

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 12.15.09

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater
Utility
For reading: November 17, 2009

ANCHORAGE, ALASKA
AO No. 2009-137

1 **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
2 **AUTHORIZING AND PROVIDING FOR THE BORROWING FROM THE STATE**
3 **OF ALASKA CLEAN WATER FUND AN AGGREGATE AMOUNT NOT TO**
4 **EXCEED \$6,206,400 FOR THE PURPOSE OF FINANCING VARIOUS AWWU**
5 **WASTEWATER CAPITAL IMPROVEMENT PROJECTS.**

6
7 **WHEREAS**, the State of Alaska (the "State") has, pursuant to Alaska Statutes
8 46.03.032 and 18 AAC 76.005 et seq. of the Alaska Administrative Code,
9 established the Alaska Clean Water Fund (the 'Fund'), a fund which makes use of
10 U.S. Government grants as authorized by the Clean Water Act, as amended by
11 P.L. 100-4; and,

12
13 **WHEREAS**, the Municipality of Anchorage (the "Municipality") is eligible to borrow
14 from the Fund for the purposes of planning, designing, constructing, equipping,
15 modifying, improving and expanding public wastewater collection, treatment, and
16 discharge facilities; and,

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

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

25
26 **WHEREAS**, the Assembly of the Municipality has determined and does hereby
27 determine that it is necessary to proceed to plan, design, develop, construct,
28 equip, acquire property for, or otherwise obtain items of capital improvements in
29 connection with the following wastewater capital improvement projects listed in
30 the Alaska Clean Water approved State FY10 Intended Use Plan:

31
32 Asplund Disinfection Upgrade (*loan increase*) \$2,644,000
33 Lift Stations 13, 21, 27, 52 & 53 Upgrade (*loan increase*) \$1,142,000
34 B-5C B-6CDEF Sewer Upgrade Phase 2 (*loan increase*) \$900,000
35 Midtown Sewer Upgrade \$652,400
36 86th-Golden-Jewel Lake Sewer Upgrade \$360,000
37 AWWU Operations Control System \$308,000
38 Wonder Park Sewer Upgrade \$200,000

39
40 and,

1 **WHEREAS**, it is deemed necessary and advisable and in the best interests of the
2 Municipality and its inhabitants that final applications be submitted and such other
3 actions as may be necessary be taken to borrow a total aggregate amount not to
4 exceed \$6,206,400 from the Fund for the purpose of paying a portion of the costs
5 associated with said Projects, and
6

7 **WHEREAS**, at its November 4, 2009 meeting, the AWWU Authority Board
8 supported this ordinance to authorize and provide for the borrowing from the State
9 of Alaska Clean Water Fund; now therefore,
10

11 **THE ANCHORAGE ASSEMBLY ORDAINS:**
12

13 **Section 1. Definitions.** As used in this Ordinance, unless a different meaning
14 clearly appears from the context:
15

16 "Gross Revenues" means all rates and charges and other income, in each case
17 derived by or for the account of the Municipality, from the ownership, leasing or
18 operation of the System except proceeds from the sale of bonds or notes, any
19 grants received for the Anchorage Wastewater Utility, and interest received and
20 profits derived from the investment of moneys obtained from such sources or from
21 moneys held in any fund to pay or secure the payment of any bonds or notes
22 issued in connection with the System. For the purposes of this Ordinance, Gross
23 Revenues shall not include allowance for funds used during construction.
24

25 "Operating Expenses" means the current expenses incurred for operation,
26 maintenance or repair of the System of a non-capital nature, and shall include,
27 without limiting the generality of the foregoing, collection, transmission and
28 treatment expenses, fuel and electricity expenses, chemical expenses, customer
29 accounts expenses, administrative and general expenses, insurance premiums,
30 lease rentals, legal, regulatory, and engineering expenses, payments to pension,
31 retirement, group life insurance, health and hospitalization funds or other
32 employee benefit funds which are properly chargeable to current operations,
33 interest on customers' deposits, payroll tax expenses, Municipal Utility Service
34 Assessments or any assessment levied in lieu of municipal taxes and any other
35 expenses required to be paid under the provisions of this Ordinance or by law or
36 permitted by standard practices for public utility systems similar to the properties
37 and business of the System (adjusted to reflect public ownership) and applicable
38 in the circumstances. Operating Expenses shall not include any allowances for
39 depreciation or amortization or any principal, redemption price or purchase price
40 of, or interest on, any obligations of the Municipality incurred in connection with
41 and payable from Gross Revenues.
42

