

Submitted by: Chair of the Assembly at
the Request of the Mayor
Prepared by: Municipal Light and Power
Department
For reading: July 15, 2008

See A62008-90(S)

**ANCHORAGE, ALASKA
AO No. 2008-90**

1 **AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TO ADD A**
2 **NEW TITLE 32 FOR THE MUNICIPAL POWER AUTHORITY AND ENACTING**
3 **SECTION 4.80.030, AMENDING CHAPTER 26.30 AND SECTIONS 3.20.070,**
4 **3.70.060, 4.50.020, 4.70.010, AND 26.10.025, AND REPEALING SECTION 4.70.030**
5 **TO PROVIDE FOR CONSISTENCY WITH NEW TITLE 32.**

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8 THE ANCHORAGE ASSEMBLY ORDAINS:

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10 **Section 1.** The Anchorage Municipal Code is amended to enact a new title 32,
11 Municipal Power Authority, to read as follows:

12
13 **TITLE 32**
14 **MUNICIPAL POWER AUTHORITY**

15 **Chapters**

16 **32.10** **General Provisions.**
17 **32.20** **Operation and Management of the Utility.**
18 **32.30** **Personnel.**
19 **32.40** **Miscellaneous Provisions.**

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22 **Chapter 32.10 GENERAL PROVISIONS**

23
24 **32.10.010** **Establishment.**
25 **32.10.020** **Governing body.**
26 **32.10.030** **Powers of the board of directors.**
27 **32.10.040** **Meetings of the Board of Directors**
28 **32.10.050** **Extraterritorial Jurisdiction**
29 **32.10.060** **Definitions**

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32 **32.10.010** **Establishment.**

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34 There is established the Municipal Power Authority, a public corporate authority of
35 the municipality. The authority is an instrument of the municipality, but exists
36 independently of and separately from the municipality. The authority shall
37 continue to exist until terminated by ordinance. When the utility's existence is
38 terminated, all of the authority's rights, assets and properties shall pass to the
39 municipality.
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32.10.020 **Governing body.**

A. The Municipal Power Authority shall be governed by a board of directors consisting of seven (7) members, appointed by the mayor, subject to confirmation by the assembly. All directors shall be citizens of the United States, and residents of and registered voters in the Municipality of Anchorage. Board members shall be qualified as follows:

1. One member shall be a member in good standing of the Alaska Bar with experience in utility matters;
2. One member shall be a registered professional engineer in Alaska with experience in utility matters;
3. One member shall have experience in finance, accounting, or business administration with experience in utility matters;
4. One member shall be a municipal employee; and
5. Three members shall be at large.

B. Directors shall serve staggered terms. The first term lengths shall be as follows:

- | | |
|---------|---------|
| Seat 1: | 1 year |
| Seat 2: | 2 years |
| Seat 3: | 2 years |
| Seat 4: | 3 years |
| Seat 5: | 4 years |
| Seat 6: | 4 years |
| Seat 7: | 5 years |

After the first term, terms for each seat shall be five years.

C. The general manager of the Municipal Light & Power Utility shall not be a director, but shall serve as executive secretary and staff to the board.

D. The compensation for the Municipal Power Authority board of directors shall be determined by the commission on salaries and emoluments in the same manner as provided for elected officials in Charter section 5.08.

E. Except as may be inconsistent with the provisions of this title, chapter 4.05 shall apply to the board.

F. During their terms of office, directors may be removed by the mayor only for cause.

32.10.030 Powers of the board of directors.

A. The authority shall operate and manage the Municipal Light & Power Utility. In connection with the operation and management of the utility, the board of directors may in general exercise any power unless otherwise provided in the Charter, this Code, or prohibited by state law.

B. The board may also:

1. Adopt a seal;
2. Sue and be sued;
3. Annually review the compensation of utility employees, and take such action with respect to utility employees as is required or permitted by the Code;
4. Formulate and adopt policies for the utility, and forward proposed rules and policies to the assembly for approval where required;
5. Adopt, amend and repeal bylaws for the board's internal organization and activities; bylaws regarding notice of meetings shall be consistent with the Charter and section 1.25.015;
6. Operate, manage, and control, utility land, plant, facilities, personal property, and personnel in accordance with general standards common to utilities, whether public or private, providing the same utility service;
7. To the extent permitted by this Code, operate and manage all of the utility's human resource, payroll, accounts receivable, accounts payable, purchasing, contracting, and other operational or business functions;
8. Act on behalf of the Municipality to obtain rights-of-way necessary or desirable to the utility's services, subject to title 25;
9. The Municipal attorney shall advise and assist the authority on legal matters; the board may obtain other appropriate non-legal professional services as required;
10. Investigate, study, and plan utility facility requirements and service conditions;
11. Plan and implement the utility's capital improvement and maintenance strategy and operations;

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12. Coordinate with the risk management division to obtain appropriate insurance coverage for utility property and operations;
13. Set tariff rates and fees for products and services provided by the utility, subject to approval by the assembly;
14. Establish appropriate and reasonable tariff rules for the utility. The existing tariff rules, approved by the Regulatory Commission of Alaska as of the effective date of this section, shall continue in force until changed by the board;
15. Adjudicate formal complaints not resolved by the utility itself;
16. Purchase or otherwise acquire other electric utilities or assets of electric utilities on its own behalf or on behalf of the municipality, subject to title 25 and assembly approval;
17. Recommend to the assembly revisions to the Code the board deems necessary or desirable for the efficient operation of the utility or for the benefit of its customers; and
18. Take all other actions under law it deems necessary to ensure the independent operation and management of the utility, subject to applicable Charter and Code provisions.

