

RESOLUTION NO. 806

A RESOLUTION AUTHORIZING A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND BETWEEN THE STATE OF OREGON, ACTING BY AND THROUGH ITS ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT, AND THE CITY OF STAYTON.

WHEREAS, The City of Stayton ("the City") is a community water system as defined in Oregon Administrative Rule 123-049-0010;

WHEREAS, The Safe Drinking Water Act Amendments of 1996, Pub.L. 104-182, as amended (the "Act"), authorize any community or nonprofit non-community water system to file an application with the Oregon Economic and Community Development Department ("the Department") to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund;

WHEREAS, The City has filed an application with the Department to obtain financial assistance for a "drinking water project" within the meaning of the Act;

WHEREAS, The Department has approved the City's application for financial assistance from the Safe Drinking Water Revolving Loan Fund pursuant to the Act;

WHEREAS, The City is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department in substantially the form attached hereto as Exhibits "A" and "B";

WHEREAS, The project described in Exhibit "A" to the Loan Agreement (the "Project") is a "safe drinking water project" within the meaning of the Act which is needed by and is in the public interest of the City;

WHEREAS, Notice relating to the City's consideration of the adoption of this Resolution was published in full accordance with the City's charter and laws for public notification;

NOW, THEREFORE,

BE IT RESOLVED by the Stayton City Council as follows:

1. Loan Authorized. The City Council authorizes the Mayor to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as Exhibit "G" to the Loan Agreement (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a loan from the Department on the condition that the principal amount of the loan from the Department to the City is not in excess of \$4,208,900 and the interest rate on such loan is not in excess of 3.4 percent. The proceeds of the loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Loan Agreement.

2. Security. Amounts payable by the City shall be payable from the sources described in Section 2.05 of the Loan Agreement.

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 Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.

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

5. Declaration of Emergency. The City Council declares that an emergency exists in order that there be no delay in financing the Project as provided in this Resolution.

This Resolution shall be in force and become effective upon its adoption by the Stayton City Council.

ADOPTED BY THE STAYTON CITY COUNCIL this 2nd day of July, 2007.

CITY OF STAYTON

Signed: 07/16, 2007

By: Virginia L. Honeywell
Virginia L. Honeywell, Mayor

Signed: July 16, 2007

ATTEST: Chris Childs
Chris Childs, City Administrator

APPROVED AS TO FORM:

David A. Rhoten
David A. Rhoten, City Attorney