

RESOLUTION NO. LXXXII

RESOLUTION AUTHORIZING ISSUANCE OF WATER BONDS

WHEREAS, heretofore in the manner and form prescribed by City Ordinance No. 380, a Resolution of the Common Council for the City of Canby, Clackamas County, Oregon, was duly adopted submitting to the legal voters of said City the question of amending the City Charter to grant to the City Council power to construct, own, reconstruct, improve, enlarge, operate and extend the City's water utility system for the production, storage, distribution and furnishing of water; and also granting power to the City Council to pay the costs thereof by issuing and selling negotiable revenue bonds of the City in the sum of \$440,000.00 which shall be payable solely and only from the net revenue derived from the operation of said water utility system; and

WHEREAS, a special City election was called for the afore-said purposes, and the said Common Council thereupon directed the Recorder of said City to cause to be published a Notice of Election for such purposes in the manner and form prescribed by said Ordinance No. 380, which said Election Notice was duly and regularly published; and

WHEREAS, the said election was duly and legally held in said City on the 17th day of February, 1969, and the Judge and Clerks of said election duly appointed for the conducting of said election received and counted the votes cast, and thereafter the Common Council for said City canvassed the votes cast at said election and have certified the results thereof; and

WHEREAS, the Common Council has examined and investigated the regularity of the proceedings for the said election and find that only duly qualified legal voters were allowed to vote at said election; that there was no fraud or conspiracy in the conducting of or voting at said election; that said election

was duly called and legally held; that notice thereof required by Ordinance to be given was duly and regularly given in the form, for the time and in the manner required by Ordinance; that said election was held in strict conformity with the requirements of law; that the votes cast at said election have been counted and the results of said election canvassed and returns thereof filed, recorded and reported and proclaimed as provided by Ordinance; that 202 votes cast at said election were in the affirmative and 41 votes were in the negative, and the proposition of amending Chapter XI of the Charter for the City of Canby, Clackamas County, Oregon, by adding two new Sections numbered 7 and 8 to allow for the construction and enlargement of the City's water utility system and for the contracting of a bonded indebtedness of said City in the sum of \$440,000.00 in order to provide funds for the purposes hereinabove stated accordingly has received the assent of a majority of votes cast at said election;

NOW, THEREFORE, BE IT RESOLVED by the Common Council for the City of Canby, Clackamas County, Oregon, that for the aforesaid purposes the Common Council of said City directs that there be issued TWO HUNDRED NINETY THOUSAND DOLLARS (\$290,000.00) in revenue bonds of said City to be dated July 1, 1969, to be numbered consecutively from one (1) to fifty-eight (58), inclusive, to be in denominations of FIVE THOUSAND DOLLARS (\$5,000.00) each and to mature serially in numerical order as follows:

\$5,000.00	on July 1, 1971
5,000.00	on July 1, 1972
5,000.00	on July 1, 1973
5,000.00	on July 1, 1974
5,000.00	on July 1, 1975
5,000.00	on July 1, 1976
5,000.00	on July 1, 1977
5,000.00	on July 1, 1978
10,000.00	on July 1, 1979
10,000.00	on July 1, 1980
10,000.00	on July 1, 1981
10,000.00	on July 1, 1982
10,000.00	on July 1, 1983

\$10,000.00 on July 1, 1984
10,000.00 on July 1, 1985
10,000.00 on July 1, 1986
10,000.00 on July 1, 1987
10,000.00 on July 1, 1988
10,000.00 on July 1, 1989
10,000.00 on July 1, 1990
10,000.00 on July 1, 1991
10,000.00 on July 1, 1992
10,000.00 on July 1, 1993
10,000.00 on July 1, 1994
15,000.00 on July 1, 1995
15,000.00 on July 1, 1996
15,000.00 on July 1, 1997
15,000.00 on July 1, 1998
15,000.00 on July 1, 1999
15,000.00 on July 1, 2000

BE IT FURTHER RESOLVED that the said bonds be issued to bear interest at a rate or rates not to exceed six percent (6%) per annum as specified by the successful bidder payable semi-annually January 1st and July 1st of each year during which they are outstanding; that the interest accruing upon said bonds be evidenced by coupons attached thereto; and that both the principal of and interest upon said bonds be paid at the office of the City Treasurer of Canby, Oregon.

