

**CITY OF WASILLA
RESOLUTION SERIAL NO. 01-38(SUB)**

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS IN THE AMOUNT OF NOT TO EXCEED \$3,309,000 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.

WHEREAS, the City of Wasilla (the "City") through the Rural Development is seeking not to exceed \$3,309,000 in loan funding to construct the Bumpus Well and Reservoir Facility (the "Project") to serve as a new primary water supply facility for Wasilla; and

WHEREAS, Rural Development requires a council resolution authorizing the incurrence of indebtedness to obligate loan funds prior to loan approval; and

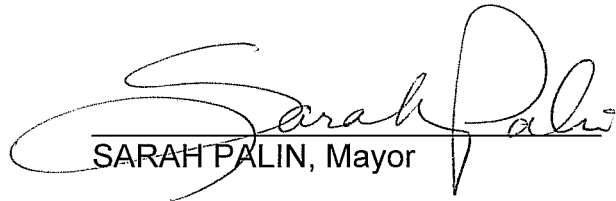
WHEREAS, the City is one of the fastest growing communities in Alaska and the United States; and

WHEREAS, the Project is necessary to provide City drinking water to areas not currently served to insure public health; and

WHEREAS, the Project is necessary to provide adequate fire protection water quantities for properties within the City limits.

NOW THEREFORE BE IT RESOLVED that the City hereby authorizes and provides for the incurrence of not to exceed \$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. The debt shall be a special obligation of the City, and shall be paid solely from the revenues of the City water and sewer utilities. Neither the faith and credit nor the taxing power of the City is pledged for the payment of this indebtedness.

ADOPTED by the City of Wasilla this 24th day of September 24, 2001.


SARAH PALIN, Mayor

ATTEST:



KRISTIE L. VANGORDER, CMC
City Clerk

[SEAL]

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