

## RESOLUTION NO. 1275

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

**WHEREAS**, the City of Canby, Oregon (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**, on October 31, 2007, the City issued \$3,200,000 of water revenue bonds (the "2007 Bonds") pursuant to resolution No. 957; and,

**WHEREAS**, the City may reduce its debt service expense and the debt service payments by refunding the 2007 Bonds; and,

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

**WHEREAS**, JPMorgan Chase Bank, NA (the "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, OREGON, that:**

#### **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 2007 Bonds that are being refunded, and to pay costs related to the refunding bonds. The water revenue refunding bonds authorized by this resolution (the "2017 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 2017 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 or 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 the Bank, with any changes that the Canby Utility Official may approve, and sell the 2017 Bonds to the Bank, or, if the sale to the Bank proves impractical, select another commercial bank or lender and sell the 2017 Bonds to that entity.

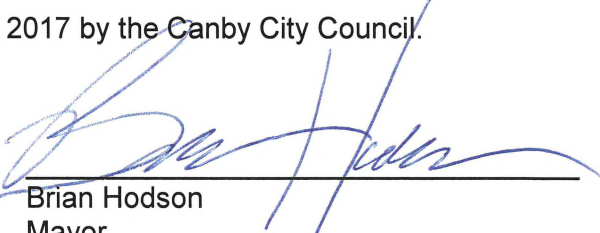
2.2 Establish the final principal amount, maturity schedule, interest rates, sale prices, redemption terms, and other terms for the 2017 Bonds.

- 2.4 Finalize, execute and deliver a declaration supplementing the Master Declaration and providing that the 2017 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 2017 Bonds and the defeasance and redemption of the 2007 Bonds.
- 2.7 Take any actions necessary to refund any 2007 Bonds that will be refunded.
- 2.8 Enter into covenants to maintain the excludability of interest on the 2017 Bonds from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
- 2.9 Designate the 2017 Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.
- 2.10 Determine whether the savings produced by refunding are adequate to justify the refunding, and select the outstanding 2007 Bonds that will be refunded.
- 2.11 Transfer water system revenues or other legally available funds to fund a reserve account for the 2017 Bonds
- 2.12 Amend the Master Declaration if the Canby Utility Official determines the amendment will provide more favorable terms to the City.
- 2.13 Issue the 2017 Bonds, call for redemption and defease the 2007 Bonds, and execute any documents and take any other action in connection with the 2017 Bonds and the redemption of the 2007 Bonds which the Canby Utility Official finds will be advantageous to the City.

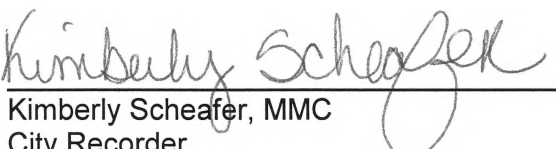
**Section 3. Effective Date**

This resolution shall take effect October 18, 2017.

ADOPTED this 18<sup>th</sup> day of October 2017 by the Canby City Council.

  
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Brian Hodson  
Mayor

ATTEST:

  
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Kimberly Scheafer, MMC  
City Recorder