

Municipal Clerk's Office

Approved

Date: 12/19/2017

Submitted by: Chair of the Assembly at the
request of the Mayor &
Assembly Chair Traini

Reviewed by: Assembly Counsel

For reading: November 21, 2017

**ANCHORAGE, ALASKA
AR No. 2017-375**

1 **A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
2 **AUTHORIZING AND DIRECTING THE MAYOR TO INITIATE A PETITION**
3 **PROCESS IN THE NORTH EAGLE RIVER AND SOUTH BIRCHWOOD AREA,**
4 **IN CONFORMANCE WITH ANCHORAGE MUNICIPIAL CODE SECTIONS**
5 **19.20.025 AND 19.20.030 AND TO MAKE A REPORT CONCERNING THE**
6 **PROPOSED SANITARY SEWER TRUNK IMPROVEMENT DISTRICT FOR**
7 **CONSIDERATION EITHER BEFORE OR AT THE TIME OF PUBLIC HEARING**
8 **ON THE NECESSITY FOR THE PROPOSED SERVICE.**

9
10 **WHEREAS**, the Anchorage Water and Wastewater Utility (AWWU) recently
11 requested and received from the Regulatory Commission of Alaska (RCA)
12 approved modifications to its Wastewater Tariff Rule 8 refining the process to
13 implement special assessments through a Trunk Improvement District (TID) for
14 wastewater (sewer) trunk improvements;

15
16 **WHEREAS**, sewer trunk lines are larger mains and generally only lateral
17 mains connect to them and provide wastewater service to individual parcels, thus
18 the area of a TID is a function of geography of the drainage basin in the area
19 served; delineation is based on possible alignments of lateral mains, AWWU
20 approved master plans, and the will of the property owners within the delineated
21 area;

22
23 **WHEREAS**, Wastewater Tariff Rule 8 provides methods for property
24 owners and AWWU to coordinate the construction and payment of sewer trunk
25 and lateral infrastructure project costs;

26
27 **WHEREAS**, TID project costs are recovered from the benefitted properties
28 by either

- 29 (i) creating sewer lateral main improvement districts (LIDs) for smaller areas
30 for construction of lateral sewer lines connected to the trunk line and
31 levy the TID assessment on the benefitted parcels upon completion of
32 the lateral facilities necessary to provide sanitary sewer service to those
33 parcels at the same time the LID assessment is levied on them;
- 34 (ii) a private developer entering into an agreement with AWWU whereby the
35 developer agrees to pay for installation of sewer lateral infrastructure
36 necessary to serve the proposed development and to pay the TID
37 assessments for the benefitted properties within the development in
38 accordance with the agreement, with parcels outside the proposed
39 private development and benefitted by the private developer

- 1 construction of sewer infrastructure being levied for project costs only
2 upon connection to that infrastructure; or
3 (iii) AWWU constructing lateral mains, identifying a benefitted area without
4 establishing a new assessment district, and making assessments due
5 on a levy upon connection (LUC) basis; only parcels not previously
6 levied for the TID assessment under (i) or (ii) can qualify, and upon
7 connection to sewer service the assessment for both the TID and the
8 AWWU-constructed lateral main are levied on the parcel.
9

10 **WHEREAS**, after the TID is approved and constructed, all properties within
11 the proposed TID are considered benefitted for purposes of the TID, but the
12 resulting TID assessments are levied only upon either (i) completion of
13 constructed improvements in the case of an LID, or (ii) connection to developer-
14 constructed infrastructure;
15

16 **WHEREAS**, AWWU is the utility certificated by the Regulatory Commission
17 of Alaska to serve North Eagle River and South Birchwood but AWWU does not
18 have the existing sewer infrastructure to accommodate proposed development in
19 the North Eagle River and South Birchwood areas;
20

