

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: August 31, 2010

CLERK'S OFFICE
APPROVED

Date:

9-14-10

ANCHORAGE, ALASKA
AO No. 2010-62

1 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
2 AUTHORIZING THE BORROWING AND ACCEPTING, FROM THE STATE
3 OF ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO
4 EXCEED \$10,638,447 FOR THE PURPOSE OF FINANCING A PORTION OF
5 THE COSTS OF VARIOUS AWWU 2010 CAPITAL IMPROVEMENT BUDGET
6 (CIB) WASTEWATER IMPROVEMENTS PROJECTS AND PROVIDING FOR
7 RELATED MATTERS.

8
9 **WHEREAS**, the State of Alaska (State), pursuant to Alaska Statutes 46.03.032
10 and 18 AAC 76.005 et. seq., established the Alaska Clean Water Fund (Fund),
11 a fund using U.S. Government grants as authorized by the Safe Clean Water
12 Act, Amendments of 1996, P.L. 100-4; and

13
14 **WHEREAS**, the Municipality of Anchorage (Municipality) is eligible to borrow
15 from the Fund for the purposes of planning, designing, constructing, equipping,
16 modifying, improving and expanding public wastewater collection, treatment,
17 and discharge facilities; and

18
19 **WHEREAS**, the interest rate to be paid by the Municipality on money borrowed
20 from the Fund is a favorable rate considering other sources of funds available to
21 the Municipality; and

22
23 **WHEREAS**, Home Rule Charter Section 15.03 requires the Assembly by
24 ordinance shall provide for the form and manner of sale of bonds and notes;
25 and

26
27 **WHEREAS**, the Municipality and Anchorage Water & Wastewater Utility
28 (AWWU) determined it is necessary to proceed to plan, design, develop,
29 construct, equip, acquire property for, or otherwise obtain items of capital
30 improvements in connection with the following AWWU wastewater
31 improvements projects (Projects), listed in the Alaska Clean Water approved
32 SFY11 Intended Use Plan:

33
34 State Funding Priority Projects

35 Meyer Street Upgrade \$ 267,267

36
37 State Funding Priority Planning Projects

38 Rovenna Pipe Upgrade \$ 2,961,400

1	Eagle River Wastewater Treatment Facility Clarifier	\$ 1,628,600
2	Asplund Wastewater Treatment Facility Fire Sprinkler	\$ 1,395,280
3	B-5C B-6CDEF Sewer Upgrade – Phase 2	\$ 1,246,000
4	Midtown Sewer Upgrade	\$ 1,000,000
5	Asplund Disinfection Upgrade	\$ 464,100
6	Elim Street Sewer Upgrade	\$ 446,250
7	86 th – Golden – Jewel Lake Sewer Upgrade	\$ 444,550
8	HVAC Control System – King Street	\$ 440,000
9	Crawford Street & Dawn Street Pipe Replacement	\$ 345,000

10
11 And,

12
13 **WHEREAS**, at its August 4, 2010 meeting, the AWWU Board of Directors
14 supported this ordinance to authorize the borrowing and accepting of funds
15 from the State of Alaska Clean Water Fund; and

16
17 **WHEREAS**, it is necessary, advisable, and in the best interests of the
18 Municipality and its inhabitants for an application to be submitted and such
19 other actions as may be necessary be taken to borrow, and accept when
20 approved, an amount not to exceed \$10,638,447 from the Fund for the purpose
21 of financing a portion of the costs associated with said Projects; now, therefore,

22
23 **THE ANCHORAGE ASSEMBLY ORDAINS:**

24
25 **Section 1. Purpose.** The purpose of this Ordinance is to authorize the
26 borrowing of, and accepting when approved, an amount not to exceed
27 \$10,638,447 from the Fund in the form of a loan(s) to provide funds to finance a
28 portion of the capital costs of the Projects; and

29
30 **Section 2. Authority for Ordinance.** It is hereby ascertained and determined
31 that each and every matter and thing as to which provision is made in this
32 Ordinance is necessary in order to carry out and effectuate the purposes of the
33 Municipality in accordance with the Alaska Constitution, Alaska State Statutes,
34 and the Municipality's Charter and Code, and to incur the indebtedness
35 authorized by this Ordinance.

36
37 **Section 3. Obligation of Loan.** The obligation to repay the loan authorized by
38 this Ordinance shall not be a direct and general obligation of the Municipality
39 and neither the faith and credit nor the taxing power of the Municipality is
40 pledged to the payment of the principal of and interest on the loan. The Gross
41 Revenues less the Operating Expenses of the System are hereby pledged to
42 repayment of the loan(s) authorized by this Ordinance. Such pledge shall be
43 subordinate to the lien on net revenues of lien revenue bonds of the
44 Municipality heretofore and hereafter issued.

45

1 As used in this Ordinance, unless a different meaning clearly appears from the
2 context, the following words are defined as follows:

3
4 "**Gross Revenues**" means all rates and charges and other income, in each
5 case derived by or for the account of the Municipality, from the ownership,
6 leasing or operation of the System except proceeds from the sale of bonds
7 or notes, any grants received for the Anchorage Wastewater Utility, and
8 interest received and profits derived from the investment of moneys
9 obtained from such sources or from moneys held in any fund to pay or
10 secure the payment of any bonds or notes issued in connection with the
11 System. For the purposes of this Ordinance, **Gross Revenues** shall not
12 include allowance for funds used during construction.

13
14 "**Lien Revenue Bonds**" means all publicly marketed revenue bonds or other
15 obligations issued by the Municipality having a lien on net revenue (Gross
16 Revenues less Operating Expenses).

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

37
38 "**System**" means the existing wastewater utility system of the Municipality as
39 the same will be added to, improved and extended as authorized and
40 provided in this Ordinance, and as the same may be added to, improved
41 and extended for as long as the loan authorized by this Ordinance is
42 outstanding, but shall not include such collections, treatment, transmission
43 and distribution facilities that may be hereafter purchased, constructed or
44 otherwise acquired by the Municipality as a separate wastewater utility
45 system, the revenues of which may be pledged to the payment of bonds or
46 notes issued to purchase, construct or otherwise acquire and improve such

1 separate system. **System** shall also include the water system of the
2 Municipality, if hereafter combined with the wastewater utility.

3
4 **Section 4. Loan Terms.** The following primary terms shall be incorporated into
5 the Loan Agreements:

6
7 Principal Amount: Not to exceed \$10,638,447 (subject to
8 individual draws)
9 Interest Rate: 1.5% per annum
10 Interest Accrual: Accrual begins one year after the date of first
11 disbursement to the Municipality
12 Term: Twenty years from the date of initiation of
13 operation of the Projects
14 Date of First Payment: One year following substantial completion
15 and initiation of operation of the Projects
16 Payment Interval: Annual
17 Amortization Schedule: Level, fully amortizing
18 Security: A subordinate lien pledge of Gross Revenues
19 less Operating Expenses of the System, as
20 those terms are defined herein, provided that
21 if such monies are not sufficient, repayment of
22 the loans shall be from any legally available
23 funds accruing to or in the possession of the
24 Municipality; and provided further that
25 repayment of the loans is not a direct
26 obligation of the Municipality and neither the
27 faith and credit nor the taxing power of the
28 Municipality are pledged therefore.

29
30 **Section 5. Authorization of Loan; Purpose of Issuance.** For the purpose of
31 providing a portion of the funds required to pay the cost of the Projects
32 described herein, and to pay all costs incidental thereto, the borrowing of
33 money from the Fund in the form of a loan in an aggregate principal amount not
34 to exceed \$10,638,447 is hereby authorized.

