

Requested by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L Gates LLP
For Reading: October 13, 2009

CLERK'S OFFICE
APPROVED

Date:

10-27-09

MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. AO 2009-121

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF
ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE
SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$130,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE
CERTAIN CAPITAL PROJECTS.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality"), owns,
operates and maintains an electric utility system (hereinafter defined as the
"System"); and

WHEREAS, the facilities of the System are in need of upgrades, including the
acquisition and installation of certain electric property and equipment (hereinafter
defined as the "Projects"); and

WHEREAS, the Municipality has outstanding the revenue bonds described with
particularity on Exhibit A, which have a senior lien on the electric revenues of the
Municipality (defined on Exhibit A as the "Outstanding Senior Lien Bonds"); and

WHEREAS, the Constitution and statutes of the State of Alaska and Article XV of
the Home Rule Charter of the Municipality permit the Municipality to issue revenue
bonds payable out of the revenues of the System without ratification by an
election; and

1 **WHEREAS**, the Municipality now deems it to be in the best interest of the
2 inhabitants of the Municipality to provide for the financing of the Projects by the
3 issuance of one or more series of electric revenue bonds herein authorized
4 (hereinafter defined as the "Bonds") with an aggregate principal amount of not to
5 exceed \$130,000,000; and

6 **WHEREAS**, each of the ordinances that authorized the issuance of the
7 Outstanding Senior Lien Bonds defined on Exhibit A permit the Municipality to
8 issue revenue bonds in the future on a parity with the Outstanding Senior Lien
9 Bonds upon compliance with the terms and conditions set forth in such ordinances
10 (the "Senior Lien Parity Conditions"); and

11 **WHEREAS**, the Municipality will confirm that the Senior Lien Parity Conditions
12 have or will be complied with prior to the closing and delivery of the proposed
13 electric revenue bonds; and

14 **WHEREAS**, it is necessary to establish the form and manner of sale of such
15 electric revenue bonds by ordinance; now, therefore,

16 **THE ANCHORAGE ASSEMBLY ORDAINS:**

17 **Section 1.** **Purpose.** The purpose of this ordinance is to approve and provide
18 for the issuance and sale of not to exceed \$130,000,000 of electric revenue bonds
19 to provide moneys to pay or reimburse the costs of the Projects, to pay costs of
20 issuance, to provide for reserves and to fix the form, certain covenants and
21 manner of sale for said electric revenue bonds.

1 **Section 2. Definitions.** As used in this ordinance, unless a different meaning
2 clearly appears from the context:

3 **Assembly** means the general legislative authority of the Municipality, as
4 the same may be constituted from time to time.

5 **Bond** or **Bonds** means any of the electric revenue bonds of the
6 Municipality the issuance and sale of which are approved herein.

7 **Bond Fund** means the Anchorage Senior Lien Electric Revenue Bond
8 Fund created by Section 13 of Ordinance No. AO 83-60(S).

9 **Bond Purchase Contract** means the purchase contract(s) for each series
10 of the Bonds between the Municipality and the Underwriters entered into
11 pursuant to the terms of Section 7 of this ordinance.

12 **Charter** means the Anchorage Municipal Charter as the same may be
13 amended from time to time.

14 **Chief Fiscal Officer** means the chief fiscal officer of the Municipality
15 appointed and confirmed pursuant to Section 5.05 of the Anchorage
16 Municipal Charter.

17 **Electric Utility Fund** means the special fund of that name created by
18 Section 12 of Ordinance No. AO 83-60(S).

19 **Future Senior Lien Parity Bonds** means any electric revenue bonds,
20 notes or other obligations of the Municipality, issued in the future under an
21 ordinance wherein the Municipality pledges that the payments to be made
22 out of Gross Revenues and moneys in the Electric Utility Fund into the
23 Bond Fund and Reserve Account-Senior therein to pay and secure the

1 payment of the principal of and interest on such revenue bonds, notes or
2 other obligations will be on a parity with the payments required by this
3 ordinance and the Trust Agreement to be made out of such Gross
4 Revenues of the Electric Utility Fund into such Bond Fund and Reserve
5 Account-Senior to pay and secure the payment of the principal of and
6 interest on the Outstanding Senior Lien Bonds and the Bonds.