21 **WHEREAS**, in conformance with Anchorage Municipal Code, Wastewater
22 Tariff Rule 8, and this Assembly Resolution, potentially benefitted parties of a
23 North Eagle River/South Birchwood TID shall be balloted in coordination with the
24 Municipal Clerk and findings reported by the Mayor to the Assembly; and
25

26 **WHEREAS**, the potential benefitted properties in development of the North
27 Eagle River/South Birchwood TID are identified within the potential boundaries of
28 the TID and will include: Powder Hills Tracts at Powder Ridge Reserves, Tracts A,
29 C, D, M, P, R, U-1, U-2, & 40-A3; Powder Ridge Tracts, Tract B; now therefore,
30

31 **THE ANCHORAGE ASSEMBLY RESOLVES:**
32

33 **Section 1.** Pursuant to AMC section 19.20.025, the Mayor is authorized and
34 directed to initiate the petition process and make a report to the Assembly in
35 conformance with AMC section 19.20.030 on a proposed special assessment
36 district to be created for sewer trunk improvements benefitting the North Eagle
37 River and South Birchwood area.
38

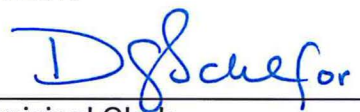
39 **Section 2.** The Mayor's Office is requested to identify the properties within a
40 North Eagle River/South Birchwood TID boundary, proceed with balloting property
41 owners within the boundaries, and make recommendations as to whether or not to
42 proceed with creation of the wastewater (sewer) Trunk Improvement District.
43

1 **Section 3.** The Anchorage Assembly recognizes that AWWU does not have
2 existing sewer infrastructure sufficient to meet proposed development in the North
3 Eagle River and South Birchwood areas and supports utilizing RCA approved
4 Wastewater Tariff Rule 8 to create the proposed sewer Trunk Improvement
5 District.
6

7 PASSED AND APPROVED by the Anchorage Assembly this 19th day of
8 December, 2017.

9
10 
11 _____
12 Chair

12 ATTEST:

13 
14 _____
15 Municipal Clerk
16



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 784-2017

Meeting Date: November 21, 2017

1 **From: MAYOR**

2
3 **Subject: A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
4 **AUTHORIZING AND DIRECTING THE MAYOR TO INITIATE A**
5 **PETITION PROCESS IN THE NORTH EAGLE RIVER AND SOUTH**
6 **BIRCHWOOD AREA, IN CONFORMANCE WITH AMC SECTIONS**
7 **19.20.025 AND 19.20.030 AND TO MAKE A REPORT**
8 **CONCERNING THE PROPOSED SEWER TRUNK IMPROVEMENT**
9 **DISTRICT FOR CONSIDERATION EITHER BEFORE OR AT THE**
10 **TIME OF PUBLIC HEARING ON THE NECESSITY FOR THE**
11 **PROPOSED SERVICE.**
12

13 The Anchorage Assembly may authorize and direct the Mayor to initiate processes
14 for wastewater utility (sewer) trunk infrastructure improvements through a
15 proposed sewer Trunk Improvement District (TID). This process is used to expand
16 the areas where wastewater service is available and to create special assessment
17 districts. This resolution proposes to initiate a process for wastewater/sewer
18 infrastructure improvements to benefit North Eagle River and South Birchwood.
19 As presently constructed, Anchorage Water and Wastewater Utility (AWWU)
20 systems are unable to meet sewer service requests for proposed housing and
21 commercial developments in this area.
22

23 AWWU recently requested and received approval from the Regulatory
24 Commission of Alaska (RCA) for modifications to its Wastewater Tariff Rule 8.
25 This tariff rule refined the process of implementing a special assessment for sewer
26 trunk improvements through use of a Trunk Improvement District (TID). This
27 modification provides methods for property owners and AWWU to coordinate the
28 construction and payment for sewer trunk infrastructure. TID project costs are
29 recovered from benefitted properties by either (i) creating a TID whose costs are
30 levied on the benefitted parcels upon completion of the lateral collection facilities
31 necessary to provide service to those parcels through creation of a separate
32 Lateral Improvement District (LID), or (ii) entering into a private development
33 agreement with AWWU whereby the developer agrees to pay for installation of
34 sewer trunk and lateral infrastructure necessary to serve the proposed
35 development. AWWU generally will not allow direct connection by an individual
36 parcel to a sewer trunk main.
37