- C. The board may exercise the power of eminent domain on behalf of the utility only with prior approval by the assembly, or if required for an emergency declaration by the mayor, in accordance with title 25.
- D. The board may sell or dispose of utility real property, subject to prior approval of the assembly. Title 25 shall apply to any sale or disposition of utility real property.
- E. The board may acquire real property on behalf of the utility, subject to prior approval of the assembly. Title 25 shall apply to any acquisition of real property for the utility by the board.
- F. Changes to the utility's tariff shall become effective only after notice, consistent with chapter 1.25, subject to section 32.20.030, Rates, Fees, and Charges, unless necessary to protect public health or safety.

1 **32.10.040** **Meetings of the board of directors.**
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- 3 A. At its first meeting and annually thereafter, the board shall elect a chair and
4 a vice chair. The chair and vice chair shall serve until their successors are
5 duly elected or appointed.
6
7 B. The board shall meet at least once per month. Additional meetings shall be
8 at the call of the chair or the general manager.
9
10 C. Procedures for calling special meetings of the board shall be set forth in the
11 board's bylaws, and all board meeting notice procedures shall be consistent
12 with the Charter and section 1.25.015.
13
14 D. Four directors shall constitute a quorum for doing business at any meeting
15 of the board, unless there are less than seven directors in office, in which
16 case a quorum shall be a majority of the directors then in office.
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19 **32.10.050** **Extraterritorial jurisdiction.**
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21 The authority and the utility are authorized, to the fullest extent allowable under
22 state law, to provide electric generation, transmission, and distribution facilities and
23 services, and all ancillary or related facilities or services, outside the boundaries of
24 the Municipality. The powers of the authority and utility provided in this Code
25 may be exercised to regulate the use and operation of electric generation,
26 transmission, and distribution facilities and services, and all ancillary or related
27 facilities or services, provided or located outside the boundaries of the
28 Municipality. All provisions of this Code, and all rules, regulations, procedures,
29 and tariffs promulgated by the authority or the utility, apply outside the
30 Municipality to the extent necessary or appropriate for the extraterritorial provision
31 of facilities and services by the authority and utility.
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34 **32.10.060** **Definitions.**
35

36 The following words, terms, and phrases, when used in this title, shall have the
37 meanings ascribed to them in this section:
38

39 *Authority* means the Municipal Power Authority.
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41 *Board or board of directors* means the board of directors of the Municipal Power
42 Authority.
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44 *Director* means a member of the board of directors of the Municipal Power
45 Authority.
46

47 *General manager* means the general manager of the Municipal Light and Power
48 Utility.

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2 *Utility or Municipal Light and Power Utility* means the property, facilities,
3 services, and personnel of the municipality used to provide electric utility services
4 under the direction and control of Municipal Power Authority.
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7 **Chapter 32.20 OPERATION AND MANAGEMENT OF THE UTILITY.**
8

- 9 **32.20.010 Fiscal management.**
10 **32.20.020 Dividend to the municipality.**
11 **32.20.030 Rates, fees, and charges.**
12 **32.20.040 Utility budget.**
13 **32.20.050 Utility borrowing.**
14 **32.20.060 Grants to the utility.**
15 **32.20.070 Utility audit.**
16 **32.20.080 Annual report.**
17 **32.20.090 Purchasing and contracts.**
18 **32.20.100 Assessments for improvements.**
19 **32.20.110 Complaints and appeals.**
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22 **32.20.010 Fiscal management.**
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24 The chief fiscal officer shall be advisor to the authority regarding the utility's
25 financial affairs, including but not limited to establishing and maintaining the
26 utility's funds. The chief fiscal officer, auditors appointed by the chief fiscal
27 officer, and the internal auditor may examine and audit the books and records of the
28 authority regarding the utility's financial affairs, and the chief fiscal officer and the
29 internal auditor may make recommendations to the board, the mayor and the
30 assembly regarding the utility's financial affairs. The chief fiscal officer shall be
31 custodian of the utility's funds.
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34 **32.20.020 Dividend to the municipality.**
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- 36 A. The utility shall be operated in accordance with prevailing industry
37 practices and in a manner that shall provide dividends to the municipality.
38
39 B. The board shall make recommendations to the assembly regarding dividend
40 payments from the utility to the municipality from the previous year, after
41 the audited financial statements of the utility for that previous year are
42 approved by the assembly and the board. Dividends may be paid from the
43 utility when dividends do not degrade the financial health, system integrity,
44 and stability of the utility.
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1 **32.20.030** **Rates, fees, and charges.**
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- 3 A. The board shall recommend tariff rates, fees, and charges for the utility's
4 products and services to the assembly for approval, and prior to seeking
5 regulatory approvals required under municipal, state, and federal law.
6
7 B. The board shall establish in its bylaws the procedures for setting the rates,
8 fees, and charges of the utility. The procedures shall include a public
9 hearing for each new or changed rate, fee, charge, rule, regulation, or other
10 tariff provision, and the opportunity for one or more consumer advocates
11 representing ratepayer interests to participate. These procedures shall
12 follow generally electric utility industry standard practices for municipally-
13 owned utilities.
14
15 C. Tariff rate, fee, or charge adjustments recommended by the board shall be
16 submitted to the assembly either:
17
18 1. As part of the utility's annual budget, after public notice and public
19 hearing for any associated tariff rate, fee, or charge adjustment prior
20 to scheduled assembly budget hearings; or
21
22 2. Outside the annual budget process, after public notice and public
23 hearing for associated tariff rate, fee, or charge adjustment.
24
25 D. The board may implement a recommended adjustment to tariff rates, fees,
26 or charges following assembly approval of the utility's budget, or assembly
27 approval of the recommended adjustment, if the adjustment is being made
28 outside the budget process.
29