43 "System" means the existing wastewater utility system of the Municipality as the
44 same will be added to, improved and extended as authorized and provided in this
45 Ordinance, and as the same may be added to, improved and extended for as long
46 as the loans authorized by this Ordinance are outstanding, but shall not include
47 such collections, transmission and treatment facilities that may be hereafter
48 purchased, constructed or otherwise acquired by the Municipality as a separate

1 wastewater utility system, the revenues of which may be pledged to the payment
2 of bonds or notes issued to purchase, construct or otherwise acquire and improve
3 such separate system.

4
5 **Section 2. Purpose.** The purpose of this Ordinance is to authorize the
6 borrowing of a total aggregate amount not to exceed \$6,206,400 from the Fund in
7 the form of loans to provide funds to pay a portion of the capital costs of the
8 Projects and to fix certain details of said loans.

9
10 **Section 3. Authority for Ordinance.** The Assembly has ascertained and
11 hereby determines that each and every matter and thing as to which provision is
12 made in this Ordinance is necessary in order to carry out and effectuate the
13 purposes of the Municipality in accordance with the Constitution and statutes of
14 the State of Alaska, and the Home Rule Charter of the Municipality, and to incur
15 the indebtedness authorized by this Ordinance.

16
17 **Section 4. Obligation of Loans.** The obligation to repay the loans authorized by
18 this Ordinance shall not be a direct and general obligation of the Municipality and
19 neither the faith and credit nor the taxing power of the Municipality is pledged to
20 the payments of the principal of and interest on the loans. The Gross Revenues
21 less the Operating Expenses of the System are hereby pledged to repayment of
22 the loans authorized by this Ordinance.

23
24 **Section 5. Authorization of Loans and Purpose of Issuance.** For the purpose
25 of providing a portion of the funds required to pay the cost of the Projects
26 described herein, and to pay all costs incidental thereto, the Municipality hereby
27 authorizes and determines to borrow moneys from the Fund in the form of a loans
28 in an aggregate principal amount not to exceed \$6,206,400 for the specified
29 construction projects.

30
31 **Section 6. Loan Applications.** The General Manager of the Anchorage Water
32 and Wastewater Utility ("AWWU") is hereby authorized and directed to complete
33 and submit to the State Department of Environmental Conservation applications
34 to borrow moneys from the Fund for the purposes of paying a portion of the costs
35 of the Projects as authorized in this Ordinance.

36
37 **Section 7. Negotiation of Terms and Approval of Amount, Interest Rates,**
38 **Maturities and Other Details of Loans.** The General Manager of AWWU shall
39 negotiate with the State and the Assembly shall by resolution approve the total
40 amount of the loans to be entered into for the Projects; the interest rate, as
41 defined by 18AAC76.080(b)(1) "for a contract term of five to 20 years, accrual of
42 finance charges begins one year after the date of the first payment to the
43 borrower; the department will assess a finance charge at a rate of one and one-
44 half (1.5) percent of the total amount of financial assistance disbursed, or 18.75
45 percent of the current bond rate as defined by the Municipal Bond Index,
46 whichever is higher"; the interest and principal payment dates, the maturities,
47 which shall not exceed 20 years, and any other details of the loans.

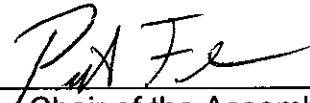
48

Section 8. Authority of Officers. The Mayor, the Acting Mayor from time to time, the Municipal Manager, the Chief Fiscal Officer, the General Manager of AWWU, 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 this end that the Municipality may carry out its obligations under the loans 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 and agreements shall be null and void and shall be deemed separable from the remaining covenant and agreement in this Ordinance and shall in no way affect the facility of the other provisions of this Ordinance or of the loans entered into pursuant to this Ordinance.