38 The area of this proposed TID is defined by such factors as possible lateral main
39 alignments, demand for wastewater service, the geography of the area, and
40 anticipated development schedule. For purposes of the initial service area
41 boundary development, all properties within the proposed borders are considered
42 benefitted. This designation does not require connection or levy of assessment.
43

1 Upon approval of this Assembly Resolution, the following steps outline the process
2 that will take place as further detailed in Title 19 of the Anchorage Municipal Code
3 and AWWU Tariff Rule 8:
4

- 5 • AWWU will:
 - 6 ○ Identify the parcels to be benefitted by the project;
 - 7 ○ Estimate the total assessable project cost;
 - 8 ○ Determine if the project fits within AWWU's Capital Improvement
9 Plan and is economically feasible for AWWU;
 - 10 ○ Establish a time schedule for the project;
 - 11 ○ Notify affected property owners about the project, including the
12 estimated assessment for each parcel and other information; and
 - 13 ○ Engage potentially benefitted property owners in balloting to approve
14 the proposed TID.
- 15
- 16 • Owners of benefitted parcels vote on whether to approve the proposed TID.
 - 17 ○ The Mayor reports to the Assembly on the outcome of the vote.
 - 18 ○ If the TID does not receive the approval of parcel owners that will
19 bear more than 50% of the estimated total assessable project cost of
20 the project, the TID fails and the process ends.
 - 21 ○ If the TID does receive the approval of parcel owners that will bear
22 more than 50% of the estimated total assessable project cost,
23 AWWU shall notify the Assembly to proceed with a public hearing.
- 24
- 25 • The Assembly will then:
 - 26 ○ Hold a public hearing on the necessity of the TID; and
 - 27 ○ Consider an ordinance to determine whether to establish the
28 improvement district, proceed with the proposed improvements, and
29 assess properties for their allocated share of the costs.
- 30
- 31 • Parcel owners included in the TID have up to 60 days following notice of
32 public hearing to file objections:
 - 33 ○ If objections are received in writing from parcel owners that will bear
34 more than 50% of the estimated total assessable project cost, the
35 project does not proceed until the objections are reduced under 50%.
- 36
- 37 • If the ordinance is approved by the Assembly, AWWU will solicit bids for
38 construction of the improvements.
 - 39 ○ If lowest bid to build the project comes in more than 10% above
40 AWWU's estimate, the project does not move forward unless parcel
41 owners that will bear more than 50% of the total assessable project
42 cost request the contract be awarded.
- 43
- 44 • After the improvements are completed, assessments will be calculated for
45 each benefitted parcel, based on allocation of actual assessable costs
46 incurred by AWWU.
47

- The resulting TID assessments are levied only upon either (i) completion of constructed improvements in the case of a sewer lateral improvement district connecting to the sewer trunk main, or (ii) connection to developer-constructed or utility-constructed infrastructure.

Assessments constitute a lien against the property only if actually levied as outlined above. No monies are due for the benefitted property's share of the improvements until the property assessment is levied. Upon levying of the assessment, property owners have the option to pay the assessment in annual installments payable over a period of time that can be up to thirty years, depending on the actual value of the assessment.

THE ADMINISTRATION RECOMMENDS APPROVAL

Approved by: J. Brett Jokela, P.E., General Manager, AWWU
Preparation reviewed by: Dean Gates, Assembly Counsel
Concur: Rebecca A. Windt Pearson, Municipal Attorney
Concur: William D. Falsey, Municipal Manager
Respectfully submitted: Ethan A. Berkowitz, Mayor

Attachments: Exhibit A, map of proposed benefitted properties TID area

EXHIBIT A