7 **Gross Revenues** means all rates and charges and other income, in each
8 case derived by or for the account of the Municipality from the ownership,
9 leasing or operation of the System, except interest received and profits
10 derived from the investment of moneys other than moneys in the Electric
11 Utility Fund, including moneys in the Operating Reserve Fund.

12 **Municipality** means Anchorage, Alaska, a municipal corporation organized
13 and existing under the Constitution and laws of the State of Alaska.

14 **1993 Bond Ordinance** means, collectively, Ordinance No. AO 92-171(S)
15 passed on January 5, 1993 and Resolution No. AR 93-20, adopted on
16 January 26, 1993.

17 **1993 Bonds** means the Municipality of Anchorage, Alaska, Senior Lien
18 Refunding Electric Revenue Bonds, 1993, issued pursuant to the 1993
19 Bond Ordinance, which remain outstanding in the principal amount of
20 \$14,920,000.

21 **1996 Bond Ordinance** means Ordinance No. AO 95-217(S) passed on
22 December 5, 1995.

1 **1996 Bonds** means the Municipality of Anchorage, Alaska, Senior Lien
2 Refunding Electric Revenue Bonds, 1996, issued pursuant to the 1996
3 Bond Ordinance, which remain outstanding in the principal amount of
4 \$40,200,000.

5 **Operating Reserve Fund** means the Electric Utility Operating Reserve
6 Fund established by Section 15 of Ordinance No. AO 83-60(S).

7 **Outstanding Senior Lien Bonds** means the senior lien electric revenue
8 bonds identified in Exhibit A of this ordinance.

9 **Projects** means the improvements made and to be made to the facilities of
10 the System, as approved in Section 3 of this ordinance.

11 **Registrar** means the bank or trust company appointed pursuant to
12 Section 7 hereof to act as Registrar, and its successor or successors.

13 **Reserve Account-Senior** means the Senior Lien Reserve Account
14 created in the Bond Fund by Section 14 of Ordinance No. AO 83-60(S).

15 **Senior Lien Parity Bonds** means the Outstanding Senior Lien Bonds, the
16 Bonds and any Future Senior Lien Parity Bonds.

17 **Senior Lien Parity Conditions** means, with respect to Senior Lien Parity
18 Bonds, the conditions under which the Municipality may issue bonds in the
19 future having a parity of lien on the available revenues of the System with
20 the lien of the 1993 Bonds, the 1996 Bonds and the 2005 Bonds, being
21 those conditions set forth in the 1993 Bond Ordinance, the 1996 Bond
22 Ordinance and the 2005 Bond Ordinance.

1 **System** means the existing electric utility system of the Municipality as the
2 same may be added to, improved and extended for as long as any of the
3 Bonds are outstanding, but shall not include such generation, transmission
4 and distribution facilities that may be hereafter purchased, constructed or
5 otherwise acquired by the Municipality as a separate electric utility system,
6 the revenues of which may be pledged to the payment of bonds issued to
7 purchase, construct or otherwise acquire and improve such separate
8 system.

9 **Trust Agreement** means each agreement(s) of that name between the
10 Municipality and the Registrar, acting in the capacity of a trustee
11 thereunder, with respect to each series of the Bonds.

12 **2005 Bond Ordinance** means, collectively, Ordinance No. AO 2005-110,
13 passed on September 13, 2005 and the Trust Agreement between the
14 Municipality and U.S. Bank National Association, dated November 1, 2005.

15 **2005 Bonds** mean the Municipality of Anchorage, Alaska, Senior Lien
16 Electric Revenue Refunding Bonds, 2005A, issued pursuant to the 2005
17 Bond Ordinance, which remain outstanding in the principal amount of
18 \$106,640,000.

19 **Underwriter(s)** has the meaning given such term in the Trust Agreement.

1 **Section 3. Authorization of Bonds and Purpose of Issuance.** The Municipality
2 hereby authorizes the issuance and sale of not to exceed \$130,000,000 of electric
3 revenue bonds in one or more series and/or subseries (the "Bonds"). The Bonds
4 shall be designated as provided in the Trust Agreement, and be subject to the
5 terms approved by the Chief Fiscal Officer, as set forth in the Trust Agreement.

