

## ORDINANCE NO. 1296

### AN ORDINANCE AUTHORIZING BONDS TO REFUND OUTSTANDING LOANS WITH THE OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

**WHEREAS**, the City of Tillamook (the “City”) is authorized to issue revenue bonds for a public purpose by ORS 287A.150 and related provisions of ORS 287A (collectively, the “Act”), which state that those bonds may be payable from all or any portion of the “revenue” of the City, as defined in ORS 287A.001(16); and,

**WHEREAS**, ORS 287A.001(16) defines “revenue” to mean all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled; and,

**WHEREAS**, the City has three loans outstanding with the State of Oregon acting by and through its Department of Environmental Quality (“DEQ”) secured by revenues of the City’s sewer system, consisting of Loan No. R91563 authorized by the City by Resolution No. 1378 (Exhibit A), originally issued in the principal amount of \$448,039 and outstanding in the approximate amount of \$245,672, Loan No. R91566 authorized by the City by Resolution No.1442 (Exhibit B), originally issued in the principal amount of \$191,072 and outstanding in the approximate amount of \$118,623, and Loan No. R91567 authorized by the City by Resolution No. 1450 (Exhibit C), originally issued in the principal amount of \$16,926,224 and outstanding in the approximate amount of \$14,179,261 (collectively, the “Refunding Candidates”); and,

**WHEREAS**, the DEQ has indicated the City is eligible to refund the Refunding Candidates if the refunding is accomplished through revenue bonds; and,

**WHEREAS**, the City desires to issue revenue bonds under the Act to refinance all or any portion of the Refunding Candidates to take advantage of the favorable terms proposed by DEQ; now, therefore,

#### **The City of Tillamook ordains as follows:**

**Section 1.** Revenue Bonds Authorized under the Act. The City hereby authorizes the issuance of revenue bonds pursuant to the Act to refinance the Refunding Candidates. The bonds authorized by this section may be issued in an amount sufficient to refinance all or any portion of the Refunding Candidates, plus additional amounts sufficient to pay estimated costs related to those bonds and shall be issued and sold in accordance with the Act and Section 4 of this ordinance. The bonds authorized by this Section 1 shall be payable solely from revenues of the City’s sewer system as described in the Bond Purchase Agreements authorized in Section 4.D of this ordinance.

**Section 2.** No Additional Taxes Authorized. Neither the authorization nor the issuance of the bonds described in Section 1 of this ordinance authorizes the City to levy any additional taxes.

**Section 3.** Bonds Are Subject to Referral. The bonds described in Section 1 of this ordinance cannot be sold until the period of referral of this nonemergency ordinance has expired.

If this ordinance is referred to a vote, the City may not sell the bonds described in Section 1 of this ordinance unless the voters approve this ordinance.

**Section 4. Delegation.** After this ordinance takes effect the City Manager, the Finance Officer or the person designated by the City Manager or the Council to act on behalf of the City under this ordinance (each of whom is referred to in this ordinance as a “City Official”) may, on behalf of the City and without further action by the Council:

A. Issue the revenue bonds authorized by Section 1 of this ordinance (collectively, the “Bonds”) in one or more series, which may be sold at different times.

B. Subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds.

C. Negotiate the sale of any series of the Bonds with the DEQ.

D. Negotiate, finalize the terms of, and execute Bond Purchase Agreements which pledge the revenues of the City’s sewer system to secure the Bonds, contain covenants regarding the levels of fees and charges that the City must impose for its sewer system, impose reserve requirements, describe the terms under which the City may issue obligations in the future that are secured by the revenues of the City’s sewer system, describe the Bonds, and make additional covenants to secure the Bonds. The Bond Purchase Agreements shall be in substantially the forms attached to this ordinance with such changes as may be approved by a City Official.

E. Determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, or is includable in gross income under that code. If a series bears interest that is excludable from gross income under that code, the City Official may enter into covenants to maintain the excludability of interest on that series of Bonds from gross income.

F. Execute any documents and take any other action in connection with the Bonds and the Refunding Candidates that the City Official finds will be advantageous to the City.

