

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and Wastewater Utility
For reading: August 11, 2009

CLERK'S OFFICE
APPROVED

ANCHORAGE, ALASKA
AO No. 2009-98

Date: 10-13-09

1
2 **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**
3 **AUTHORIZING AND PROVIDING FOR THE BORROWING FROM THE STATE**
4 **OF ALASKA CLEAN WATER FUND AN AGGREGATE AMOUNT NOT TO**
5 **EXCEED \$27,134,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE**
6 **COSTS OF VARIOUS AWWU 2009 CAPITAL IMPROVEMENT BUDGET (CIB)**
7 **WASTEWATER IMPROVEMENTS PROJECTS AND PROVIDING FOR RELATED**
8 **MATTERS.**

9
10 WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and
11 18 AAC 76.005 et seq. of the Alaska Administrative Code, established the Alaska Clean
12 Water Fund (the 'Fund'), a fund which makes use of U.S. Government grants as authorized
13 by the Clean Water Act, as amended by P.L. 100-4; and,
14

15 WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from
16 the Fund for the purposes of planning, designing, constructing, equipping, modifying,
17 improving and expanding public wastewater collection, treatment, and discharge facilities;
18 and,
19

20 WHEREAS, the interest rate to be paid by the Municipality on money borrowed from the
21 Fund is a favorable rate considering other sources of funds available to the Municipality; and,
22

23 WHEREAS, the Home Rule Charter of the Municipality provides at Section 15.03 that the
24 Assembly by ordinance shall provide for the form and manner of sale of bonds and notes;
25 and,
26

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

32		
33	Girdwood Wastewater Treatment Facility Upgrade (<i>loan increase</i>)	\$6,074,000
34	Asplund Generator-Electric Room Upgrade (<i>loan increase</i>)	\$6,000,000
35	Asplund Disinfection Upgrade (<i>loan increase</i>)	\$2,856,000
36	Pump Station 10 Upgrade (<i>loan increase</i>)	\$2,500,000
37	Lift Stations 13, 21, 27, 52 & 53 Upgrade	\$1,858,000
38	Eagle River UV Disinfection	\$2,500,000
39	Eagle River Building 1 Roof Replacement/HVAC/UV	\$1,500,000
40	Cope Dorbrant Sewer Upgrade	\$1,000,000
41	Iris Way Sewer Upgrade	\$1,000,000

1	Septage Improvements – Phase II	\$800,000
2	Benson-Dawson-Cheechako Sewer Upgrade	\$700,000
3	B-5C B-6CDEF Sewer Upgrade Phase 2 (<i>loan increase</i>)	\$346,000

4
5 and,

6
7 WHEREAS, it is deemed necessary and advisable and in the best interests of the
8 Municipality and its inhabitants that final applications be submitted and such other actions as
9 may be necessary be taken to borrow a total aggregate amount not to exceed \$27,134,000
10 from the Fund for the purpose of paying a portion of the costs associated with said Projects;
11 and,

12
13 WHEREAS, at its July 2, 2009 meeting, the AWWU Board supported this ordinance to
14 authorize and provide for the borrowing from the State of Alaska Clean Water Fund.

15
16 NOW THEREFORE, the Municipality of Anchorage ordains:

17
18 **Section 1. Definitions.** As used in this Ordinance, unless a different meaning clearly
19 appears from the context:

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

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

44
45 "System" means the existing wastewater utility system of the Municipality as the same will
46 be added to, improved and extended as authorized and provided in this Ordinance, and as the
47 same may be added to, improved and extended for as long as the loans authorized by this

1 Ordinance are outstanding, but shall not include such collections, transmission and treatment
2 facilities that may be hereafter purchased, constructed or otherwise acquired by the
3 Municipality as a separate wastewater utility system, the revenues of which may be pledged
4 to the payment of bonds or notes issued to purchase, construct or otherwise acquire and
5 improve such separate system.
6

7 **Section 2. Purpose.** The purpose of this Ordinance is to authorize the borrowing of a total
8 aggregate amount not to exceed \$27,134,000 from the Fund in the form of loans to provide
9 funds to pay a portion of the capital costs of the Projects and to fix certain details of said
10 loans.
11

12 **Section 3. Authority for Ordinance.** The Assembly has ascertained and hereby determines
13 that each and every matter and thing as to which provision is made in this Ordinance is
14 necessary in order to carry out and effectuate the purposes of the Municipality in accordance
15 with the Constitution and statutes of the State of Alaska, and the Home Rule Charter of the
16 Municipality, and to incur the indebtedness authorized by this Ordinance.
17

18 **Section 4. Obligation of Loans.** The obligation to repay the loans authorized by this
19 Ordinance shall not be a direct and general obligation of the Municipality and neither the
20 faith and credit nor the taxing power of the Municipality is pledged to the payments of the
21 principal of and interest on the loans. The Gross Revenues less the Operating Expenses of the
22 System are hereby pledged to repayment of the loans authorized by this Ordinance.
23

24 **Section 5. Authorization of Loans and Purpose of Issuance.** For the purpose of providing
25 a portion of the funds required to pay the cost of the Projects described herein, and to pay all
26 costs incidental thereto, the Municipality hereby authorizes and determines to borrow
27 moneys from the Fund in the form of a loans in an aggregate principal amount not to exceed
28 \$27,134,000 for the specified construction projects.
29

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

36 **Section 7. Negotiation of Terms and Approval of Amount, Interest Rates, Maturities**
37 **and Other Details of Loans.** The General Manager of AWWU shall negotiate with the
38 State and the Assembly shall by resolution approve the total amount of the loans to be
39 entered into for the Projects; the interest rate, as defined by 18AAC76.080(b)(1) "for a
40 contract term of five to 20 years, accrual of finance charges begins one year after the date of
41 the first payment to the borrower; the department will assess a finance charge at a rate of one
42 and one-half percent of the total amount of financial assistance disbursed, or 30 percent of
43 the current bond rate as defined by the Municipal Bond Index, whichever is higher"; the
44 interest and principal payment dates, the maturities, which shall not exceed 20 years, and any
45 other details of the loans.
46

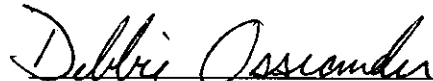
47 **Section 8. Authority of Officers.** The Mayor, the Acting Mayor from time to time, the
Municipal Manager, the Chief Fiscal Officer, the General Manager of AWWU, the

1 Municipal Clerk and the Acting Municipal Clerk from time to time, are, and each of them
2 hereby is, authorized and directed to do and perform all things and determine all matters not
3 determined by this Ordinance, or to be determined by a subsequent ordinance or resolution of
4 the Municipality, to this end that the Municipality may carry out its obligations under the
5 loans and this Ordinance.
6

7 **Section 9. Severability.** If any one or more of the covenants and agreements provided in
8 this Ordinance to be performed on the part of the Municipality shall be declared by any court
9 of competent jurisdiction to be contrary to law, then such covenant and agreements shall be
10 null and void and shall be deemed separable from the remaining covenant and agreement in
11 this Ordinance and shall in no way affect the facility of the other provisions of this Ordinance
12 or of the loans entered into pursuant to this Ordinance.
13

14 **Section 10. Effective Date.** This Ordinance shall take effect immediately.
15

16
17 PASSED AND APPROVED by the Anchorage Assembly this 13th day of
18 October, 2009.
19

20 
21 _____
22 Chairman
23

24 ATTEST:

25 
26 _____
27 Municipal Clerk
28

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - Utilities

AO Number: 2009-98 Title: **An Ordinance authorizing and providing for the borrowing of a total amount not to exceed \$27,134,000 from the State of Alaska Clean Water Fund for the purpose of paying a portion of the cost of various wastewater capital improvements**

Sponsor:

Preparing Agency: **Anchorage Water and Wastewater Utility** Others Affected: **None**

CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)

	FY08	FY09	FY10	FY11	FY12
Operating Revenues:					
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	0	400,000	390,000	\$370,000
TOTAL NON-OPERATING EXPENSES:	0	0	0	0	0
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 30 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 447-2009

Meeting Date: Aug 11,2009

1 **From: Mayor**

2
3 **Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,**
4 **ALASKA, AUTHORIZING AND PROVIDING FOR THE BORROWING**
5 **FROM THE STATE OF ALASKA CLEAN WATER FUND AN**
6 **AGGREGATE AMOUNT NOT TO EXCEED \$27,134,000 FOR THE**
7 **PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS**
8 **AWWU 2009 CAPITAL IMPROVEMENT BUDGET (CIB)**
9 **WASTEWATER IMPROVEMENTS PROJECTS AND PROVIDING FOR**
10 **RELATED MATTERS.**

11
12 The State of Alaska Department of Environmental Conservation offers low-interest loans
13 through the Alaska Clean Water Fund program to communities for the planning, design, and
14 construction of publicly owned wastewater capital projects.

