

Submitted by: Chair of the Assembly
at the request of the Mayor &
Assembly Chair Traini
Reviewed by: Assembly Counsel
Prepared by: Anchorage Water &
Wastewater Utility
For reading: November 21, 2017

Municipal Clerk's Office

Approved

Date: 12/19/2017

**ANCHORAGE, ALASKA
AR No. 2017-376**

1 **A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
2 **AUTHORIZING AND DIRECTING THE MAYOR TO INITIATE A PETITION**
3 **PROCESS IN PARTICULAR AREAS OF NORTH EAGLE RIVER AND SOUTH**
4 **BIRCHWOOD IN CONFORMANCE WITH ANCHORAGE MUNICIPAL CODE**
5 **SECTIONS 19.20.025 AND 19.20.030, AND TO MAKE A REPORT**
6 **CONCERNING THE PROPOSED WATER TRANSMISSION IMPROVEMENT**
7 **DISTRICT FOR CONSIDERATION EITHER BEFORE OR AT THE TIME OF**
8 **PUBLIC HEARING 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 Water Tariff Rule 8 defining the process to implement
13 special assessments through a Water Transmission Improvement District (WTID);
14

15 **WHEREAS**, water transmission lines are the larger mains and generally
16 only distribution mains connect to them and bring water service to individual
17 parcels, thus the area of a WTID is a function of anticipated water demand and the
18 minimum required operating pressures in the area served; delineation is based on
19 possible distribution alignments, AWWU approved master plans, and the will of the
20 property owners within the delineated area;
21

22 **WHEREAS**, Water Tariff Rule 8 provides methods for property owners and
23 AWWU to coordinate the construction and payment of water transmission and
24 distribution infrastructure project costs;
25

26 **WHEREAS**, WTID project costs are recovered from benefitted properties by
27 either

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

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

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

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

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

27
28 **WHEREAS**, the potential benefitted properties in development of the North
29 Eagle River/South Birchwood WTID are identified within the potential boundaries
30 of the WTID as:

31
32 Alfonso Subdivision Lots 29A & B; Almdale Subdivision Lots 1A & 2A; Alta's
33 View Subdivision Lots 1 & 2; Benson Subdivision Lots 1A, 2, 3, & 4A;
34 Benson #2 Lots 5 & 6; Benson #3 Lots 7 & 8; Birchwood South Subdivision
35 Block 2 Lots 1 thru 4; Bonnie Subdivision Lots A & B; Ford Subdivision Lots
36 1, 2 & 3; Fosters Subdivision Lots 62A & B; Gilbert Lots 58A & B; Green
37 Pastures Lots 1 & 2; J & D Subdivision Lots 1 & 2; L & T Subdivision Lots 1
38 thru 3; Lake Ridge Terrace Subdivision Block 3 Lots 4A, 5A, 6, 7, 8, 9, 10,
39 11 & 12A; Lake Ridge Terrace Subdivision Block 4A Lots 1 thru 11; Lake
40 Ridge Terrace Subdivision Block 5 Lots 1A, 2A, 3A, 4A, 5, 6, & 7; Lake
41 Ridge Terrace Subdivision Block 6 Lots 1 thru 11; Madeline Subdivision
42 Lots 9A & B; Marvin Subdivision Lots 1 & 2; Miller Von Holzman Lots 1 & 2;
43 Powder Hills Tracts at Powder Ridge Reserves, Tracts A, C, D, M, P, R, U-
44 1, U-2 & 40-A3; Powder Ridge Tracts, Tract B; Railbelt Subdivision Lot 7C;
45 Rasmusson Subdivision Lots 83A & B; Robanna Subdivision Lots 1 & 2;
46 Rollins Subdivision Lots A & B; Rosha Lots 10A & B; Section 24 T15N
47 R2W, Beach Lake Park Lot 7 PTN & Beach Lake Park SW4NE4PTN,
48 SW4SE4PTN, NW4SE4PTN, SE4SW4PTN; Section 25, T15N, R2W, BLM
49 Lots 8A & B, 13, 15 thru 25, 26 E2 & W2, 27, 28 A & B, 31, 32, 1, 2 and 3 of

1 33; 37 thru 48, 52, 53 N2 & S2, 54, 57, 59, 60 61 S2 & N2, 63 thru 82, 84,
 2 85, 86 REM, 88, 90 thru 113, 115, 116, 121, 123, 125 A & B, 126A, 127,
 3 128A & B, 129A thru C, 130, 131, 138 REM, 139 REM, 140 thru 143,146
 4 and NW4NW4 PTN of SE of USS 9020; Splawn Subdivision Lots 11B &
 5 11C; and Waters Subdivision Lots 12A, B & C;

6
7 Now therefore,


8
9 **THE ANCHORAGE ASSEMBLY RESOLVES:**

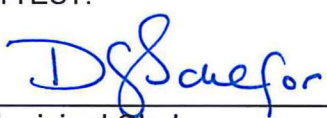
10
11 **Section 1.** Pursuant to AMC section 19.20.025, the Mayor is authorized and
 12 directed to initiate the petition process and make a report to the Assembly in
 13 conformance with AMC section 19.20.030 on a proposed special assessment
 14 district to be created for water transmission improvements benefitting the North
 15 Eagle River and South Birchwood areas.