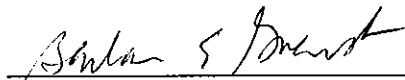
Section 10. Effective Date. This Ordinance shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly this 15th day of December, 2009.



Chair of the Assembly

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects – Utilities

AO 2009-137

Title: **AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE BORROWING OF A TOTAL AMOUNT NOT TO EXCEED \$6,206,400 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF VARIOUS WASTEWATER CAPITAL IMPROVEMENTS**

Sponsor: **MAYOR**

Preparing Agency: **ANCHORAGE WATER AND WASTEWATER UTILITY**

Others Impacted: **None**

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of dollars)

Operating Revenues:	FY10	FY11	FY12	FY13	FY14
TOTAL OPERATING REVENUES:					
Operating Expenses:					
TOTAL OPERATING EXPENSES:					
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES:					
Non-Operating Expenses:	0	0	0	0	0
Interest Expense	0	93,000	89,000	85,000	81,000
TOTAL NON-OPERATING EXPENSES:	0	93,000	89,000	85,000	81,000
NET INCOME (REGULATED)	0	0	0	0	0
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 18.75 percent of the current bond rate as defined by the Municipal Bond Index or 1.5%, whichever is greater (1.5%) Interest rate used = 1.5%**
- **Terms of Loans - fully amortizing, equal payments, 20 years, end of period, annual payments**
- **Total Principal and Interest per year = \$1.58 million**
- **Payments to begin one year after construction completion**
- **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: Wendy Drew, Project Support/Grants Supervisor

Telephone: 564-2710

Approved by: Glenda Gibson, CPA, CFO, AWWU

Approved by: Mark Premo, General Manager, AWWU

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 674-2009

Meeting Date: November 17, 2009

From: MAYOR

Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE BORROWING FROM THE STATE OF ALASKA CLEAN WATER FUND AN AGGREGATE AMOUNT NOT TO EXCEED \$6,206,400 FOR THE PURPOSE OF FINANCING VARIOUS AWWU WASTEWATER CAPITAL IMPROVEMENT PROJECTS

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.