35
36 **Section 6. Loan Applications and Loan Agreements.** The AWWU General
37 Manager is hereby authorized and directed to complete and submit to the State
38 applications to borrow money from the Fund for the purpose of financing a
39 portion of the costs of the Projects authorized by this Ordinance. Further, the
40 AWWU General Manager and AWWU Chief Financial Officer are hereby
41 authorized, empowered and directed to execute and deliver Loan Agreements,
42 for and on behalf of the Municipality, including necessary counterparts, as
43 authorized by this Ordinance.

44
45 **Section 7. Acceptance of Loan Funds.** The AWWU General Manager is
46 hereby authorized to accept, when approved and available, loan funds from the


1 State, pursuant to loan applications approved in this ordinance, for the purpose
2 of reimbursement of the costs of the Projects. Upon notification from the State
3 and acceptance of the funds, AWWU shall file with the Assembly, on a quarterly
4 basis, an Assembly Informational Memorandum, listing the amount of funds
5 approved and accepted by AWWU, the authorizing ordinance for the funds, and
6 identifying the specific projects approved under the Loan program.

7
8 **Section 8. Authority of Officers.** The Mayor (or the Acting Mayor), the
9 Municipal Manager, the Chief Fiscal Officer, the AWWU General Manager, the
10 Municipal Clerk (or the Acting Municipal Clerk), are, and each of them hereby
11 is, authorized and directed to do and perform all things and determine all
12 matters not determined by this Ordinance, or to be determined by a subsequent
13 ordinance or resolution of the Municipality, to this end that the Municipality may
14 carry out its obligations under the loan and this Ordinance.

15
16 **Section 9. Severability.** If any one or more of the covenants and agreements
17 provided in this Ordinance to be performed on the part of the Municipality shall
18 be declared by any court of competent jurisdiction to be contrary to law, then
19 such covenant and agreements shall be null and void and shall be deemed
20 separable from the remaining covenant and agreement in this Ordinance and
21 shall in no way affect the facility of the other provisions of this Ordinance or of
22 the loan entered into pursuant to this Ordinance.


23
24 **Section 10. Effective Date.** This Ordinance shall take effect immediately upon
25 passage and approval by the Assembly.

26
27 PASSED AND APPROVED by the Anchorage Assembly this 14th day of
28 September, 2010.

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40


Chair

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - Utilities

AO 2010-62

Title: **AN ORDINANCE AUTHORIZING FOR THE BORROWING AND ACCEPTING, FROM THE STATE OF ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO EXCEED \$10,638,447 FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF VARIOUS WASTEWATER CAPITAL IMPROVEMENTS**

Sponsor: Mayor

Preparing Agency: **Anchorage Water and Wastewater Utility**

Others Affected: **None**

CHANGES IN EXPENDITURES AND REVENUES (Thousands of dollars)

	FY10	FY11	FY12	FY13	FY14
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	160,000	153,000	146,000	139,000
TOTAL NON-OPERATING EXPENSES:	0	160,000	153,000	146,000	139,000
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 18.75 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 = \$620 thousand**
- **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:

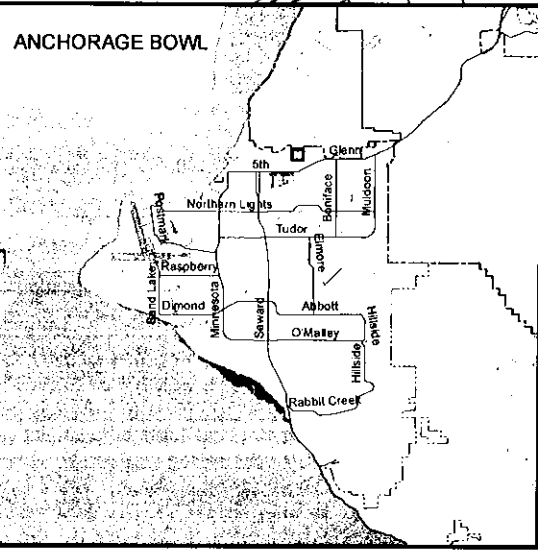
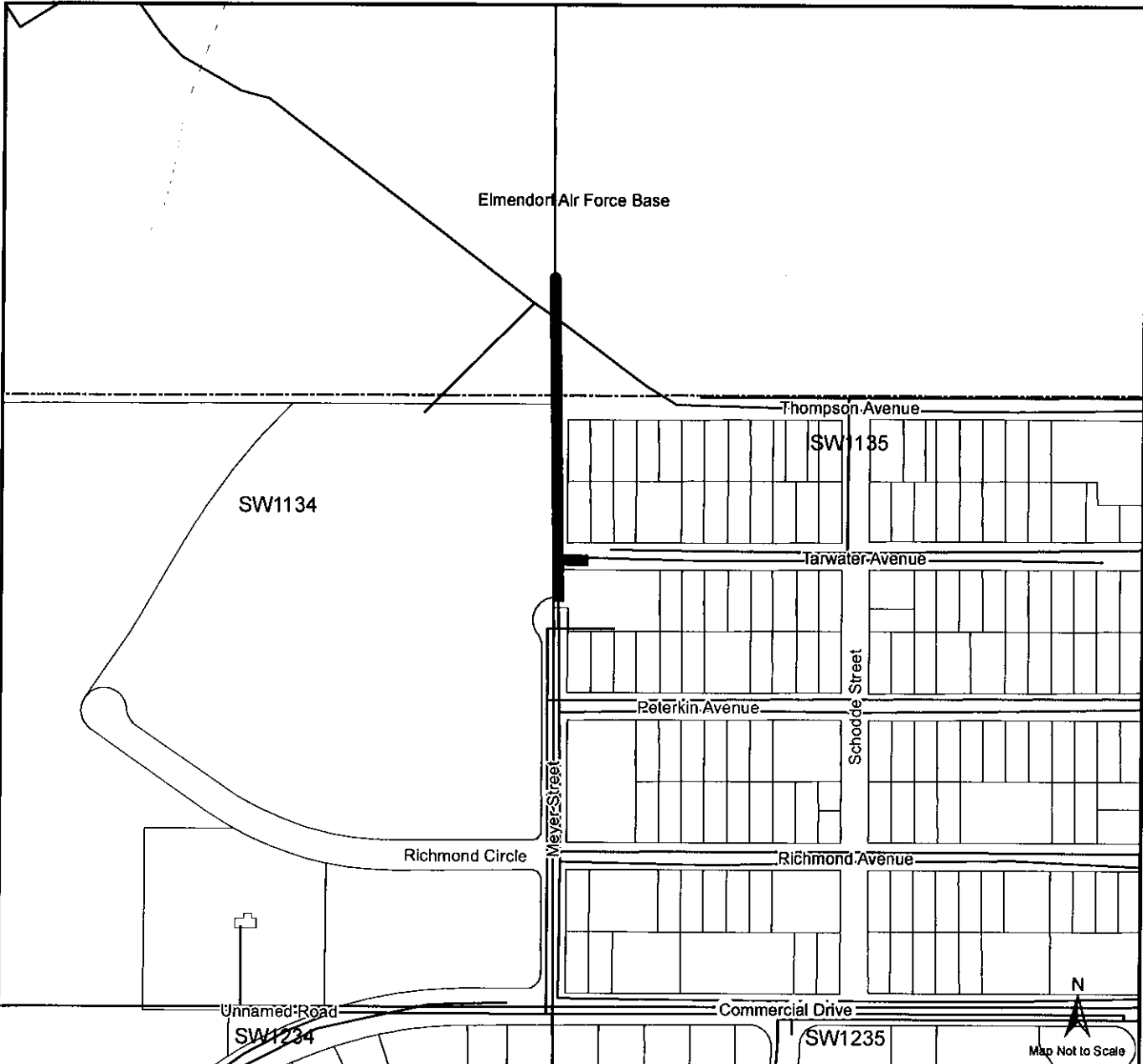
- **None**