15
16 The attached Ordinance authorizes borrowing of not to exceed \$27,134,000 to be used
17 specifically for financing a portion of the costs of the following AWWU 2009 CIB projects
18 included in the Alaska Clean Water Fund FY10 Intended Use Plan:

19

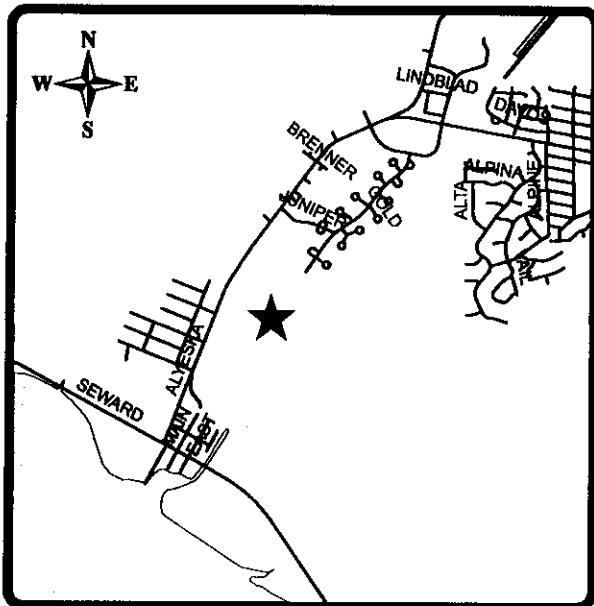
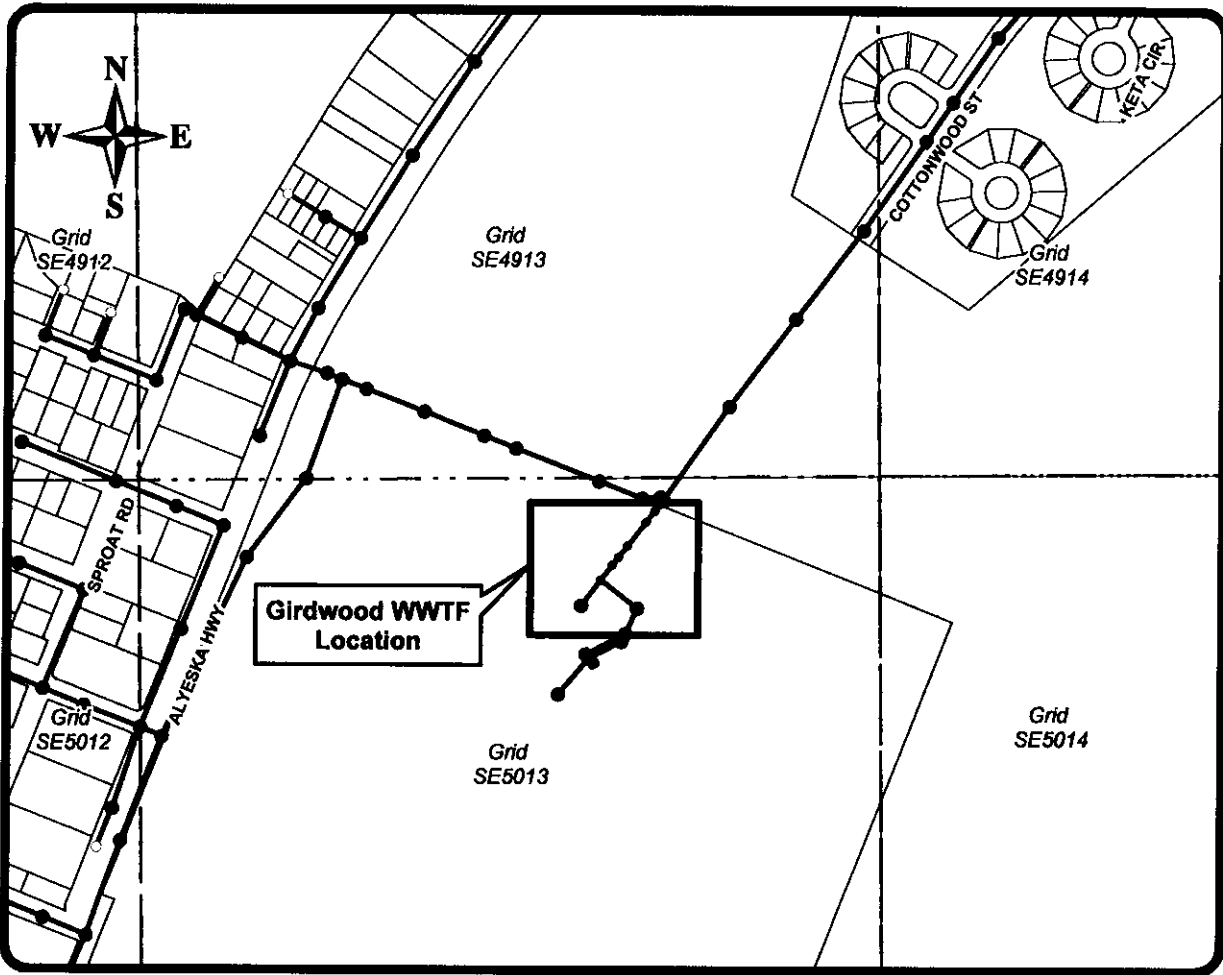
20	Girdwood Wastewater Treatment Facility Upgrade (<i>loan increase</i>)	\$6,074,000
21	Asplund Generator-Electric Room Upgrade (<i>loan increase</i>)	\$6,000,000
22	Asplund Disinfection Upgrade (<i>loan increase</i>)	\$2,856,000
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29	Septage Improvements – Phase II	\$800,000
30	Benson-Dawson-Cheechako Sewer Upgrade	\$700,000
31	B-5C B-6CDEF Sewer Upgrade Phase 2 (<i>loan increase</i>)	\$346,000

32

33 At its July 2, 2009 meeting, the AWWU Board supported this ordinance to authorize and
34 provide for the borrowing from the State of Alaska Clean Water Fund.

35
36 **THE ADMINISTRATION CONCURS IN THE AWWU BOARD**
37 **RECOMMENDATION AND REQUESTS APPROVAL OF AN ORDINANCE OF**
38 **THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND**
39 **PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$27,134,000 FROM**
40 **THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF**
41 **FINANCING A PORTION OF THE COSTS OF VARIOUS AWWU 2009**
42 **WASTEWATER CAPITAL IMPROVEMENT BUDGET (CIB) PROJECTS.**

1		
2	Prepared by:	Anchorage Water and Wastewater Utility
3	Recommended by:	Mark Premo, P.E., General Manager, AWWU
4	Concur:	George Vakalis, Municipal Manager
5	Respectfully submitted:	Dan Sullivan, Mayor



