

BEFORE THE CITY OF CANNON BEACH

FOR THE PURPOSE OF AUTHORIZING A LOAN FROM) RESOLUTION NO. 23-15
THE SAFE DRINKING WATER REVOLVING LOAN)
FUND BY ENTERING INTO A FINANCING CONTRACT)
WITH THE OREGON INFRASTRUCTURE FINANCE)
AUTHORITY)

The City Council of the City of Cannon Beach (the "City") finds:

A. The City is a community or nonprofit non-community water system as defined in Oregon Administrative Rule 123-049-0010.

B. The Safe Drinking Water Act Amendments of 1996, Pub.L. 104-182, as amended (the "Act"), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department ("OBDD") to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund.

C. The City has filed an application with the OBDD to obtain financial assistance for a "safe drinking water project" within the meaning of the Act, and the OBDD has approved the City's application for financial assistance.

D. The City is required, as a prerequisite to the receipt of financial assistance from the OBDD, to enter into a Financing Contract with the OBDD, number S23018, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the "Project").

E. Notice relating to the City's consideration of the adoption of this Resolution was published in full accordance with the City's charter and laws for public notification.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Cannon Beach as follows:

1. Financing Loan Authorized. The City Council authorizes the City Manager to execute the Financing Contract (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a loan from the OBDD on the condition that the principal amount of the loan from the OBDD to the City is not more than \$5,377,000 with \$20,000 eligible for principal forgiveness if contract conditions are met and the interest rate is not more than 1.0%. The proceeds of the loan from the OBDD must be applied solely to the "Costs of the Project" as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by the City are payable from the sources described in Section 4 of the Financing Contract and the ORS285A.213(5) which include:

- (a) Revenue from City's water system, including special assessment revenue;
- (b) Amounts withheld under ORS285A.213(6);
- (c) The general fund of the City;
- (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or
- (e) Any other source.

3. Additional Documents. The City Manager is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the OBDD for the Project pursuant to the Financing Documents.

4. Tax-Exempt Status. The City covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the City 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. The City Manager of the City may enter into covenants on behalf of the City to protect the tax-exempt status of the interest paid by the City pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or their bond counsel to protect the tax-exempt status of such interest.


Passed by the Common Council of the City of Cannon Beach this 1st day of August 2023, by the following roll call vote:

YEAS:	Councilors Hayes, McCarthy, Ogilvie, Kerr and Mayor Knop
NAYS:	None
EXCUSED:	None



Barb Knop, Mayor

Attest:



Bruce St Denis, City Manager