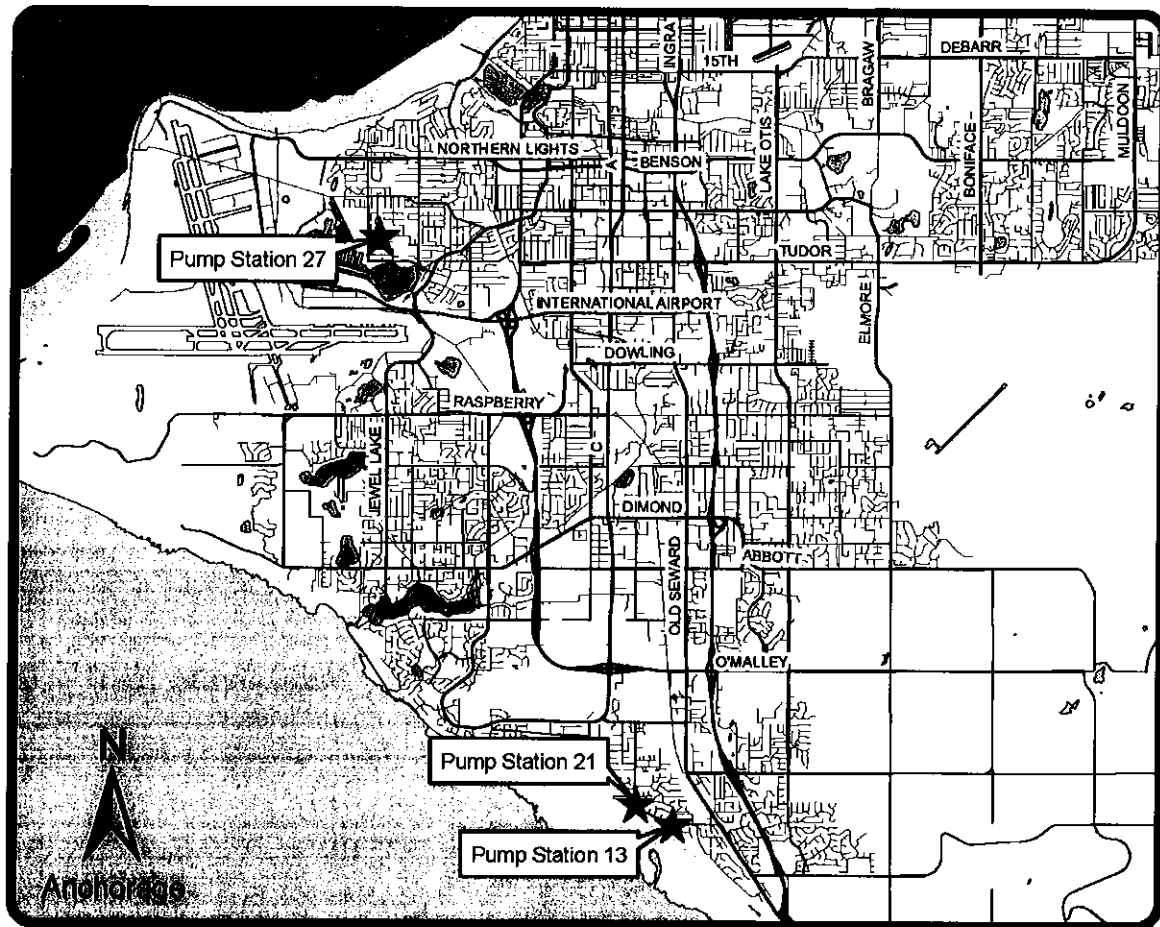
The attached Ordinance authorizes borrowing of not to exceed \$6,206,400 to be used specifically for financing a portion of the costs of the following AWWU projects included in the Alaska Clean Water Fund FY10 Intended Use Plan:

Asplund Disinfection Upgrade (<i>loan increase</i>)	\$2,644,000
Lift Stations 13, 21, 27, 52 & 53 Upgrade (<i>loan increase</i>)	\$1,142,000
B-5C B-6CDEF Sewer Upgrade Phase 2 (<i>loan increase</i>)	\$900,000
Midtown Sewer Upgrade	\$652,400
86 th -Golden-Jewe Lake Sewer Upgrade	\$360,000
AWWU Operations Control System	\$308,000
Wonder Park Sewer Upgrade	\$200,000

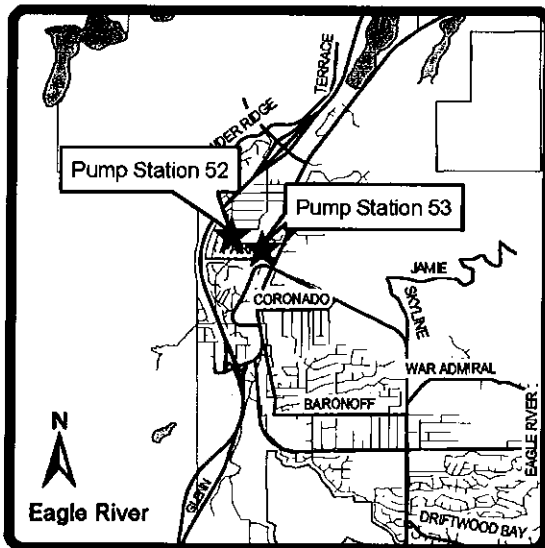
At its November 4, 2009 meeting, the AWWU Authority Board supported this ordinance to authorize and provide for the borrowing from the State of Alaska Clean Water Fund.

THE ADMINISTRATION CONCURS IN THE AWWU BOARD RECOMMENDATION AND REQUESTS APPROVAL OF AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$6,206,400 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING VARIOUS AWWU WASTEWATER CAPITAL IMPROVEMENT PROJECTS.