Maps Not-to-Scale

LEGEND

- Existing Sewer Mains
- Existing Manholes
- ★ Project Map Area

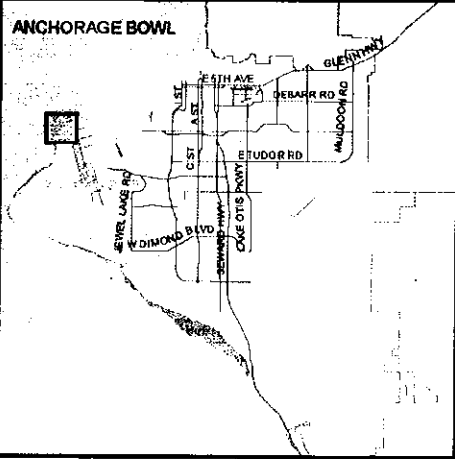
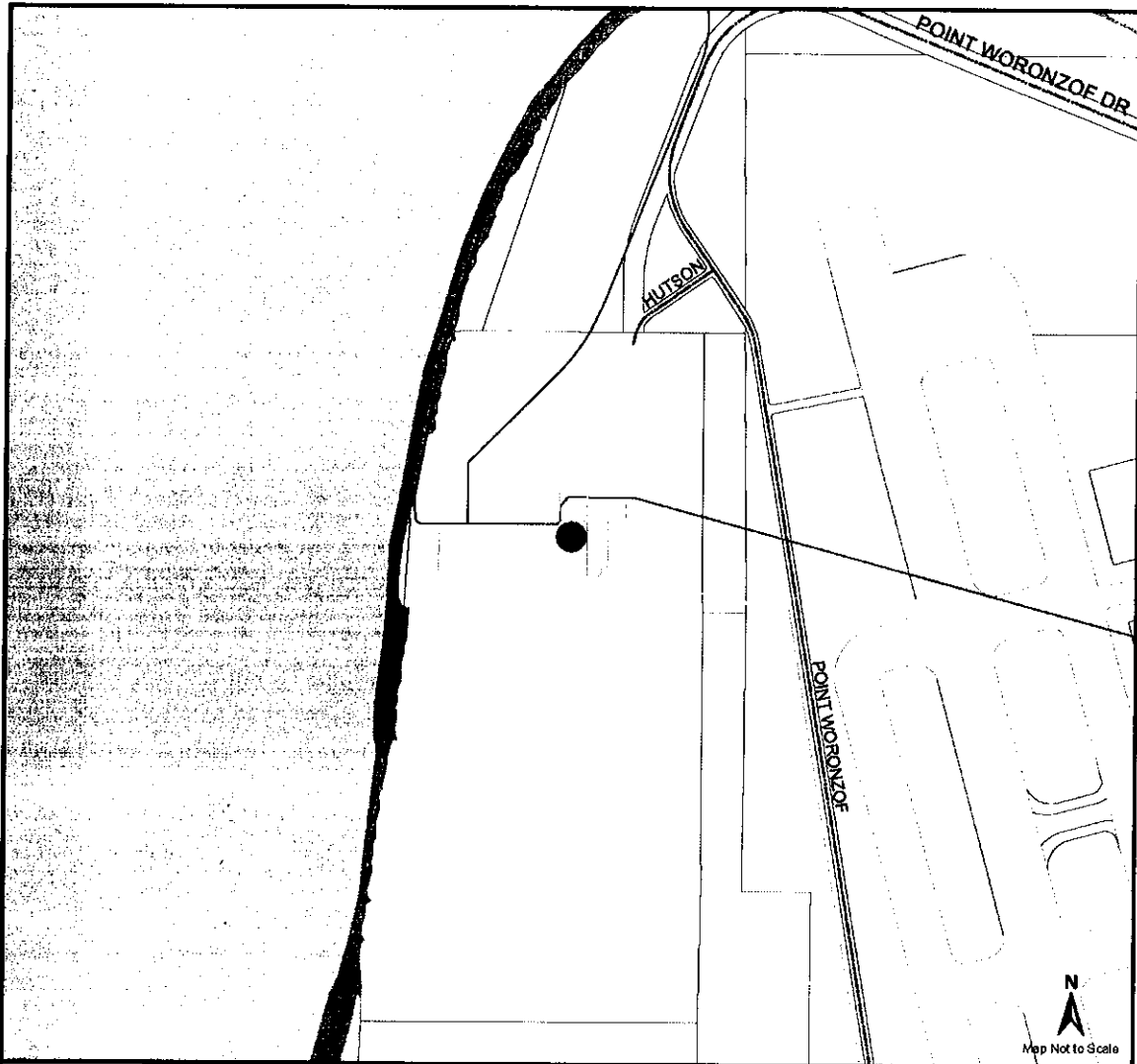




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Girdwood_WWTF_Upgr

People Soft Project ID 0000003450






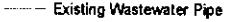
Anchorage Water & Wastewater Utility



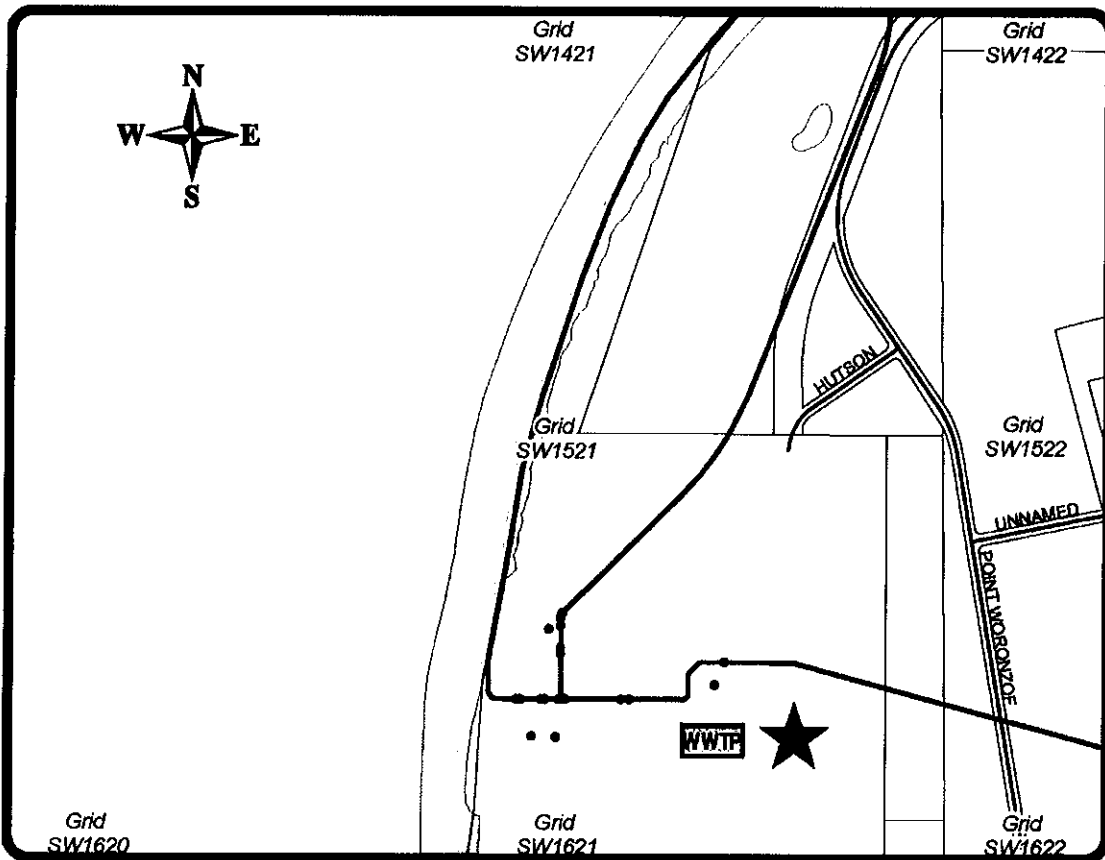

 Municipality of Anchorage
 
Anchorage Water and Wastewater Utility

AWWTF_Gen-Elec_Rm_Upgr

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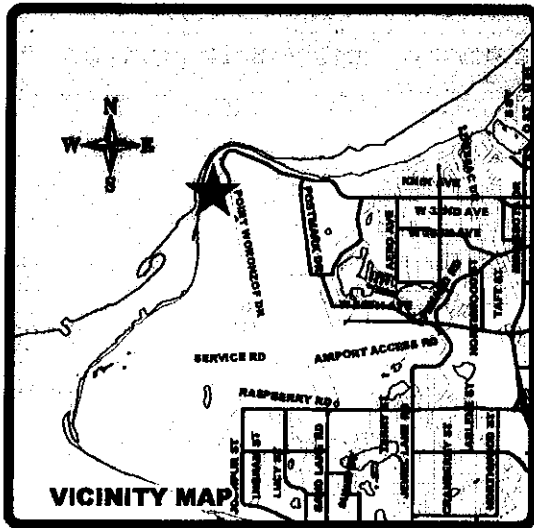
- | | | | |
|---|------------|--|--------------------------|
|  | Water |  | Water |
|  | Wastewater |  | Wastewater |
| | |  | Existing Water Pipe |
| | |  | Existing Wastewater Pipe |

Map Created: 09/25/2007






PROJECT MAP GRID SW1521

Map N.T.S.



