

SUBJECT: Council Resolution 01-38, To Authorize the Incurrence of Indebtedness for the Bumpus Well and Reservoir Facility.

PREPARED BY: Public Works

DATE: September 17, 2001

FOR AGENDA OF: September 24, 2001

SUMMARY: The administration has been working with Rural Development over the past 9 months to secure \$3,309,000 of funding to construct the Bumpus Well and Reservoir Facility. The administration was successful in obtaining a commitment for a low interest loan from Rural Development. Rural Development is prepared to obligate funds for the loan at an interest rate of 4.875% over 40 years, once a council resolution is adopted authorizing indebtedness.

DISCUSSION: The Bumpus Well and Reservoir Facility is identified in the City's Water Master Plan as the optimum location for a new well and reservoir site to provide a water supply for the next 15 years. With the recent septage facility improvements and planned stormwater improvements, the Bumpus Well and Reservoir Facility is the number one priority capital improvement project. The administration is also seeking ADEC grant funding for this project to minimize the amount of debt incurred for the project.

RECOMMENDED ACTION: The administration is requesting that Council approve Resolution 01-38 that authorizes and provides for the incurrence of \$3,309,000 of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its Bumpus Well and Reservoir Facility to serve an area lawfully within its jurisdiction.



Reviewed by: SARAH PALIN, Mayor

Presented with: Reso 01-38
Date: 9/24/01 Verified by: W