

CLERK'S OFFICE
APPROVED

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Solid Waste Services Disposal Utility
For reading: January 19, 2010

Date: 2-2-10

**ANCHORAGE, ALASKA
AO NO. 2010-12**

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$11,219,000 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS LANDFILL CAPITAL IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED MATTERS.

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

WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the Fund for the purposes of planning, designing, constructing, equipping, modifying, improving and expanding of the Anchorage Regional Landfill; and

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

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

WHEREAS, the Assembly of the Municipality has determined and does hereby determine that it is necessary to proceed to plan, design, construct, equip, or otherwise obtain items of capital improvements in connection with the following projects at the Anchorage Regional Landfill (the "Projects");

Landfill Equipment	\$1,169,000
Landfill Design and Construction Cell 10	\$8,800,000
Landfill Partial Interim Closure Cell 7	\$1,250,000; and

WHEREAS, it is deemed necessary and advisable and in the best interests of the Municipality and its inhabitants that a final application be submitted and such other actions as may be necessary be taken to borrow a total amount not to exceed \$11,219,000 from the Fund for the purpose of financing a portion of the costs associated with said Projects; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

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

4
5 “Gross Revenues” means all rates and charges and other income, in each case
6 derived by or for the account of the Municipality, from the ownership, leasing or
7 operation of the Project Facility except proceeds from the sale of bonds or notes, any
8 grants received for the Solid Waste Disposal Utility, and interest received and profits
9 derived from the investment of moneys obtained from such sources or from moneys
10 held in any fund to pay or secure the payment of any bonds or notes issued in
11 connection with the Project Facility. For the purposes of this Ordinance, Gross
12 Revenues shall not include allowance for funds used during construction.

13
14 “Operating Expenses” means the current expenses incurred for operation,
15 maintenance or repair of the Project Facility of a non-capital nature, and shall include,
16 without limiting the generality of the foregoing, tipping, transfer and disposal
17 expenses, fuel and electricity expenses, customer accounts expenses, administrative
18 and general expenses, insurance premiums, lease rentals, legal, regulatory, and
19 engineering expenses, payments to pension, retirement, group life insurance, health
20 and hospitalization funds or other employee benefit funds which are properly
21 chargeable to current operations, interest on customers’ deposits, payroll tax
22 expenses, Municipal Utility Service Assessments or any assessment levied in lieu of
23 municipal taxes and any other expenses required to be paid under the provision of
24 this Ordinance or by law or permitted by standard practices for public utility systems
25 similar to the properties and business of the Project Facility (adjusted to reflect public
26 ownership) and applicable in the circumstances. Operating Expenses shall not
27 include any allowances for depreciation or amortization or any principal, redemption
28 price or purchase price of, or interest on, any obligations of the Municipality incurred
29 in connection with any payable from Gross Revenues.

30
31 “Project Facility” means the existing Anchorage Regional Landfill as the same will be
32 added to, improved and extended as authorized and provided in this Ordinance, and
33 as the same may be added to, improved and extended for as long as any of the loans
34 authorized by this Ordinance are outstanding, but shall not include such landfill
35 facilities that may be hereafter purchased, constructed or otherwise acquired by the
36 Municipality.

37
38 **Section 2. Purpose.** The purpose of this Ordinance is to authorize the borrowing
39 of not to exceed \$11,219,000 from the Fund in the form of loans to provide funds to
40 pay a portion of the costs of the Projects and to fix certain details of said loans.

41
42 **Section 3. Authority for Ordinance.** The Assembly has ascertained and hereby
43 determines that each and every matter and thing as to which provision is made in this
44 Ordinance is necessary in order to carry out and effectuate the purposes of the
45 Municipality in accordance with the Constitution and statutes of the State of Alaska,
46 and the Home Rule Charter of the Municipality, and to incur the indebtedness
47 authorized by this Ordinance.

1
2 **Section 4. Obligation of Loan.** The obligation to repay the loans authorized by this
3 Ordinance shall not be a direct and general obligation of the Municipality and neither
4 the faith and credit nor the taxing power of the Municipality is pledged to the payment
5 of the principal of and interest on the loans. The Gross Revenues less the Operating
6 Expenses of the Project Facility are hereby pledged to repayment of the loans
7 authorized by this Ordinance.
8

9 **Section 5. Authorization of Loans and Purpose of Issuance.** For the purpose of
10 providing a portion of the funds required to pay the cost of the Projects described
11 herein, and to pay all costs incidental thereto, the Municipality hereby authorizes and
12 determines to borrow money from the Fund in the form of loans in an aggregate
13 principal amount not to exceed \$11,219,000.
14

15 **Section 6. Loan Applications.** The Director of Solid Waste Services is hereby
16 authorized and directed to complete and submit to the State Department of
17 Environmental Conservation an application to borrow money from the Fund for the
18 purpose of paying a portion of the cost of the Projects as authorized in this
19 Ordinance.
20