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
Anchorage Water and Wastewater Utility



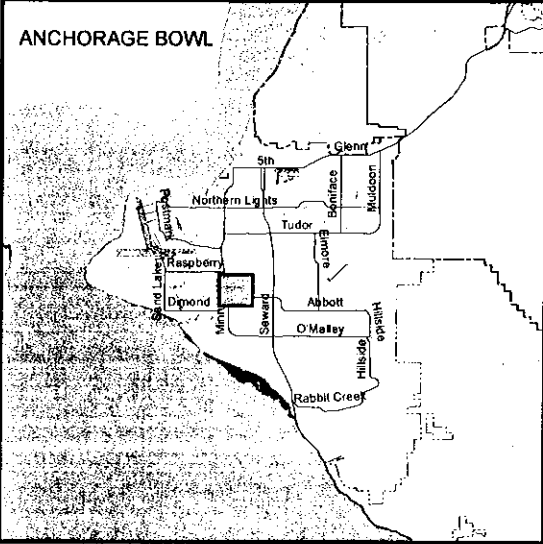
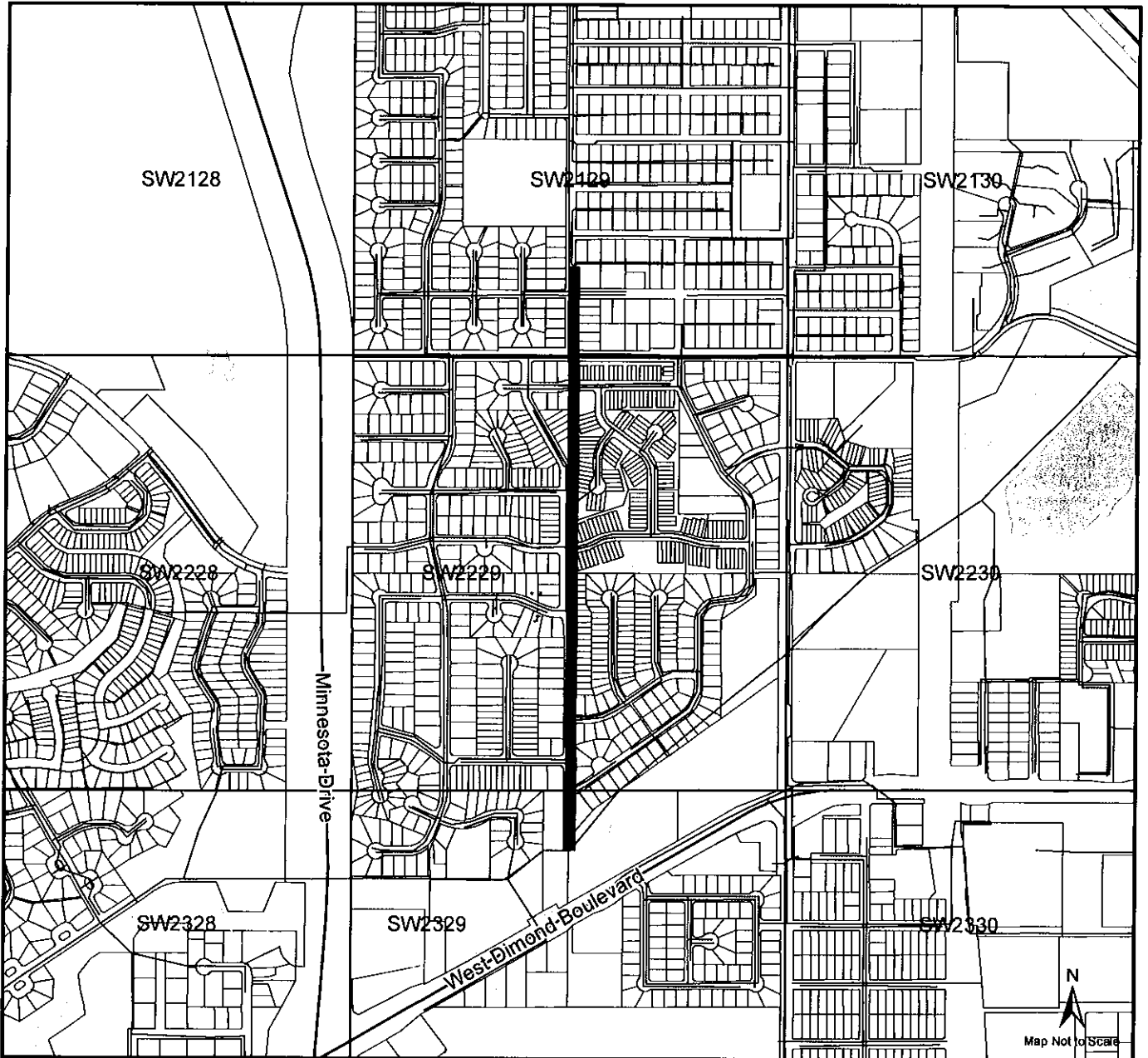
People Soft Information:

Name: Meyer_Street_Sewer_Upgr
 Number: 0000005692-551

Plan Set Information:

Name: Meyer_Street_Sewer_Upgr
 Number: 9301

- | | |
|-------------------------|--------------------------------|
| Proposed Project | Existing Infrastructure |
| ● Water | — AWWU Water Main |
| ● Wastewater | — AWWU Sewer Main |
| ■ Water Pipe | |
| ■ Wastewater Pipe | |



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: Rovenna_Pipe_Upgrade
 Number: 0000004963-551

Plan Set Information:

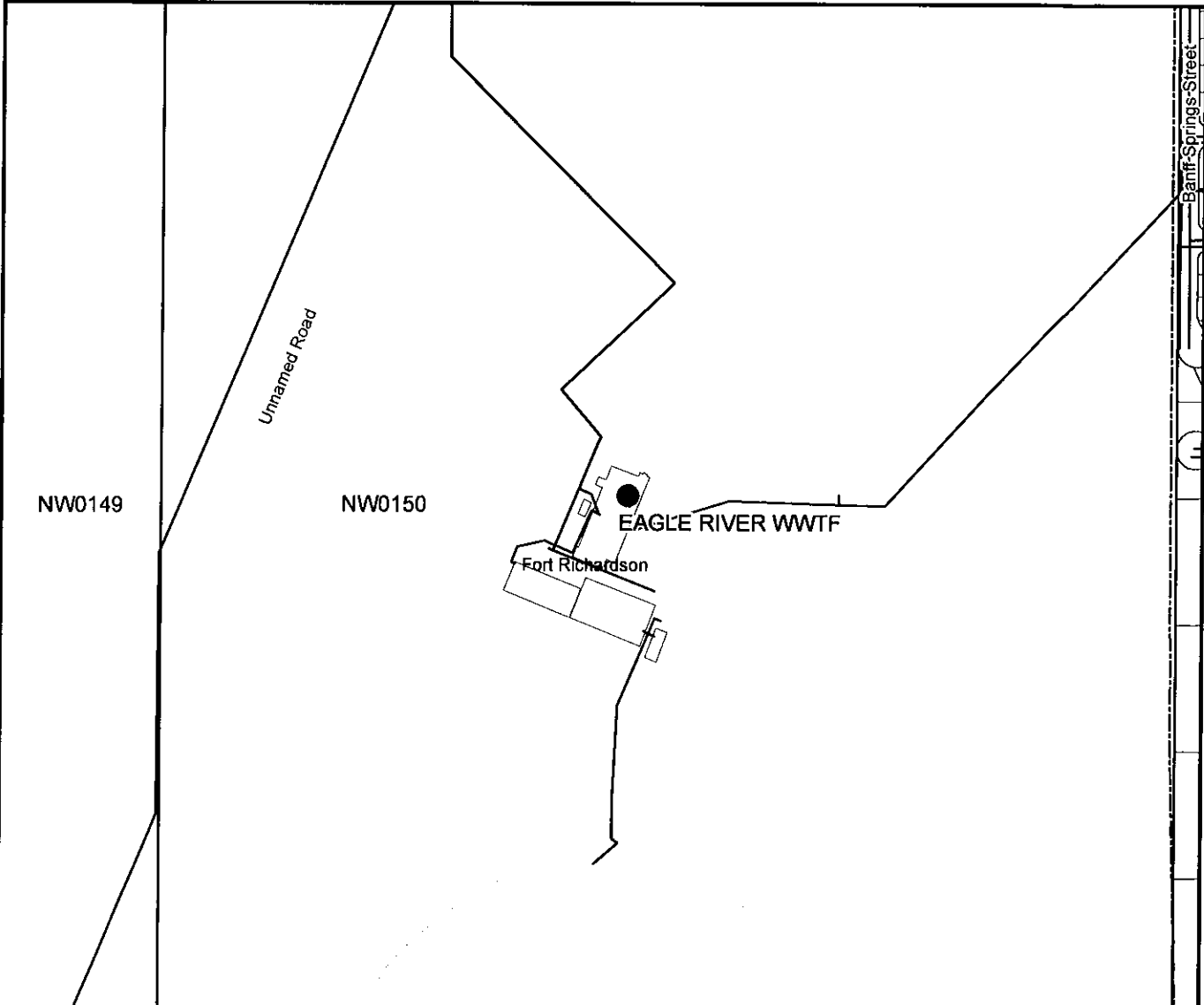
Name: Rovenna Pipe Replacement
 Number: 9308

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main



Banff Springs Street

NW0149

NW0150

EAGLE RIVER WWTF

Fort Richardson

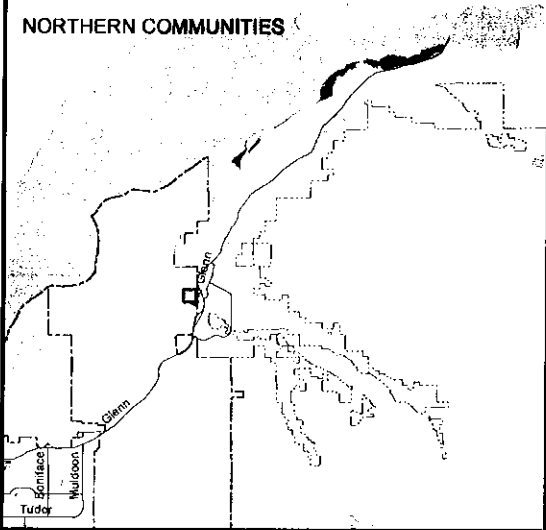
Unnamed Road

NW0049

NW0050



NORTHERN COMMUNITIES



**Municipality of Anchorage
Anchorage Water and Wastewater Utility**



People Soft Information:

Name: ERWWTF-Clarifier_Upgr
Number: 0000004966-551

Plan Set Information:

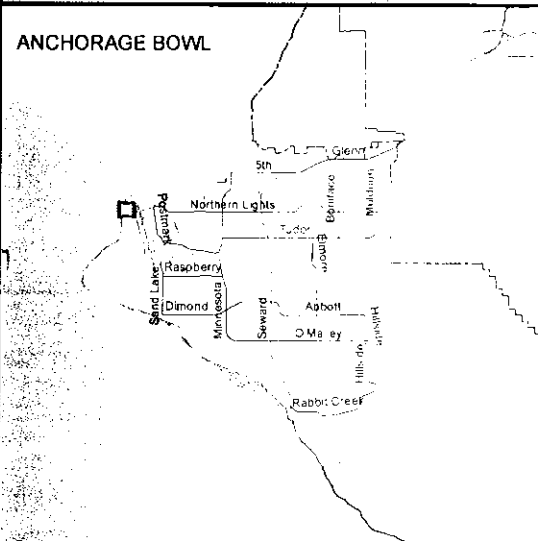
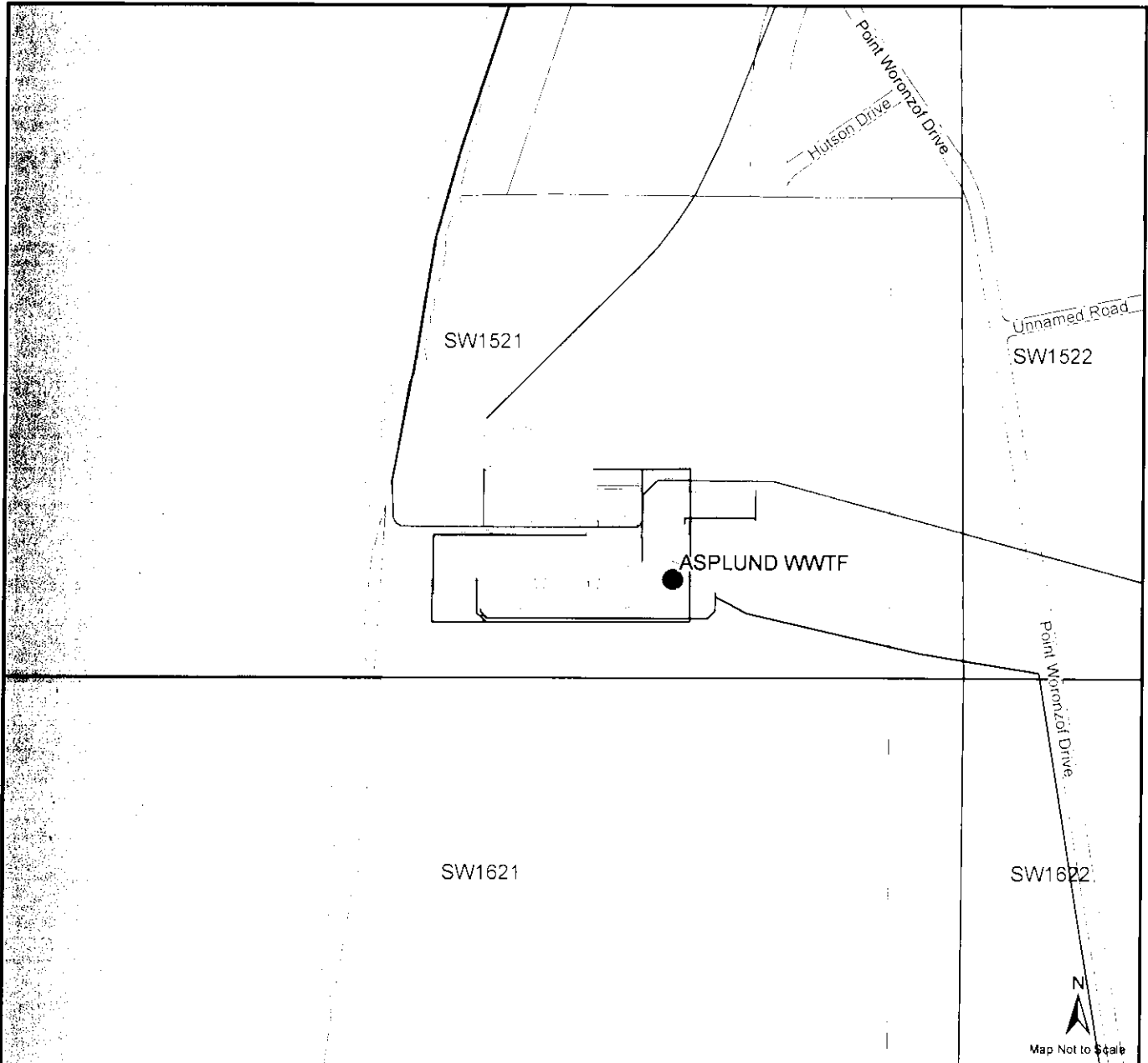
Name: ERWWTF Clarifier Upgr
Number: 9264