16
17 **Section 2.** The Mayor’s Office is requested to identify the properties within a
 18 North Eagle River/South Birchwood WTID boundary, proceed with balloting
 19 property owners within the boundaries, and if the WTID is approved by ballot, to
 20 prepare an Assembly ordinance, subject to a public hearing, for creation of a
 21 Water Transmission Improvement District.

22
23 **Section 3.** The Anchorage Assembly recognizes that AWWU does not have
 24 existing water infrastructure sufficient to meet proposed development in the North
 25 Eagle River and South Birchwood areas described in this resolution and supports
 26 utilizing Water Tariff Rule 8 to create the proposed Water Transmission
 27 Improvement District.

28
29 PASSED AND APPROVED by the Anchorage Assembly this 19th day of
30 December, 2017.

31
32
33
34 
 Chair

35 ATTEST:
 36
 37 
 38
 39 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 785-2017

Meeting Date: November 21, 2017

1 **From:** MAYOR

2
3 **Subject:** A RESOLUTION OF THE ANCHORAGE MUNICIPAL
4 ASSEMBLY AUTHORIZING AND DIRECTING THE MAYOR TO
5 INITIATE A PETITION PROCESS IN PARTICULAR AREAS OF
6 NORTH EAGLE RIVER AND SOUTH BIRCHWOOD IN
7 CONFORMANCE WITH ANCHORAGE MUNICIPAL CODE
8 SECTIONS 19.20.025 AND 19.20.030, AND TO MAKE A
9 REPORT CONCERNING THE PROPOSED WATER
10 TRANSMISSION IMPROVEMENT DISTRICT FOR
11 CONSIDERATION EITHER BEFORE OR AT THE TIME OF
12 PUBLIC HEARING ON THE NECESSITY FOR THE PROPOSED
13 SERVICE.
14

15 The Anchorage Assembly may authorize and direct the Mayor to initiate
16 processes for water transmission infrastructure improvements through a
17 proposed Water Transmission Improvement District (WTID). This process is used
18 to expand the area where water service is available and to create special
19 assessment districts. This resolution proposes to initiate a process for water
20 transmission infrastructure improvements contemplated to benefit certain areas
21 of North Eagle River and South Birchwood. As presently constructed, Anchorage
22 Water and Wastewater Utility (AWWU) systems are unable to meet water service
23 requests for proposed housing and commercial developments in this area.
24

25 AWWU recently requested and received approval from the Regulatory
26 Commission of Alaska (RCA) for modifications to its Water Tariff Rule 8. This
27 tariff rule now includes the process of implementing a special assessment for
28 water transmission improvements through use of a Water Transmission
29 Improvement District (WTID). This modification provides methods for property
30 owners and AWWU to coordinate the construction and payment of water
31 transmission infrastructure. WTID project costs are recovered from benefitted
32 properties by either (i) creating a WTID whose costs are levied on the benefitted
33 parcels upon completion of the distribution facilities necessary to deliver service
34 to those parcels through creation of a separate water distribution improvement
35 district (WDID), or (ii) entering into a private development agreement with AWWU
36 whereby the developer agrees to pay for installation of water transmission and
37 distribution infrastructure necessary to serve the proposed development.
38 AWWU generally will not allow direct connection by an individual parcel to a
39 water transmission main.

1
2 The area of this proposed WTID is defined by such factors as possible
3 distribution alignments, water demand, and operating pressure requirements for
4 the area served. For purposes of the initial service area boundary development,
5 all properties within the proposed borders are considered benefitted. This
6 designation does not require connection or levy of assessment.
7

8 Upon approval of this Assembly Resolution, the following steps outline the
9 process that will take place as further detailed in Title 19 of the Anchorage
10 Municipal Code and AWWU Tariff Rule 8:
11

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

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- After the improvements are completed, assessments will be calculated for each benefitted parcel, based on allocation of actual assessable costs incurred by AWWU.
- The resulting WTID assessments are levied only upon either (i) completion of constructed improvements in the case of a water distribution improvement district connecting to the water transmission 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 T. 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 WTID area

EXHIBIT A

