

NON-CODE ORDINANCE

Sponsored By: Borough Manager  
Introduced: 08/17/16  
Public Hearing: 09/06/16  
Adopted: 09/06/16

**MATANUSKA-SUSITNA BOROUGH  
ORDINANCE SERIAL NO. 16-106**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE LOAN OFFER FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION, CLEAN WATER FUND, LOAN NO. 561041, AND AUTHORIZING THE MANAGER TO INCUR DEBT IN THE AMOUNT NOT TO EXCEED \$5,000,000, ACCEPT AND APPROPRIATE THE LOAN PROCEEDS TO THE SEPTAGE AND LEACHATE TREATMENT AND DISPOSAL FACILITY, FUND 415, PROJECT NO. 25054 FOR THE DESIGN, PERMITTING, AND INITIAL PHASE OF CONSTRUCTION OF THE SEPTAGE AND LEACHATE TREATMENT AND DISPOSAL FACILITY.

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WHEREAS, design and construction of a septage and leachate treatment and disposal facility is a top priority of the Matanuska-Susitna Borough for the 2015 legislative session, as identified in Resolution Serial No. 14-084; and

WHEREAS, in Resolution Serial No. 14-110, the Assembly authorized the Manager to apply for loan funds in the amount of \$22,000,000 from the Alaska State Department of Environmental Conservation, Alaska Clean Water loan fund to be repaid with revenues from the Central Landfill enterprise fund; and

WHEREAS, the Wastewater and Septage Advisory Board Resolution No. 15-02, supported the designation of the Central Landfill as the site for a new septage and leachate treatment facility; and

WHEREAS, Planning Commission Resolution No. 15-21 supported the designation of the Central Landfill as the site for a new septage and leachate treatment facility; and

WHEREAS, Resolution Serial No. 15-060 identified the Central Landfill as the site for a new septage and leachate treatment facility; and

WHEREAS, the next phase of the project is design and permitting of the proposed facility; and

WHEREAS, the Borough was notified on July 7, 2015, by the Alaska State Department of Environmental Conservation, Clean Water Fund that loan funds were approved in the amount not to exceed \$5,000,000 for the design, permitting, and initial construction of the septage and leachate treatment and disposal facility; and

WHEREAS, the Solid Waste Division currently operates the Central Landfill under an Alaska State Department of Environmental (ADEC) Conservation permit; and

WHEREAS, the Solid Waste Enterprise Fund will repay the principle amount and the finance charges at a rate of 1.5 percent, calculated and provided on a 20-year amortization schedule provided by the ADEC loan officer and agreed to by the Borough; and

WHEREAS, repayment begins one year after date of reported project completion by the Borough; and

WHEREAS, the Borough must pass an ordinance authorizing the Manager to enter into a loan agreement with the State to incur the debt on behalf of the Borough;

WHEREAS, since the loan is being repaid by the Solid Waste Enterprise Fund, the funds are being appropriated to that fund; and

WHEREAS, the Assembly must pass an ordinance accepting and appropriating the Clean Water Fund loan no. 561041 funds in the amount of \$5,000,000 prior to the expenditure of said funds.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a non-code ordinance.

Section 2. Authorization to Incur Indebtedness. For the purpose of providing funds required to pay the costs of design, permitting, and the initial phase of construction of the Septage and Leachate Treatment and Disposal Facility, and to pay all costs incidental thereto, the Assembly hereby authorizes indebtedness in the principle amount not to exceed \$5,000,000 and authorizes the Manager to enter into a loan agreement with the state of Alaska.

Section 3. Appropriation source. The Assembly hereby appropriates the loan proceeds in the amount of \$5,000,000 from the Alaska State Department of Environmental Conservation, Clean Water Fund loan no. 561041 to the Septage and Leachate Treatment Facility preliminary engineering - fiscal year 2017, fund 415, project no. 25054, for design, permitting, and initial phase of

construction of the septage and leachate treatment and disposal facility.

Section 4. Designation, Principle Loan, Interest Rates, and Other Details of the Loan. The loan shall be designated Matanuska-Susitna Borough Alaska Department of Environmental Conservation Septage and Leachate Treatment Facility. The principle loan amount shall not exceed the amount of \$5,000,000. The Solid Waste Enterprise Net Asset Fund will pay a finance charge of 1.5 percent on each disbursement received from the State. The loan amount will be paid back within 21 years following the completion of the septage and leachate treatment and disposal facility. Repayment of the loan will be made with either equal annual principle payments plus the finance charge or equal annual total payments plus finance charge. The first loan payment will be due one year following project completion. The final loan payment will be no later than 20 years after the first payment. The Borough will separately account for all monies received from the Alaska Clean Water Fund and will maintain project accounts in accordance with generally accepted governmental accounting principles.

Section 5. Debt Instrument. A loan from the Alaska State Department of Environmental Conservation Alaska Clean Water Fund Agreement.

Section 6. Execution. This loan shall be executed in the name of the Borough by the signature of the Manager and notarized.

Section 7. Payment of Principle and Interest. The loan shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debt. The payment of principle and interest thereon shall be made to the state of Alaska as provided in the Alaska Clean Water Fund Agreement, ADEC loan no. 561041, septage and leachate treatment facility. The Solid Waste Enterprise Fund will repay the principle amount and the finance charges on a 20-year amortization schedule provided by the state ADEC loan officer and agreed to by the Borough.

Section 8. Security for loan. The Manager may only pledge either revenues from the Solid Waste Enterprise Fund or funds subject to annual appropriations as security for the loan. Neither the full faith and credit nor the taxing power of the Borough may be pledged to the payment.

Section 9. Effective date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this  
6 day of September, 2016.

  
VERN HALTER, Borough Mayor

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)



PASSED UNANIMOUSLY: Sykes, Beck, McKee, Colligan, Mayfield, Doty,  
and Kowalke

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