6 The Bonds shall be deemed to mature on the dates and principal amounts
7 set forth and approved in the contract of purchase for the Bonds approved by the
8 Chief Fiscal Officer pursuant to Section 7 of this ordinance.

9 The Bonds shall be used to pay or to reimburse the costs of the certain
10 upgrades, including the acquisition and installation of certain electric property and
11 equipment, to the facilities of the System undertaken as a part of the capital
12 improvement plans (collectively, the "Projects") as the same may be described in
13 more detail in the Trust Agreement; to fund or provide for reserves; and to pay
14 costs of issuance.

15 The exact principal amount of the Bonds shall be determined at the time of
16 sale of the Bonds and shall be consistent with the pricing guidelines established in
17 Section 7 of this ordinance. The Bonds shall be payable in the manner and from
18 such fund or funds and shall be secured all as provided in the hereafter authorized
19 Trust Agreement.

20 **Section 4. Issuance Subject to Compliance With Senior Lien Parity Conditions.**

21 The issuance of each series of Senior Lien Parity Bonds is conditioned upon
22 compliance with the applicable requirements of the Senior Lien Parity Conditions.

1 The issuance of each series of Bonds is conditioned upon compliance with the
2 applicable requirements of the Senior Lien Parity Conditions.

3 **Section 5. Form of Bonds.** The Bonds shall be in substantially the following
4 form with such additions and modifications as shall be appropriate to reflect the
5 final negotiated terms of the Bonds.

6 UNITED STATES OF AMERICA
7 No. _____ \$ _____
8 STATE OF ALASKA
9 ANCHORAGE, ALASKA
10 SENIOR LIEN ELECTRIC REVENUE BOND, 2009 [TAX-EXEMPT/TAXABLE]
11
12 INTEREST RATE: MATURITY DATE: CUSIP NO.:
13
14 REGISTERED OWNER:
15
16 PRINCIPAL AMOUNT:
17

18 Anchorage, Alaska (the "Municipality"), a municipal corporation of the State
19 of Alaska, hereby acknowledges itself to owe and for value received promises to
20 pay to the Registered Owner identified above, or its registered assigns, solely out
21 of the special fund of the Municipality known as the "Anchorage Senior Lien
22 Electric Revenue Bond Fund" (the "Bond Fund") created by authority of Ordinance
23 No. AO 83-60(S) of the Municipality on the Maturity Date identified above, the
24 Principal Amount indicated above together with interest thereon at the Interest
25 Rate shown above, payable on _____ 1, 20__, and semiannually thereafter
26 on the first days of _____ and _____, or until such Principal Amount
27 shall have been paid or duly provided for. Payments of principal of and interest on
28 this bond shall be made as provided in The Depository Trust Company
29 Operational Arrangements Memorandum dated December 12, 1994, as amended
30 from time to time and referred to in the Blanket Issuer Letter of Representations
31 dated July 1, 1995, between the Municipality and The Depository Trust Company
32 (together, the "Letter of Representations") for so long as this bond is held in book
33 entry only form. _____, _____, _____ has
34 been appointed as the authentication agent, paying agent and registrar for the
35 bonds of this issue (the "Registrar").
36

1 This bond is one of an issue of bonds (the "Bonds") of like date and tenor
2 except as to number, rate of interest, and date of maturity, aggregating the
3 principal sum of \$_____ and is issued pursuant to the Constitution and
4 statutes of the State of Alaska and the Home Rule Charter and duly adopted
5 ordinances and resolutions of the Municipality, including particularly, Ordinance
6 No. _____ of the Municipality (the "Bond Ordinance") and a Trust Agreement
7 dated _____, 2009 between the Municipality and the Registrar (the "Trust
8 Agreement") for the purpose of paying or reimbursing the costs of certain capital
9 projects, [to provide for reserves,] and to pay costs of issuance. The definitions
10 contained in the Bond Ordinance and the Trust Agreement shall apply to
11 capitalized terms contained herein.
12

13 Certain maturities of the Bonds are subject to optional and/or mandatory
14 redemption prior to their scheduled maturities.
15

16 The Municipality does hereby pledge and bind itself to set aside out of
17 Gross Revenues and the money in the Electric Utility Fund and to pay into the
18 Bond Fund the various amounts required by the Bond Ordinance and the Trust
19 Agreement to be paid into and maintained in said fund all within the times provided
20 in the Bond Ordinance and the Trust Agreement. The Municipality has further
21 pledged and bound itself to pay into such Electric Utility Fund, as collected, all
22 Gross Revenues.
23

