



RESOLUTION NO. 2025-06

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT(S) AND ESCROW AGREEMENT(S) AND RELATED FULL FAITH AND CREDIT OBLIGATIONS SUBJECT TO ANNUAL APPROPRIATION IN AN AMOUNT NOT TO EXCEED \$21,000,000 TO FINANCE CAPITAL IMPROVEMENTS TO THE CITY’S WATER SYSTEM PLUS AN ADDITIONAL AMOUNT SUFFICIENT TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; DESIGNATING AN AUTHORIZED REPRESENTATIVE OF THE CITY; DESIGNATING SERVICE PROVIDERS; AND RELATED MATTERS.

WHEREAS, the City of Sandy, Oregon (the “City”) is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes (“ORS”) Section 271.390 and the applicable sections of ORS Chapter 287A, and the City Charter to (i) enter into financing agreements payable from the lawfully available funds of the City, subject to annual appropriation, to finance and refinance real and personal property which the City determines is needed, (ii) pledge lawfully available funds of the City and the full faith and credit and taxing power of the City, subject to annual appropriation, in connection with such financing agreements, and (iii) pay the costs of issuance of such financing agreements; and

WHEREAS, the City has determined that real and personal property of the City’s water system is needed including developing, acquiring, and constructing capital improvements to, and expansion of, the City’s water system, related capital projects, and costs of issuance of such financing agreements (collectively, the “New Money Project”); and

WHEREAS, on or about April 2, 2013, the City entered into a Safe Drinking Water Revolving Fund Loan Financing Contract No. S13002 (the “S13002 Loan”) with the State of Oregon acting by and through the Oregon Infrastructure Finance Authority in the amount of \$7,500,000 of which approximately \$4.1 million is currently outstanding for the Sandy Portland Water Bureau Intertie (the “Refunded Project” together with the New Money Project, the “Projects”); and

WHEREAS, the S13002 Loan is subject to prepayment in whole or in part on any business day; and

WHEREAS, the City is advised it may be desirable to refund all or a portion of the S13002 Loan to restructure debt service payments; and

WHEREAS, the estimated weighted average life of any financing agreement will not exceed the estimated dollar weighted average life of the Projects financed and refinanced; and

WHEREAS, on April 1, 2024, the City Council of the City adopted Resolution No. 2024-10 declaring its official intent to reimburse water capital expenditures from the proceeds of a tax-exempt borrowing in the amount not to exceed \$70,000,000; and

WHEREAS, the City desires to authorize the execution and delivery of one or more financing agreements, subject to annual appropriation, to finance and refinance the Projects, and related matters.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY:

Section 1. Authorization. The City Council hereby authorizes:

A. Financing Agreement. The City authorizes the execution and delivery of one or more full faith and credit financing agreements subject to annual appropriation (the "Financing Agreement") in a form satisfactory to the Authorized Representative of the City (defined herein). The aggregate principal amount of the Financing Agreement may not exceed \$21,000,000 to finance the New Money Project, plus an additional amount sufficient to refund the portion of the S13002 Loan being refunded and pay related costs of issuance. The proceeds of the Financing Agreement shall be used to finance and refinance the Projects, which the City hereby determines are needed. The Financing Agreement may be issued as taxable and/or tax-exempt obligations at a true effective interest rate(s) per annum not to exceed five percent (5.00%), as determined by the Authorized Representative, and shall mature on the date(s) set by the Authorized Representative.

B. Method of Sale. As determined by the Authorized Representative, the Financing Agreement may be entered into directly with a lender (a "Private Placement"), or issued as certificates of participation, referred to as full faith and credit obligations, subject to annual appropriation and representing the principal amount of the Financing Agreement, which may be sold to an underwriter by negotiated or competitive sale (a "Public Offering").

C. Private Placement. The Financing Agreement may be evidenced by a note and may be entered into with a lender(s) as determined by the Authorized Representative.