BE IT FURTHER RESOLVED that each of said bonds be personally signed by his manual signature by the Mayor of the City of Canby, Oregon, in office upon the date of the execution of said bonds, and that each of said bonds further be countersigned in like manner by the duly chosen, qualified and acting Recorder of said City in office upon said date; and that the coupons appertaining to the said bonds be executed with facsimile signatures of said Mayor and Recorder; and

BE IT FURTHER RESOLVED that said bonds shall be known as "CANBY, OREGON WATER REVENUE BONDS". Said bonds shall be scheduled for payment in numerical order. Provided, however, that all bonds maturing after July 1, 1981, shall be subject to redemption on July 1, 1981, and on any interest payment date

thereafter in inverse numerical order at 103 in accordance with the redemption procedure provided for in the form of the bond hereinafter set forth.

BE IT FURTHER RESOLVED that all revenue derived from the operation of the City of Canby's Water Department which is in excess of the amount actually required for operation, maintenance and a reasonable reserve for expansion and replacement of Water Department facilities be and are hereby pledged to the payment of the principal and the interest upon the aforesaid bonds, and the City of Canby shall prescribe, charge and collect monthly water use and/or service charges from each water user within the City of Canby and in an amount necessary to meet such obligations when due and for so long as any of the bonds issued remain unpaid; and

BE IT FURTHER RESOLVED that the said bonds and coupons attached thereto be in substantially the following form, to-wit:

No. _____ \$5,000.00
UNITED STATES OF AMERICA
STATE OF OREGON, COUNTY OF CLACKAMAS
CANBY, OREGON WATER REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS that the City of Canby, Clackamas County, State of Oregon, for value received hereby promises to pay to the bearer FIVE THOUSAND DOLLARS in lawful money of the United States on the presentation and surrender of this obligation on the first day of July, 19____, with interest thereon from the date hereof until maturity at the rate of _____% per annum payable semi-annually on the first days of January and July of each year on the presentation and surrender of the proper coupons attached hereto, principal and interest payable at the office of the Treasurer of the City of Canby, Oregon.

This bond shall be callable in inverse numerical order at \$103.00 and accrued interest to the date of redemption on any semi-annual interest payment date on or after July 1, 1981, upon notice thereof by publication in two successive issues of the Canby Herald, a newspaper of general circulation printed and published in Canby, Clackamas County, Oregon, that this bond will be then taken up and cancelled

and the interest thereon will cease at the interest payment period next following such publication. The first such publication shall be not less than thirty (30) days prior to the intended redemption date. (This paragraph to be printed only on bonds maturing after July 1, 1981.)

This bond is one of a series of bonds authorized and issued under and pursuant to provisions of an Amendment to the Charter of the City of Canby, Oregon, submitted to and approved by the legal voters of said City at an election duly called and held for the purpose of procuring funds with which to construct, own, reconstruct, improve, enlarge, operate and extend the City's water utility system for the production, storage, distribution and furnishing of water. This bond has been issued under and in full compliance with the statutes of the State of Oregon and the Charter of said City.

This bond and the series of which it is one with interest thereon is not a general obligation of the City of Canby and is payable as to principal and interest solely and only from and is secured by a pledge of such part of the income and revenues of said City from the operation of its water utility system as remain after payment of all expenses of operation and maintenance of the water utility system. Such portion of the net income and revenues has been ordered set aside as a special fund and pledged for that purpose and identified as "CANBY WATER REVENUE BOND FUND". Said City acting through and by its Common Council covenants that it will prescribe, charge and collect monthly a water use and/or water service charge from each water user within the City of Canby and in an amount additionally necessary and sufficient to promptly pay the principal of and interest on this bond and the issue of which it is one as the same will become due, and also to pay when due all costs and expenses of operating and maintaining said water utility system.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond and the issue of the bonds of which it is one have existed, have happened and have been performed in due time, form and manner as required by law; that the amount of this bond, together with all other obligations of said City, does not exceed any limit prescribed by the Constitution or statutes of the State of Oregon or of the Charter of said City of Canby.

