ANCHORAGE, ALASKA
AR 2024 - 105

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE REVISING AND APPROPRIATING FUNDS FOR THE 2024 MUNICIPAL UTILITIES / ENTERPRISE ACTIVITIES OPERATING AND CAPITAL IMPROVEMENT BUDGETS.

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the Municipal Utilities / Enterprise Funds capital budget/capital program by majority vote;

WHEREAS, the 2024 operating and capital improvement budgets / programs for the Municipal Utilities / Enterprise Funds were approved per AO 2023-97 and became effective January 1, 2024; and

WHEREAS, the Mayor has recommended revisions to the Municipal Utility / Enterprise activity departments and fund appropriations for 2024; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The amounts set forth for the 2024 fiscal year budgets are hereby revised and appropriated:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Utility / Enterprise</th>
<th>Approved Budget</th>
<th>Revision</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>531000</td>
<td>Anchorage Hydropower Utility</td>
<td>$3,299,430</td>
<td>$279,487</td>
<td>$3,578,917</td>
</tr>
<tr>
<td>540000</td>
<td>Anchorage Water Utility (AWU)</td>
<td>$50,715,192</td>
<td>$3,557,589</td>
<td>$54,272,781</td>
</tr>
<tr>
<td>550000</td>
<td>Anchorage Wastewater Utility (ASU)</td>
<td>$50,322,796</td>
<td>$(449,352)</td>
<td>$49,873,444</td>
</tr>
<tr>
<td>560000</td>
<td>Refuse Collection Utility (RCU)</td>
<td>$12,154,748</td>
<td>$2,666,687</td>
<td>$14,821,435</td>
</tr>
<tr>
<td>562000</td>
<td>Solid Waste Disposal (SWSDU)</td>
<td>$28,649,935</td>
<td>$(795,501)</td>
<td>$27,854,434</td>
</tr>
<tr>
<td>570000</td>
<td>Don Young Port of Alaska</td>
<td>$16,205,122</td>
<td>$20,373</td>
<td>$16,225,495</td>
</tr>
<tr>
<td>580000</td>
<td>Airport</td>
<td>$983,549</td>
<td>$141,274</td>
<td>$1,124,823</td>
</tr>
</tbody>
</table>

Section 2. The amounts set forth for the 2024 Municipal Utilities / Enterprise Activities Capital Improvement Budgets for the municipal utilities / enterprise activities are hereby revised as described in the attached Assembly Memorandum.

Section 3. The following capital activities' funding sources are available and are hereby appropriated for the 2024 Municipal Utilities/Enterprise Activities in amounts not to exceed, as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Utility / Enterprise</th>
<th>Budget</th>
<th>Revision</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>540200</td>
<td>AWU Capital</td>
<td>$32,522,000</td>
<td>$(7,938,000)</td>
<td>$24,584,000</td>
</tr>
<tr>
<td>550200</td>
<td>ASU Capital</td>
<td>$16,175,000</td>
<td>$12,000,000</td>
<td>$28,175,000</td>
</tr>
<tr>
<td>562200</td>
<td>SWSDU Capital</td>
<td>$10,135,000</td>
<td>$11,450,000</td>
<td>$21,585,000</td>
</tr>
</tbody>
</table>
Section 4. This resolution shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of __________, 2024.

__________________________________________
Chair of the Assembly

ATTEST:

__________________________________________
Municipal Clerk
MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

AM No. 284-2024

Meeting Date: April 9, 2024

FROM: MAYOR

SUBJECT: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE
REVISING AND APPROPRIATING FUNDS FOR THE 2024
MUNICIPAL UTILITIES / ENTERPRISE ACTIVITIES OPERATING
AND CAPITAL IMPROVEMENT BUDGETS.

The accompanying Assembly Resolution revises and appropriates the Municipal Utilities / Enterprises Activities 2024 Operating Budgets for the following reasons:

- Adjust the Municipal Utility/Enterprise Service Assessments as appropriate; and
- Adjust IGCs (charges to/from others); and
- Adjust revenues for updated projections; and
- Adjust personnel and benefit costs in line with collective bargaining agreements or current wage costs.

The following operating changes not incorporated in the above Quarter 1 housekeeping updates are specifically listed below:

Anchorage Hydropower:
- $135,000 Add Administrative Officer
- $93,000 for: Office Supplies ($3,000), Equipment ($30,000), Office Lease ($60,000)
- $26,638 Increase revenues and associated expenditures to align with the current year Chugach Electric Association, Inc. Power Purchase Agreement
- $24,000 to provide for Travel/Training

Anchorage Water Utility (AWU)
- $4,100,000 Dividend Increase to General Government

Municipal Airport (Merrill Field)
- $100,000 Dividend Increase to General Government

Refuse Collection Utility (RCU)
- $1,958,206 Increase. Transfer portion of existing transfer station debt cost from Solid Waste Disposal Utility (SWSDU); both Solid Waste Services (SWS) utilities are obligated under the relevant debt instrument, and both co-occupy the facility. This is a reappropriation of total existing debt cost between two SWS utilities with no increase in total expense.

