

RESOLUTION NO. 2860

A RESOLUTION OF THE CITY OF ALBANY,
OREGON AUTHORIZING THE ISSUANCE OF WATER
REVENUE BONDS.

The City of Albany, Oregon (the "Issuer") proposes to construct additions and make improvements to the Issuer's water facilities (the "Facilities"), more particularly described as new Transmission Pipelines; Transmission Pipeline Rehabilitation; Upgrading of the Maple Street Pumping Station; and Water Treatment Plant - Phase I Improvements; and

The additions and improvements to the Facilities will cost an estimated \$5,000,000 and the Issuer intends to issue bonds to finance the cost of the additions and improvements to the Facilities; and

The Issuer finds it desirable to issue Water Revenue Bonds (the "Bonds") in an amount not to exceed \$5,000,000 to finance the cost of the additions and improvements to the Facilities pursuant to Oregon Revised Statutes 288.805 to 288.945, inclusive, and to pledge for payment of the Bonds the unobligated net revenues of the Issuer's water system, being a revenue producing facility providing services related to the services to be financed by the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON;

Section 1. The Issuer hereby authorizes the issuance of the Bonds in a principal amount not to exceed \$5,000,000 for the purpose of financing the acquisition of new Transmission Pipelines; Transmission Pipeline Rehabilitation; Upgrading to the Maple Street Pumping Station; and Water Treatment Plant - Phase I Improvements and to pay for engineering fees and attorney fees and other costs related to the issuance of the Bonds.


Section 2. The Bonds shall not be general obligations of the Issuer or a charge upon the tax revenues of the Issuer. The unobligated net revenues of the Issuer's water system are hereby pledged to the payment of the principal of and interest on the Bonds, after payment of the ordinary operation and maintenance expenses of the water system from the gross revenues thereof. So long as the Bonds are outstanding, the Issuer shall fix rates and collect charges for water services adequate to provide

sufficient revenues to pay, in addition to all other expenses and obligated indebtedness, principal of and interest on the Bonds.

Section 3. The City Recorder is authorized and directed to publish a Notice Of Intent To Issue Bonds describing the purposes for which the Bonds are to be sold, in the form attached hereto as Exhibit A, in one issue of the Albany Democrat Herald, a newspaper of general circulation within the geographical boundaries of the Issuer. In addition, the City Recorder shall cause the Notice Of Intent To Issue Bonds to be given in the same manner as are other public notices of the Issuer. The Bonds may be sold at a public competitive sale or at a private negotiated sale as shall be determined by the City Council. However, the Bonds may not be sold at public competitive bid, nor shall a purchase agreement be executed for a private negotiated sale, for at least 60 days following publication of the Notice Of Intent To Issue Bonds.

Section 4. Voters residing within the geographical boundaries of the Issuer may file a petition with the Issuer asking to have the question of whether to issue the Bonds referred to a vote. If the Issuer receives petitions containing valid signatures of the Issuer's electors totaling not less than five percent (5%) of the Issuer's electors, the question of issuing the Bonds shall be placed on the ballot at the next legally available election date. In the event the Issuer receives such a petition within 60 days from publication of the Notice Of Intent To Issue Bonds, the Bonds shall not be sold until this Resolution is approved by a majority of the electors of the Issuer voting on this Resolution.

Dated this 26th day of April, 1989.



Mayor

ATTEST:



City Recorder

EXHIBIT A

CITY OF ALBANY, OREGON

NOTICE OF INTENT TO ISSUE
WATER REVENUE BONDS

NOTICE IS HEREBY GIVEN that on April 26, 1989 the City Council of the City of Albany, Oregon (the "City") adopted Resolution No. 2860 authorizing the issuance of Water Revenue Bonds (the "Bonds") as authorized by Oregon Revised Statutes 288.805 to 288.945, inclusive, in an amount not to exceed \$5,000,000 for the purpose of financing the following projects:

1. Transmission Pipelines. The program includes installing new north/south transmission lines for the purpose of improving reservoir filling capabilities. This project will focus on new line installations and existing line replacements based on the prioritization found in the Water Master Plan.

2. Transmission Pipeline Rehabilitation. The pipeline rehabilitation program involves cleaning and lining existing cast iron lines larger than 10-inches. This will clear the build-up of sediment and mineral deposits that cause severe flow restrictions and impair the capabilities of the distribution system.

3. Upgrade Maple Street Pumping Station. This project involves modifying the existing pumps and improving the transmission lines which convey water from the pumping station to the distribution system.

4. Water Treatment Plan - Phase I. This project includes improving the flocculating and clarifying characteristics of the existing settling tank, reconstructing the existing filters, upgrading the chemical feed system, and upgrading the instrument and control system.

Principal of and interest on the Bonds are expected to be paid solely from the unobligated net revenues of the water system, after payments of the operation and maintenance expenses, and the Bonds shall not be general obligations of the City nor a charge upon the tax revenues of the City.

Voters residing within the City may file a petition with the City Recorder of the City within 60 days following the publication of this Notice in the Albany Democrat Herald and the posting of this Notice in a conspicuous place in City Hall II, asking to have the question of whether to issue the Bonds referred to a vote of the registered voters residing within the City. If not less than five percent (5%) of the City's registered voters sign petitions, the question of issuing the Bonds shall be placed on the ballot at the next legally available election date. If sufficient petitions are not filed, the City may proceed to issue the Water Revenue Bonds.

Resolution No. 2860 and a plan showing that the expected source of revenues for repayment of the Bonds are sufficient to pay the proposed Water Revenue Bond issue are available for inspection at the office of the Finance Director, City Hall II, 250 Broadalbin S.W., Albany, Oregon 97321.

CITY OF ALBANY, OREGON
D. Gary Holliday
Finance Director/City Recorder