

NON CODE ORDINANCE

Prepared by: Attorney
Requested by: Public Works
Introduced: April 12, 2004
Substituted: April 26, 2004
Public Hearing: April 26, 2004
Adopted: April 26, 2004
Vote: Unanimous; Straub and Low absent

**CITY OF WASILLA
ORDINANCE SERIAL NO. 04-27(SUB)**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING ORDINANCE SERIAL NO. 02-25, TO PROVIDE FOR THE SALE OF THE SERIES OF UTILITY REVENUE BONDS AUTHORIZED THEREIN TO THE STATE OF ALASKA, DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

WHEREAS, the City of Wasilla, Alaska (the "City") is a first class city, and under the provisions of AS 29.47.240, the City may issue revenue bonds for a public enterprise or public corporation of the City where the only security is the revenue of the public enterprise or corporation; and

WHEREAS, the City owns and operates a water utility and a wastewater utility as a public enterprise under Chapters 13.04 and 13.08 of the Wasilla Municipal Code; and

WHEREAS, in Ordinance Serial No. 02-25, adopted April 29, 2002, the City authorized the issuance and sale of a series of utility revenue bonds in the principal amount of not to exceed \$3,309,000 to the United States Department of Agriculture, Rural Development Agency ("RDA") for the Bumpus Well and Reservoir Project (the "Project"); and

WHEREAS, since the adoption of Ordinance Serial No. 02-25, the City has received an offer from the State of Alaska, Department of Environmental Conservation ("DEC") to purchase the bonds authorized by Ordinance Serial No. 02-25 at an interest rate more favorable to the City than that offered by RDA; and

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

WHEREAS, it is in the best interest of the City to amend Ordinance Serial No. 02-25 to permit the sale of the bonds authorized therein to DEC.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the City of Wasilla:

- * Section 1. Classification. This ordinance is a non-code ordinance.
- * Section 2. Section 2, Definitions, of Ordinance Serial No. 02-25 is amended by adding the following definition:

"DEC" means the State of Alaska, Department of Environmental Conservation.

- * Section 3. Section 2, Definitions, of Ordinance Serial No. 02-25 is amended by deleting the definition of "2002 Series A Bonds" and adding the following definition:

[**"2002 SERIES A BONDS" MEANS THE CITY OF WASILLA, ALASKA, UTILITY REVENUE BONDS, 2002 SERIES A AUTHORIZED BY THIS SERIES ORDINANCE.**]

"2004 Series A Bonds" means the City of Wasilla, Alaska, Utility Revenue Bonds, 2004 Series A authorized by this Series Ordinance.

- * Section 4. Section 5, Description of 2002 Series A Bonds, of Ordinance Serial No. 02-25 is amended to read as follows:

* **Section 5. Description of 2004 [2002] Series A Bonds.** The **2004** 2002 Series A Bonds shall be designated "City of Wasilla, Alaska, Utility Revenue Bonds, 2004 [2002] Series A," shall be issued in fully registered form and shall be numbered in the manner and with such additional designation as the Registrar deems necessary for purposes of identification. The **2004** [2002] Series A Bonds shall be dated as of their delivery date, and shall bear interest from the date thereof, computed on the basis of a 360-day year consisting of twelve 30-day months. Subject to the remainder of this

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

section, the Mayor and the acting [DEPUTY] Mayor each is hereby authorized to determine the dated date, the principal and interest payment dates, the aggregate principal amount, the principal amount of each maturity, the interest rates and the redemption terms, if any, for the 2004 [2002] Series A Bonds, and other details of the 2004 [2002] Series A Bonds, at or before the time of their delivery [TO RDA]; provided that the true interest cost of the 2004 [2002] Series A Bonds, expressed as an annual rate, does not exceed 6.0 percent.

* Section 5. Section 15, Sale of 2002 Series A Bonds, of Ordinance Serial No. 02-25 is amended to read as follows:

* **Section 15. Sale of 2004 [2002] Series A Bonds; General Authorization to City Officials.** The 2004 [2002] Series A Bonds shall be sold at negotiated sale to DEC or RDA, as the Mayor or acting Mayor may determine to be in the best interest of the City. The proper officials for the City are hereby authorized and directed to do everything necessary to complete such sale and delivery of the 2004 [2002] Series A Bonds to the purchaser thereof.

* Section 6. Section 18, Mayor, of Ordinance Serial No. 02-25 is amended to read as follows:

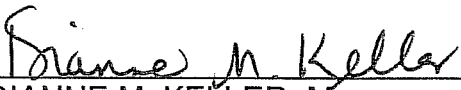
* **Section 18. Mayor.** The Mayor and acting Mayor each is authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this ordinance and to effectuate the issuance and delivery of the 2004 [2002] Series A Bonds. This authority includes without limitation authorization to execute and deliver on behalf of the City a loan agreement between the City and DEC or RDA, consistent with the terms of this Series Ordinance and the Master Ordinance.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

Section 7. Ordinance Serial No. 02-25 is amended to replace the term "2002 Series A" wherever it appears with the term "2004 Series A."

* Section 8. Effective Date. This ordinance shall take effect upon passage and approval.

ADOPTED by the Wasilla City Council, Alaska, on April 26, 2004.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, CMC
City Clerk

[SEAL]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

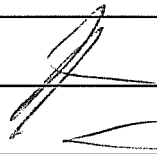
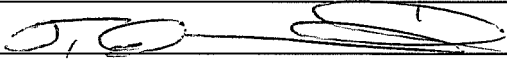


**CITY OF WASILLA
LEGISLATION STAFF REPORT**

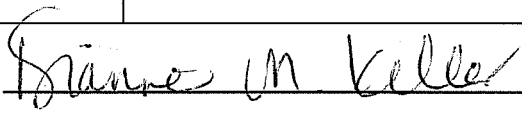
**RE: ORDINANCE SERIAL NO. 04-27: BUMPUS RESERVOIR AND
TRANSMISSION MAIN PROJECT.**

Agenda of: April 12, 2004
Originator: Public Works Director

Date: April 2, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
X	Public Works Planning	 4/2/04
X	Finance *signature required	 4/2/04
X	Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER:



FISCAL IMPACT: yes or no

Funds Available yes no

Account name/number:

Attachments:

SUMMARY STATEMENT: This ordinance allows the city of take advantage of an Alaska Department of Environmental Conservation Drinking Water Fund loan to finance the Bumpus Reservoir and Transmission Main project. Currently, the city is able to apply for a USDA Rural Development loan at an interest rate of 4.8% with a term of 40 years. The ADEC interest rate is 2.5% over 20 years, that will save the utility \$3.7 million in debt service.