

**PETERSBURG BOROUGH, ALASKA
ORDINANCE 2024-13**

AN ORDINANCE AUTHORIZING LONG TERM INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$19.3 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, 2024

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

WHEREAS, new water and wastewater line extensions are required for new, upcoming borough projects; and

WHEREAS, the State of Alaska Department of Environmental Conservation (ADEC) currently offers a municipal loan program for water and wastewater infrastructure projects 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 6-year capital improvement plan to address various water infrastructure projects such as ADEC- mandated improvements at the treatment plant, water main replacements, and new line extensions, at a projected cost of approximately \$2.5 million; and

WHEREAS, the Borough Wastewater Enterprise has developed a 6-year capital improvement plan to address various projects such as pump station refurbishments, sewer main replacements, wastewater treatment mandates, and new line extensions and lift station, at a projected cost of \$16.8 million; and

WHEREAS, for these projects, it is anticipated that any indebtedness shall be incurred such as to commence design and construction no later than six years from the date of voter approval, and thus any voter authorization to incur long-term debt associated with these departmental capital improvement projects shall be valid only until December 31, 2030; 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 and expand public water and wastewater infrastructure in a safe and sanitary 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 Borough water and wastewater projects and to submit the question to the Borough voters at the next regular election.

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 \$19.3 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 next regular municipal election, to be held on October 1, 2024. The ballot proposition to be submitted to the voters shall read substantially as follows:

Proposition No. ____

Shall the Petersburg Borough be authorized to incur long-term indebtedness, in a total principal amount not to exceed Nineteen Million Three Hundred Thousand Dollars (\$19,300,000), for the purposes of permitting, designing and constructing capital projects of the water and wastewater enterprises? This indebtedness would be a revenue obligation of the water and wastewater enterprises only. The indebtedness 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 anticipated annual interest rate of 1.5% or as otherwise established under the ADEC Municipal Loan Program. Any authorization approved hereunder by the voters shall expire on December 31, 2030 as to any indebtedness not incurred on or before that date.

- YES
- NO

C. The Borough Manager, Public Works Director, Community & Economic Development Director and Utility Director are authorized to provide informational documents to the voters regarding this proposition.

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 application to any person and 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, 2024 election results.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 5th day of August, 2024.


Mark Jensen, Mayor

ATTEST:


Debra K. Thompson, Borough Clerk

Adopted: 8.5.2024
Published: 8.15.2024
Effective: Upon Voter Approval
And certification of
October 1, 2024
Election Results