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31 **32.20.040** **Utility budget.**
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- 33 A. The utility's biannual budget, capital improvement budget, and capital
34 improvement program shall be prepared and submitted to the mayor for
35 approval by the assembly, in accordance with chapter 6.10.
36
37 B. The board shall have the power to expend funds within the budget approved
38 by the assembly subject to appropriation.
39

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41 **32.20.050** **Utility borrowing.**
42

43 The board may incur debt for the utility subject to Article 15 of the Charter, after
44 approval of the assembly of the amount of the debt and the terms and conditions of
45 the borrowing.
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1 **32.20.060** **Grants to the utility.**
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3 The board shall have the power to accept grants to the municipality or the utility for
4 electric projects or improvements, subject to appropriation by the assembly and/or
5 the mayor.
6

7
8 **32.20.070** **Utility audit.**
9

10 A. The utility shall participate in the annual independent financial audit of the
11 municipality under chapter 6.40.
12

13 B. The board may also commission an independent performance or
14 management audit from time to time.
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17 **32.20.080** **Annual report.**
18

19 The board shall make available an annual report to the mayor, the assembly, and
20 the utility's customers covering the operational and financial results of the utility
21 from the previous year. The annual report shall be issued not later than 60 days
22 following the publication of the municipality's comprehensive annual financial
23 report.
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26 **32.20.090** **Purchasing and contracts.**
27

28 A. The board shall use the same purchasing and contracting rules and policies
29 for the utility contained in title 7 until such time new purchasing and
30 contracting rules are approved by the assembly, except the board shall
31 designate utility positions to assume the functions of the municipal
32 purchasing office under title 7, purchasing officer under title 7, and the
33 director of public works under section 7.15.060.
34

35 B. The board shall have the powers of the mayor and the assembly under title
36 7, except for the power of the assembly under section 7.15.100. The board
37 shall report quarterly all contract awards in an informational memorandum
38 to the assembly.
39

40 C. The board may, at its discretion, negotiate and implement agreements for
41 goods and services with the municipality, subject to the terms of any
42 transition plan adopted by the board and the assembly.
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45 **32.20.100** **Assessment for improvements.**
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47 Assessments of property for the cost of utility improvements shall be governed by
48 title 19.

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3 **32.20.110** **Complaints and appeals.**
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- 5 A. The board shall establish procedures for reviews of formal and informal
6 complaints from customers, and for appeals of decisions on such
7 complaints.
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9 B. A decision on a formal complaint, which decision was not made by the
10 board, may be appealed to the board within 30 days after notice of the
11 decision has been mailed to the parties.
12
13 C. Decisions of the board on a formal complaint may be appealed to the
14 ombudsman within 30 days after notice of the board's decision has been
15 mailed to the parties.
16
17 D. Appeals of utility decisions not received by the board or the ombudsman, as
18 appropriate, within the time set forth herein, shall be dismissed.
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21 **Chapter 32.30 PERSONNEL**
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- 23 **32.30.010** **Board powers on employment matters.**
24 **32.30.020** **Appointment of the general manager.**
25 **32.30.030** **Utility division managers.**
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28 **32.30.010** **Board powers on employment matters.**
29

- 30 A. The board shall adopt and recommend to the assembly for approval
31 personnel rules applicable to utility division managers and non-represented
32 employees of the utility. Represented employees shall only be subject to
33 these rules to the extent allowed by their respective collective bargaining
34 agreements or by law. The personnel rules in effect in title 3 shall remain
35 applicable to utility employees until such time new personnel rules are
36 approved by the assembly.
37
38 B. Subject to the approval of any agreements by the assembly, the board shall
39 have the power to negotiate agreements with collective bargaining units
40 representing some or all of the utility's employees but not collective
41 bargaining units representing employees in other areas of municipal
42 government or municipal enterprise activities. Collective bargaining
43 agreements covering employees of the utility in effect as of the effective
44 date of this section shall remain in full force and effect in accordance with
45 their respective terms.
46
47 C. The Board shall set the compensation of the general manager subject to
48 approval by the mayor.

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3 **32.30.020** **Appointment of the general manager.**
4

5 A. The mayor shall appoint the general manager of the utility, subject to
6 confirmation by the assembly. The general manager shall serve at the
7 pleasure of the mayor. Prior to effective date of dismissal, the mayor shall
8 inform the board of the reason for dismissal of the general manager. A
9 majority of the board may recommend dismissal of the general manager to
10 the mayor.

11
12 B. When a vacancy in the position of general manager occurs, the board shall
13 recommend to the mayor not less than three qualified candidates for the
14 position. The mayor shall appoint the general manager from those
15 candidates recommended by the board.
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18 **32.30.030** **Utility division managers.**
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20 A. Notwithstanding any other provisions of this title, the utility division
21 managers referenced in section 3.30.172 shall be appointed by the general
22 manager subject to confirmation by the board.
23

24 B. Utility division managers shall serve at the pleasure of the general manager
25 and the board. The general manager and a majority of the board shall
26 concur to dismiss a utility division manager, except the general manager
27 may dismiss a utility division manager for cause without concurrence of the
28 board.
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31 **Chapter 32.40 MISCELLANEOUS PROVISIONS**
32

33 **32.40.010** **Transition plan.**

34 **32.40.020** **Limitation on liability.**

35 **32.40.030** **Exemption from taxes.**
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38 **32.40.010** **Transition plan.**
39

40 Within 270 days of the effective date of this section, the board shall develop a
41 transition plan and forward it to the assembly for approval. The transition plan may
42 provide for the orderly separation of the utility's functions from those of the
43 municipality generally. The transition plan shall cover the first three years of
44 utility operations and shall be updated on an annual basis during the term of the
45 transition.
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1 **32.40.020** **Limitation on liability.**
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3 A. Any person who was or is a party or is threatened to be made a party to any
4 threatened, pending, or completed action, suit or proceeding, whether civil,
5 criminal, administrative or investigative, by reason of the fact that the
6 person is or was a director of the authority, shall be indemnified by the
7 utility to the fullest extent permitted under Alaska state law, the Charter, or
8 this Code. Any determination required or permitted to be made as to any
9 indemnification shall, whenever appropriate and permitted by applicable
10 law, be made by a vote of a quorum consisting of disinterested directors.
11 Any indemnification under this section shall not be deemed exclusive of
12 any other rights to which the person indemnified may be entitled under any
13 provision of law or otherwise, and shall continue as to a person who has
14 ceased to be a director of the authority and shall inure to the benefit of the
15 heirs, executors and administrators of such person.