VICINITY MAP

Legend:

-  Existing Sewer Lines
-  Approximate location
-  Existing Manhole

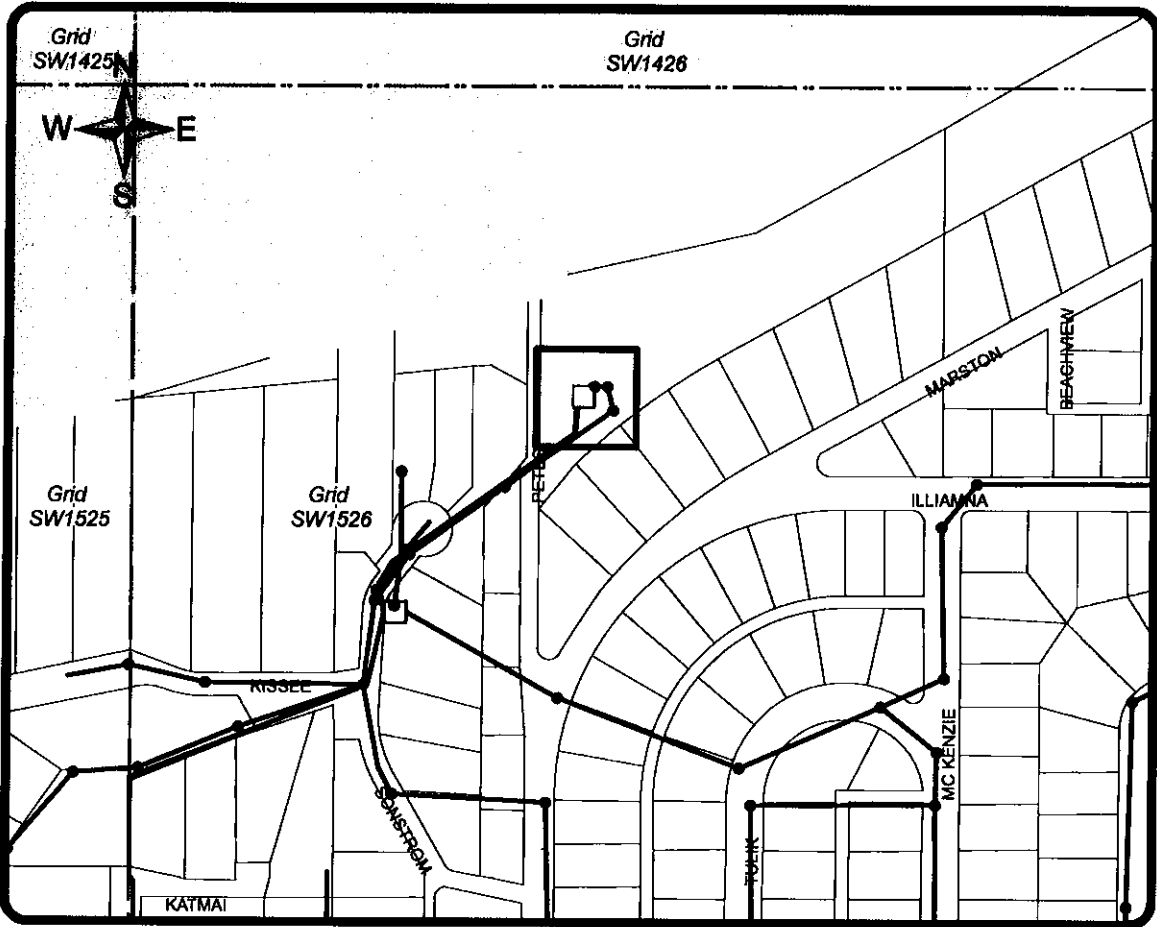


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PM ID

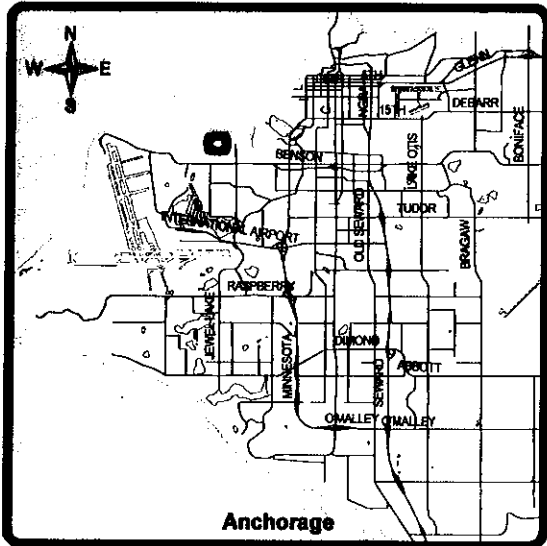
ASPLUND DISINFECTION

PeopleSoft Project ID 0000004612




Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

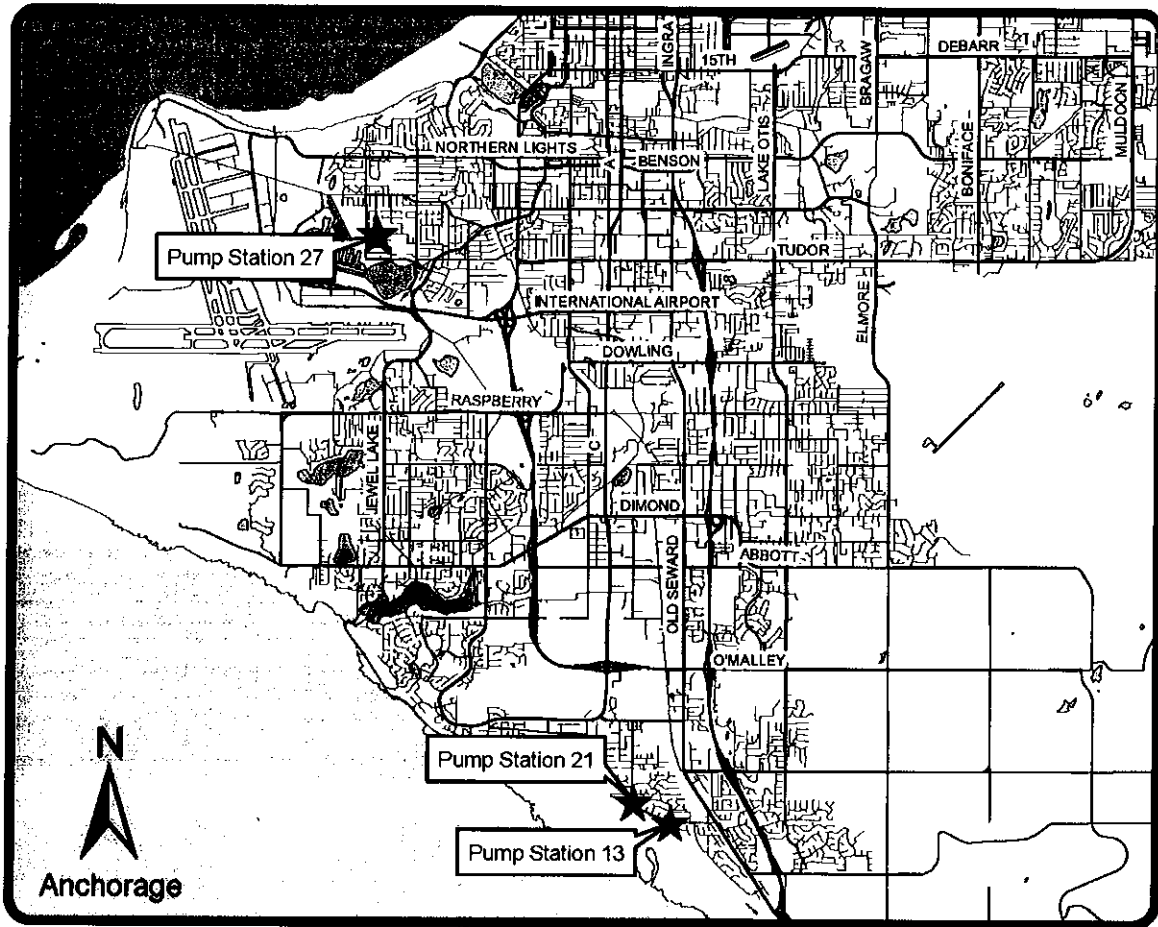
-  Existing Sewer Mains
-  Existing Manholes
-  Project Map Area



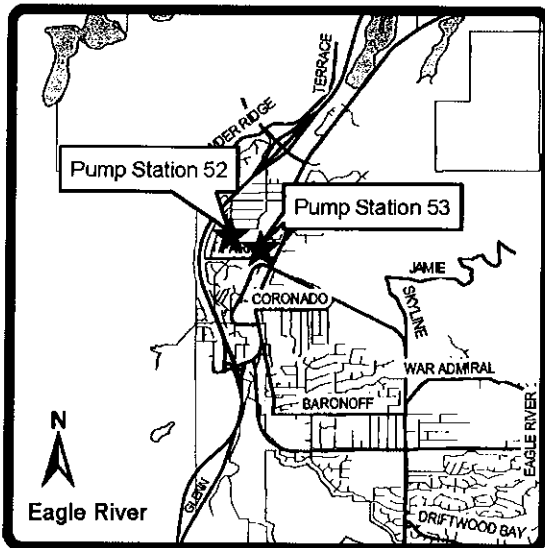
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PS_10_Upgr