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main



Municipality of Anchorage
Anchorage Water and Wastewater Utility



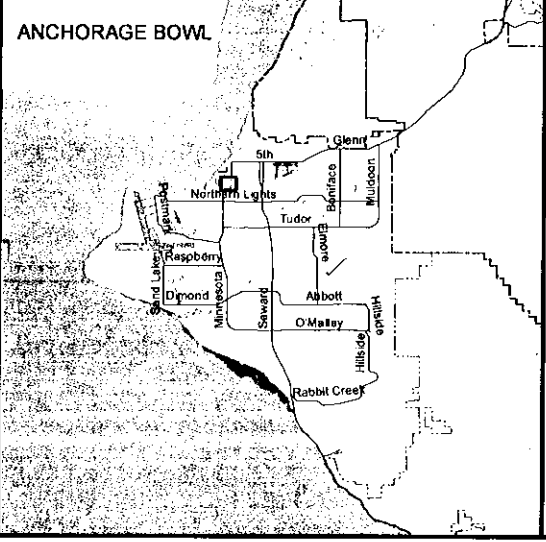
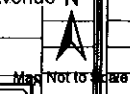
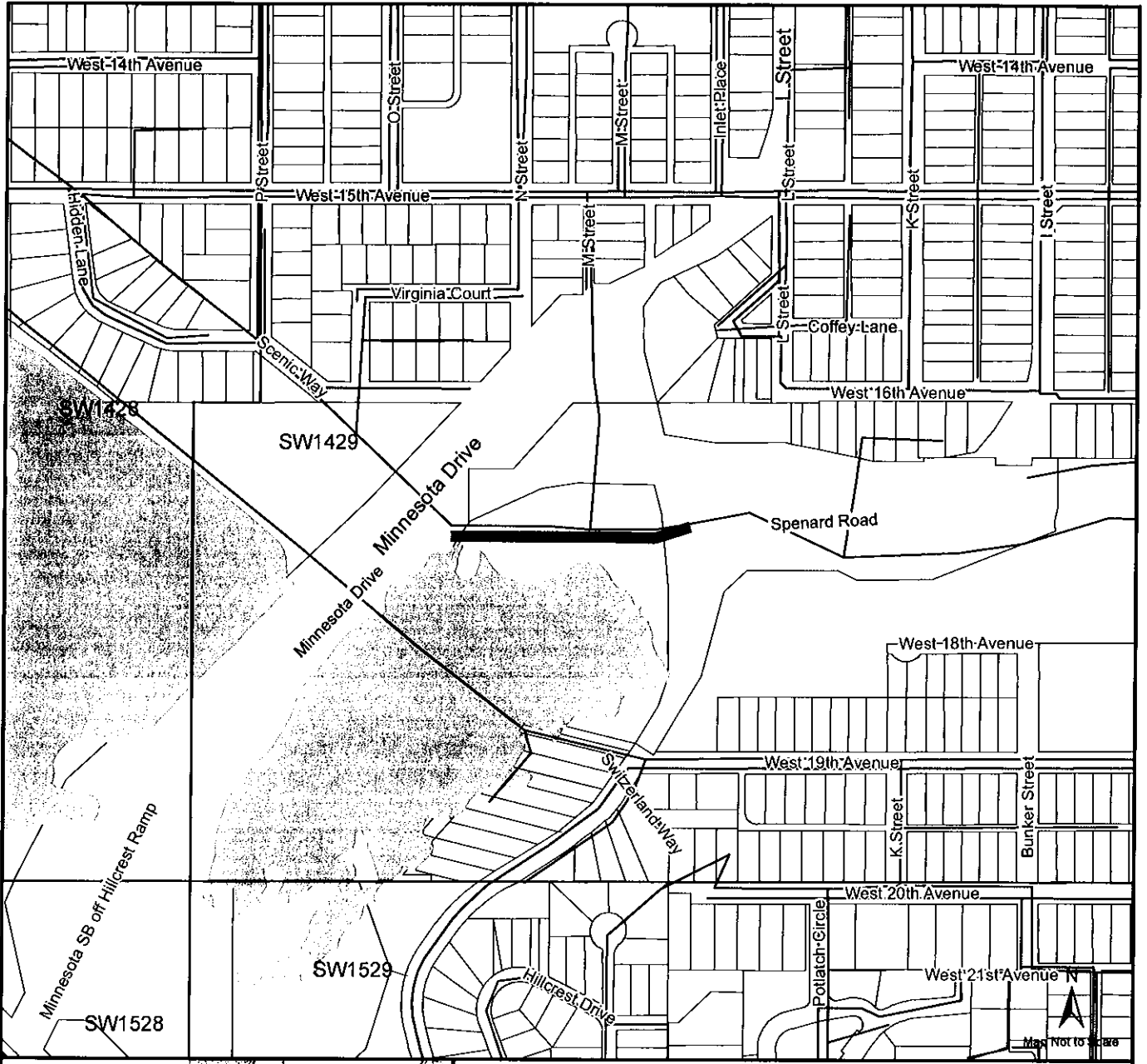
People Soft Information:

Name: AWWTF_Fire_Sprinkler
 Number: 0000005477-551

Plan Set Information:

Name: AWWTF Fire Sprink System
 Number: 9262

- | | |
|-------------------------|--------------------------------|
| Proposed Project | Existing Infrastructure |
| ● Water | — AWWU Water Main |
| ● Wastewater | - - - AWWU Sewer Main |
| ■ Water Pipe | |
| ■ Wastewater Pipe | |



Municipality of Anchorage
Anchorage Water and Wastewater Utility



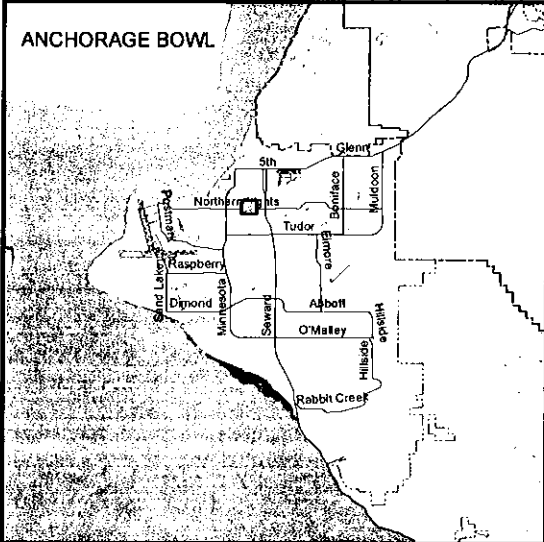
People Soft Information:

Name: B-5C_B-6CDEF_Swr_Upgr_Ph2
 Number: 0000004100-551

Plan Set Information:

Name: B6 Trunk Sewer Upgrade
 Number: 9325

- | Proposed Project | Existing Infrastructure |
|-------------------|-------------------------|
| ● Water | — AWWU Water Main |
| ● Wastewater | — AWWU Sewer Main |
| ■ Water Pipe | |
| ■ Wastewater Pipe | |



Municipality of Anchorage
Anchorage Water and Wastewater Utility



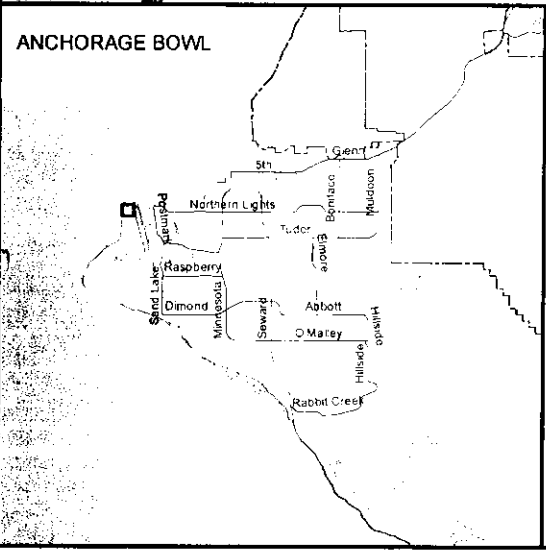
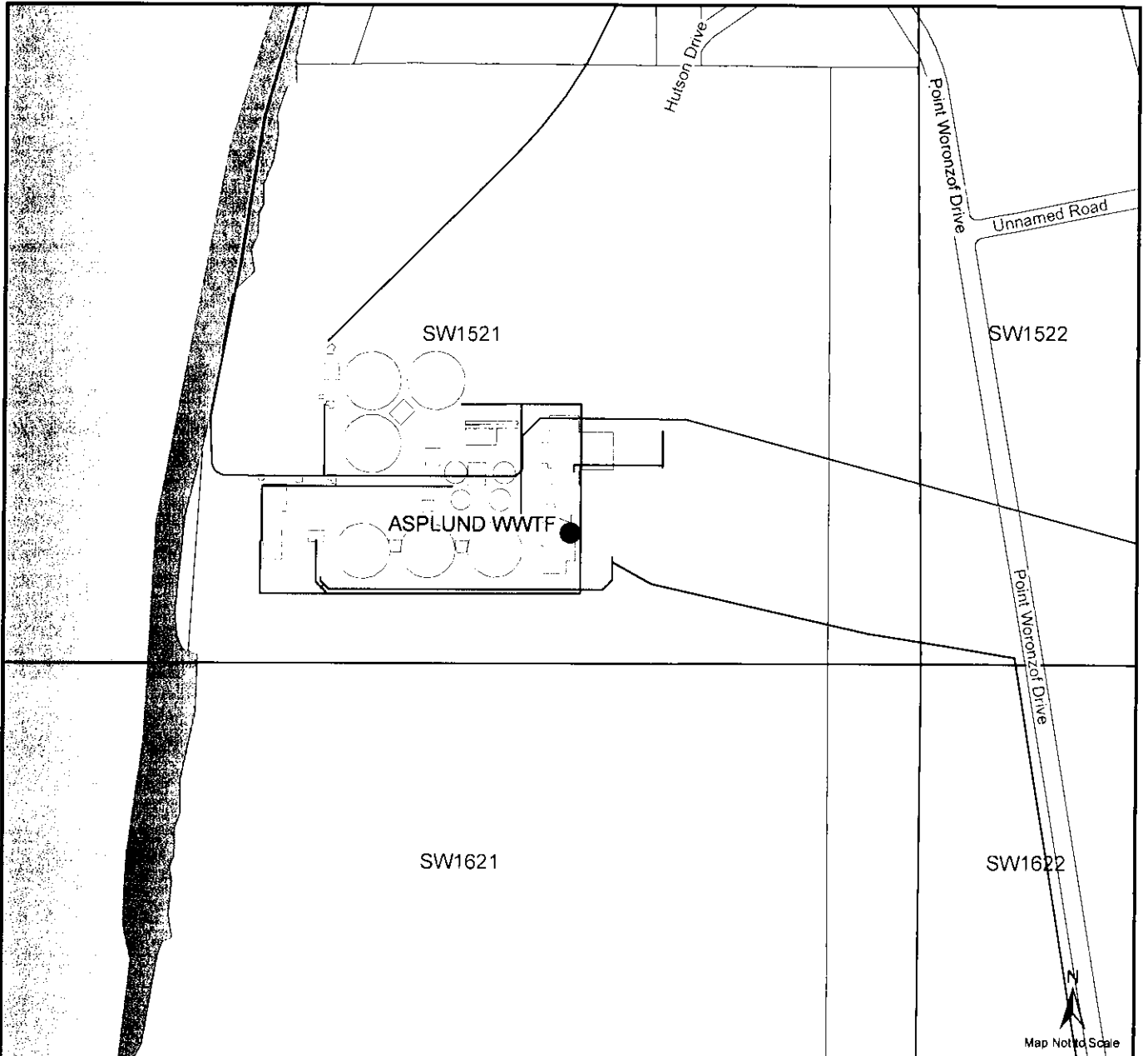
People Soft Information:

Name: Midtown_Swr_Upgr
 Number: 0000004975-551

Plan Set Information:

Name: Midtown_Swr_Upgr
 Number: 9322

- | Proposed Project | Existing Infrastructure |
|-------------------|-------------------------|
| ● Water | — AWWU Water Main |
| ● Wastewater | — AWWU Sewer Main |
| ■ Water Pipe | |
| ■ Wastewater Pipe | |