16
17 B. The utility shall have the power, except to the extent prohibited by state
18 law, the charter or the code, to purchase and maintain insurance covering
19 official acts of any person who is or was a director of the utility arising out
20 of such official position.

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22
23 **32.40.030** **Exemption from taxes.**
24

25 The real and personal property of the utility and the authority, and their respective
26 assets, income, and receipts are declared to be the property of a political
27 subdivision of the state devoted to an essential public and governmental function
28 and purpose, and the property, assets, income, and receipts shall be exempt from all
29 municipal taxes.
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31
32 **Section 2.** Anchorage Municipal Code section 3.20.070 is amended to read *(the*
33 *remainder of the section is not affected, and therefore not set out):*
34

35 **3.20.070** **Executive branch organization.**
36

37 *** *** ***
38

39 B. Within the office of the municipal manager and reporting to the municipal
40 manager are the following departments:
41

- 42 1. Anchorage Fire Department. The fire department is responsible for
43 the prevention and suppression of fire, the enforcement of fire
44 codes, the operation of the emergency medical services system, and
45 the investigation of offenses involving fire.
46

1 2. Anchorage Police Department. The police department is responsible
2 for enforcing the observance of all laws and ordinances, to promote
3 and maintain order, and to protect lives and property.
4

5 3 [4]. Development services. The development services department is
6 responsible for administering the municipality's building plan
7 review, building permit, and building inspections, on-site water and
8 wastewater codes, NPDES inspections, right-of-way permitting,
9 plan review and permitting, code abatement, maintenance of
10 department computer systems and geographic base layers, and
11 provide research and technical services in support of public and
12 private development projects.
13

14 [ANCHORAGE WATER AND WASTEWATER UTILITY. THE
15 WATER AND WASTEWATER UTILITY IS RESPONSIBLE
16 FOR PROVIDING WATER AND SANITARY SEWAGE
17 SERVICES. THE UTILITY IS ALSO RESPONSIBLE FOR
18 BILLING AND COLLECTING SPECIAL ASSESSMENTS.]
19

20 4 [5]. Employee relations. The department of employee relations is
21 responsible for establishing and maintaining a comprehensive
22 personnel services program for all municipal employees. Major
23 functions include labor relations services, labor negotiations, labor
24 contract administration, recruitment and certification of employees,
25 administration and maintenance of classification and comprehensive
26 benefit plans, training programs for employees, and organizational
27 and career development.
28

29 5 [6]. Health and human services. The department of health and human
30 services is responsible for protecting the public health and safety
31 through programs in disease prevention, abatement of air, noise and
32 water pollution, substance abuse, individual, family and community
33 health and sanitation. The department is also responsible for
34 providing social programs in such areas as day care, housing, older
35 persons and handicapped persons, safe cities, and operation of the
36 municipal cemetery.
37

38 6 [7]. Maintenance and operations. The department of maintenance and
39 operations provides year-round maintenance of all roads, drainage
40 systems, street lights, park facilities and trails within the Anchorage
41 Roads and Drainage Service Area (ARDSA) and Anchorage Park
42 Service Area. This department is also responsible for maintenance
43 of other service areas as outlined in Anchorage Municipal Code
44 Title 27. The department acts as the steward for general government
45 facilities, vehicles and equipment, and provides maintenance and
46 custodial services, arranges for utilities, security, insurance, and
47 provides payment of these accounts; acquires and maintains all
48 general government vehicles and equipment; and provides contract

1 administration for facilities maintenance and security activities
2 operated through outside contractors.

3
4 7 [8]. Merrill Field Airport. This department is responsible for operating
5 and maintaining Merrill Field Airport.

6
7 8 [9]. Project management and engineering. The department of project
8 management and engineering is responsible for capital project
9 management, engineering, design, construction and quality control;
10 storm water runoff quality management; right-of-way acquisition;
11 and subdivision public improvement quality assurance.

12
13 9[11]. Public transportation. The department of public transportation is
14 responsible for managing an efficient and safe public transportation
15 system.

16
17 10[12].Solid waste services. Solid waste services is responsible for
18 providing refuse collection and solid waste disposal.

19
20 [MUNICIPAL LIGHT AND POWER UTILITY. THE
21 MUNICIPAL LIGHT AND POWER UTILITY IS RESPONSIBLE
22 FOR SUPPLYING ELECTRIC SERVICE TO CONSUMERS
23 WITHIN ITS SERVICE AREA.]

24
25 11[13].Traffic. The traffic department is responsible for planning,
26 engineering, design, installation, operation and maintenance of
27 traffic signals and traffic control devices; on and off-street parking
28 requirements; maintenance and operation of 911 emergency dispatch
29 and municipal and other internal radio communications; and the
30 duties and responsibilities assigned by Title 9. This department also
31 provides staff support to the Anchorage Metropolitan Area
32 Transportation Study (AMATS).

