

HECETA WATER PEOPLE'S UTILITY DISTRICT
Resolution 2016-04

Authorizing a Financing Contract
With the Oregon Infrastructure Finance Authority

WHEREAS, Heceta Water People's Utility District ("Recipient") is a "municipality" as that term is used in Oregon Revised Statutes (ORS) 285B.410(9).

WHEREAS, ORS 285B.560 through 285B.599 (the "Act") authorize municipalities like Recipient to file applications with the Oregon Infrastructure Finance Authority ("IFA") for financial assistance for applicable water projects.

WHEREAS, Recipient has filed an application with IFA to obtain financial assistance for a "water project" as that term is defined by and used in the Act, and

WHEREAS, Recipient is required as a prerequisite to its receipt of financial assistance from IFA for its water project to enter into a Financing Contract substantially in the form attached to this Resolution as Exhibit A and Recipient is willing to do so.

WHEREAS, IFA has approved Recipient's application for financial assistance for Recipient's water project.

WHEREAS, Recipient's project is a "water project" within the meaning of the Act which project is both needed and in the public interest.

WHEREAS, Notice of Recipient's consideration of this Resolution was published consistent with the terms of Oregon's law relevant to public notification thereof.

NOW THEREFORE, BE IT RESOLVED by the Board of the Heceta Water People's Utility District:

Section 1. Financing Loan Authorized. The Board of the Heceta Water People's Utility District (HWPUD or Board) hereby authorizes HWPUD's General Manager to execute the Financing Contract and Promissory Note (collectively "Financing Documents") and such other documents as IFA may require of HWPUD in order for HWPUD to obtain financial assistance from IFA in a loan amount of Six Hundred Sixty Three Thousand Five Hundred dollars

(\$663,500.00) conditioned on the principal amount thereof is not in excess of \$663,500.00 and the interest rate of 1.24% per annum if contract conditions are met and 3.57% if said contract conditions are not met. Proceeds of the IFA loan shall be applied solely to the “Costs of the Project” as said term is defined in the aforementioned Financing Contract.

Section 2. SECURITY. Amounts payable by HWPUD for the loan are payable from sources described in section 4 of the Financing Contract and ORS 285B.581(2) including:

- (a) The revenues of any water project including special assessment revenues;
- (b) Amounts withheld by the State pursuant to ORS 285B.599;
- (c) HWPUD’s general fund; and/or
- (d) Any other source.

Section 3. Additional Documents. HWPUD’s General Manager is hereby authorized to enter into any agreements and execute any documents or certificates, required to obtain and maintain financial assistance from IFA for the Project pursuant to the Financing Documents.

Section 4. Tax-Exempt Status. The Recipient covenants not to take or omit to take any action if said taking omission would thereby cause interest paid by HWPUD pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. HWPUD’s General Manager is hereby authorized to enter into covenants of behalf of HWPUD as Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may additionally execute any Tax Certificate, Internal Revenue Service forms or other documents required by the IFA or their bond counsel to protect the tax-exempt status of such interest.

Section 5. Reimbursement Bonds. The Recipient may make certain expenditures on the Project prior to the date the Financing Contract is executed with IFA or the date the State of Oregon issues any bonds to fund the loan. The Recipient hereby declares its intent to seek reimbursement of such expenditures with amounts received from the IFA pursuant to the Financing Contract, but only as permitted by IFA policy, the Financing Contract, and federal tax regulations. Additionally, the Recipient understands that the IFA may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Resolution constitutes “official intent” within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury.

Section 6. Retroactive Effect. The HWPUD Board hereby ratifies and approves any action taken by HWPUD's General Manager prior to the adoption of Resolution concerning the execution of Financing Documents provided HWPUD by IFA for the Water Project.

Section 7. Effective Date. This Resolution hereby is and shall be effective from and after its adoption by the Board.

DATED the 19th day of April, 2016.

Heceta Water People's Utility District



HWPUD Board President

ATTEST:



HWPUD Board Secretary