SWSDU
• ($1,958,206) Decrease. Transfer portion of existing transfer station debt cost to the RCU; both SWS utilities are obligated under the relevant debt instrument, and both co-occupy the facility. This is a reappropriation of total existing debt cost between two SWS utilities with no increase in total expense.

• New Material Recovery Facility Staffing - Journeyman Grade 18 FT, with funding to be provided by an AFD grant.

The following Municipal Utilities / Enterprises Activities 2024 Capital Improvement Budgets/Programs (CIB/CIP) are updated as follows:

**AWU Capital Projects Fund (540200)**

The amounts set forth for the 2024 Municipal Utilities / Enterprise Activities Capital Improvement Budgets for the municipal utilities / enterprise activities are hereby revised and approved. Once the funding source is guaranteed, an appropriation will be necessary.

1. Alyeska Subdivision Water Access - $300,000 project increase - with the requested increase to be funded through grant funding.
2. Emergency Water Fill Station - $1,750,000 project increase - with the requested increase to be funded through grant funding.
3. Huffman Road Fire Protection Pipeline - $1,200,000 project increase – with the requested increase to be funded through grant funding.
4. Terraces Subdivision Fire Protection Pipeline - $3,950,000 project increase – with the project to be funded with $3,750,000 through grant funding and $200,000 from debt.
5. Public Drinking Water Access project - $6,625,000 – with the project to be funded with $5,300,000 grant funding and $1,325,000 in debt.

The following projects are requested to amend the 2024 AWU Capital Projects Fund CIB and decrease the appropriation ($7,938,000) from $32,522,000 to $24,584,000:

1. Sand Lake Subdivision Water Access ($1,750,000), Eldon Subdivision Water Access ($438,000), Eagle River Fire Protection Water Storage Tank ($2,500,000), Eagle River Well ($1,625,000), and Romig Park Water Utility Acquisition ($1,625,000)

**ASU Capital Projects Fund (550200)**

The amounts set forth for the 2024 Municipal Utilities / Enterprise Activities Capital Improvement Budgets for the municipal utilities / enterprise activities are hereby revised and approved. Once the funding source is guaranteed, an appropriation will be necessary.

1. Powder Reserve Sewer Access - $4,500,000 project increase – with the requested increase to be funded through grant funding.
2. HLB Holdon Hills Sewer Access - $2,500,000 – with the requested increase to be funded through grant funding.

The following projects are requested to amend the 2024 ASU Capital Projects Fund CIB and increase the appropriation $12,000,000 from $16,175,000 to $28,175,000.

1. Fats, Oils, and Grease (FOG) Receiving Station - $12,000,000 – with the requested increase to be funded through debt.
SWS Disposal Utility (SWSDU) Capital Projects Fund (562200)

The amounts set forth for the 2024 Municipal Utilities / Enterprise Activities Capital Improvement Budgets for the municipal utilities / enterprise activities are hereby revised and approved. Once the funding source is guaranteed, an appropriation will be necessary.

1. Regional Landfill Leachate Treatment Facility - $13,000,000 project increase – with the requested increase to be funded through grant funding.

The following project is requested to amend the 2024 SWSDU Capital Projects Fund CIB and increase the appropriation $11,450,000 from $10,135,000 to $21,585,000:

   1. Cell 9 Remediation - $11,200,000 - Emergency repair to address environmental and regulatory requirements. In November 2020, a fire was discovered at the working face of the landfill. In August 2023, a liquid seep was observed outside of the landfill, consisting of leachate from Cell 9 emanating from below the bottom liner. The likely source is a defect in the bottom liner potentially caused by the 2020 fire and subsequent firefighting activities. In consultation with the Alaska Department of Environmental Conservation it was determined an evaluation of the integrity of the bottom liner system in the vicinity of the seep and fire area was necessary. This project consists of the work necessary to perform the evaluation and correct any identified defects.

   2. 15th Ave - $250,000 project increase to fix overflow onto 15th Ave from leachate seep at the former landfill site at Merrill Field. Repairs will alleviate traffic hazards at 15th Avenue to include winter freeze issues.

Previously approved budget documents are available at the following site:

http://www.muni.org/Departments/budget/Pages/default.aspx

Budget revisions included in the attached resolution will be made available at the above-mentioned site after Assembly approval.

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: Office of Management & Budget (OMB)

Recommended by: Sharon Lechner, OMB Director

Concur: Alden Thern, CFO

Concur: Kent Kohlhase, Municipal Manager

Respectfully Submitted: Dave Bronson, Mayor