

RESOLUTION NO. 2971

A RESOLUTION AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS IN ONE OR MORE SERIES, IN AN AMOUNT SUFFICIENT TO PROVIDE UP TO \$63,000,000 FOR PROJECT COSTS, PLUS AMOUNTS SUFFICIENT TO FUND ISSUANCE COSTS AND REQUIRED RESERVES; PROVIDING FOR PUBLICATION OF NOTICE; AND RELATED MATTERS.

THE CITY COUNCIL OF THE CITY OF BEND, OREGON HEREBY RESOLVES:

SECTION 1: FINDINGS

The City Council (the "City Council") of the City of Bend, a municipal corporation of the State of Oregon (the "City") finds:

(a) That it is financially feasible and in the City's best interests to provide funds to finance the costs of additions, replacements, expansions or improvements to the City's water system and water reclamation infrastructure (the "System"), including the Bridge Creek Pipeline and water treatment facilities, and acquisition of real and personal property and all equipment and appurtenances necessary, useful or convenient thereto (collectively, the "Project") and to fund a reserve fund, if necessary, and pay bond issuance costs;

(b) The City is authorized to finance the Project by issuing revenue bonds pursuant to the authority of Oregon Revised Statutes ("ORS") 287A.010 and ORS 287A.150 to 287A.350;

(c) The City now desires to authorize revenue bonds in an amount sufficient to produce net proceeds of up to \$63,000,000 for Project costs, plus amounts sufficient to fund costs of issuance and required reserves;

(d) The revenue bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the net revenues of the System and amounts related to that System that the City pledges to payment of the revenue bonds;

(e) None of the water revenue bonds issued pursuant to the City's Resolution No. 2112, adopted by the City Council of the City on June 15, 1994, and Resolution No. 2121, adopted by the City Council of the City on September 7, 1994 (collectively, the "Prior Master Resolution"), are currently outstanding. The revenue bonds will not be Additional Bonds under the Prior Master Resolution; and

(f) On June 18, 2014, the City Council adopted Resolution No. 2591, declaring the City's official intent to use the proceeds of the Bonds to

reimburse itself for expenditures for the costs of the Project incurred by the City prior to the issuance of the revenue bonds.

SECTION 2: REVENUE BONDS AUTHORIZED

(a) The City Council hereby authorizes the issuance of Water Revenue Bonds in one or more series, in an amount sufficient to produce net proceeds of up to \$63,000,000 for Project costs, plus amounts sufficient to fund costs of issuance and required reserves (the "Bonds").

(b) Prior to selling the Bonds, the City Council shall adopt a resolution establishing all terms, conditions and covenants regarding the Bonds and the net revenues of the System that are necessary or desirable to effect the sale of the Bonds; such resolution may provide for the future issuance of bonds secured by an equal charge and lien on the net revenues of the System on parity with the Bonds.

(c) Subject to the limitations of ORS 287A.150(3) and Section 3 herein, the City Manager, the Finance Director or their designee (each, an "Authorized Representative") are hereby authorized pursuant to ORS 287A.300 to take such actions as may be necessary in connection with the issuance of the Bonds including, without limitation: (i) preparing and distributing a preliminary official statement, final official statement or other disclosure document for the Bonds; (ii) obtaining bond insurance, a reserve surety, or other credit enhancement, if required; (iii) obtaining a rating on the Bonds from Moody's Investors Service, Inc., Standard & Poor's Ratings Services, or Fitch Ratings, if required; (iv) selecting a registrar, paying agent and such other service providers in connection with the sale, issuance, security for or administration of the Bonds; and (v) determining the method of sale, and such other terms, conditions or covenants regarding the Bonds, the Project or the water revenues that are necessary or desirable to effect the sale of the Bonds.

SECTION 3: NOTICE; PROCEDURE

(a) None of the Bonds may be sold, and no purchase agreement for Bonds may be executed, until at least sixty (60) days following publication of the Notice of Water Revenue Bond Authorization, such notice being in substantially the form attached to this Resolution as Exhibit "A" (the "Notice").