Prepared by: Anchorage Water and Wastewater Utility
Recommended by: Mark Premo, P.E., General Manager, AWWU
Concur: Dennis A. Wheeler, Municipal Attorney
Concur: George J. Vakalis, Municipal Manager
Respectfully submitted: Daniel A. Sullivan, Mayor



Maps Not-to-Scale



LEGEND

- Existing Sewer Mains
- ★ Lift & Pump Stations in Project

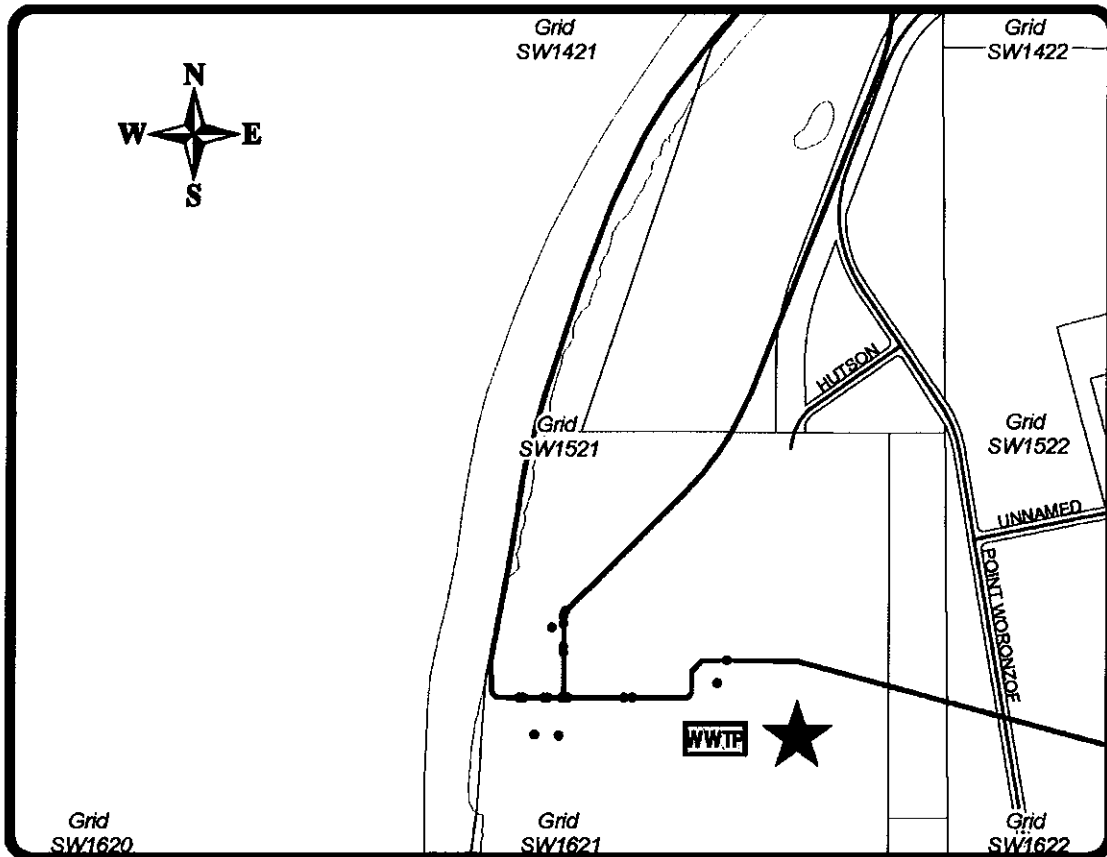


Map Created
by AJU
1-7-08

Pump_Stns_13_21_27_52_53_Upgr

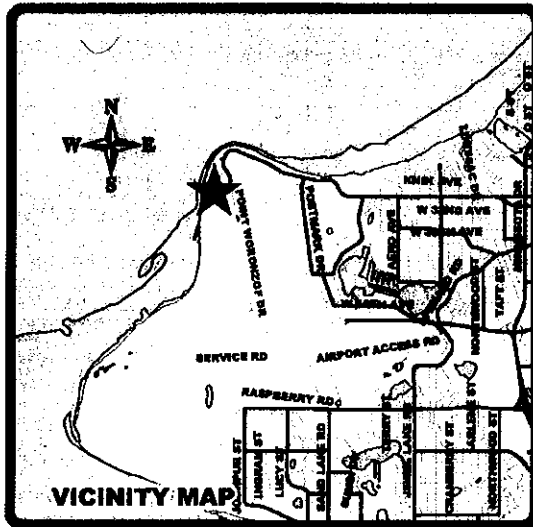
PeopleSoft Project ID 0000004604

Anchorage Water & Wastewater Utility






PROJECT MAP GRID SW1521

Map N.T.S.



Legend:

-  Existing Sewer Lines
-  Approximate location
-  Existing Manhole

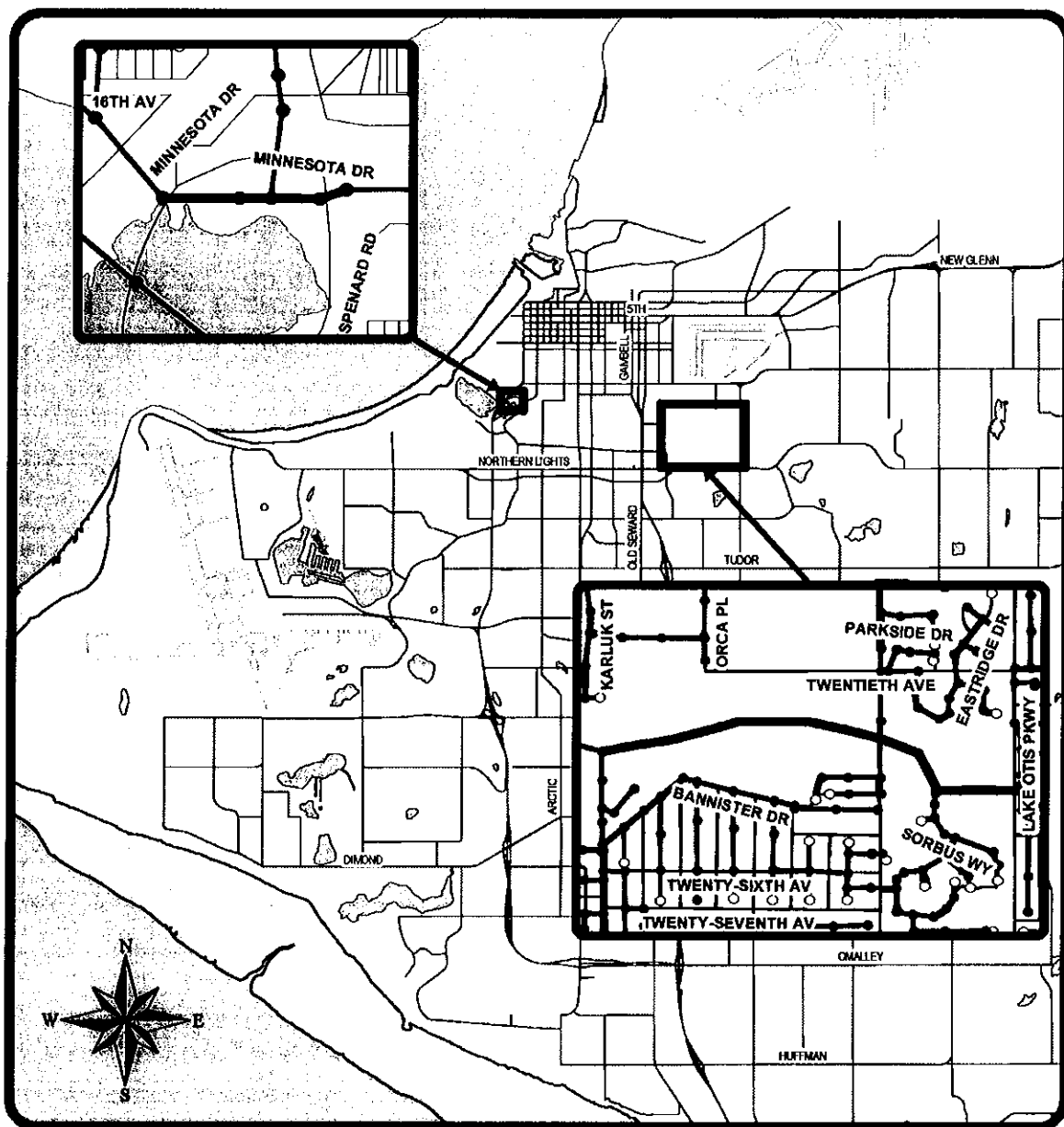


Map Created
1/25/07 SDN
PM ID

ASPLUND DISINFECTION

PeopleSoft Project ID 0000004612