D. Public Offering. The Financing Agreement may be issued through a Public Offering. If the Financing Agreement is issued through a Public Offering, the City authorizes the issuance and sale of certificates of participation, referred to as full faith and credit obligations, subject to annual appropriation (the "Series 2025 Obligations") which shall be issued by an escrow agent (the "Escrow Agent") for and on behalf of the City, representing the principal amount of the Financing Agreement. The Series 2025 Obligations may be issued in one or more series, shall be issued as taxable and/or tax-exempt obligations at a true effective interest rate(s) per annum not to exceed five percent (5.00%), as determined by the Authorized Representative, and shall mature on the date(s) set by the Authorized Representative. The City authorizes the execution and delivery of one or more escrow agreements between the City and the escrow agent (the "Escrow Agreement"), in a form satisfactory to the Authorized Representative, pursuant to which the Escrow Agent shall execute the Series 2025 Obligations representing the

principal amount of a Financing Agreement, and evidencing the right of the Escrow Agent to receive the City's financing payments under a Financing Agreement.

Section 2. Security. The Financing Agreement shall be payable from the designated funds which are lawfully available including the general, non-restricted revenues of the City, subject to annual appropriation, and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon, subject to annual appropriation. The obligation of the City to make payments under the Financing Agreement shall be secured by all lawfully available funds of the City subject to annual appropriation and shall be a full faith and credit obligation of the City subject to annual appropriation. The Financing Agreement shall not be secured by any real or personal property of the City and a pledge of the City's full faith and credit and taxing power, subject to annual appropriation, does not create a lien on the revenues or property of the City.

Section 3. Designation of Authorized Representative. The City hereby authorizes the City Manager, the Finance Director, or the designee of either of those individuals (the "Authorized Representative") to act as the authorized representative on behalf of the City and determine the remaining terms of the Financing Agreement as delegated herein.

Section 4. Delegation of Final Terms and Additional Documents. The Authorized Representative is authorized, on behalf of the City, to:

A. determine the method of sale, determine the provisions of the notice of sale if sold at a competitive sale, act upon bids received, negotiate the terms of, and execute and deliver a purchase agreement if sold at a negotiated sale, and negotiate the terms of, and execute and deliver documents if privately placed with a lender;

B. establish the maturity and interest payment dates, dated dates, principal amounts, capitalized interest (if any), optional and/or mandatory redemption provisions, interest rates, draw-down provisions, amortization schedules, covenants, fees, denominations, and all other terms under which the Financing Agreement and Series 2025 Obligations shall be issued, sold, executed, and delivered;

C. negotiate the terms and approve of the Financing Agreement and the Escrow Agreement, if applicable, as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement and the Escrow Agreement;

D. deem final, approve of, and authorize the distribution of the preliminary and final Official Statements to prospective purchasers of the Series 2025 Obligations;

E. determine whether the Series 2025 Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Series 2025 Obligations for the Book-Entry System of The Depository Trust Company, including the execution of a Blanket Issuer Letter of Representations;

F. apply for ratings for the Series 2025 Obligations and determine whether to purchase municipal bond insurance or other credit enhancement, negotiate and enter into agreements with providers of credit providers, and expend proceeds to pay credit enhancement fees;

G. determine if the Financing Agreement will be issued on a tax-exempt basis and/or taxable basis;

H. determine if none, all, or a portion of the S13002 Loan is refunded;

I. designate the Financing Agreement and the Series 2025 Obligations as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) if they qualify for such designation;

J. approve, execute, and deliver a Tax Certificate for that portion of the Financing Agreement issued on a tax-exempt basis;

K. approve, execute, and deliver a continuing disclosure certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, §240.15c2-12) (the “Continuing Disclosure Certificate”) for the Series 2025 Obligations;

L. engage the services of lenders, underwriters, escrow agents, municipal advisors, trustees, and any other professionals whose services the Authorized Representative determines are necessary or desirable for the Financing Agreement or Obligations;

M. determine which fund or funds are available to pay the Financing Agreement;

N. approve, execute and deliver the Financing Agreement and its terms, a certificate specifying the actions taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Financing Agreement and Series 2025 Obligations in accordance with this Resolution; and

O. take any other actions which the Authorized Representative determines are necessary or desirable to finance the Projects in accordance with this Resolution.