21 **Section 7. Negotiation of Terms and Approval of Amount, Interest Rates,**
22 **Maturities and Other Details of Loans.** The Chief Fiscal Officer or designee shall
23 negotiate with the State and the Assembly shall by resolution approve the total
24 amount of the loans to be entered into for the Projects; the interest rate, which shall
25 not exceed 75 percent of the Municipal Bond Index as published in the Wall Street
26 Journal on the Friday preceding the closing of any loan; the interest and principal
27 payment dates; the maturities, which shall not exceed 20 years; and any other details
28 of the loans.
29

30 **Section 8. Authority of Officers.** The Mayor, the Acting Mayor from time to time,
31 the Municipal Manager, the Chief Fiscal Officer, the Director of Solid Waste Services,
32 the Municipal Clerk and the Acting Municipal Clerk from time to time, are, and each of
33 them hereby is, authorized and directed to do and perform all things and determine
34 all matters not determined by this Ordinance, or to be determined by a subsequent
35 ordinance or resolution of the Municipality, to the end that the Municipality may carry
36 out its obligations under the loans and this Ordinance.
37

38 **Section 9. Severability.** If any one or more of the covenants and agreements
39 provided in this Ordinance to be performed on the part of the Municipality shall be
40 declared by any court of competent jurisdiction to be contrary to law, then such
41 covenant or covenants, agreement or agreements shall be null and void and shall be
42 deemed separable from the remaining covenants and agreements in this Ordinance
43 and shall in no way affect the validity of the other provisions of this Ordinance or of
44 the loans entered into pursuant to this Ordinance.
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46 **Section 10. Effective Date.** This Ordinance shall take effect immediately upon
47 passage and approval by the Assembly.

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PASSED AND APPROVED by the Anchorage Assembly this 2nd day of February, 2010.



Chair of the Assembly

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Disposal Utility

AO Number: 2010-12

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
 AUTHORIZING AND PROVIDING FOR THE BORROWING OF
 NOT TO EXCEED \$11,219,000 FROM THE STATE OF ALASKA
 CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A
 PORTION OF THE COSTS OF VARIOUS LANDFILL CAPITAL
 IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL
 LANDFILL AND PROVIDING FOR RELATED MATTERS.

Sponsor: MAYOR
 Preparing Agency: Solid Waste Services Disposal Utility
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:

	FY11	FY12	FY13	FY14	FY15
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
Interest Expense	\$ 38	\$ 166	\$ 158	\$ 150	\$ 141
TOTAL NON-OPERATING EXPENSES	\$ 38	\$ 166	\$ 158	\$ 150	\$ 141
NET INCOME (REGULATED)	\$ (38)	\$ (166)	\$ (158)	\$ (150)	\$ (141)

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

No projected impact. Term of loans are 20 years, consisting of level principal payments. (See attached amortization schedule.)
 Payments to begin one year after construction completion.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Candace Beery, Finance Manager

343-6287

Approved by: Mark G. Madden, Director, Solid Waste Services
 (Director, Preparing Agency)

1/8/2010

SOLID WASTE SERVICES DISPOSAL UTILITY
State of Alaska DEC Clean Water Loan Program
Amortization Schedule

Projects: Cell 10 Design and Construction, Landfill Equipment and Cell 7 Partial Interim Closure
SWS Calculation of Loans: 130051, 130731,130741

Total Loan Amount **\$11,219,000**
Interest Rate **1.5%**
Term in years **20**

Payment	Date Due	SWS Accrual Expense	Interest	Principal	Total Payment	Loan Balance
0	10/1/2011	\$37,806				\$11,219,000
1	10/1/2012	\$166,395	\$168,285	\$560,950	\$729,235	\$10,658,050
2	10/1/2013	\$157,980	\$159,871	\$560,950	\$720,821	\$10,097,100
3	10/1/2014	\$149,566	\$151,457	\$560,950	\$712,407	\$9,536,150
4	10/1/2015	\$141,152	\$143,042	\$560,950	\$703,992	\$8,975,200
5	10/1/2016	\$132,738	\$134,628	\$560,950	\$695,578	\$8,414,250
6	10/1/2017	\$124,323	\$126,214	\$560,950	\$687,164	\$7,853,300
7	10/1/2018	\$115,909	\$117,800	\$560,950	\$678,750	\$7,292,350
8	10/1/2019	\$107,495	\$109,385	\$560,950	\$670,335	\$6,731,400
9	10/1/2020	\$99,081	\$100,971	\$560,950	\$661,921	\$6,170,450
10	10/1/2021	\$90,666	\$92,557	\$560,950	\$653,507	\$5,609,500
11	10/1/2022	\$82,252	\$84,143	\$560,950	\$645,093	\$5,048,550
12	10/1/2023	\$73,838	\$75,728	\$560,950	\$636,678	\$4,487,600
13	10/1/2024	\$65,424	\$67,314	\$560,950	\$628,264	\$3,926,650
14	10/1/2025	\$57,009	\$58,900	\$560,950	\$619,850	\$3,365,700
15	10/1/2026	\$48,595	\$50,486	\$560,950	\$611,436	\$2,804,750
16	10/1/2027	\$40,181	\$42,071	\$560,950	\$603,021	\$2,243,800
17	10/1/2028	\$31,767	\$33,657	\$560,950	\$594,607	\$1,682,850
18	10/1/2029	\$23,352	\$25,243	\$560,950	\$586,193	\$1,121,900
19	10/1/2030	\$14,938	\$16,829	\$560,950	\$577,779	\$560,950
20	10/1/2031	\$6,524	\$8,414	\$560,950	\$569,364	\$0
Total Repayments		\$1,766,993	\$1,766,993	\$11,219,000	\$12,985,993	