PeopleSoft Project ID 000003738
Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

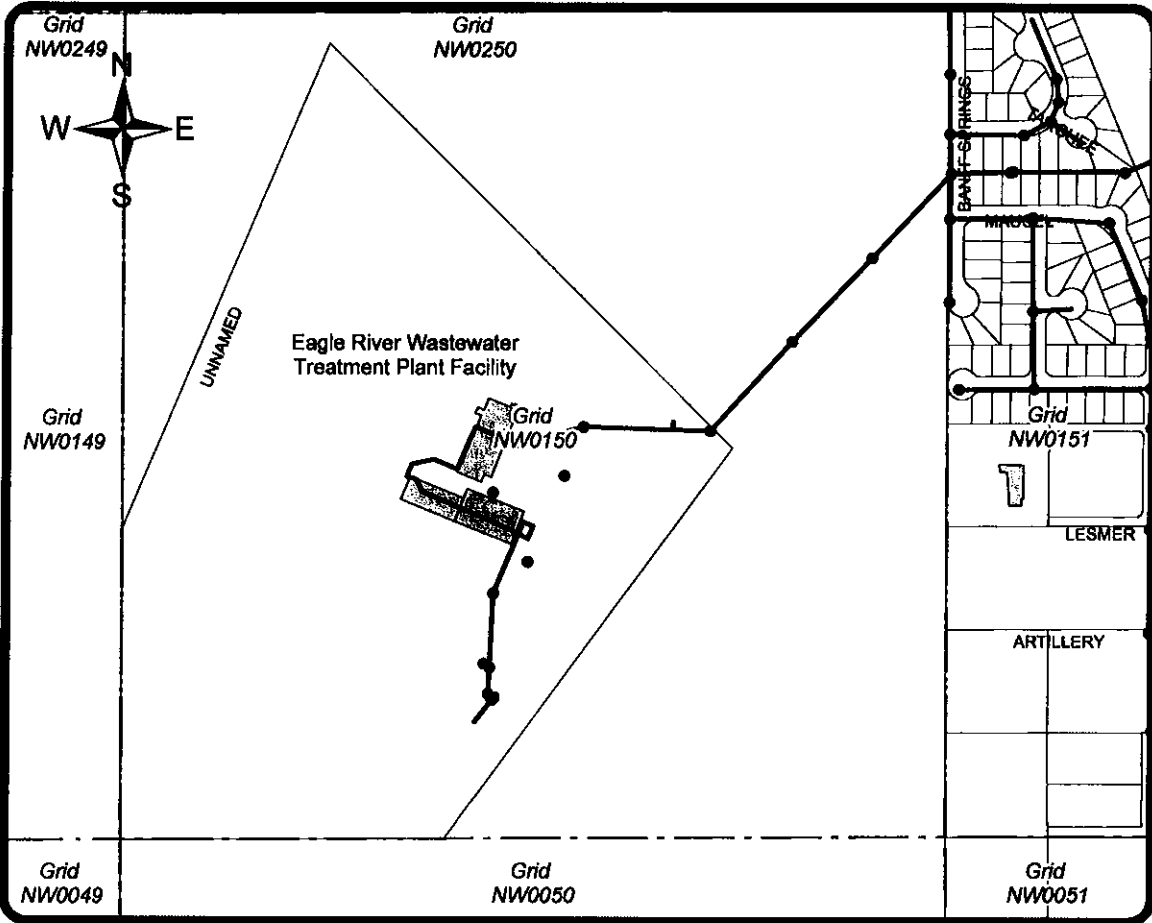
- Existing Sewer Mains
- ★ Lift & Pump Stations in Project



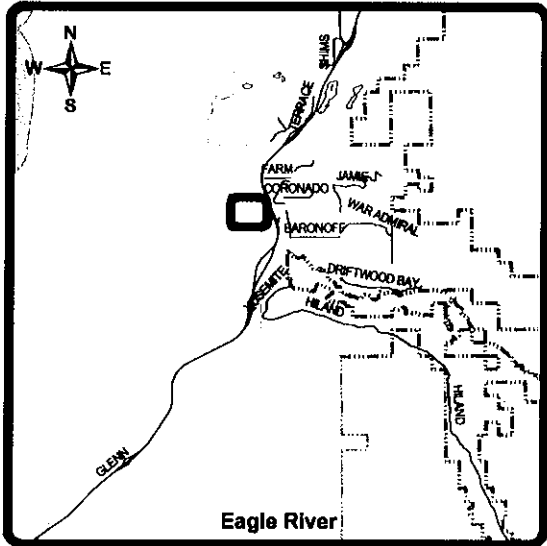
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Pump Stns 13 21 27 52 53 Upgr




PeopleSoft Project ID 000004604
Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

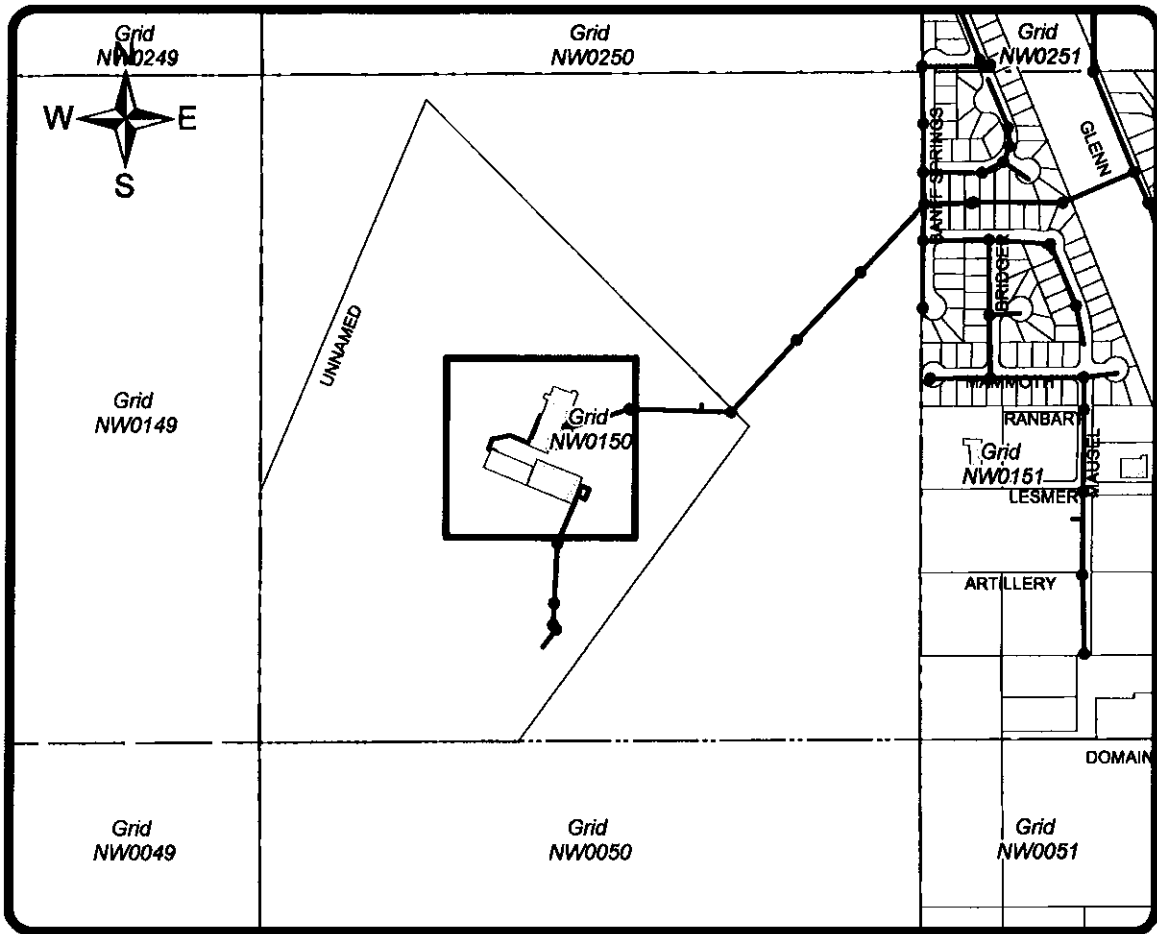
-  Existing Sewer Mains
-  Existing Manholes
-  Project Map Area



