

Requested by: Public Works
Prepared by: Public Works
Meeting date: August 25, 2003
Adopted: August 25, 2003
Vote: Unanimous; Lowe absent

**CITY OF WASILLA
RESOLUTION SERIAL NO. 03-28**

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING A LOAN APPLICATION FOR THE BUMPUS RESERVOIR FACILITY IN THE AMOUNT OF \$3,309,000 AND DESIGNATING AN OFFICIAL AUTHORIZED TO ACCEPT AND MANAGE AN ALASKA DRINKING WATER FUND LOAN.

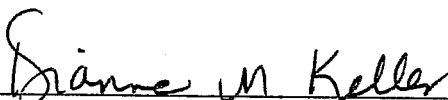
WHEREAS, the City of Wasilla (the Municipality) seeks to obtain the necessary financial assistance to construct the Bumpus Reservoir Facility that includes the transmission main; and

WHEREAS, the State of Alaska, Department of Environmental Conservation (the Department) is able to offer funding through the Alaska Drinking Water Fund; and

WHEREAS, the Municipality wishes to apply for a loan from the Alaska Drinking Water Fund;


NOW THEREFORE BE IT RESOLVED, that the Municipality is authorized to apply to the Department for a loan from the Alaska Drinking Water Fund for the Bumpus Reservoir Facility and Transmission Main. Mayor Dianne M. Keller is authorized to execute any and all documents that may be required by the Department to reflect the indebtedness, the terms of its repayment, and any security therefore, including but not limited to an agreement for the loan and a promissory note.

ADOPTED by the Wasilla City Council on August 25, 2003.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, CMC
City Clerk

[SEAL]



CITY OF WASILLA
290 E. HERNING AVE.
WASILLA, AK 99654-7091
PHONE: (907) 373-9090
FAX: (907) 373-9092

TO: Wasilla City Council
THRU: Mayor Dianne M. Keller *DML*
FROM: Don Shiesl, Public Works Director
DATE: August 19, 2003
SUBJECT: Resolution Serial No. 03-28

SUMMARY: The City currently has a loan commitment from USDA for the Bumpus Reservoir Facility in the amount of \$3,309,000 to be paid back over 40 years and 4.8 percent interest. This loan has not been finalized, and the City is currently using interim financing to construct the project. The administration has found another loan source through the Alaska Department of Environmental Conservation, where the loan can be paid back over 20 years at 2.5 percent interest.

The ADEC loan would result in a savings of \$3,258,344 over the payback period with the annual payment increasing from \$187,590 to \$212,262 (\$24,672 increase).

FISCAL IMPACT: If yes, amount requested: \$24,672 increase in operating budget to realize \$3,258,344 in savings over the life of the loan.

RECOMMENDED ACTION: To adopt Resolution Serial No. 03-28