estimated Calculation of Clean Water Loans (Additional \$1 million)**  
**Cell 7 Construction**  
**Rate @ 2.5%/ 20 years**  
**December 31, 2005**

**Additional \$1,000,000 for Cell 7 Construction**

$\begin{array}{r} 1,000,000.00 \\ / \quad \underline{20.00} \\ 50,000.00 \end{array}$						
<u>Pymt</u>	<u>Due</u>	<u>Interest</u>	<u>Expense (accrual)</u>	<u>Principal</u>	<u>Total Pymt</u>	<u>Loan Balance</u>
	4/1/2006		18,750.00			1,000,000.00
1	4/1/2007	25,000.00	24,062.50	50,000.00	75,000.00	950,000.00
2	4/1/2008	23,750.00	22,812.50	50,000.00	73,750.00	900,000.00
3	4/1/2009	22,500.00	21,562.50	50,000.00	72,500.00	850,000.00
4	4/1/2010	21,250.00	20,312.50	50,000.00	71,250.00	800,000.00
5	4/1/2011	20,000.00	19,062.50	50,000.00	70,000.00	750,000.00
6	4/1/2012	18,750.00	17,812.50	50,000.00	68,750.00	700,000.00
7	4/1/2013	17,500.00	16,562.50	50,000.00	67,500.00	650,000.00
8	4/1/2014	16,250.00	15,312.50	50,000.00	66,250.00	600,000.00
9	4/1/2015	15,000.00	14,062.50	50,000.00	65,000.00	550,000.00
10	4/1/2016	13,750.00	12,812.50	50,000.00	63,750.00	500,000.00
11	4/1/2017	12,500.00	11,562.50	50,000.00	62,500.00	450,000.00
12	4/1/2018	11,250.00	10,312.50	50,000.00	61,250.00	400,000.00
13	4/1/2019	10,000.00	9,062.50	50,000.00	60,000.00	350,000.00
14	4/1/2020	8,750.00	7,812.50	50,000.00	58,750.00	300,000.00
15	4/1/2021	7,500.00	6,562.50	50,000.00	57,500.00	250,000.00
16	4/1/2022	6,250.00	5,312.50	50,000.00	56,250.00	200,000.00
17	4/1/2023	5,000.00	4,062.50	50,000.00	55,000.00	150,000.00
18	4/1/2024	3,750.00	2,812.50	50,000.00	53,750.00	100,000.00
19	4/1/2025	2,500.00	1,562.50	50,000.00	52,500.00	50,000.00
20	4/1/2026	1,250.00	312.50	50,000.00	51,250.00	-
<b>Total Repayments</b>		<b>262,500.00</b>	<b>262,500.00</b>	<b>1,000,000.00</b>	<b>1,262,500.00</b>	

**NOTES**

\* FY 2006 assumes 3/4 year of interest.

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 892 -2005

Meeting Date: December 13, 2005

1       **From:** Mayor

2  
3       **Subject:** AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE  
4                   AUTHORIZING AND PROVIDING FOR THE BORROWING OF AN  
5                   ADDITIONAL \$1,000,000 FROM THE STATE OF ALASKA CLEAN WATER  
6                   FUND FOR THE PURPOSE OF THE CONSTRUCTION OF CELL 7 AT THE  
7                   ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED  
8                   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       The Anchorage Regional Landfill is made up of a series of 12 cells. Solid Waste Services is  
16       currently using Cell 6. Cell 7 is under construction. The Project should provide adequate  
17       landfill capacity to serve Anchorage's needs to the year 2008.  
18

19       Upon submitting the original application to the State of Alaska Clean Water Fund program, the  
20       projected costs for the construction of Cell 7 were anticipated to be approximately \$7,000,000.  
21       On December 17, 2003 the Assembly approved AO No. 2003-163 that authorized the borrowing  
22       of \$5,704,515 from the State of Alaska Clean Water Fund program for the purpose of Cell 7  
23       construction. AR No. 2004-104 was approved May 11, 2004 to accept and appropriate that  
24       amount to the Solid Waste Disposal Capital Fund. Actual costs due to additional scope of work  
25       and other cost increases in the construction industry have brought the total to \$8,500,000. In  
26       light of these increases, funding has become available through the State of Alaska Clean Water  
27       Fund program to offset these additional costs.  
28

29       The attached Ordinance authorizes borrowing of an additional \$1,000,000 to be added to the  
30       State of Alaska Clean Water Fund Loan #127511 to be used specifically for financing additional  
31       costs for the construction of Cell 7 at the Anchorage Regional Landfill for a total not to exceed  
32       loan amount of \$6,704,515. Annual principal and interest payments are included in the cash  
33       flow projections of the enterprise for the next twenty years.  
34

35       **THE ADMINISTRATION RECOMMENDS AN ORDINANCE AUTHORIZING AND**  
36       **PROVIDING FOR THE BORROWING OF AN ADDITIONAL \$1,000,000 FROM THE**  
37       **STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A**  
38       **PORTION OF THE COSTS OF THE CONSTRUCTION OF CELL 7 AT THE**  
39       **ANCHORAGE REGIONAL LANDFILL.**  
40

41  
42       Recommended by: Robert L. Hall, Director, Solid Waste Services  
43       Concur: Denis C. LeBlanc, Municipal Manager  
44       Concur: Jeffrey E. Sinz, Chief Fiscal Officer  
45       Respectfully submitted, Mark Begich, Mayor

**Content Information**

**Content ID :** 003489

**Type:** Ordinance-InvolvingFunds - AO

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE  
 AUTHORIZING AND PROVIDING FOR THE BORROWING OF AN  
**Title:** ADDITIONAL \$1,000,000 FROM THE STATE OF ALASKA CLEAN  
 WATER FUND FOR THE PURPOSE OF THE CONSTRUCTION OF  
 CELL 7 AT THE ANCHORAGE REGIONAL LANDFILL AND  
 PROVIDING

**Author:** kilsonpa

**Initiating Dept:** SWS

**Description:** Additional \$1,000,000 from Clean Water Fund for Cell 7 construction

**Date Prepared:** 11/14/05 8:10 AM

**Director Name:** Robert L. Hall

**Assembly**

**Meeting Date** 12/13/05

**MM/DD/YY:**

**Public Hearing**  
**Date MM/DD/YY:** 1/10/06

2005 DEC -2 PM 1:31  
 CLERKS OFFICE  
 M.O.A.

**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	11/14/05 8:16 AM	Checkin	kilsonpa	Public	003489
SWS_SubWorkflow	11/14/05 8:30 AM	Approve	hallrl	Public	003489
AllFundOrdinanceWorkflow	11/14/05 12:08 PM	Reject	mitsonjl	Public	003489
AllFundOrdinanceWorkflow	11/16/05 4:00 PM	Checkin	kilsonpa	Public	003489
SWS_SubWorkflow	11/16/05 4:02 PM	Approve	hallrl	Public	003489
OMB_SubWorkflow	11/17/05 2:17 PM	Approve	mitsonjl	Public	003489
CFO_SubWorkflow	11/18/05 10:30 AM	Approve	sinzje	Public	003489
Legal_SubWorkflow	11/18/05 10:48 AM	Approve	fehlenrl	Public	003489
MuniManager_SubWorkflow	11/25/05 1:45 PM	Approve	leblancdc	Public	003489
MuniMgrCoord_SubWorkflow	12/2/05 10:30 AM	Approve	abbottrmk	Public	003489