Municipality of Anchorage
Anchorage Water and Wastewater Utility



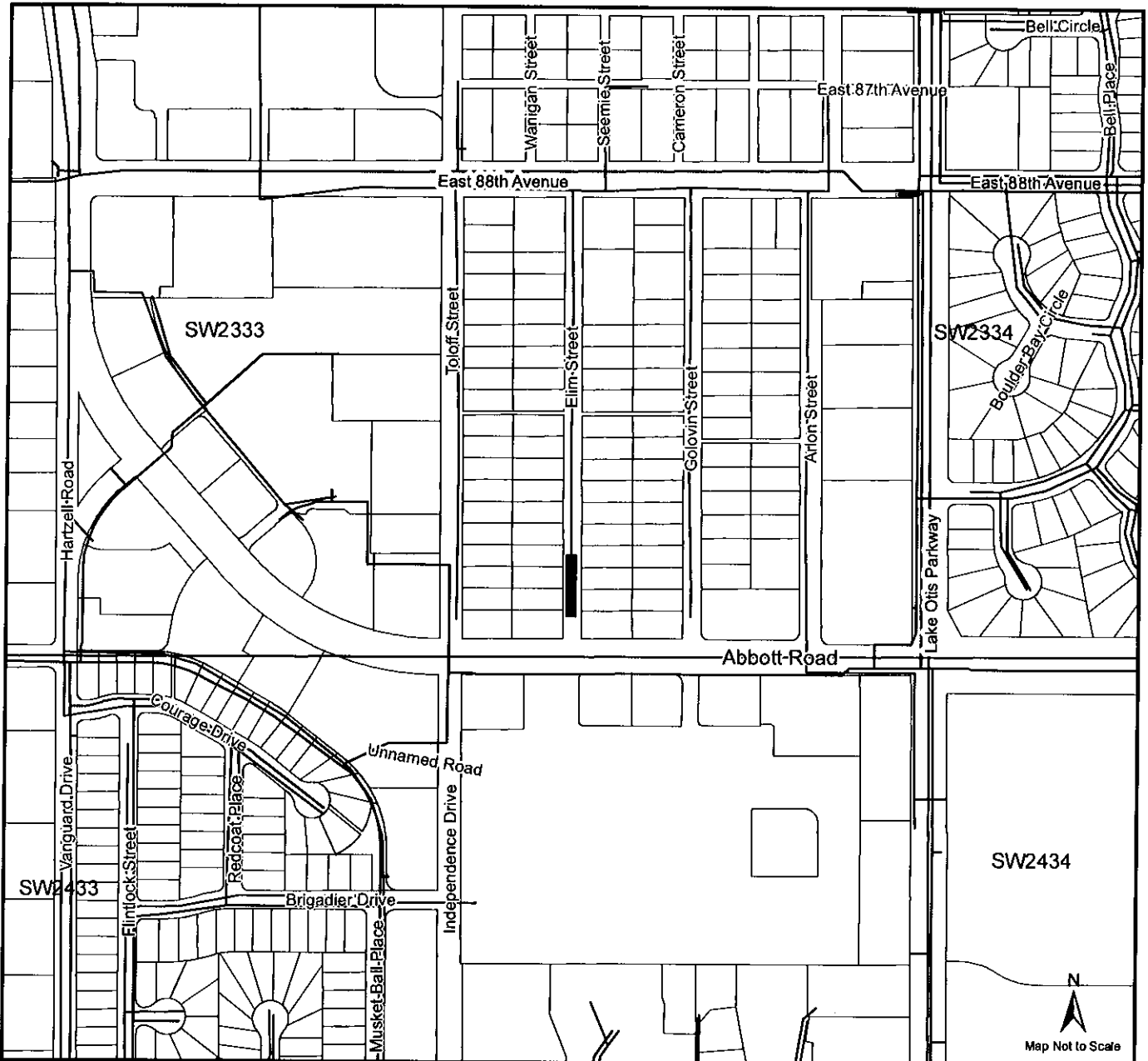
People Soft Information:

Name: AWWTF_Disinfection_Upgrade
 Number: 0000004612-551

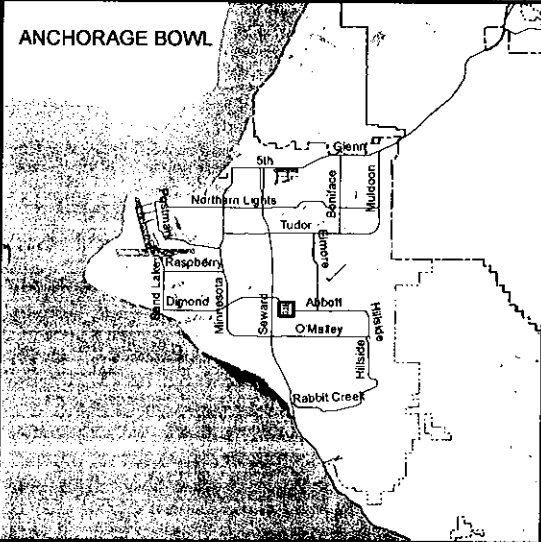
Plan Set Information:

Name: Asplund Disinfection Study
 Number: 8924

- | | |
|-------------------------|--------------------------------|
| Proposed Project | Existing Infrastructure |
| ● Water | — AWWU Water Main |
| ● Wastewater | — AWWU Sewer Main |
| ■ Water Pipe | |
| ■ Wastewater Pipe | |



ANCHORAGE BOWL



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: Elim_St_Swr_Upgr
 Number: 0000004977-551

Plan Set Information:

Name: Elim Street Sewer Upgrade
 Number: 9269

Proposed Project

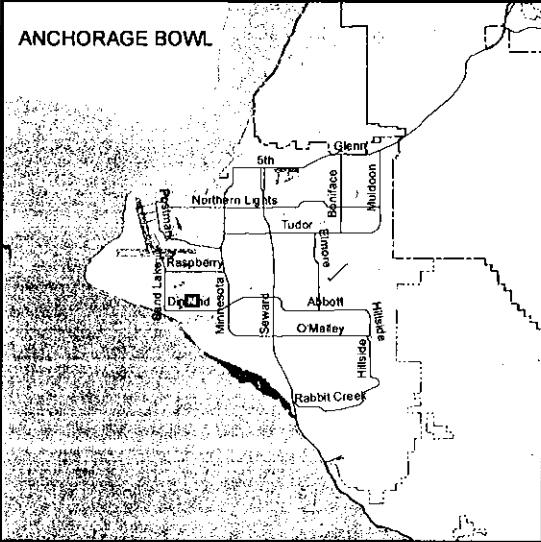
- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main



Map Not to Scale



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: 86th-Golden_Jewel_Lk_Swr_Upgr
Number: 0000003578-551

Plan Set Information:

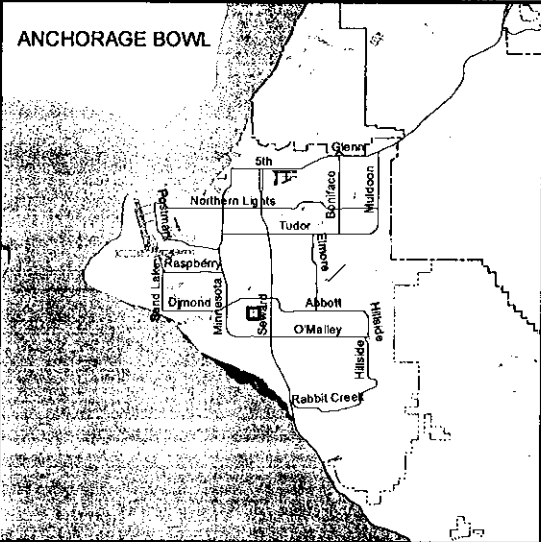
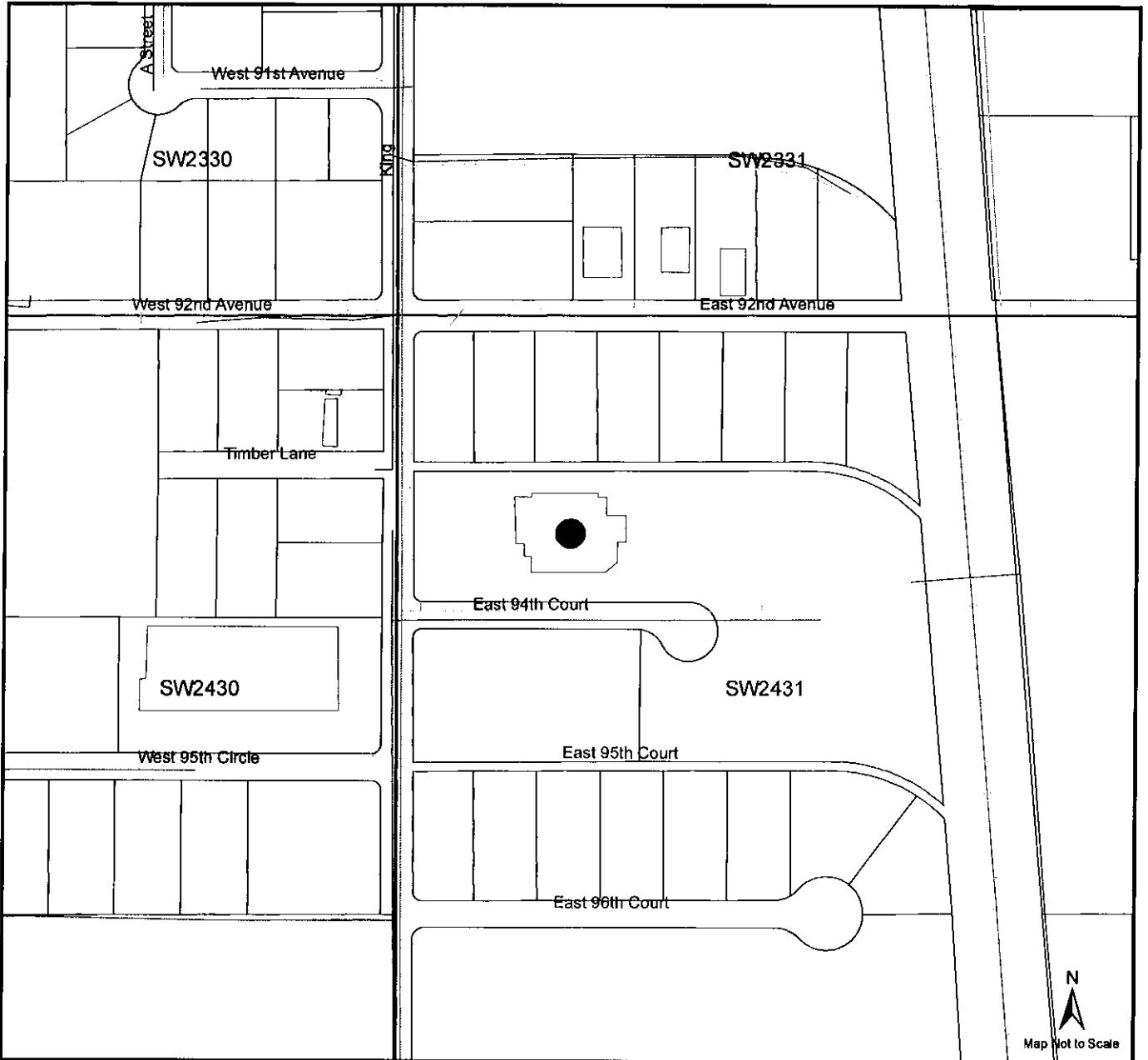
Name: 86th-Golden_Jewel_Lk_Swr_Upgr
Number: 9312