33
34 *** **

35 (AO No. 21-76; AO No. 59-76; AO No. 283-76; AO No. 77-359; AO No. 78-82;
36 AO No. 78-113; AO No. 78-121; AO No. 79-27; AO No. 80-5; AO No. 82-49; AO
37 No. 83-159; AO No. 85-8; AO No. 86-204; AO No. 88-47(S); AO No. 88-82; AO
38 No. 89-10; AO No. 89-18; AO No. 89-39; AO No. 90-15(S); AO No. 91-173(S);
39 AO No. 92-79; AO No. 92-148; AO No. 94-135(S), § 8, 7-12-94; AO No. 95-141,
40 § 1, 7-11-95; AO No. 96-47, § 2, 3-5-96; Ord. No. 98-115(S), § 3, 7-1-98; AO No.
41 2003-109, § 6, 9-9-03; AO No. 2004-132, § 2, 10-12-04; AO No. 2004-136, § 2,
42 12-7-04; AO No. 2005-142, § 2, 10-25-05)

43 *Editor's note:* AO No. 2000-105(S), § 2, adopted June 27, 2000, repealed §
44 3.20.070, which pertained to municipal organizations. See the Code Comparative
45 Table. Subsequently, AO No. 2003-109, § 6, effective Sept. 9, 2003, added
46 provisions designated as 3.20.070 to read as herein set out.

47 Charter references: Appointment of department heads, § 5.02(a); municipal
48 manager, § 5.03; municipal attorney, § 5.04.

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3 **Section 3.** Anchorage Municipal Code section 3.70.060 is amended to read (*the*
4 *remainder of the section is not affected, and therefore not set out*):

5
6 **3.70.060** **Collective bargaining units.**

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8 *** **

9 C. Exempt employees. The following employees shall be exempt from
10 collective bargaining:

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12 *** **

13
14 11. The staff of any municipal information technology department or
15 division, including:

- 16
17 a. The staff of the municipality, except for the reprographics
18 section;
19 b. The staff of the Anchorage Water and Wastewater Utility
20 information technology division; and
21 c. The staff of the Municipal Light and Power **Utility** systems
22 division except for the radio shop.

23
24 *** **

25 (AO No. 69-75; AO No. 77-94; AO No. 247-76; AO No. 78-82; AO No. 78-113;
26 AO No. 78-166; AO No. 79-27; AO No. 81-82; AO No. 82-49; AO No. 85-8; AO
27 No. 88-47(S); AO No. 88-82; AO No. 88-131(S); AO No. 88-148; AO No. 89-
28 46(S-1); AO No. 89-125; AO No. 98-115(S), § 5, 7-1-98; AO No. 2002-69, § 4, 5-
29 14-02; AO No. 2003-61, § 1, 1-1-03; AO No. 2004-138, § 1, 10-26-04; AO No.
30 2007-45, § 1, 4-10-07)

31
32
33 **Section 4.** Anchorage Municipal Code chapter 4.50.020 is amended to read (*the*
34 *remainder of the section is not affected, and therefore not set out*):

35
36 **4.50.020** **Bidding review board.**

37
38 There is established a bidding review board consisting of nine members including:

- 39
40 A. One member from the board of building regulation examiners and
41 appeals;
42
43 B. One member from the Municipal [LIGHT AND] Power **Authority**
44 [UTILITY COMMISSION];
45
46 C. One member from the public facilities advisory commission;
47
48 D. One member from the water utility commission;

1
2 E. One member from the port commission; and
3

4 F. Four members from the construction and labor industry.
5

6 *** **

7
8 (CAC 4.37.010, 4.37.050; AO No. 84-82(SA); AO No. 85-11; AO No. 93-129, § 1,
9 8-24-93; AO No. 95-223, § 1, expires 1-20-1998; AO No. 99-7, § 1, 1-26-99,
10 expires 1-20-02; AO No. 2001-189, § 2, expires 1-20-05)

11 Charter references: Boards and commissions, § 5.07; competitive bidding, § 13.09.

12 Cross references: Purchasing and contracts and professional services, Tit. 7;
13 general contracting procedures, Ch. 7.15.
14
15

16 **Section 5.** Anchorage Municipal Code section 4.70.010 is amended to read:
17

18 **4.70.010** **Generally.**
19

20 A. There are established the following municipal public utility commissions:
21

22 1 [2]. Solid waste services commission for solid waste services consisting
23 of the municipal refuse collections utility and solid waste disposal
24 utility.
25

26 [MUNICIPAL LIGHT AND POWER COMMISSION FOR
27 MUNICIPAL LIGHT AND POWER]
28

29 B. Due consideration shall be given to technical qualifications in choosing the
30 members of each commission. Each municipal utility shall provide the
31 administrative support for its respective commission.
32

33 C. Each commission is empowered to:
34

35 1. Review annually the public utility's strategic plan, budget and
36 operations and submit recommendations to the mayor and assembly;
37

38 2. Review and make recommendations on utility policies and practices
39 to the mayor and assembly;
40

41 3. Submit recommendations to the mayor and assembly as to any
42 necessary expansions, improvements or economies of the public
43 utility; and
44

45 4. Perform such utility related duties as the mayor or assembly may
46 refer to it from time to time.
47

1 CAC 2.64.450--2.64.470; AO No. 89-51(S-3); AO No. 91-142(S-1); AO No. 91-
2 173(S); AO No. 2005-107, § 2, 9-13-05)

3 Cross references: Municipal light and power commission, § 4.70.030.

4
5 **Section 6.** Anchorage Municipal Code section 4.70.030 is repealed in its entirety.

6
7 **Section 7.** Anchorage Municipal Code chapter 4.80 is amended to enact a new section
8 to read:

9
10 **4.80.030** **Municipal Power Authority Board of Directors.**

11
12 There is established a Municipal Power Authority Board of Directors with the
13 powers and duties more particularly set forth in Title 32.

