

# PROPOSITION FACT STATEMENT

## PROPOSITION NO. 1

Shall the City of Valdez, Alaska issue general obligation bonds in an amount not to exceed \$35,000,000 for replacement of the sewer force main and certain water and sewer infrastructure, all as provided in Resolution No. 22-11.

## PROPOSITION NO. 1

YES: \_\_\_\_\_

NO: \_\_\_\_\_

Approval of Proposition No. 1 authorizes the issuance of General Obligation Bonds in the amount of \$35,000,000 for replacement of the Sewer Force Main and certain water and sewer infrastructure. The outcome of the vote will determine how the project will be funded.

The City of Valdez explored several financing options including the State Revolving Loan Program, Environmental Protection Agency (EPA) Grant Application, and General Obligation Bond Issuance. The issuance of general obligation bonds was determined to be the fiscally prudent financial approach.

Valdez City Charter, Chapter XI, Municipal Bonding, requires voter approval to issue General Obligation Bonds as a funding source for Capital Improvement Projects.

The Sewer Force Main is a pressurized sanitary sewer line which was constructed in 1975. The Sewer Force Main has reached the end of its estimated life span, and the force main pipeline and valves are failing. The pipeline system is located within a crowded right-of way along with other electrical and telecommunication utilities which traverses environmentally sensitive areas along the Valdez Duck Flats.

The replacement project is designed to construct a new force main pipeline in the Richardson Highway right-of-way separate from utilities, reroute sewer piping from lift stations currently located on Loop Road, and construct a headworks receiving and screening facility at the existing sewage treatment ponds. A plant's headworks plays a crucial role in the pretreatment watercourse for any wastewater treatment facility. It protects the operation of downstream equipment and enhances the efficiency of the overall wastewater treatment process. The construction of a headworks facility as planned will provide the opportunity to add additional new sewer pipelines to accommodate current demand and future growth.