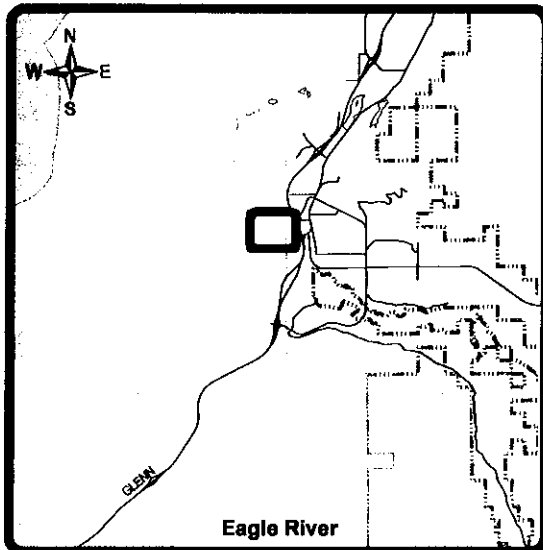
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ERWWTF_UV_Disinfection




PeopleSoft Project ID 0000004837
Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

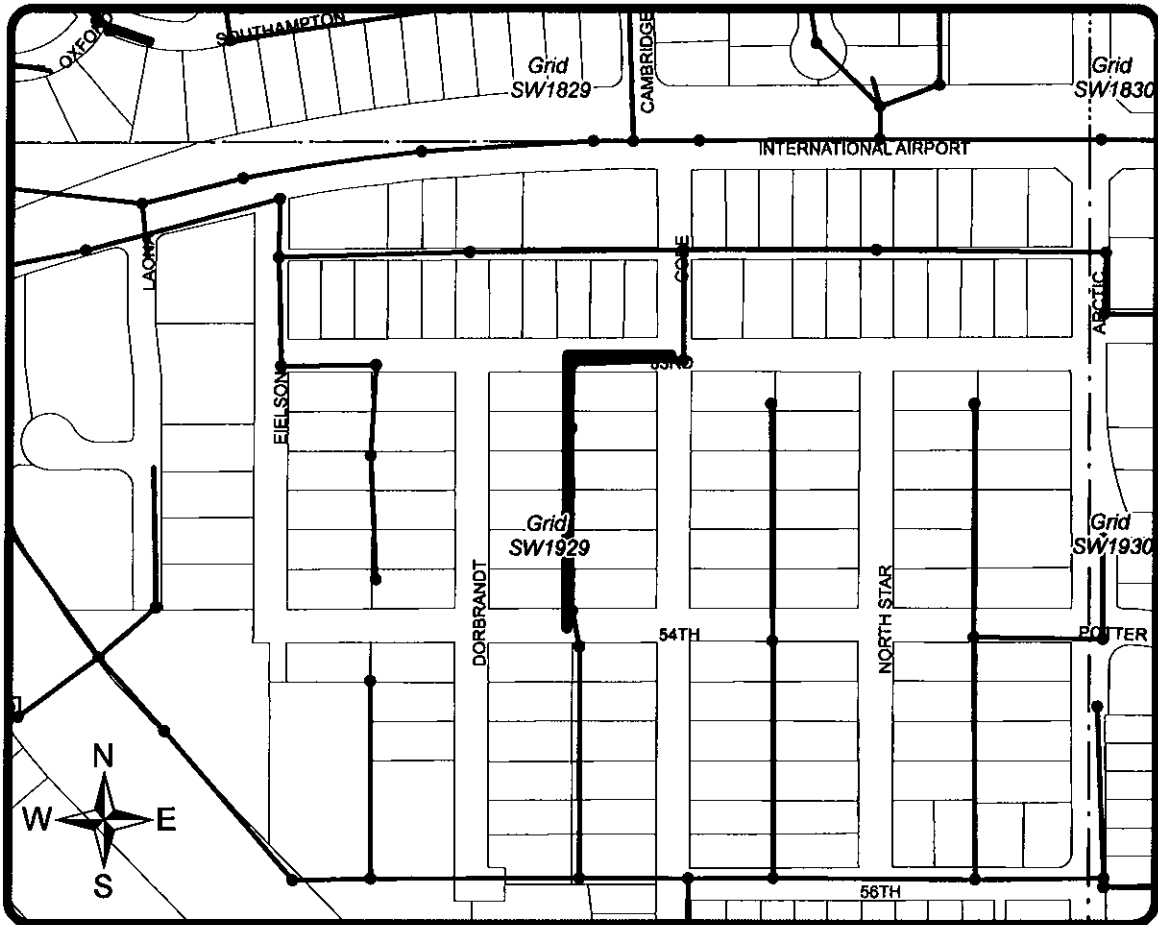
-  Existing Sewer Mains
-  Existing Manholes
-  Project Area



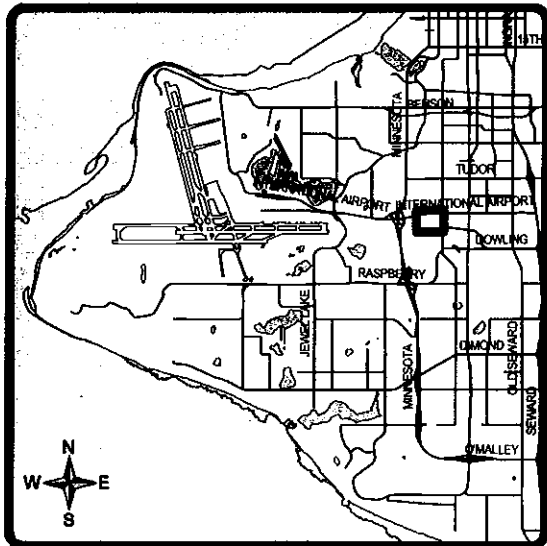
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1-31-08

**ERWWTF-Bldg 1
Roof Replacement**





PeopleSoft Project ID 0000004955
Anchorage Water & Wastewater Utility



Maps Not-to-Scale



LEGEND

-  Project Sewer Mains
-  Existing Sewer Mains
-  Existing Manholes
-  Project Map Area

