

**CITY OF CORDOVA, ALASKA
RESOLUTION 02-13-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CITY OF CORDOVA TO ISSUE GENERAL OBLIGATION
DEBT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,081,500 TO FINANCE
THE LT2 COMPLIANCE PROJECT, AND TO SUBMIT THE QUESTION OF THE
ISSUANCE OF SUCH DEBT TO THE QUALIFIED VOTERS OF THE CITY AT THE
MARCH 5, 2013 CITY ELECTION.**

WHEREAS, the City of Cordova, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City; and

WHEREAS, the Cordova City Charter authorizes the City to issue general obligation debt provided that such debt shall be authorized by the council and ratified by a majority of the qualified voters voting on the question; and

WHEREAS, the United States Environmental Protection Agency has mandated that all Public Water Systems that use water from surface sources take steps to comply with Long Term 2 (LT2) regulations meant to protect the public against the effects of the microorganism known as Cryptosporidium (the "Project"); and

WHEREAS, the State of Alaska Department of Environmental Conservation ("DEC") offers loans at favorable interest rates (currently 1.5%) for up to 20 years, for which the Project appears eligible; and

WHEREAS, DEC has offered the City a grant of \$3,775,000 to finance part of the cost of the Project, if the City provides \$1,617,857 in matching funds for the Project, and the City may obtain a loan in the amount of \$1,081,500 to provide those matching funds through the issuance of general obligation debt; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City authorize the issuance of general obligation debt for the purposes described in this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation indebtedness in the amount not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) for the purpose of financing the acquisition and construction of the Project.

Section 2. The City is authorized to borrow the sum of not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation debt of

the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the debt.

Section 3. The City shall submit the following proposition to the qualified voters of the City at the March 5, 2013 regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 3
GENERAL OBLIGATION DEBT FOR THE FEDERALLY MANDATED
LT2 COMPLIANCE PROJECT

Shall the City of Cordova incur general obligation indebtedness in an amount not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) to finance at a rate of 1.5% the acquisition and construction of the Water Division Upgrade Project to comply with the requirements of the federally mandated LT2 rule?

The debt shall be secured by a pledge of the full faith and credit of the City.

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other bond propositions, and the following words shall be added as appropriate and next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 3

Yes
No


Section 5. Sections 1 and 2 of this Resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the March 5, 2013 regular City election. The remaining sections of this Resolution shall become effective upon passage and approval.

PASSED AND APPROVED THIS 8th DAY OF FEBRUARY, 2013




James Kallander, Mayor

ATTEST:


Susan Bourgeois, City Clerk