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main







Municipality of Anchorage



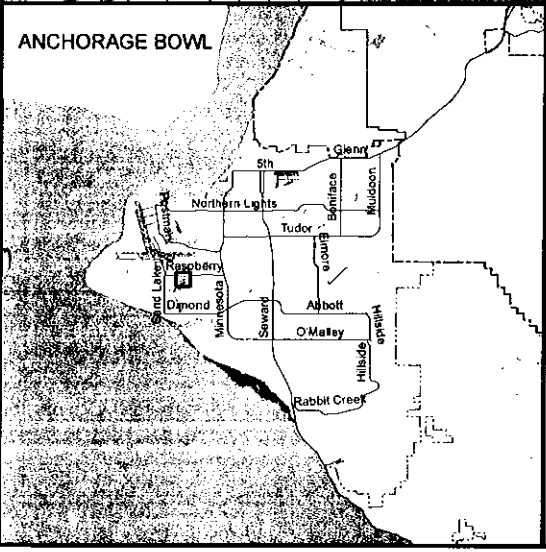
Anchorage Water and Wastewater Utility

AWWU Ops Control System

People Soft Number 0000004956

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

Map Created: 08/11/2009



Municipality of Anchorage
Anchorage Water and Wastewater Utility



People Soft Information:

Name: Crawford_Dawn_Pipe_Replacement
 Number: 0000004967-551

Plan Set Information:

Name: Crawford Dawn Pipe Replacement
 Number: 9281

Proposed Project

- Water
- Wastewater
- Water Pipe
- Wastewater Pipe

Existing Infrastructure

- AWWU Water Main
- AWWU Sewer Main

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 475-2010

Meeting Date: August 31, 2010

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,
4 ALASKA, AUTHORIZING THE BORROWING AND
5 ACCEPTING, FROM THE STATE OF ALASKA CLEAN
6 WATER FUND, AN AGGREGATE AMOUNT NOT TO EXCEED
7 \$10,638,447 FOR THE PURPOSE OF FINANCING A PORTION
8 OF THE COSTS OF VARIOUS AWWU 2010 CAPITAL
9 IMPROVEMENT BUDGET (CIB) WASTEWATER
10 IMPROVEMENTS PROJECTS AND PROVIDING FOR
11 RELATED MATTERS
12

13 The State of Alaska Department of Environmental Conservation offers low-
14 interest loans through the Alaska Clean Water Fund program to communities
15 for the planning, design, and construction of publicly-owned wastewater
16 capital projects.
17

18 The attached Ordinance authorizes borrowing and accepting of not to
19 exceed \$10,638,447 to be used specifically for financing a portion of the
20 costs of various AWWU 2010 CIB projects included in the Alaska Clean
21 Water Fund FY11 Intended Use Plan.
22

23 At its August 4, 2010 meeting, the AWWU Board of Directors supported this
24 ordinance.
25

26 **THE ADMINISTRATION CONCURS WITH THE AWWU BOARD**
27 **RECOMMENDATION AND REQUESTS APPROVAL OF THIS**
28 **ORDINANCE AUTHORIZING THE BORROWING AND ACCEPTING,**
29 **FROM THE STATE OF ALASKA CLEAN WATER FUND, AN**
30 **AGGREGATE AMOUNT NOT TO EXCEED \$10,638,447 FOR THE**
31 **PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS**
32 **AWWU 2010 CAPITAL IMPROVEMENT BUDGET (CIB) WASTEWATER**
33 **IMPROVEMENTS PROJECTS.**
34

35 Prepared by: Anchorage Water and Wastewater Utility
36 Recommended by: Mark Premo, P.E., General Manager, AWWU
37 Concur: George J. Vakalis, Municipal Manager
38 Respectfully submitted: Daniel A. Sullivan, Mayor

Content ID: 009298

Type: Ordinance - AO

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE BORROWING AND ACCEPTING, FROM THE STATE OF ALASKA CLEAN WATER FUND, AN AGGREGATE AMOUNT NOT TO EXCEED

Title: \$10,638,447 FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF VARIOUS AWWU 2010 CAPITAL IMPROVEMENT BUDGET (CIB) WASTEWATER IMPROVEMENTS PROJECTS AND PROVIDING FOR RELATED MATTERS.

Author: gibsonam

Initiating Dept: AWWU

Date Prepared: 8/10/10 10:18 AM

Director Name: Mark Premo

Assembly Meeting Date: 8/31/10

Public Hearing Date: 9/14/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	8/26/10 2:36 PM	Exit	Joy Maglaqui	Public	009298
MuniManager_SubWorkflow	8/26/10 2:36 PM	Approve	Joy Maglaqui	Public	009298
Legal_SubWorkflow	8/25/10 10:45 AM	Approve	Dean Gates	Public	009298
Finance_SubWorkflow	8/25/10 9:51 AM	Approve	Lucinda Mahoney	Public	009298
OMB_SubWorkflow	8/11/10 1:58 PM	Approve	Cheryl Frasca	Public	009298
AWWU_SubWorkflow	8/10/10 10:24 AM	Approve	Mark Premo	Public	009298
AllOrdinanceWorkflow	8/10/10 10:20 AM	Checkin	Alyssa Gibson	Public	009298