Section 5. Conditional Notice of Redemption. Any notice of optional redemption to the Paying Agent or to the owners may state that the optional redemption is conditional upon receipt by the Paying Agent and/or owners of moneys sufficient to pay the redemption price of such Series 2025 Obligations and/or Financing Agreement or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice

of such rescission or of the failure of any such condition shall be given by the Paying Agent to the affected owners of Series 2025 Obligations and/or the Financing Agreement as promptly as practicable.

Section 6. Defeasance of the Series 2025 Obligations. The City may defease the Series 2025 Obligations by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Series 2025 Obligations to be defeased, cash or direct obligations of the United States or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Series 2025 Obligations until their maturity date or any earlier redemption date. Series 2025 Obligations which have been defeased shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this resolution except the right to receive payment from such special escrow account. The Authorized Representative is authorized to determine the defeasance terms of the Financing Agreement.

Section 7. Preservation of Tax Exemption for Interest on Financing Agreement. The City covenants that it will take all actions necessary to prevent interest on a tax-exempt Financing Agreement from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of a tax-exempt Financing Agreement or other funds of the City treated as proceeds of such Financing Agreement at any time during the term of the Financing Agreement which will cause interest on the Financing Agreement to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code, is applicable to the Financing Agreement, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Financing Agreement, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Financing Agreement from being included in gross income for federal income tax purposes.

Section 8. Appointment of Paying Agent, Escrow Agent, and Registrar. The Authorized Representative is authorized to appoint an Escrow Agent to serve as paying agent, escrow agent and registrar for the issuance of the Series 2025 Obligations. The Authorized Representative is authorized to negotiate and execute on behalf of the City an agreement with the Escrow Agent. In addition, the City requests and authorized the Escrow Agent to execute any Series 2025 Obligations.

Section 9. Appointment of Municipal Advisor. The City appointed Piper Sandler & Co. as municipal advisor to the City for the issuance of the Financing Agreement and Series 2025 Obligations.

Section 10. Appointment of Underwriter/Placement Agent or Lender. The Authorized Representative is authorized to appoint an underwriter/placement agent and/or lender for the Financing Agreement.

Section 11. Appointment of Special Counsel. The City appoints Foster Garvey P.C. as special counsel to the City for the issuance of the Financing Agreement and the Series 2025 Obligations.

Section 12. Continuing Disclosure. The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Certificate which may be negotiated with the underwriter. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Certificate will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and the Continuing Disclosure Certificate.

Section 13. Preliminary and Final Official Statement. The City may prepare or cause to be prepared a preliminary official statement for the Series 2025 Obligations which shall be available for distribution to prospective purchasers. In addition, an official statement may be prepared and shall be ready for delivery to the purchasers of the Series 2025 Obligations no later than the seventh (7th) business day after the sale of the Series 2025 Obligations. When the City determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

Section 14. Closing of the Financing Agreement. The Authorized Representative is authorized to negotiate the terms and conditions of a term sheet or commitment letter in the case of a Private Placement or a purchase agreement in the case of a Public Offering. The Authorized Representative is authorized to execute the term sheet, commitment letter, and/or the purchase agreement, as the case may be, for and on behalf of the City and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Financing Agreement and Series 2025 Obligations as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the City Council.

Section 15. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Financing Agreement or Series 2025 Obligations by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Financing Agreement or Series 2025 Obligations and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit,

protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Financing Agreement and Series 2025 Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 16. Post-Issuance Compliance Procedures. The Authorized Representative is authorized to prepare procedures regarding post issuance compliance related to obligations of the City.

Section 17. Effective Date. This Resolution shall take effect on the date of its adoption.

This resolution is adopted by the City Council of the City of Sandy, Oregon, this 3rd day of March 2025.

Kathleen Walker, Mayor

ATTEST:

Jeffrey Aprati, City Recorder