



COUNCIL RESOLUTION NO. 5162

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC
UTILITY REVENUE REFUNDING BONDS AND PROVIDING FOR RELATED
MATTERS**

PASSED: 8:0

REJECTED:

OPPOSED:

ABSENT:

CONSIDERED: July 11, 2016



RESOLUTION NO. 5162

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC UTILITY REVENUE REFUNDING BONDS AND PROVIDING FOR RELATED MATTERS

The City Council of the City of Eugene finds that:

- A.** Oregon Revised Statutes (“ORS”) Sections 287A.150 and 287A.360 (the “Act”) authorize the City of Eugene, Oregon (the “City”) to issue revenue refunding bonds payable from identified revenues of the City. The City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates an electric utility system and related facilities and systems.
- B.** On June 16, 1986, EWEB adopted a resolution authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Electric Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder (as amended and supplemented, the “Bond Resolution”).
- C.** The Bond Resolution provides in part that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City or EWEB other than the Bond Fund established by the Bond Resolution, nor constitute a general obligation of EWEB or of the City or create a charge upon the tax revenues of the City or any other revenues or property of the City or property of EWEB, except the revenues and other moneys and securities pledged under the Bond Resolution.
- D.** On June 25, 2001 the City Council adopted Resolution No. 4677 authorizing the issuance and sale by the City, acting by and through EWEB, of electric revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$50,000,000 for the purpose of financing certain capital improvements to the electric utility system (the “2001 Authorization”). Notice of Revenue Bond Authorization was published as required by law and no petitions were filed seeking to refer the matter to a vote of the electors of the City. On December 6, 2004, the remaining authorized but unissued debt under the 2001 Authorization was \$5,429,280.79.
- E.** On December 6, 2004 the City Council adopted Resolution No. 4817 authorizing the issuance and sale by the City, acting by and through EWEB, of electric revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$10,000,000 for the purpose of financing certain capital improvements to the electric utility system (the “2005 Authorization”). Notice of Revenue Bond Authorization was published as required by law and no petitions were filed seeking to refer the matter to a vote of the electors of the City.
- F.** On May 10, 2005, the City, acting by and through EWEB, issued its Electric Utility System Revenue Bonds, Series 2005 in the principal amount of \$10,575,000 (the “Series 2005 Bonds”), (1) \$2,500,000 of which was issued under the 2001 Authorization leaving

\$2,929,280.79 of remaining authorized but unissued debt under the 2001 Authorization, and (2) \$8,075,000 of which was issued under the 2005 Authorization leaving \$1,925,000 of remaining authorized but unissued debt under the 2005 Authorization. The Series 2005 Bonds maturing on and after August 1, 2016 are subject to redemption on or after August 1, 2015, at the option of EWEB, in whole or in part at any time, at a price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.

- G.** On May 8, 2006 the City Council adopted Resolution No. 4871 authorizing the issuance and sale by the City, acting by and through EWEB, of electric revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$8,000,000 for the purpose of financing certain capital improvements to the electric utility system (the “2006 Authorization”). Notice of Revenue Bond Authorization was published as required by law and no petitions were filed seeking to refer the matter to a vote of the electors of the City.
- H.** On August 24, 2006, the City, acting by and through EWEB, issued its Electric Utility System Revenue Bonds, Series 2006 in the principal amount of \$12,850,000 (the “Series 2006 Bonds”), (1) \$2,929,280.79 of which was issued under the 2001 Authorization, (2) \$1,925,000 of which was issued under the 2005 Authorization and (3) the balance of \$7,995,719.21 was used under the 2006 authorization. The Series 2006 Bonds maturing on and after August 1, 2017 are subject to redemption on or after August 1, 2016 at the option of EWEB, in whole or in part at any time, at a price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.
- I.** On February 25, 2008 the City Council adopted Resolution No. 4431 authorizing the issuance and sale by the City, acting by and through EWEB, of electric revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$85,500,000 for the purpose of financing certain capital improvements to the electric utility system (the “2008 Authorization”). Notice of Revenue Bond Authorization was published as required by law and no petitions were filed seeking to refer the matter to a vote of the electors of the City.
- J.** On July 17, 2008, the City, acting by and through EWEB, issued its Electric Utility System Revenue and Refunding Bonds, Series 2008 in the principal amount of \$84,405,000 (the “Series 2008 Bonds”), (1) \$53,350,000 of which was issued under the 2008 Authorization, leaving \$32,150,000 of remaining authorized but unissued debt under the 2008 Authorization and (2) the balance was used to refund the Series 1988 Bonds. The Series 2008 Bonds maturing on and after August 1, 2019 are subject to redemption on or after August 1, 2018, at the option of EWEB, in whole or in part at any time, at a price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.
- K.** On March 4, 2011 the City Council adopted Resolution No. 5026 authorizing the issuance and sale by the City, acting by and through EWEB, of electric revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$36,000,000 for the purpose of financing certain capital improvements to the electric utility system (the “2011 Authorization”). Notice of Revenue Bond Authorization was published as required by