24 The pledge of Gross Revenues and moneys in the Electric Utility Fund
25 contained herein and in the Bond Ordinance may be discharged by making
26 provision, at any time, for the payment of the principal of and interest on this bond
27 in the manner provided in the Trust Agreement.
28

29 The amounts so pledged to be paid out of said Electric Utility Fund into the
30 Bond Fund are hereby declared to be a lien and charge upon the money in the
31 Electric Utility Fund and Gross Revenues superior to all other charges of any kind
32 or nature except Operating Expenses (other than Municipal Utility Service
33 Assessments and successor payments in lieu of property taxes), and equal in lien
34 and charge thereon for amounts pledged to the payment of the Senior Lien
35 Refunding Electric Revenue Bonds, 1993, the Senior Lien Refunding Electric
36 Revenue Bonds, 1996 and the Senior Lien Electric Revenue Refunding Bonds,
37 Series 2005A and any Senior Lien Parity Bonds hereafter issued.
38

39 It is hereby certified that all acts, conditions and things required by the
40 Constitution and statutes of the State of Alaska and the Home Rule Charter,
41 resolutions and ordinances of the Municipality to be done precedent to and in the
42 issuance of this Bond have happened, been done and performed.
43

1 IN WITNESS WHEREOF, the Municipality of Anchorage, Alaska, has
2 caused this Bond to be executed with the manual or facsimile signature of its
3 Mayor or Municipal Manager and to be attested with the manual or facsimile
4 signature of the Clerk or Deputy Clerk and the official seal of the Municipality to be
5 impressed, imprinted or otherwise reproduced hereon, this ____ day of
6 _____, 2009.

7
8 MUNICIPALITY OF ANCHORAGE,
9 ALASKA

10
11
12 By /s/ manual or facsimile signature
13 Mayor/Municipal Manager

14 Attested:

15
16 /s/manual or facsimile signature
17 Clerk/Deputy Clerk

18
19 (Form of Certificate of Authentication)

20
21 Date of Authentication:

22
23 This Bond is one of the Municipality of Anchorage, Alaska, Senior Lien
24 Electric Revenue Bonds, 2009, described in and issued pursuant to the within
25 mentioned Bond Ordinance.

26
27
28 _____,
29 as Registrar

30 By _____
31 Authorized Signer

32
33
34 In the event the Bonds are no longer held in book-entry only form, the form
35 of Bonds may be modified to conform to printing requirements and the terms of
36 this ordinance and the Trust Agreement.

37 **Section 6. Execution of Bonds.** The Bonds of each series shall be executed on
38 behalf of the Municipality with the manual or facsimile signature of the Mayor or
39 Municipal Manager, attested with the manual or facsimile signature of the Clerk or
40 Deputy Clerk of the Municipality and authenticated by the manual signature of an

1 authorized representative of the Registrar. The official seal of the Municipality
2 shall be impressed or imprinted or otherwise reproduced on each Bond. In case
3 any of the officers who shall have signed, attested or registered any of the Bonds
4 shall cease to be such officer before such Bonds have been actually issued and
5 delivered, such Bonds shall be valid nevertheless and may be issued by the
6 Municipality with the same effect as though the persons who had signed, attested
7 or registered such Bonds had not ceased to be such officers.

8 **Section 7.** Sale of Bonds. The Bonds shall be sold at negotiated sale(s) to the
9 Underwriters. The Chief Fiscal Officer of the Municipality is hereby authorized to
10 negotiate terms for the purchase of the Bonds and execute the Bond Purchase
11 Contract(s) with the Underwriters. The Assembly has been advised by the
12 Underwriters that market conditions are fluctuating and, as a result, the most
13 favorable market conditions may occur on a day other than a regular meeting date
14 of the Assembly. The Assembly has determined that it would be inconvenient to
15 hold a special meeting on short notice and, accordingly, has determined that it
16 would be in the best interest of the Municipality to delegate to the Chief Fiscal
17 Officer for a limited time the authority to approve final principal maturities of the
18 Bonds and interest rates on the Bonds and other terms and conditions. The final
19 interest rates for the Bonds shall be determined by agreement among the
20 Underwriters and the Chief Fiscal Officer and shall be set forth in the Trust
21 Agreement. The Chief Fiscal Officer is hereby authorized to approve the series,
22 the final principal maturities and final maturity amounts of each series of the
23 Bonds, redemption provisions and the final interest rates and yields for the Bonds