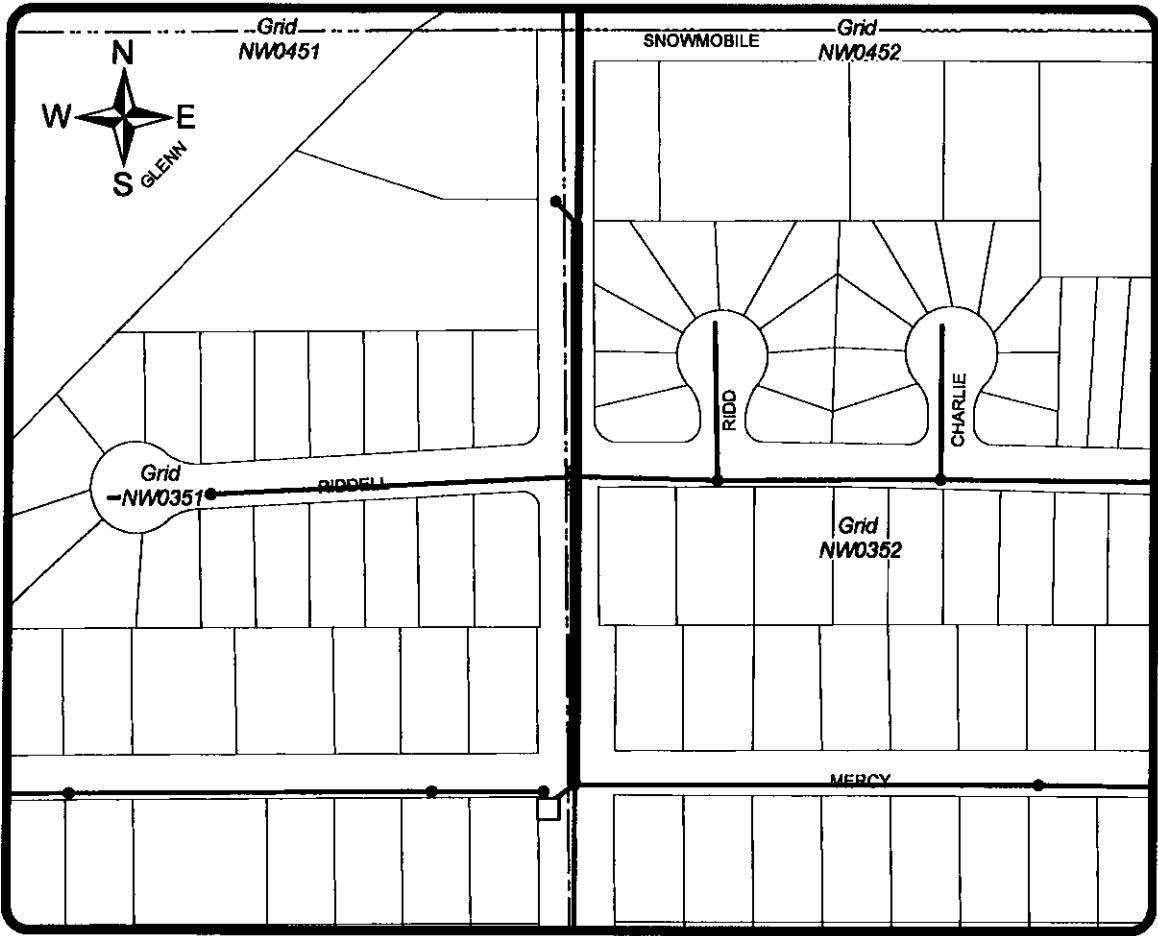


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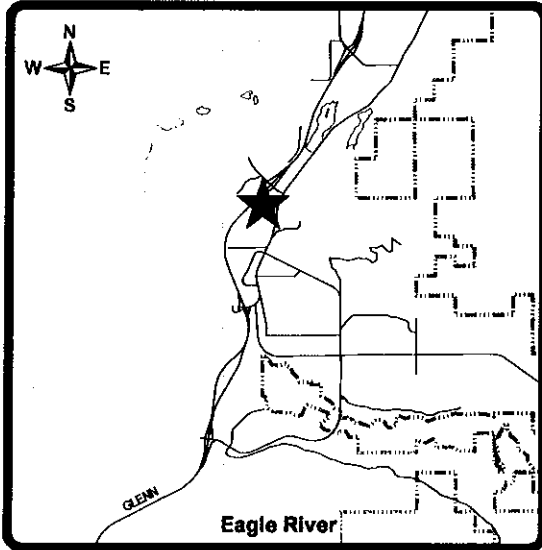
Cope Dorbrant Swr Upgr

PeopleSoft Project ID 000003348





Anchorage Water & Wastewater Utility



Maps Not-to-Scale



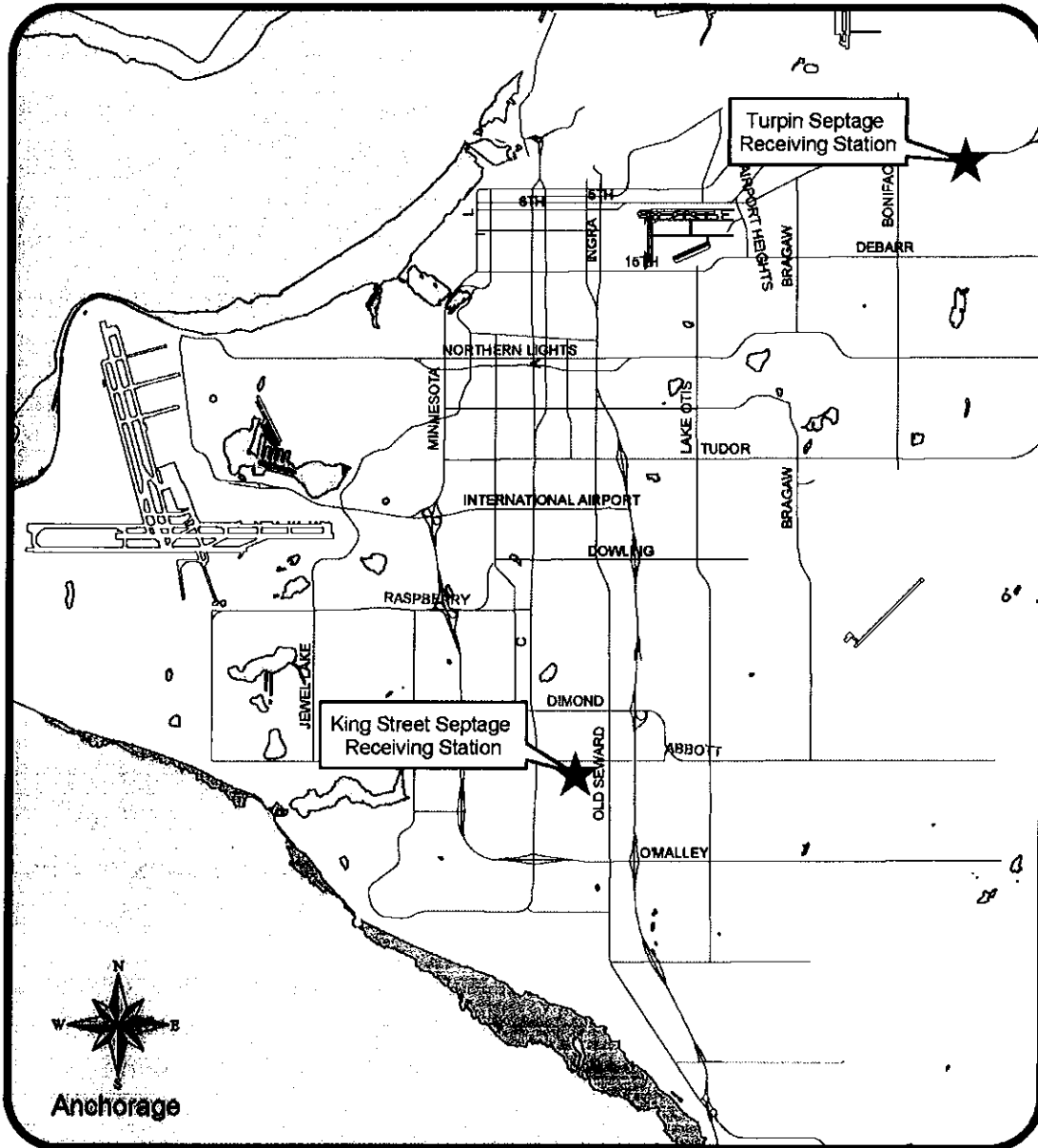
LEGEND

-  Existing Sewer Mains
-  Existing Manholes
-  Project Sewer Mains
-  Project Area



Map Created
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1/05/2009

Iris Way Swr Upgr
PeopleSoft Project ID 0000004962
Anchorage Water & Wastewater Utility