law and no petitions were filed seeking to refer the matter to a vote of the electors of the City. In addition, Resolution No. 5026 authorized the issuance of electric revenue refunding bonds, in one or more series, in an aggregate principal amount not to exceed \$46,800,000 for the purpose of refunding Series 1998A Taxable Bonds and Series 2001B Bonds.

- L. On June 29, 2011, the City, acting by and through EWEB, issued its Electric Utility System Revenue Bonds, Series 2011A in the principal amount of \$66,210,000 (the “Series 2011A Bonds”) (1) \$32,150,000 of which was issued under the 2008 Authorization, (2) \$850,000 of which was issued under the 2011 Authorization and (3) the balance was used to refund the 1998A Taxable Bonds and Series 2001B Bonds. The Series 2011A Bonds maturing on and after August 1, 2022 are subject to redemption on or after August 1, 2021, at the option of EWEB, in whole or in part at any time, at a price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.
- M. EWEB has determined that present value savings may be achieved by issuing refunding bonds for the purpose of refunding all or a portion of the outstanding Series 2005, the Series 2006 Bonds, the Series 2008 Bonds and the Series 2011A Bonds (collectively the “Refunded Bonds”).
- N. EWEB has requested by resolution that the City Council adopt this Resolution to set the terms for and authorize the issuance of not to exceed \$156,000,000 electric utility system revenue refunding bonds (the “Refunding Bonds”) for the purpose of refunding the Refunded Bonds, to fund necessary reserves and to pay costs of issuance of the Refunding Bonds.
- O. The Refunding Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Electric Utility System which EWEB pledges to the payment of such Refunding Bonds pursuant to ORS Sections 287A.310 and 287A.325 and the resolution to be adopted by EWEB pursuant to this Resolution.
- P. EWEB has by resolution undertaken to cause to be prepared a plan showing that EWEB’s estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Refunding Bonds authorized by this Resolution.

NOW THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Authorization of Refunding Bonds; Purpose of Issue. Based on the above findings, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the Refunding Bonds designated as the “City of Eugene, Oregon Electric Utility System Revenue Refunding Bonds,” in one or more series, in an amount not to exceed \$156,000,000 for the purpose of refunding all or a portion of the Series 2005 Bonds, the Series 2006 Bonds, the Series

2008 Bonds and the Series 2011A Bonds, and to fund any required reserves and costs of issuance of the Refunding Bonds.

Section 2. Conditions of Issuance and Sale. The City Council hereby prescribes that:

(a) The Refunding Bonds shall: (i) mature not later than thirty (30) years from the date of issuance of the series; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed twenty percent (20%) of the aggregate principal amount thereof; and (iii) have an effective interest rate of not to exceed five and one-half percent (5.5%) per annum; and

(b) The proceeds of the Refunding Bonds shall be used only for the purposes above described.

