

**PETERSBURG BOROUGH
ORDINANCE #2019-05**

AN ORDINANCE AUTHORIZING LONG-TERM INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$8 MILLION FOR THE DESIGN AND CONSTRUCTION OF WATER AND WASTEWATER INFRASTRUCTURE IN THE BOROUGH, AND DIRECTING THAT THIS MATTER BE SUBMITTED TO THE VOTERS FOR CONSIDERATION AT THE NEXT REGULAR ELECTION TO BE HELD ON OCTOBER 1, 2019

Whereas, the Borough Water and Wastewater Enterprise Funds, provide potable water treatment and distribution and wastewater collection and treatment to the residents and visitors of Petersburg; and

Whereas, the current water and wastewater systems require ongoing refurbishment to retain the safety of Petersburg's drinking water and the protection of sanitary sewer collection and treatment, and to improve efficiency; and

Whereas, the State of Alaska Department of Environmental Conservation (ADEC) currently offers a municipal loan program for water and wastewater infrastructure projects that pays for up to 100% of eligible projects at terms of approximately 1.5% interest over 20 years; and

Whereas, the Borough Water Enterprise has developed a 5-year capital improvement plan to address various water infrastructure projects such as ADEC mandated improvements at the treatment plant and water main replacements at a projected cost of \$5.4 million; and

Whereas, the Borough Wastewater Enterprise has developed a 5-year capital improvement plan to address various projects such as pump station refurbishments, sewer main replacements and technology upgrades at a projected cost of \$2.6 million; and

Whereas, for these projects, it is anticipated that any indebtedness shall be incurred such as to commence project design no later than five years from the date of voter approval, and thus any voter authorization to incur new long-term debt associated with these departmental capital improvement plans shall be valid only until December 31, 2024; and

Whereas, the Assembly finds that it is in the best interests of the Petersburg Borough to incur such long-term debt in order to maintain public water and wastewater infrastructure in a safe, sanitary and efficient manner protective of the public health, and wishes to submit this matter to the qualified voters of the Borough for their consideration.

Therefore, the Petersburg Borough ordains as follows:

Section 1. Classification: This ordinance shall not be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to authorize long-term indebtedness for improvements to Borough water and wastewater facilities and to submit the question to Borough voters for approval at the next regular election to be held October 1, 2019.

Section 3. Substantive Provisions:

A. The Borough Assembly hereby determines that it is beneficial to the Borough to authorize long-term indebtedness (evidenced by loans, with terms not to exceed 20 years), which shall be a revenue obligation of the water and wastewater enterprises only, in an amount not to exceed the total principal sum of \$8 million, for the purposes of permitting, design and construction of capital improvements for the water and wastewater enterprise funds.

B. The question of whether to authorize this indebtedness shall be submitted to the qualified voters of the Petersburg Borough at the municipal election to be held October 1, 2019. The ballot proposition to be submitted to the voters shall read substantially as follows:

Shall the Petersburg Borough be authorized to incur long-term indebtedness, in a principal amount not to exceed Eight Million dollars (\$8,000,000) for the purpose of permitting, designing and constructing capital projects of the water and wastewater enterprises? The indebtedness would be a revenue obligation of the water and wastewater enterprises only and would be in the form of loans from the Alaska Department of Environmental Conservation (ADEC), with a term not to exceed 20 years, and with an annual interest rate of approximately 1.5%, or as otherwise established under the ADEC Municipal Loan Program. Any authorization approved hereunder by the voters shall expire on December 31, 2024 as to any indebtedness not incurred on or before that date.

- ☐ Yes
☐ No

C. The Borough Manager and Utility Director are authorized to provide informational documents to the voters regarding issues such as the specific terms of the loan, and how the loan would be repaid.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstance shall not be affected.

Section 5. Effective Date: This ordinance, if approved by the voters, shall become effective immediately upon certification of the October 1, 2019 election results.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska,
this _____ day of August, 2019.

ATTEST:

Mark Jensen, Mayor

Debra K. Thompson, Borough Clerk

Adopted:
Noticed:
Effective: Upon Voter
Approval and Certification of
Election Results