(b) As required by ORS 287A.150(4)(c), the Notice shall provide that the estimated principal amount of the Bonds to be sold is not to exceed \$70,000,000, which would be sufficient to produce net proceeds of up to \$63,000,000 for costs of the Project, plus amounts sufficient to fund costs of issuance and required reserves.

(c) The Notice shall also specify the last date on which petitions from qualified electors of the City may be submitted, and shall be published in

The Bend Bulletin, Bend, Oregon, a newspaper of general circulation within the boundaries of the City, in the same manner as are other public notices of the City.

(d) If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's qualified electors, are received within the time indicated in the Notice, the question of issuing such Bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, no such amount of Bonds may be sold until this Resolution and the question of whether to issue such Bonds is approved by a majority of the electors living within the boundaries of the City who vote on that question. Any such petitions will be subject to ORS 287A.150.

SECTION 4: 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 net revenues of the System and amounts related to that System that the City pledges to payment of the Bonds.

SECTION 5: APPOINTMENT OF FINANCING TEAM

Orrick, Herrington & Sutcliffe LLP, is hereby appointed as bond counsel ("Bond Counsel") for the Bonds and Public Financial Management, Inc. is hereby appointed as financial advisor to the City (the "Financial Advisor") for the Bonds. The fees and expenses of Bond Counsel and the Financial Advisor shall be payable out of the proceeds of the Bonds.

This Resolution shall take effect immediately upon its adoption by the City Council.

ADOPTED by the Council this 17th day of December 2014.

YES:	Councilor Jodie Barram	NO:	Mayor Jim Clinton
	Councilor Mark Capell		Councilor Doug Knight
	Councilor Scott Ramsay		
	Councilor Victor Chudowsky		
	Councilor Sally Russell		

CITY OF BEND, OREGON



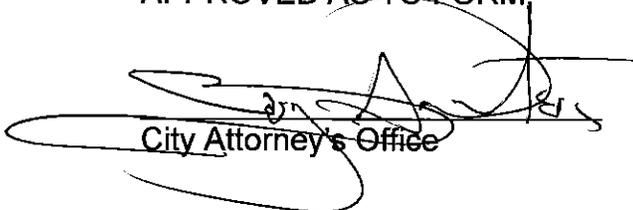
Jim Clinton, Mayor

ATTEST:



Robyn Christie, City Recorder

APPROVED AS TO FORM:



City Attorney's Office

EXHIBIT A

(FORM OF NOTICE OF WATER REVENUE BOND AUTHORIZATION)

NOTICE IS HEREBY GIVEN that the City Council of the City of Bend, Oregon (the "City"), adopted Resolution No. [] on December 17, 2014, authorizing the issuance of water revenue bonds. The bonds will be issued to finance the costs of additions, replacements, expansions or improvements to the City's water system and water reclamation infrastructure, acquisition of real and personal property, and all equipment and appurtenances necessary, useful or convenient thereto and to fund any necessary reserves and costs of issuance.

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 a principal amount of not to exceed \$70,000,000, which would be sufficient to produce net proceeds of up to \$63,000,000 for costs of the project, plus amounts sufficient to fund costs of issuance and required reserves. Bond principal and interest are expected to be paid from the City's Water Fund. The revenue bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the 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 qualified electors, are filed at the Office of the City Recorder on or before February __, 2015 (the 61st day after the date of publication of the notice), the question of issuing water revenue bonds in an estimated principal amount of not to exceed \$70,000,000 shall be placed on the ballot at the next legally available election date. Any such petition shall be subject to ORS 287A.150.

The Office of the City Recorder is located at 710 NW Wall Street, Bend, Oregon 97701. Information on procedures for filing petitions may also be obtained at such address or by telephone at (541) 388-5505.

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 and ORS 287A.350; this Notice is published pursuant to ORS 287A.150.

BY ORDER OF THE CITY COUNCIL: December 17, 2014.

Published: December __, 2014.