Anchorage Water & Wastewater Utility



Maps Not-to-Scale

LEGEND

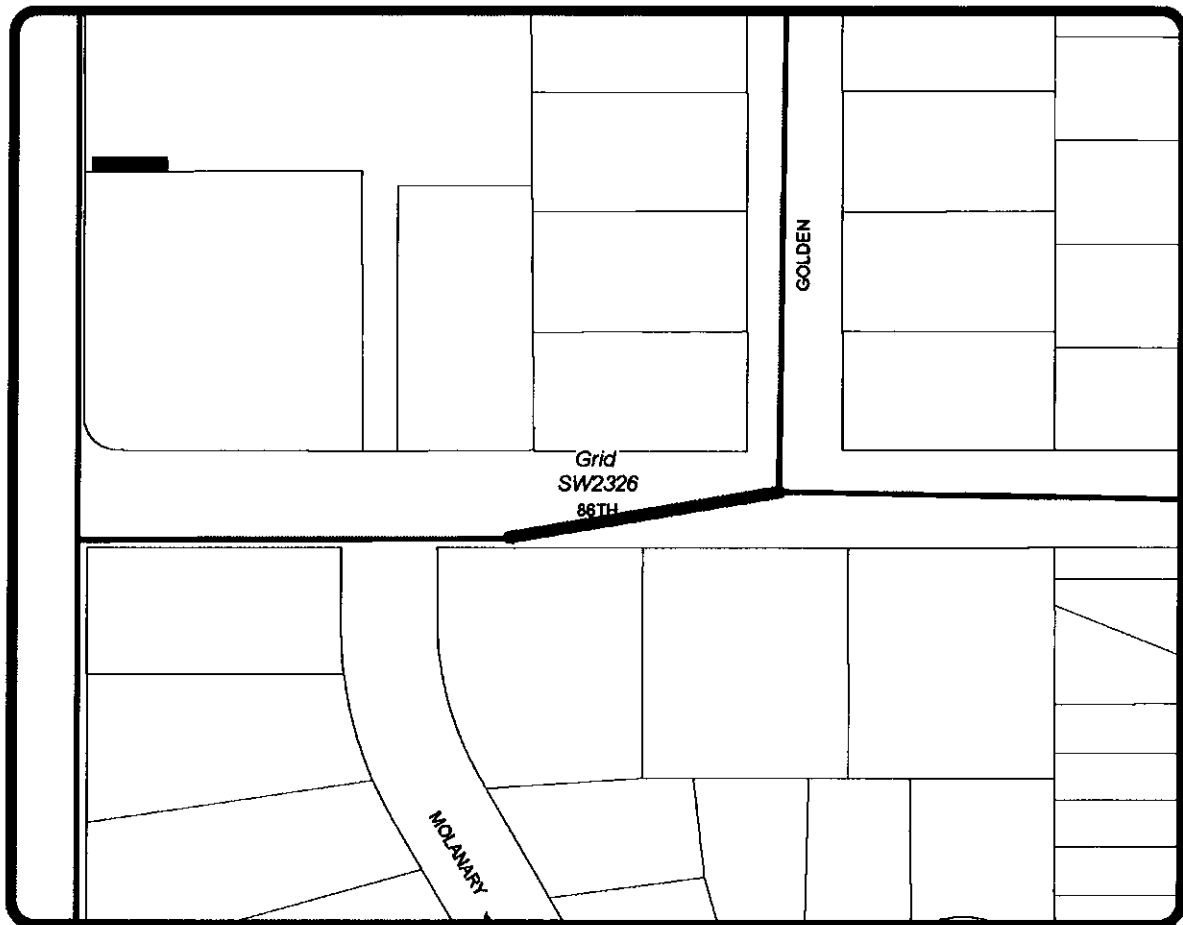
- Proposed Sewer Main Project
- Existing Sewer Mains
- Existing Manholes