FY 2011 assumes interest accrual from 1/4 year of interest

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 53-2010

Meeting Date: January 19, 2010

1 **FROM: MAYOR**

2
3 **SUBJECT: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE**
4 **AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT**
5 **TO EXCEED \$11,219,000 FROM THE STATE OF ALASKA CLEAN**
6 **WATER FUND FOR THE PURPOSE OF FINANCING A PORTION**
7 **OF THE COSTS OF VARIOUS LANDFILL CAPITAL**
8 **IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL**
9 **LANDFILL AND PROVIDING FOR RELATED MATTERS.**

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

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17 Constructed in a series of 12 cells, the Anchorage Regional Landfill is planning to
18 develop the portion of the landfill designated as Cell 10. As portions of Cell 7
19 reach capacity, the areas are closed on an interim basis to reduce leachate
20 generation and to control landfill gas migration. Interim closure includes installing
21 gas control systems and storm water control measures, and the partial closure of
22 exterior slopes. The landfill equipment includes the replacement of two tanker
23 trailers used for hauling leachate away from the Anchorage Regional Landfill, the
24 replacement of three tractors and trailers used to transfer solid waste from the
25 Central Transfer Facility to the Anchorage Regional Landfill, and the purchase of
26 one horizontal grinder used to manufacture erosion control material from wood
27 waste.

28
29 This Ordinance authorizes borrowing of not to exceed \$11,219,000 to be used
30 specifically for financing a portion of the costs of the following projects at the
31 Anchorage Regional Landfill:

32		
33	Landfill Equipment	\$1,169,000
34		
35	Landfill Design and Construction Cell 10	\$8,800,000
36		
37	Landfill Partial Interim Closure Cell 7	\$1,250,000
38		
39		
40		

1 **THE ADMINISTRATION RECOMMENDS AN ORDINANCE OF THE**
2 **MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE**
3 **BORROWING OF NOT TO EXCEED \$11,219,000 FROM THE STATE OF**
4 **ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A**
5 **PORTION OF THE COSTS OF VARIOUS LANDFILL CAPITAL IMPROVEMENT**
6 **PROJECTS AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING**
7 **FOR RELATED MATTERS.**
8
9

10 Prepared by: Solid Waste Services
11 Approved by: Mark G. Madden, Director, Solid Waste Services
12 Concur: Lucinda Mahoney, CFO
13 Concur: Dennis A. Wheeler, Municipal Attorney
14 Concur: George J. Vakalis, Municipal Manager
15 Respectfully submitted: Daniel A. Sullivan, Mayor
16

Content ID: 008598**Type:** Ordinance - AO

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$11,219,000 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS LANDFILL CAPITAL IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED MATTERS

Author: maglaquijp**Initiating Dept:** SWS**Description:** Request for Clean Water Fund loan**Keywords:** Clean Water Fund, Cell 10**Date Prepared:** 1/11/10 11:27 AM**Director Name:** Mark G. Madden**Assembly Meeting Date:** 1/19/10**Public Hearing Date:** 2/2/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	1/15/10 11:55 AM	Exit	Joy Maglaqui	Public	008598
MuniManager_SubWorkflow	1/15/10 11:55 AM	Approve	Joy Maglaqui	Public	008598
MuniManager_SubWorkflow	1/15/10 11:54 AM	Checkin	Joy Maglaqui	Public	008598
Legal_SubWorkflow	1/15/10 11:46 AM	Approve	Rhonda Westover	Public	008598
Finance_SubWorkflow	1/15/10 11:10 AM	Approve	Lucinda Mahoney	Public	008598
Finance_SubWorkflow	1/15/10 10:59 AM	Checkin	Nina Pruitt	Public	008598
Finance_SubWorkflow	1/15/10 10:58 AM	Checkin	Nina Pruitt	Public	008598
OMB_SubWorkflow	1/11/10 3:00 PM	Approve	Cheryl Frasca	Public	008598
SWS_SubWorkflow	1/11/10 12:40 PM	Approve	Mark Madden	Public	008598
AllOrdinanceWorkflow	1/11/10 12:36 PM	Checkin	Patty Kilson	Public	008598
SWS_SubWorkflow	1/11/10 12:14 PM	Reject	Mark Madden	Public	008598
AllOrdinanceWorkflow	1/11/10 11:57 AM	Checkin	Patty Kilson	Public	008598

CONSENT AGENDA - INTRODUCTION