IN WITNESS WHEREOF, the City of Canby, Oregon, has caused this bond to be signed by its Mayor and countersigned by its Recorder and under its corporate seal and has caused the annexed interest coupons to bear the facsimile signatures of its said officers this first day of July, 1969.

Mayor

Countersigned:

City Recorder

(FORM OF INTEREST COUPON)

No. _____

\$ _____

On the first day of January, 1970, the City of Canby, Clackamas County, Oregon, will pay to bearer the sum of _____ DOLLARS (\$ _____) in lawful money of the United States of America at the office of the City Treasurer of Canby, Oregon, for interest then due on Canby, Oregon Water Revenue Bond No. _____ dated July 1, 1969 (unless said bond is sooner redeemed as therein provided, which redemption shall render this coupon void.) The phrase in parentheses shall be inserted in all coupons maturing after July 1, 1981.

Mayor

Countersigned:

BE IT FURTHER RESOLVED that all the recitals and statements contained in the aforesaid bond and coupon be and they hereby are approved as true and correct.

BE IT FURTHER RESOLVED that the Recorder of said City shall cause to be published in the Canby Herald, a newspaper of general circulation printed and published in the City of Canby, Clackamas County, Oregon, a notice of proposed sale of said bonds as provided by law specifying that sealed bids will be received by the said Recorder up to and including the hour of 8:00 o'clock p.m., Oregon Daylight Saving Time, on the 2nd day of June, 1969, and that immediately thereafter the bids will be publicly opened by the Common Council for the sale of said bonds at not less than par value thereof and the accrued interest thereon at an interest rate or rates payable semi-annually to be specified by the bidder but not to exceed six percent (6%) per annum; that such bids shall be accompanied by a cashier's check or certified check of or upon a bank doing business in the State of Oregon in the sum of \$5,800.00 to be forfeited to the City in case the bidder fails to complete his purchase in accordance with the terms of his bid; that bids must be unconditional except as to qualifications as to approval of validity of the bond issue by bond attorneys; that bids must show the total cost of the bond issue to the City, including

interest less premium offered, if any, providing the bid be accepted and no callable bonds of the issue are redeemed prior to the final maturity dates thereof; that the bonds will be sold to the highest responsible bidder; and that the City reserves the right to waive the informalities in bids and to reject any or all bids. The successful bidder will be furnished with a written opinion of Shuler, Rankin, Myers & Walsh, attorneys of Portland, Oregon, to the effect that the bonds constitute the valid and legally binding obligations of the City but payable solely and only from the net revenue derived from the operation of the City's water utility system; and if required by the successful bidder, said opinion to be printed on the reverse side of the bonds.

BE IT FURTHER RESOLVED that the proceeds received from the sale of said bonds shall be applied to the extent necessary on orders of the Common Council in paying the costs of constructing, reconstructing, improving, enlarging, operating and extending the City's water utility system for the production, storage, distribution and furnishing of water in accordance with the plans and specifications for said project prepared by the engineering firm of Clark & Groff of Salem, Oregon, and as approved by the Common Council. Pending expenditure such proceeds shall be deposited in a special account to be called the "WATER DEPARTMENT CONSTRUCTION ACCOUNT".

BE IT FURTHER RESOLVED that a sufficient portion of the gross income and revenue derived from the operation of the City's water utility system is hereby pledged and shall be set aside into a special fund for the purpose of paying the principal of and interest on said bonds as and when the same shall become due and payable. Said fund shall be known as "CANBY WATER REVENUE BOND FUND".

BE IT FURTHER RESOLVED and the City of Canby covenants and


agrees that so long as any of the bonds hereby authorized remain outstanding:

- a. It will comply with applicable state laws and regulations and continually operate and maintain the water utility system in good condition.
- b. It will prescribe, charge and collect such rates and charges for water furnished from its water utility system that gross revenue will be sufficient at all times to provide for the payment of the operation and maintenance thereof and to redeem the bonds and coupons upon maturity and maintain the reserves provided for herein; and that all water furnished by the City shall be subject to the full rates prescribed in the rules, regulations and ordinances of the City and that no free water will be furnished to any party.

Adopted by the Canby City Council at a regular meeting thereof on May 5, 1969.


LAWRENCE J. HOUSEN - Mayor

ATTEST:


U. R. RICHARDSON - City Recorder