

RESOLUTION NO. 1199

A RESOLUTION AUTHORIZING THE SALE OF WATER REVENUE REFUNDING BONDS AND RELATED MATTERS

WHEREAS, the City adopted resolution No. 868 on June 16, 2004, authorizing the issuance of up to \$2,900,000 of water revenue bonds pursuant to ORS 288.805 to 288.945, published notice pursuant to those statutes, waited sixty days after the notice was published, and determined that no petitions were filed requiring that the question of issuing the bonds be submitted to the City's voters; and,

WHEREAS, on September 30, 2004, the City issued \$2,900,000 of water revenue bonds (the "2004 Bonds") pursuant to resolution No. 868; and

WHEREAS, the City adopted resolution No. 957 on August 1, 2007, authorizing the issuance of up to \$4,000,000 of water revenue bonds pursuant to ORS 288.805 to 288.945, published notice pursuant to those statutes, waited sixty days after the notice was published, and determined that no petitions were filed requiring that the question of issuing the bonds be submitted to the City's voters; and,

WHEREAS, the City issued \$3,200,000 of water revenue bonds pursuant to resolution No. 957 and has \$800,000 of unused bonding authority remaining under resolution No. 957; and

WHEREAS, the City may reduce its debt service expense and the debt service payments that are due in the current fiscal year by refunding the 2004 Bonds and borrowing to replace the debt service reserve surety for the 2004 bonds using a portion of the unused bonding authority remaining under resolution No. 957; and,

WHEREAS, ORS 287A.360 authorizes the City to issue bonds to refund outstanding City bonds; and,

WHEREAS, Columbia State Bank has submitted a favorable proposal to Canby Utility Board on behalf of the City to buy the refunding bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Canby, as follows:

Section 1. Bonds Authorized

1.1 The City hereby authorizes the sale and delivery of water revenue refunding bonds in a principal amount sufficient to defease and prepay the City's outstanding 2004 Bonds, to fund a contribution to the debt service reserve account for the refunding bonds, and to pay costs related to the refunding bonds. The water revenue refunding bonds authorized by this resolution (the "2014 Bonds") shall be issued as Parity Obligations under Section 6 of the City's Master Water Revenue Bond Declaration that is dated as of September 30, 2004 (the "Master Declaration").

1.2 The Series 2014 Bonds shall be special obligations of the City that are payable solely from the revenues of the City's water system and related amounts that are pledged to Parity

Obligations as provided in the Master Declaration.

Section 2. Delegation


The General Manager of the Utility Board, the Finance Manager of the Utility Board, or any person designated by the City Council to act as on behalf of the City under this resolution (any of whom is referred to in this resolution as a "Canby Utility Official") may, on behalf of the City:

- 2.1 Accept the proposal of Columbia State Bank, with any changes that the Canby Utility Official may approve, and sell the 2014 Bonds to Columbia State Bank, or, if the sale to Columbia State Bank proves impractical, select another commercial bank or similar entity and sell the 2014 Bonds to that entity.
- 2.2 Establish the final principal amount, maturity schedule, interest rates, sale prices, redemption terms, and other terms for the Series 2014 Bonds.
- 2.4 Finalize, execute and deliver a declaration supplementing the Master Declaration and providing that the 2014 Bonds are issued as Parity Obligations under the Master Declaration.
- 2.6 Appoint and enter into agreements with escrow agents and other professionals and service providers in connection with the 2014 Bonds and the defeasance and redemption of the 2004 Bonds.
- 2.7 Enter into covenants to maintain the excludability of interest on the Series 2014 Bonds from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
- 2.8 Designate the Series 2014 Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.
- 2.9 Issue the 2014 Bonds, call for redemption and defease the 2004 Bonds, and execute any documents and take any other action in connection with the Series 2014 Bonds and the redemption of the 2004 Bonds which the Canby Utility Official finds will be advantageous to the City.

Section 3. Effective Date

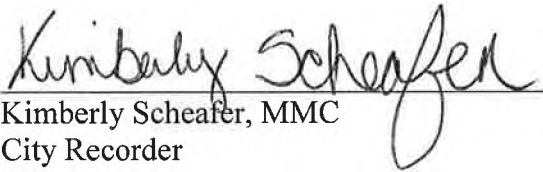
This resolution shall take effect on September 17, 2014.

ADOPTED this 17th day of September, 2014 by the Canby City Council.



Brian Hodson
Mayor

Attest:



Kimberly Scheafer, MMC
City Recorder