14
15
16 **Section 8.** Anchorage Municipal Code section 26.10.025 is amended to read:

17
18 **26.10.025** **Municipal utility service assessment.**

- 19
20 A. It is the public policy of the municipality to require municipal enterprise
21 activities (the municipal water and wastewater utility, **M**[m]unicipal
22 **L**[l]ight and **P**[p]ower **Utility**, solid waste disposal utility, and refuse
23 collection utility) to pay a municipal utility service assessment (MUSA) for
24 governmental services provided by the municipality, other than those
25 services received on a contract or interfund basis between the enterprise
26 activity and the municipality.
27
28 B. The MUSA shall be applied in a like manner to the municipal water and
29 wastewater utility, **M**[m]unicipal **L**[l]ight and **P**[p]ower **Utility**, solid waste
30 disposal, and refuse collection utility.
31
32 C. The MUSA shall be calculated by applying the millage rate established
33 annually for each service area by the assembly to the net classified plant in
34 service as of January 1 of the current year of each utility, as established by
35 the Federal Energy Regulatory Commission for the **M**[m]unicipal **L**[l]ight
36 and **P**[p]ower **Utility** system, and as published by the National Association
37 of Regulatory Utility Commissioners for the municipal water and
38 wastewater utility, located in that service area. Net book value of plant will
39 be the MUSA basis for the refuse collection utility and solid waste disposal
40 utility. The millage rate so established will be that rate assessed other
41 owners of real, personal and business property in each service area.
42
43 D. In addition, 1.25 percent shall be applied, excluding the refuse collection
44 utility, to the actual gross operating revenues as presented in the prior year's
45 annual financial report for municipal enterprise activities. Thus, the formula
46 which will apply to all included enterprise activities for MUSA will be: (net
47 plant × mill rate) + (1.25 percent × actual gross operating revenues) =
48 MUSA. For the municipal water and wastewater utility only, 40 percent of

1 the value of contributed plant shall be used for MUSA calculation purposes
2 during 2004 and the full value of contributed plant shall be included in the
3 MUSA formula beginning in 2005.
4

5 (AO No. 94-76A; AO No. 85-174; AO No. 88-162; AO No. 88-173; AO No. 2003-
6 160, § 1, 1-4-04)
7
8

9 **Section 9.** Anchorage Municipal Code chapter 26.30 is amended read as follows:
10

11 **26.30.010 Rates, fees and charges.**
12

13 Electric service rates, fees and charges are as established in the **M**[m]unicipal
14 **L**[l]ight and **P**[p]ower **Utility** tariff which has been duly adopted and approved by
15 the state public utilities commission, unless another rate, fee or charge is provided
16 for in a special contract filed with, and approved by, the state public utilities
17 commission.
18

19 (AO No. 89-51(S-3); AO No. 91-142(S-1))
20

21 **26.30.020 Compliance with rules and regulations.**
22

23 Customers accepting electric service must agree to abide by the rules and
24 regulations established in the duly approved **M**[m]unicipal **L**[l]ight and **P**[p]ower
25 **Utility** tariff and by those set forth in this Code, including those alterations or
26 amendments which may be made from time to time.
27

28 **26.30.030 Additional conditions of service.**
29

- 30 A. Electric service may be refused to any applicant who has not complied with
31 pertinent national, state and local construction, building and safety codes,
32 regulations and ordinances relating to the installation and maintenance of
33 electrical wiring and equipment. Upon request, the applicant or customer
34 shall furnish to the **M**[m]unicipal **L**[l]ight and **P**[p]ower **U**[u]tility a
35 certificate of approval from the authority having jurisdiction to secure
36 compliance with the building and safety codes, regulations and ordinances
37 prior to connection being made or electric service being furnished to the
38 applicant or customer.
39
- 40 B. The municipal light and power utility may refuse or discontinue service to
41 premises if the installation has load characteristics which may cause
42 excessive voltage fluctuations, loss of service or damage to the facilities of
43 **the M**[m]unicipal **L**[l]ight and **P**[p]ower **Utility** or other customers. The
44 utility may require as a condition of service that the customer install, at his
45 own expense, equipment which will eliminate undesirable load
46 characteristics, which include but are not limited to unbalanced load
47 between phases, unacceptable variations from unity power factor and
48 unusual demand fluctuations produced by the customer's equipment.

1 Installation of electric welders or motors larger than five horsepower must
2 be coordinated with the M[m]unicipal L[l]ight and P[p]ower U[u]tility
3 prior to installation.
4

- 5 C. A properly identified employee of the M[m]unicipal L[l]ight and P[p]ower
6 U[u]tility shall have access to the premises of a customer at all reasonable
7 times for the purpose of reading meters, testing or inspecting the customer's
8 load and equipment or installing, repairing, removing or exchanging
9 equipment belonging to the utility.
10

11
12 **26.30.040 Prohibited acts.**
13

14 It shall be unlawful for any person to:
15

- 16 A. Connect to, interfere with or alter the conductor, meters, seals or other
17 [MUNICIPAL LIGHT AND POWER] facilities **of the Municipal Light**
18 **and Power Utility** used in connection with rendering electric service, or
19 permit connection to, interference with or alteration by any person other
20 than an authorized agent or employee of the M[m]unicipal L[l]ight and
21 P[p]ower U[u]tility. In addition to the penalties provided by law, any
22 person engaging in any activities prohibited by this subsection shall pay for
23 any damage to M[m]unicipal L[l]ight and P[p]ower U[u]tility property caused
24 or permitted directly or indirectly by that person.
25
- 26 B. Cause the electrical system on any premises or facility served by the
27 M[m]unicipal L[l]ight and P[p]ower U[u]tility to be connected to another
28 electrical system except to standby power which has been installed to serve
29 that premises or facility and is connected through a double throw switch
30 sufficient to prevent backfeed into the M[m]unicipal L[l]ight and P[p]ower
31 U[u]tility electrical system.
32
- 33 C. Sell any of the electric energy furnished by the M[m]unicipal L[l]ight and
34 P[p]ower U[u]tility unless the person holds a valid certificate of public
35 convenience and necessity issued by the state public utilities commission
36 for retail distribution of electric energy and has executed a contract with the
37 municipal light and power utility, or is accepting service under a tariff
38 schedule which specifically authorizes the resale of electricity, unless such
39 service is being furnished unmetered to rental units where the cost of
40 electricity is included in the rental charge.
41

