

RESOLUTION NO. 2016-01

A RESOLUTION OF THE CITY OF PRAIRIE CITY, GRANT COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF WASTEWATER REVENUE BONDS FOR A TOTAL OF NOT TO EXCEED \$1,905,700, AND PROVIDING FOR PUBLICATION OF NOTICE.

The City Council of City of Prairie City, Grant County, Oregon (the “City”), finds:

A. The City finds that it is financially feasible and in its best interests to finance capital construction and improvements to the City’s wastewater system (the “Project”).

B. The City is authorized to finance the Project by issuing revenue bonds pursuant to Oregon Revised Statutes 287A.150 et. seq. (the “Act”).

C. The cost of the Project, including bond issuance costs, is estimated to not exceed \$1,905,700. The City expects (1) to obtain financing in the amount of not to exceed \$1,905,700 from the United States Department of Agriculture Rural Development (“USDA”) by issuing the revenue bonds authorized hereunder to USDA, and (2) to obtain a grant from USDA for the remainder of the cost of the Project. The City expects to use available funds of the City to provide for debt service reserves and/or short-lived asset reserves as required by the USDA in connection with financing the Project.

D. The City will cause to be prepared a plan showing that the City’s estimated net wastewater revenues are sufficient to pay the estimated debt to be incurred by the City under the revenue bond issue authorized by this resolution.

The City Council of City of Prairie City, Grant County, Oregon, resolves:

Section 1. Revenue Bonds Authorized. There is hereby authorized to be issued the City’s wastewater revenue bonds in the aggregate principal amount of not to exceed \$1,905,700. Prior to selling the bonds the City Council shall establish by resolution:

- (a) Whether the bonds shall be sold at public competitive bid sale or private negotiated sale;
- (b) The maximum discount to be allowed upon sale of the bonds;
- (c) The schedule for bond principal repayment;
- (d) The terms under which additional bonds may be issued;
- (e) The terms by which bonds may be redeemed prior to maturity;
- (f) The amount of any reserves to be established for the bonds and the manner in which the reserves shall be funded;

- (g) The covenants which the City will make with bondowners regarding operation of the Project;
- (h) The revenues to be pledged to payment of the bonds;
- (i) Whether the pledged revenues shall be held by a trustee, and if they are so held, the trustee's duties;
- (j) Whether security interests should be granted; and
- (k) Any other terms, conditions or covenants regarding the bonds, the Project or the revenues which are necessary or desirable to effect the sale of the bonds.

Section 2. Notice; Procedure.

(a) No bonds may be sold, and no purchase agreement for the bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization, which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify, at minimum, at least the information required by the Act, and shall be published in at least one newspaper of general circulation in the City in the same manner as are other public notices of the City.

Upon the adoption of this resolution, the proper officials of the City are authorized and directed to undertake all actions necessary for the prompt publication of the Notice.

(b) If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's electors, are received within the time indicated in the Notice, the question of issuing the bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, no bonds may be sold until this resolution and the question of issuing the bonds is approved by a majority of the electors of the City who vote on that question.

(c) The bonds shall be issued and sold in accordance with the Act.

Section 3. Bonds Payable Solely from Revenues.

The bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues which the City pledges to payment of the bonds pursuant to ORS 287A.150 and the resolution to be adopted by the City pursuant to Section 1 of this resolution.

Section 4. Intent to Reimburse.

The City reasonably expects to issue the bonds or other obligations, such as interim financing for the Project (the "reimbursement obligations") and to use the proceeds of such reimbursement obligations to reimburse the City for the expenditures it makes from its available funds for the Project. The City expects that the aggregate principal amount of the reimbursement obligations will not exceed \$1,905,700.

ADOPTED by the Council of the City of Prairie City, Grant County, Oregon, this 8th day of March, 2016.

**CITY OF PRAIRIE CITY, GRANT COUNTY,
OREGON**

Mayor

Attest:

City Recorder

EXHIBIT A

Notice of Revenue Bond Authorization

NOTICE IS HEREBY GIVEN that the City Council of City of Prairie City, Grant County, Oregon (the “City”), adopted Resolution No. 2016-01 on March 10~~8~~, 2016, authorizing the issuance of wastewater revenue bonds. The bonds will be issued to finance capital construction and improvements to the City’s wastewater system (the “Project”).

The City Council may establish by subsequent resolution all terms, conditions and covenants regarding the bonds and the revenues which are necessary or desirable to effect the sale of the bonds.

The City estimates that the bonds will be issued in an aggregate principal amount of not to exceed \$1,905,700; bond principal and interest are expected to be paid from City revenues. The bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the revenues, including wastewater system revenues, which the City pledges to the payment of the bonds.

If written petitions, signed by not less than five percent (5%) of the City’s electors, are filed at the Office of the City Recorder on or before _____, 2016 (the 61st day after the date of publication of the notice), the questions of issuing the revenue bonds shall be placed on the ballot at the next legally available election date.

The Office of the City Recorder is located at 133 S. Bridge Street, Prairie City, Oregon.

The resolution authorizing the bonds is available for inspection at the Office of the City Recorder.

The bonds will be issued and sold pursuant to Oregon Revised Statutes 287A.150 et. seq.; this Notice is published pursuant to ORS 287A.150(4).

BY ORDER OF THE CITY COUNCIL OF CITY
OF PRAIRIE CITY, GRANT COUNTY,
OREGON.