Section 3. Delegation of Authority for Terms of Refunding Bonds; Provisions for Issuance. Pursuant to ORS 287A.300(4), EWEB, or any individual designated by EWEB, is hereby authorized and directed to determine, with respect to the Refunding Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Refunding Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, obtain bond insurance or some other form of guaranty or security for the payment of the Refunding Bonds, denominations, form, authorized signatory, which, if any, of the Series 2005, Series 2006 Bonds, Series 2008 Bonds and Series 2011A Bonds will be refunded, the terms and form of necessary or desirable documents and other terms and conditions of the Refunding Bonds because the same cannot be determined by the City Council at this time. Prior to the issuance of any Refunding Bonds, EWEB shall: (i) prepare a plan showing that the estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Refunding Bonds; (ii) adopt a bond authorizing resolution and provide a copy of such resolution to the City; and (iii) provide to the City a resolution determining that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Refunding Bonds, exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter and ordinances of the City of Eugene and this Resolution.

Section 4. Statement on Form of Bond. All Refunding Bonds shall include a statement on their face to the effect:

(a) That they do not in any manner constitute a general obligation of EWEB or of the City, or create a charge upon the tax revenues of the City, or upon any other revenues or property of the City, or property of EWEB, but are charges upon and are payable solely from the revenues of the Electric Utility System operated by EWEB, or any portion thereof, pledged to the payment thereof; and

(b) That the holders thereof may look for repayment only to the revenues of the Electric Utility System which are pledged for the payment thereof, and may not directly or indirectly be paid or compensated through any other property of the City, or EWEB, or by or through the taxing power of the City.

Section 5. Refunding Bonds Payable Solely from Revenues. The Refunding Bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues and funds which EWEB pledges to the payment thereof pursuant to the Act, any applicable authorizations and in accordance with this Resolution.

Section 6. Refunding Bonds Reporting. EWEB shall submit to the City by May 1 of each year the following annual reports commencing after the first sale of any Refunding Bonds or other evidences of indebtedness hereunder and each year thereafter until the Refunding Bonds have been paid and retired:

(a) A report on the funds for each series of Refunding Bonds describing the funds established, the amounts in each fund, expenditure from each fund, the manner in which the monies in each fund have been invested, the income from such investments and the application of such income; and

(b) A report on Bond payments describing amounts paid and amounts scheduled to be paid and the source of such payments.

If the contents of the reports required by subsections (a) and (b) above are included in the yearly audit report of EWEB, then EWEB may comply with this Section 6 by transmitting a copy of its yearly audit report to the City.

Section 7. Appointment of Professionals. EWEB is authorized to appoint bond counsel, disclosure counsel, financial advisor, underwriter in the case of a negotiated sale, trustees, registrars, paying agents, escrow agents, verification agents and any other professional assistance that EWEB determines is necessary or convenient to accomplish the issuance and sale of any or all of the Refunding Bonds.

Section 8. Advance Refunding Plan. EWEB is authorized to submit a preliminary and final advance refunding plan to the Oregon State Treasurer for approval pursuant to ORS 287A.370 and 287A.375.

Section 9. Official Statement; Sale Documents. EWEB or any party designated by EWEB is authorized to prepare and distribute or direct the preparation and distribution of one or more preliminary or final official statement(s) or other disclosure document(s) for any of the Refunding Bonds, and to enter into continuing disclosure agreements for any of the Refunding Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission. However, any continuing disclosure agreement for the Refunding Bonds, or any similar agreement for any other borrowing by EWEB, shall obligate only EWEB and not the City of Eugene, and the City of Eugene shall have no obligation to comply with any of those agreements, or to report EWEB's compliance with those agreements to the MSRB or any other party. EWEB or any party designated by EWEB is also authorized in connection with a preliminary or final official statement or other disclosure document for any other bonds, as determined to be necessary by EWEB, to obtain bond insurance or other credit enhancement or commitments therefor, to obtain a rating on any or all of the Refunding Bonds from Moody's Investors Service, Inc., Standard & Poor's and/or Fitch Ratings, and to issue and publish such notices of sale of the Refunding Bonds or execute such purchase contracts as may be necessary

or required to accomplish the sale of the Refunding Bonds in accordance with this Resolution and to determine any other terms, conditions or covenants regarding any or all of the Refunding Bonds or the New Money Project, which are necessary or desirable to effect the sale of any or all of the Refunding Bonds.

Section 10. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted by the City Council this 11th day of July 2016.

Beth Forrest

City Recorder