**PASSED FIRST READING** by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**PASSED SECOND READING** by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**ADOPTED** by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**APPROVED** by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

\_\_\_\_\_  
Suzanne Weber, Mayor

\_\_\_\_\_  
Abigail Donowho, City Recorder

RESOLUTION NO. 1378

**A RESOLUTION OF THE CITY OF TILLAMOOK, OREGON  
APPROVING A NEW STATE REVOLVING FUND  
LOAN (SRF) AGREEMENT TO FINANCE \$500,000 WORTH OF ADDITIONAL (EXPANDED  
CORRECTIVE ACTION PLAN - CAP) WASTEWATER TREATMENT  
FACILITIES PROJECTS**

**WHEREAS**, the City of Tillamook, Oregon (the "City") has entered into negotiations with the State of Oregon Department of Environmental Quality (the "DEQ") for an additional \$500,000 loan to the City from the State Revolving Fund (SRF) which will cause the existing SRF loan amount to be amended to the amount of \$2,429,808; and

**WHEREAS**, the DEQ has provided to the City a State Revolving Fund Agreement ("SRF Loan Agreement") dated March 14, 2003; and

**WHEREAS**, DEQ and the City of Tillamook agree on this new loan to the State Revolving Fund; and

**WHEREAS**, the City requests that this additional amount take the form of a new loan #R91563 at the current interest rate of 3.19% as opposed to use of the interest rate of the existing loan which is at 3.77%; and

**WHEREAS**, the City Attorney has reviewed the form of the SRF Loan Agreement and finds in Article 1(J) that the City as "Borrower", agrees to pledge its Sewer System Net Operating Revenues as a first and paramount lien to secure the loan from the State Revolving Fund, and in Article 5 (C) that the City agrees to maintain a loan reserve account in the approximate amount of \$35,000 to be used for loan repayment from the date of the first loan disbursement until the loan is fully repaid;

**NOW, THEREFORE**, be it resolved by the City Council of the City of Tillamook, Oregon:

**Section 1:** The City does authorize and approve this new SRF Loan Agreement for the financing of Wastewater Treatment Facilities Projects, in the form of Loan Agreement #R91563.

**Section 2:** The City has authorized and approved the establishment and funding of a designated reserve account to meet the "Loan Reserve" requirement of the SRF Loan Agreement, and has directed the City Recorder to establish this Loan Reserve.

**Section 3:** The City does authorize and direct the City Manager, City Recorder and the Mayor, acting for and on behalf of the City, to execute the SRF Loan Agreement No. R91563 and such other and additional documents as may reasonably be required thereafter.

**Section 4:** Clean Water State Revolving Fund Loan Agreement No. R91563 is attached and incorporated hereby reference.

**APPROVED** by the Tillamook City Council this 3rd day of March, 2003.

  
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Mayor

ATTEST:

  
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City Recorder

G/RESOLUTION-SRF Loan

R 91563

RESOLUTION NO. 1442DEQ  
AUG 19 2005

**A RESOLUTION OF THE CITY OF TILLAMOOK, OREGON  
 APPROVING A NEW STATE REVOLVING FUND  
 LOAN (SRF) AGREEMENT TO FINANCE \$268,000 WORTH OF WASTEWATER PHASE ONE  
 SEWER IMPROVEMENTS WHICH INCLUDE CONSTRUCTION OF 1,000 FEET OF 18 INCH  
 DIAMETER SANITARY SEWER ON EVERGREEN DRIVE TO ELIMINATE SEWAGE  
 OVERFLOWS, AND REPLACEMENT OF A SANITARY SEWER MANHOLE AT THE  
 INTERSECTION OF 1<sup>ST</sup> STREET AND STILLWELL AVENUE**

**WHEREAS**, the City of Tillamook, Oregon (the "City") has entered into negotiations with the State of Oregon Department of Environmental Quality (the "DEQ") for an additional \$268,000 Loan to the City from the State Revolving Fund (SRF) to fund a DEQ mandated Wastewater Facility Improvements; and

**WHEREAS**, the DEQ will provide to the City a State Revolving Fund Agreement ("SRF Loan Agreement") dated August 19, 2005; and

**WHEREAS**, DEQ and the City of Tillamook agree on this new loan to the State Revolving Fund; and

**WHEREAS**, the City requests that this additional amount take the form of a new loan #R91566 at the interest rate of 2.81% ; and

**WHEREAS**, the City Attorney has reviewed the form of the SRF Loan Agreement and finds in Article 4 that the City as "Borrower", agrees to pledge its Sewer System Net Operating Revenues as a first and paramount lien to secure the loan from the State Revolving Fund, and in Article 5 (C )(1) that the City agrees to maintain a loan reserve account in the approximate amount of \$9,200 to be used for loan repayment from the date of the first loan disbursement until the loan is fully repaid;

**NOW, THEREFORE**, be it resolved by the City Council of the City of Tillamook, Oregon:

**Section 1:** The City does authorize and approve this new SRF Loan Agreement for the financing of a Wastewater Phase One Sewer Improvements, in the form of Loan Agreement #R91566.