42
43 **Section 10.** The effective dates of the various provisions of the ordinance shall be as
44 follows:
45

- 46 A. Chapter 32.10, as set forth in section 1 above, shall become effective
47 immediately upon passage and approval of this ordinance.
48

1 B. Chapter 32.20, as set forth in section 1 above, shall become effective as
2 follows:

3
4 1. Section 32.20.040 shall become effective immediately upon passage
5 and approval of this ordinance;

6
7 2. Sections 32.20.020, 32.20.030, 32.20.050, 32.20.060, 32.20.070,
8 32.20.100, and 32.20.110 shall become effective on January 1, 2009;
9 and

10
11 3. Sections 32.20.010, 32.20.080, and 32.20.090 shall become effective
12 on January 1, 2010.

13
14 C. Chapter 32.30, as set forth in section 1 above, shall become effective as
15 follows:

16
17 1. Sections 32.30.010A., 32.30.020, and 32.30.030 shall become
18 effective on January 1, 2009; and

19
20 2. Section 32.20.010B. shall become effective on January 1, 2010.

21
22 D. Chapter 32.40, as set forth in section 1 above, shall become effective
23 immediately upon passage and approval of this ordinance.

24
25 E. Sections 2, 3, 5, 6, 7, 8, and 9, as set forth above, shall become effective
26 immediately upon passage and approval of this ordinance.

27
28 F. Section 4, as set forth above, shall become effective on January 1, 2010.
29
30

31 PASSED AND APPROVED the Anchorage Assembly this _____ day of
32 _____, 2008.

33
34
35
36
37
38 _____
39 Chair

40 ATTEST:

41
42
43 _____
44 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2008-90

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TO ADD A NEW TITLE 32 FOR THE MUNICIPAL POWER AUTHORITY AND ENACTING SECTION 4.80.030, AMENDING CHAPTER 26.30 AND SECTIONS 3.20.070, 3.70.060, 4.50.020, 4.70.010, AND 26.10.025, AND REPEALING SECTION 4.70.030 TO PROVIDE FOR CONSISTENCY WITH NEW TITLE 32.

Sponsor: MAYOR
 Preparing Agency: ML&P
 Others Impacted:

CHANGES IN EXPENSES AND REVENUES:					
	(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12
Operating Expenditures:					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Services					
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	0	0	0	0
6000IGC'S					
FUNCTION COST:					
REVENUES:	0	0	0	0	0
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT AND Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

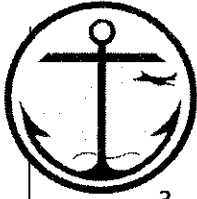
The first expense or revenue impact are expected in 2010 and will be dependent upon the transition plan which must be presented to the Assembly approximately 270 days after effective date of the AO. Future operating efficiency savings are expected to outweigh any operating increases as a result of this AO.

PRIVATE SECTOR ECONOMIC EFFECTS:

None.

Prepared by: _____ Telephone: 263-5826
 Daniel B. Helmick, Manager of Regulatory Affairs, ML&P

Approved by: _____ Date: _____
 James M. Posey, General Manager, ML&P



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 476-2008

Meeting Date: July 15, 2008

FROM: MAYOR

SUBJECT: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TO ADD A NEW TITLE 32 FOR THE MUNICIPAL POWER AUTHORITY AND ENACTING SECTION 4.80.030, AMENDING CHAPTER 26.30 AND SECTIONS 3.20.070, 3.70.060, 4.50.020, 4.70.010, AND 26.10.025, AND REPEALING SECTION 4.70.030 TO PROVIDE FOR CONSISTENCY WITH NEW TITLE 32.

This Assembly Ordinance authorizes the Municipality of Anchorage to establish the Municipal Power Authority (MPA) as a public corporate authority of the municipality existing independently and separately from the municipality. The MPA shall operate and manage the Municipal Light & Power Utility (ML&P).

An independent authority and Board of Directors type of governance has proven to be an effective and efficient way to manage municipal utilities in the United States. In 2004, the Anchorage Water and Wastewater Utility (AWWU) piloted the concept of a municipal utility authority for Anchorage. Seventeen different municipal utility authorities in the U.S. were selected for extensive research on 30 different attributes and best practices. Subsequent to many public meetings and Assembly work sessions, the Assembly approved creation of the AWWU authority in September 2005 (AM 557-2005). The AWWU authority has operated successfully for almost three years under a seven (7) member Board of Directors. The transition has been smooth and the keystones of Financial Integrity, System Reliability and Customer Interests have all improved at AWWU.

ML&P and its customers should also benefit from an authority type of governance. The Administration and ML&P Advisory Commission started looking into the concept in 2007. Subsequent to this effort the ML&P Advisory Commission approved the attached Resolution No. 2008-01 on April 30, 2008 recommending "approval of the proposed ordinance to provide for operation and management of ML&P as an independent authority."

ML&P is currently well operated and managed but can be more efficient and effective if run more like a business. The MPA Board will be focused on just one business enterprise and can provide dedicated and consistent oversight of ML&P operations. The MPA Board

42 will include experts in areas important to ML&P operations and can represent a wide
43 spectrum of viewpoints. The MPA Board will be able to deal more effectively with
44 emerging energy issues both locally and along the Railbelt. The MPA Board can be
45 focused on strong fiscal management and sustaining system integrity. Customers will have
46 better access to policy makers and there will an additional level of public hearings on
47 budgets and rate increases.