1 in the manner provided hereafter. In determining the series, maturities, principal
2 amounts, redemption terms and rate or rates of interest of the Bonds, the Chief
3 Fiscal Officer shall, in consultation with the Municipality's financial advisor, take
4 into account those factors which, in her judgment, will result in the lowest net
5 effective interest cost on the Bonds to their maturity, including, but not limited to
6 current financial market conditions and current interest rates for obligations
7 comparable in tenor and quality to the Bonds. The Chief Fiscal Officer is hereby
8 authorized to execute the final form of the Bond Purchase Contract(s). The
9 authority granted to the Chief Fiscal Officer by this Section 7 shall expire in
10 120 days from the date of approval of this ordinance, and if final interest rates
11 have not been approved by the Chief Fiscal Officer in accordance with the
12 delegated authority of this Section 7 within 120 days, no final Bond terms shall be
13 approved without further advice and consultation of the Assembly at a regular or
14 special meeting.

15 The Chief Fiscal Officer or her designee is hereby authorized and directed
16 to solicit proposals from and select a financial institution to act as the Registrar for
17 the Bonds (the "Registrar"). The Chief Fiscal Officer is hereby further authorized
18 to enter into a written agreement with the Registrar acting in the capacity of a
19 trustee (the "Trust Agreement") in order to reflect certain protective covenants for
20 the Bonds, the conditions under which Future Senior Lien Parity Bonds may be
21 issued, matters with respect to reserves and other terms relating to the Bonds,
22 including, but not limited to any approved amendments to the Trust Agreement
23 and this ordinance.

1 **Section 8. Effective Date.** This ordinance shall be effective immediately upon
2 passage and approval by the Assembly.

3 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage this
4 27th day of October, 2009.

5
6
7
8 By *Debra O'Connell*
9 Chair of the Assembly

10 ATTEST:

11 *Paula S. Goulet*
12
13 Municipal Clerk

EXHIBIT A

MUNICIPALITY OF ANCHORAGE OUTSTANDING BONDS

The Municipality has outstanding the following described electric revenue bonds having a senior lien on the revenues of the System:

<u>Authorizing Ordinance</u>	<u>Bond Designation</u>	<u>Date of Bonds</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding (10/1/09)</u>
AO 92-171(S) & AR 93-20	Senior Lien Refunding Electric Revenue Bonds, 1993 ("1993 Bonds")	January 1, 1993	\$ 67,715,000	\$ 14,920,000
AO 95-217(S)	Senior Lien Refunding Electric Revenue Bonds, 1996 ("1996 Bonds")	December 1, 1995	\$ 48,855,000	\$ 40,200,000
AO 2005-110	Senior Lien Electric Revenue Refunding Bonds, Series 2005A ("2005 Bonds")	November 3, 2005	\$109,350,000	\$106,640,000

MUNICIPALITY OF ANCHORAGE, ALASKA

ORDINANCE No. AO 2009-121

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$130,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2009-121**

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* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2009-121

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$130,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS.

Sponsor: MAYOR
 Preparing Agency: ML&P
 Others Impacted: PUBLIC & PRIVATE SECTORS

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	FY10	FY11	FY12	FY13	FY14
Operating Expenditures:					
4000 Debt Service		\$ 2,885	\$ 2,885	\$ 2,885	\$ 7,744
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ 7,744
6000 IGC'S FUNCTION COST:					
REVENUES:	0	2,885	2,885	2,885	7,744
CAPITAL: POSITION: FT/PT AND TEMP					

PUBLIC SECTOR & ECONOMIC EFFECTS:

The first expense or operating revenue impacts associated with this bond issue will occur in 2011 when capital projects constructed by ML&P between July 15, 2008 and November 2009 (\$38 million) that are reimbursed by part of the proceeds of this bond sale are incorporated into utility rate base and reflected in rates, with the expected impact on rates amounting to approximately 2.25 percent. The balance of expense and revenue impacts associated with this bond sale are expected to occur in 2014 when the new generation assets (@ Plants 1 and 2, and the Southcentral Power Project) begin commercial operation. During construction (2010-2013) all debt service costs associated with the generation capital projects will be capitalized. Once the generation projects enter commercial operation, over a twenty-year time horizon, they are expected to yield \$186 million in net present value savings when compared to a "base case" of maintaining and operating our existing, relatively inefficient generation assets. While ML&P does expect to incur rate increases after the new generation assets come on-line in 2014, rates will be less than they otherwise would be because of the aforementioned NPV savings resulting from operating new generation assets versus old, inefficient generation assets.

PRIVATE SECTOR & GENERAL GOVERNMENT ECONOMIC EFFECTS:

SAME AS PUBLIC SECTOR ECONOMIC EFFECTS

Prepared by: _____
 Daniel B. Helmick, Manager, Regulatory Affairs, ML&P

Telephone: 907-263-5826
 Date: 10/1/2009

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

Telephone: 907-263-5202
 Date: 10/1/2009



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 544-2009

Meeting Date: October 13, 2009

From: Mayor

Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$130,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS

The attached ordinance provides authorization to the Chief Fiscal Officer to secure the most cost-effective capital funds for Municipal Light & Power (ML&P) to partially fund its Six-Year Capital Improvement Program (CIP) and to support ML&P's other ongoing capital improvements. The Public Finance & Investments Division, working in conjunction with ML&P staff and the Municipality's financial advisor, First Southwest Company, is currently assessing the most cost-effective means of providing the required capital financing.

Currently, ML&P estimates the need for \$130 million for the following purposes:

- Reimbursement of capital expenditures made under the CIP since July 15, 2008;
- Progress payments through March 31, 2011 for ML&P's share of the Southcentral Power Project, which is being constructed jointly with Chugach Electric Association (CEA);
- Replacement generation at ML&P's Plants 1 and 2, as recommended in ML&P's Integrated Resource Plan approved by its Board of Directors September 23, 2009; and
- Sufficient funds to fund reserve requirements and pay for cost of issuance expenses.

Staff recommends holding a public hearing for the proposed debt issue on October 27, 2009. The schedule calls for the sale of the bonds in late November 2009 and a closing date in early December 2009.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE SERIES IN THE AGGREGATE

1 PRINCIPAL AMOUNT OF NOT TO EXCEED \$130,000,000 FOR THE PURPOSE OF
2 PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS.
3

4
5 Prepared By: Ross Risvold, Public Finance & Investments Manager
6 Concurrence: Lucinda Mahoney, CFO
7 Concurrence: James M. Posey, General Manager, Municipal Light & Power
8 Concurrence: Dennis A. Wheeler, Municipal Attorney
9 Concurrence: George J. Vakalis, Municipal Manager
10 Respectfully Submitted : Daniel A. Sullivan, Mayor
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Content ID: 008202**Type:** Ordinance - AO

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR, AUTHORIZING AND APPROVING THE ISSUANCE OF ELECTRIC REVENUE BONDS FOR THE MUNICIPALITY IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$130,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS.

Author: maglaquijp**Initiating Dept:** Finance**Keywords:** Revenue Bonds, ML&P, \$130,000, Capital Projects, Bonds**Date Prepared:** 10/1/09 5:56 PM**Director Name:** Lucinda Mahoney**Assembly Meeting Date:** 10/13/09**Public Hearing Date:** 10/27/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	10/2/09 1:59 PM	Exit	Joy Maglaqui	Public	008202
MuniManager_SubWorkflow	10/2/09 1:59 PM	Approve	Joy Maglaqui	Public	008202
MuniManager_SubWorkflow	10/2/09 1:53 PM	Checkin	Joy Maglaqui	Public	008202
Legal_SubWorkflow	10/2/09 1:50 PM	Approve	Dean Gates	Public	008202
OMB_SubWorkflow	10/2/09 1:33 PM	Approve	Cheryl Frasca	Public	008202
Finance_SubWorkflow	10/2/09 11:15 AM	Approve	Lucinda Mahoney	Public	008202
AllOrdinanceWorkflow	10/1/09 6:01 PM	Checkin	Nina Pruitt	Public	008202