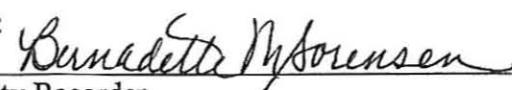
**Section 2:** The City shall authorize and approve the establishment and funding of a designated reserve account to meet the "Loan Reserve" requirement of the SRF Loan Agreement, and has directed the City Recorder to establish this Loan Reserve.

**Section 3:** The City does authorize and direct the City Manager, City Recorder and the Mayor, acting for and on behalf of the City, to execute the SRF Loan Agreement No. R91566 and such other and additional documents as may reasonably be required thereafter.

**Section 4:** Clean Water State Revolving Fund Loan Agreement No. R91566 is attached and incorporated hereby reference.

**APPROVED** by the Tillamook City Council this 15th day of August, 2005.

  
 Mayor

ATTEST:   
 City Recorder

G/RESOLUTION-SRF Loan No. R91566

R91566

RESOLUTION NO. 1450

A RESOLUTION OF THE CITY OF TILLAMOOK, OREGON APPROVING A NEW STATE REVOLVING FUND (SRF) LOAN AGREEMENT FOR \$8,000,000 TO PARTIALLY FINANCE THE DESIGN AND CONSTRUCTION OF THE WASTEWATER TREATMENT PLANT EXPANSION. THE PROJECT INCLUDES CONSTRUCTION OF A NEW INFLUENT PUMP STATION, HEADWORKS IMPROVEMENTS, A NEW SECONDARY TREATMENT PROCESS, NEW DISINFECTION FACILITIES, A SOLIDS PROCESSING BUILDING, A NEW ANAEROBIC DIGESTER, AND OTHER MISCELLANEOUS IMPROVEMENTS. THE PROJECT IS INTENDED TO INCREASE THE PROCESS RELIABILITY AND PROVIDE ADEQUATE TREATMENT CAPACITY FOR THE NEXT 20-YEARS. THE NEW FACILITIES WILL REPLACE EXISTING FACILITIES, WHICH HAVE UNDERGONE SEVERAL UPGRADES OVER THE LAST 50 YEARS.

WHEREAS, the City of Tillamook, Oregon (the "City") has entered into negotiations with the State of Oregon Department of Environmental Quality (the "DEQ") for an additional \$8,000,000 Loan to the City from the State Revolving Fund (SRF) to fund DEQ mandated Wastewater Facility Improvements; and

WHEREAS, the DEQ will provide to the City a State Revolving Fund Agreement ("SRF Loan Agreement") dated March 14, 2006; and

WHEREAS, the DEQ and the City of Tillamook agree on this new loan to the State Revolving Fund; and

WHEREAS, the City requests that this additional amount take the form of a new loan #R91567 at the interest rate of 2.93% ; and

WHEREAS, the City Attorney has reviewed the form of the SRF Loan Agreement and finds in Article 4 that the City as "Borrower", agrees to pledge its Sewer System Net Operating Revenues as a first and paramount lien to secure the loan from the State Revolving Fund, and in Article 5 (C )(1) that the City agrees to maintain a loan reserve account in the approximate amount of \$272,450 to be used for loan repayment from the date of the first loan disbursement until the loan is fully repaid;

NOW, THEREFORE, be it resolved by the City Council of the City of Tillamook, Oregon:

**Section 1:** The City does authorize and approve this new SRF Loan Agreement for the financing of a Wastewater Treatment Plant Expansion, in the form of Loan Agreement #R91567.

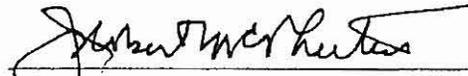
**Section 2:** The City shall authorize and approve the establishment and funding of a designated reserve account to meet the "Loan Reserve" requirement of the SRF Loan Agreement, and has directed the City Recorder to establish this Loan Reserve.

R91567

**Section 3:** The City does authorize and direct the City Manager, City Recorder and the Mayor, acting for and on behalf of the City, to execute the SRF Loan Agreement No. R91567 and such other and additional documents as may reasonably be required thereafter.

**Section 4:** Clean Water State Revolving Fund Loan Agreement No. R91567 is attached and incorporated hereby reference.

**APPROVED** by the Tillamook City Council this 17th day of April, 2006.

  
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Mayor

ATTEST:  
  
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City Recorder