48
49 The MPA Board structure and board powers are, with few exceptions, the same as the
50 AWWU authority. The board consists of seven members serving staggered 5 year terms
51 that are appointed by the Mayor and confirmed by the Assembly. The board members will
52 meet certain qualifications and may only be removed for cause. The MPA Board will
53 make expenditure decisions using the same rules and policies contained in title 7 subject to
54 Assembly appropriations. Dividends will also continue to be paid. The MPA Board will
55 develop a transition plan within 270 days of the effective date of this ordinance for the first
56 three years of operations and forward it to the Assembly for approval. The AWWU
57 authority board's experience shows this amount of time is needed to adequately negotiate
58 and plan the transfer of certain municipal services and to present those recommendations to
59 the Assembly.

60
61 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
62 **AMENDING ANCHORAGE MUNICIPAL CODE TO ADD A NEW TITLE 32 FOR**
63 **THE MUNICIPAL POWER AUTHORITY AND ENACTING SECTION 4.80.030,**
64 **AMENDING CHAPTER 26.30 AND SECTIONS 3.20.070, 3.70.060, 4.50.020,**
65 **4.70.010, AND 26.10.025, AND REPEALING SECTION 4.70.030 TO PROVIDE**
66 **FOR CONSISTENCY WITH NEW TITLE 32.**

67
68
69 Prepared by: Municipal Light & Power
70 Recommended by: James M. Posey, General Manager, ML&P
71 Concur: James N. Reeves, Municipal Attorney
72 Concur: Michael K. Abbott, Municipal Manager
73 Respectfully submitted, Mark Begich, Mayor
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MUNICIPAL LIGHT & POWER ADVISORY COMMISSION

Resolution No. 2008-01

A RESOLUTION RECOMMENDING THAT THE ASSEMBLY APPROVE THE ORDINANCE ADOPTING A NEW TITLE 32 TO PROVIDE FOR OPERATION AND MANAGEMENT OF MUNICIPAL LIGHT AND POWER AS AN INDEPENDENT AUTHORITY.

WHEREAS, the Municipal Light and Power Advisory Commission believes that ML&P is a well-operated and well-managed utility; and

WHEREAS, the Municipal Light and Power Advisory Commission believes that ML&P can better meet future challenges by improving the manner in which it is governed; and

WHEREAS, the Municipal Light and Power Advisory Commission's research determined that an independent authority structure is the best governance model; and

WHEREAS, the Municipal Light and Power Advisory Commission believes that an authority focused on one business enterprise governed by an independent board will be more efficient and effective; and

WHEREAS, the Municipal Light and Power Advisory Commission believes that an independent authority structure will support the implementation of best business practices, including the authority for purchasing and contracting; and

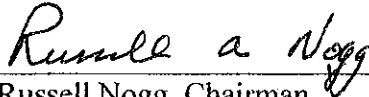
WHEREAS, the Municipal Light and Power Advisory Commission believes that an independent authority will provide better customer access to policy-makers and the budget processes; and

WHEREAS, the Municipal Light and Power Advisory Commission believes that an independent authority structure will facilitate ML&P's efforts to acquire economical and reliable traditional and alternative energy systems, as well as to pursue opportunities and meet challenges presented through growth of the Railbelt electrical grid; and


WHEREAS, the Municipal Light and Power Advisory Commission supports the development of a transition plan providing for the orderly separation of ML&P's functions from those of the Municipality generally.

NOW THEREFORE, BE IT RESOLVED that the Municipal Light and Power Advisory Commission recommends approval of the proposed ordinance to provide for operation and management of Municipal Light and Power as an independent authority.

PASSED AND APPROVED unanimously by the **Municipal Light & Power Commission** this 30th day of April, 2008.



Russell Nogg, Chairman
ML&P Advisory Commission

ATTEST: 

Linda R. Davidovics
ML&P Commission Secretary

Content ID: 006579

Type: Ordinance - AO

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TO ADD A NEW TITLE 32 FOR THE MUNICIPAL POWER AUTHORITY AND ENACTING

Title: SECTION 4.80.030, AMENDING CHAPTER 26.30 AND SECTIONS 3.20.070, 3.70.060, 4.50.020, 4.70.010, AND 26.10.025, AND REPEALING SECTION 4.70.030 TO PROVIDE FOR CONSISTENCY WITH NEW TITLE 32.

Author: maglaquijj

Initiating Dept: MLP

Date Prepared: 7/7/08 3:32 PM

Director Name: Daniel B Helmick

Assembly Meeting Date: 7/15/08

Public Hearing Date: 7/29/08

2008 JUL 11 AM 10:57
 CLERK'S OFFICE

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	7/11/08 9:27 AM	Exit	Heather Handyside	Public	006579
MuniMgrCoord_SubWorkflow	7/11/08 9:27 AM	Approve	Heather Handyside	Public	006579
MuniManager_SubWorkflow	7/11/08 9:25 AM	Approve	Michael Abbott	Public	006579
MuniManager_SubWorkflow	7/11/08 8:30 AM	Checkin	Joy Maglaqui	Public	006579
Legal_SubWorkflow	7/10/08 7:11 PM	Approve	Rhonda Westover	Public	006579
OMB_SubWorkflow	7/9/08 12:58 PM	Approve	Wanda Phillips	Public	006579
MLP_SubWorkflow	7/7/08 4:18 PM	Approve	Joy Maglaqui	Public	006579
AllOrdinanceWorkflow	7/7/08 3:41 PM	Checkin	Saundra Fletcher	Public	006579