Maps not-to-scale

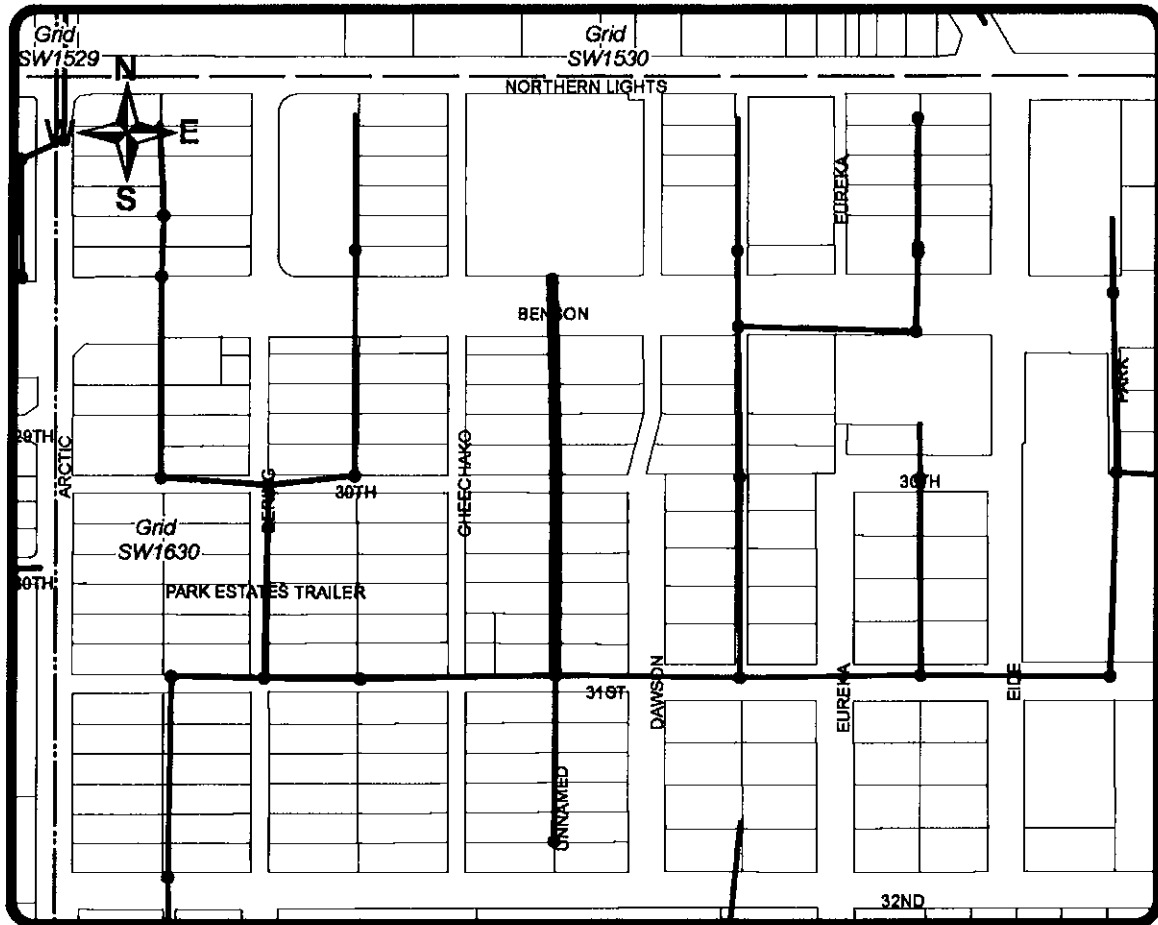
LEGEND

★ Project Location

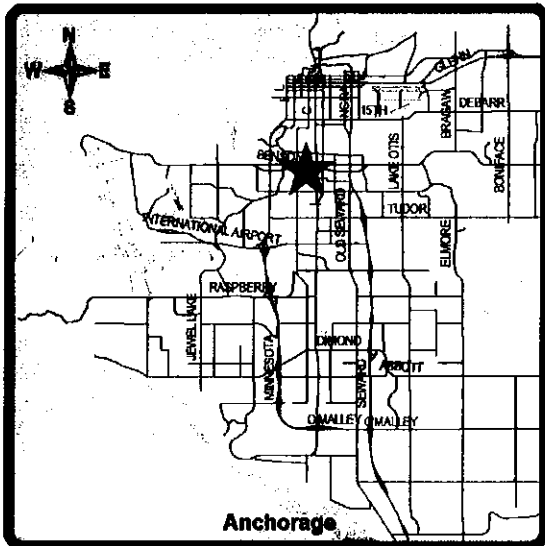
Septage Improvements Ph2
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Anchorage Water & Wastewater Utility







Map Created
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 12/21/2006



Maps Not-to-Scale



LEGEND

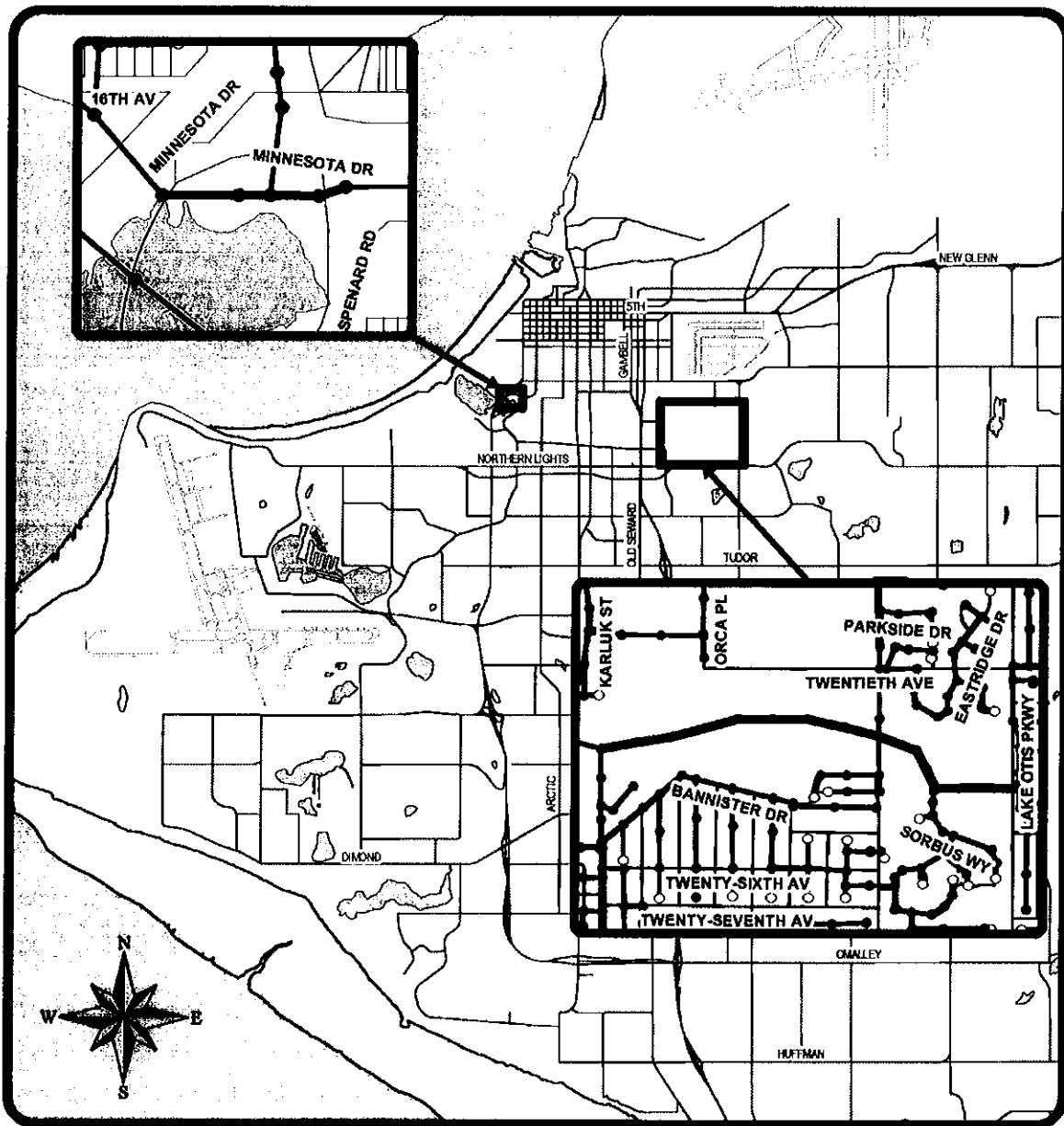
-  Existing Sewer Mains
-  Existing Manholes
-  Project Sewer Mains
-  Project Area



Map Created
by AJU
10/22/2008




Benson_Dawson-Chee_Swr_Upgr

PeopleSoft Project ID 000005455
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 000004100

Anchorage Water & Wastewater Utility

Map Created
by AJU
2-13-2006

Content ID: 007996

Revision: 0

Type: Ordinance - AO

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

Title: \$27,134,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS AWWU 2009 CAPITAL IMPROVEMENT BUDGET (CIB) WASTEWATER IMPROVEMENTS PROJECTS AND PROVIDING FOR RELATED MATTERS.

Author: gibsonam

Initiating Dept: AWWU

Select Routing: Standard

Review Depts:

Description:

Keywords:

Date Prepared: 7/29/09 10:14 AM

Director Name:

Addnl Dept Review ?: No

Addnl Review Depts:

Mayor Review?: No

Requested Assembly Meeting Date 8/11/09 12:00 AM
MM/DD/YY:

Revision:

8/3/09 8:46 AM	007996	0	Step1	Joy Maglaqui	Exit	Public
8/3/09 8:46 AM	007996	0	Step1	Joy Maglaqui	Approve	Public
8/3/09 8:46 AM	007996	0	Step1	Joy Maglaqui	Approve	Public
7/31/09 4:25 PM	007996	0	Step1	Rhonda Westover	Approve	Public
7/31/09 6:29 AM	007996	0	Step1	Cheryl Frasca	Approve	Public
7/29/09 5:39 PM	007996	0	Step1	Cheryl Frasca	Approve	Public
7/29/09 10:18 AM	007996	0	Step1	Mark Premo	Approve	Public
7/29/09 10:15 AM	007996	0	contribution	Alyssa Gibson	Checkin	Public