

RESOLUTION 03-2020

A RESOLUTION AUTHORIZING A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

Whereas, the City Council of the City of Oakridge resolves the following:

A. The City of Oakridge has a community water system as defined in Oregon Administrative Rule 123-049-0010.

B. The Safe Drinking Water Act Amendments of 1996, Publication. L 104-182, as amended (the "Act"), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department ("OBDD") to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund.

C. The City of Oakridge previously entered into Financing Contract with the OBDD for the project described in Exhibit C to the Financing Contract (the "Project"), project number S16006, in the principal loan amount of \$2,653,000, effective 21 December 2015.

D. The OBDD has approved the City of Oakridge application for additional financial assistance from the Safe Drinking Water Revolving Loan Fund.

E. The City of Oakridge is required, as a prerequisite to the receipt of additional financial assistance from the OBDD, to enter into Amendment No. 1 to the Financing Contract with the OBDD, substantially in the form attached hereto as Exhibit A.

F. Notice relating to the City of Oakridge consideration of the adoption of this resolution was published in full accordance with the City charter and laws for public notification.

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

1. Financing Loan Authorized. The City Council authorizes the Mayor to execute the Financing Contract and the Promissory Note (the "Financing Documents") and such other documents as may be required to obtain additional financial assistance, including additional loans from the OBDD on the condition that the principal amount of the loan from the OBDD to the City of Oakridge is not more than **\$2,993,000** (with \$765,000 eligible for principal forgiveness if contract conditions are met) and the interest rate is not more than 1% if contract conditions are met (and 2.21% if not met). The proceeds of the loan from the OBDD must be applied solely to the "Costs of the Project" as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by the City of Oakridge are payable from the sources described in Section 4 of the Financing Contract and the Oregon Revised Statutes Section 285A.213(5) which include:

(a) Revenue from City of Oakridge water system, including special assessment revenue;

- (b) Amounts withheld under subsection 285A.213(6);
- (c) The general fund of the Recipient;
- (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or
- (e) Any other source.

3. Additional Documents. The Mayor is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the OBDD for the Project pursuant to the Financing Documents.

4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Mayor of the City of Oakridge may enter into covenants on behalf of the City of Oakridge to protect the tax-exempt status of the interest paid by the City pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or their bond counsel to protect the tax-exempt status of such interest.

BE IT FURTHER RESOLVED that this resolution shall be effective immediately upon its passage.

PASSED BY THE COUNCIL of the City of Oakridge this day of February, 2020.

APPROVED AND SIGNED BY THE MAYOR of the City of Oakridge this day of February, 2020.



Kathy Holston, Mayor

ATTEST:



Bryan Cutchen
City Administrator

Ayes 6

Nays 0