B5C_B6CDEF_Swr_Upgr_Ph2

People Soft Project ID 0000004100

Anchorage Water & Wastewater Utility

Map Created
by AJU
2-13-2006



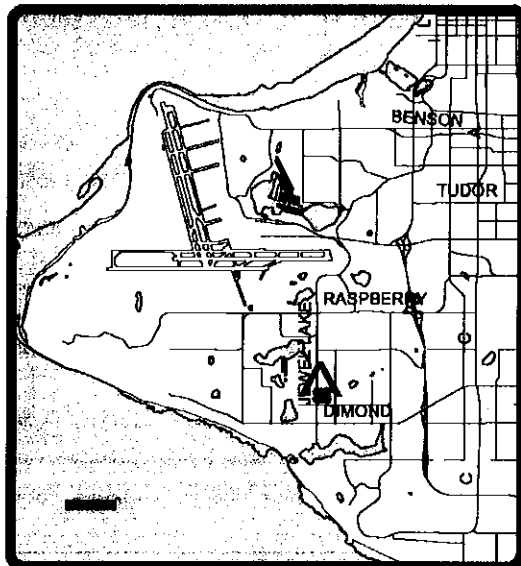
Maps Not-to-Scale

LEGEND

-  Project Sewer Main
-  Existing Sewer Mains
-  Project Map Area



Map Created
by AJU
08/07/2006



86th-Golden_Jewel_Lk_Swr_Upgr

PeopleSoft Project ID 0000003578
Anchorage Water & Wastewater Utility

Content ID: 008387**Type:** Ordinance - AOAN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
AUTHORIZING AND PROVIDING FOR THE BORROWING FROM THE STATE**Title:** OF ALASKA CLEAN WATER FUND AN AGGREGATE AMOUNT NOT TO
EXCEED \$6,206,400 FOR THE PURPOSE OF FINANCING VARIOUS AWWU
WASTEWATER CAPITAL IMPROVEMENT PROJECTS**Author:** gibsonam**Initiating
Dept:** AWWU**Date
Prepared:** 11/6/09 2:27 PM**Director
Name:** Mark Premo**Assembly
Meeting
Date:** 11/17/09**Public
Hearing
Date:** 12/1/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	11/13/09 11:56 AM	Exit	Joy Maglaqui	Public	008387
MuniManager_SubWorkflow	11/13/09 11:56 AM	Approve	Joy Maglaqui	Public	008387
Legal_SubWorkflow	11/13/09 10:50 AM	Approve	Rhonda Westover	Public	008387
Finance_SubWorkflow	11/13/09 8:48 AM	Approve	Lucinda Mahoney	Public	008387
OMB_SubWorkflow	11/12/09 2:58 PM	Approve	Cheryl Frasca	Public	008387
AWWU_SubWorkflow	11/12/09 1:46 PM	Approve	Mark Premo	Public	008387
AllOrdinanceWorkflow	11/12/09 1:23 PM	Checkin	Alyssa Gibson	Public	008387
Legal_SubWorkflow	11/11/09 4:32 PM	Reject	Rhonda Westover	Public	008387
Finance_SubWorkflow	11/10/09 10:53 AM	Approve	Ross Risvold	Public	008387
OMB_SubWorkflow	11/10/09 7:55 AM	Approve	Cheryl Frasca	Public	008387
AWWU_SubWorkflow	11/6/09 2:59 PM	Approve	Mark Premo	Public	008387
AllOrdinanceWorkflow	11/6/09 2:33 PM	Checkin	Alyssa Gibson	Public	008387