

RESOLUTION NO. CVI

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 authorize the City Council to issue and sell general obligation bonds of the City in the sum of \$440,000 , for the purpose of the construction, reconstruction and installation of additional water supply lines; improvements to the water distribution system; additional storage facilities; to improve, reconstruct and repair existing water lines; to obtain additional sources of water supply; and to acquire necessary equipment and other property appurtenant thereto; to acquire rights of way; and to pay engineering and legal services in connection therewith; and

WHEREAS, a special City election was called for the aforesaid purposes and the said Common Council thereupon directed the Recorder of said City to cause to be published a Notice of Election for such purpose 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 3rd day of November, 1970, and in conjunction with the statewide general election which was also held on said date and the Judge and Clerks of said election duly appointed for the conducting of said election received and counted the votes cast and certified the results thereof to the Canby City Council, 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 and the proceedings for the said election and find that only duly qualified and legal voters were allowed to vote in 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 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; and that 1361 votes were cast at said election of which 957 were in the affirmative, 312 were in the negative and 92 ballots were not marked and the proposition of amending Charter Chapter XI entitled "PUBLIC IMPROVEMENTS" to authorize the issuance and sale of water bonds was approved by a majority of 645 votes cast at said election.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Canby, Clackamas County, Oregon, that for the aforesaid purposes the Common Council of said City directs that there be issued FOUR HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$440,000) in general obligation bonds of said City to be dated February 1, 1971, and to be numbered consecutively from one (1) to eighty-eight (88), inclusive, to be in denominations of FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00) each, and to mature serially in numerical order as follows:

\$10,000.00	on February 1, 1972
15,000.00	on February 1, 1973
15,000.00	on February 1, 1974
15,000.00	on February 1, 1975
15,000.00	on February 1, 1976
15,000.00	on February 1, 1977
15,000.00	on February 1, 1978
20,000.00	on February 1, 1979
20,000.00	on February 1, 1980
20,000.00	on February 1, 1981
20,000.00	on February 1, 1982
25,000.00	on February 1, 1983
25,000.00	on February 1, 1984
25,000.00	on February 1, 1985
25,000.00	on February 1, 1986
30,000.00	on February 1, 1987
30,000.00	on February 1, 1988
30,000.00	on February 1, 1989
35,000.00	on February 1, 1990
35,000.00	on February 1, 1991

BE IT FURTHER RESOLVED that said bonds be issued to bear interest at a rate or rates not to exceed/seven (7) percent per annum as specified by the successful bidder, payable semi-annually February 1st and August 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 to be paid at the office of the Canby City Recorder in the City of Canby, Clackamas County, Oregon; and

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 BONDS"; and

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 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 full faith and credit of the said City be and they hereby are pledged to the successive holders of each of said bonds and of the interest coupons appertaining thereto for the punctual payment of said obligations when due; and that said City shall levy annually as provided by law a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration delinquencies in the payment of such taxes, to pay the said bond and bond interest obligations promptly as they respectively mature and in the event that water revenues or anticipated water revenues would be or appear to be insufficient in any year to fully pay the principal and interest upon the aforesaid bonds

and as they respectively mature 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. _____ UNITED STATES OF AMERICA \$5,000.00
STATE OF OREGON
COUNTY OF CLACKAMAS
CANBY, OREGON, WATER 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 AND 00/100 DOLLARS (\$5,000.00) in lawful money of the United States on the presentation and surrender of this bond on the 1st day of _____, 19____, with interest thereon from the date hereof until the date of maturity at the rate of _____ (%) percent per annum, payable semi-annually on the first days of February and August of each year on the presentation and surrender of the proper coupons attached hereto, principal and interest payable at the office of the Canby City Recorder in Canby, Clackamas County, Oregon.

THIS BOND is one of a series aggregating the sum of FOUR HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$440,000.) authorized and issued under and pursuant to the 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 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 a general obligation of the City of Canby, and was approved by the qualified legal voters of said City voting at a special election duly called and legally held therein on the 3rd day of November, 1970. In addition to this being a general obligation bond of the City of Canby, it is also payable as to principal and interest 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 BOND FUND". Said City, acting by and through its Common Council, covenants that it will prescribe, charge and collect monthly a water use and/or a 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 conditions, acts 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 the statutes of the State of

Oregon, or of the Charter of said City of Canby; and that the Common Council of said City by resolution duly adopted has provided for the levy annually of a direct ad valorem tax upon all the property within said City so taxable for its purposes in sufficient amount to pay the interest upon and the principal of the bonds of said issue as the said obligations respectively become due and payable and if the revenue of the City's water utility system, which is also pledged for the payment of said obligations, is ever insufficient to fully pay the principal and interest of the bonds of said issue as the said obligations respectively become due and payable.

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 1st day of February, 1971.

Mayor

Countersigned:

City Recorder

FORM OF INTEREST COUPON

No. _____ \$ _____

On the 1st day of _____, 19____, 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 Canby City Recorder of Canby, Clackamas County, Oregon, for the interest then due on Canby, Oregon, Water Bond No. _____, dated February 1, 1971.

Mayor

Countersigned:

City Recorder

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 Canby City Recorder up to and including the hour of 8:00 o'clock p.m., Pacific Standard Time, on the 18th day of January, 1971, 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 on February 1 and August 1, at such rate or rates, in multiples of one-fourth (1/4th) or one-tenth (1/10th) of one percent, not exceeding a net effective rate of seven (7) percent per annum as shall be specified by the successful bidder; that such bid 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 EIGHT THOUSAND EIGHT HUNDRED DOLLARS (\$8,800.00) 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 and 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; 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 the written opinion of Messrs. Shuler, Rankin, Myers, Walsh & Ragen, attorneys in Portland, Oregon, to the effect that the bonds constitute the valid and legally binding obligations of the City; and if required by the successful bidder, said opinion to be printed on the reverse side of the bonds at the expense of the City.

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 Canby City Council. Pending expenditures, such proceeds shall be deposited in a special account 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 BOND FUND".

BE IT FURTHER RESOLVED and the City of Canby hereby 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 this 21st day of December, 1970.



LAWRENCE J. HOUSEN - Mayor

ATTEST:



J. R. RICHARDSON, City Recorder