



## RESOLUTION NO. 3466

**A RESOLUTION OF THE CITY OF BEND, OREGON, AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF WATER REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT SUFFICIENT TO REFUND THE CITY'S OUTSTANDING WATER REVENUE BONDS AND PAY COSTS OF ISSUANCE RELATED THERETO; AUTHORIZING THE PLEDGE OF NET REVENUES OF THE CITY'S WATER SYSTEM; AUTHORIZING THE EXECUTION AND DELIVERY OF FINANCING, LEGAL AND DISCLOSURE DOCUMENTS; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; AND RELATED MATTERS.**

### Findings

- A. The City of Bend, Oregon (the "City") is authorized pursuant to the laws of the State of Oregon, including the applicable provisions of Oregon Revised Statutes ("ORS") chapter 287A and the City Charter to issue revenue bonds to finance capital improvements that the City Council determines are needed and to issue current refunding bonds to refund or purchase the City's outstanding revenue bonds.
- B. Pursuant to Resolution No. 2971 adopted by the City Council on December 17, 2014, and Resolution No. 3026 adopted by the City Council on May 4, 2016 (collectively, the "2016 Bond Resolution"), the City issued its Water Revenue Bonds, Series in an aggregate principal amount of \$49,910,000 (the "2016 Bonds") for the purposes of (i) financing and financing the costs of additions, replacements, expansions or improvements to the City's water system and water reclamation infrastructure (the "System"), including the Bridge Creek Pipeline and water treatment facilities, and acquisition of real and personal property and all equipment and appurtenances necessary, useful or convenient thereto and (ii) refunding certain obligations related to the System including the City's Water System Interim Financing Note, Series 2015 (the "2015 Refunded Note") and the City's then outstanding Safe Drinking Water Loan with the State of Oregon's Business Development Department (the "Refunded OBDD Loan") (collectively, the "2016 Project").
- C. In connection with the issuance of the 2016 Bonds, the City executed and delivered its Master Water Revenue Bond Declaration, dated as of July 1, 2016 (the "Master Declaration") and the First Supplement to the Master Declaration dated July 27, 2016 (the "First Supplement" and together with the Master Declaration as supplemented from time to time, the "Bond Declaration"), providing for the terms and conditions of the 2016 Bonds and any future water revenue bonds secured by the Net Revenues on the same lien as the 2016 Bonds (collectively, the "Parity Bonds").



- D. The City has determined that it is in the best interest of the City to refund all or a portion of the 2016 Bonds, pursuant to ORS 287A.360, to produce debt service payment savings.
- E. The City has determined that it is financially feasible and in the best interests of the City to authorize the issuance, sale, execution and delivery of Water Revenue Refunding Bonds to be designated as the "City of Bend, Oregon Water Revenue Refunding Bonds, Series 2026" (the "2026 Bonds"), which shall be issued as Parity Bonds in one or more series, to (i) refund all or a portion of the 2016 Bond and (ii) pay costs of issuance of the 2026 Bonds, including without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (as defined in ORS chapter 287A) for the 2016 Bonds, if beneficial to the City (collectively, the "2026 Refunding Project").

## Resolution

### Based on these findings, the City Council of the City Of Bend resolves as follows:

1. **Authorization of the 2026 Bonds.** The City Council authorizes the issuance, sale, execution and delivery of the 2026 Bonds, to be designated the "City of Bend, Oregon Water Revenue Refunding Bonds, Series 2026" in an aggregate principal amount sufficient to produce net proceeds sufficient to finance the 2026 Refunding Project, plus amounts sufficient to fund required reserves. The proceeds of the 2026 Bonds shall be used for the purpose of financing the 2026 Refunding Project. The 2026 Bonds may be signed with the manual or facsimile signature of an Authorized Representative and shall be manually authenticated by the Bond Registrar (defined below). The true interest cost of the 2026 Bonds shall not exceed four and one-half percent (4.5%) per annum. The terms and conditions for the sale, issuance, execution, delivery and administration of the 2026 Bonds shall be established consistent with the authorization of this Resolution.
2. **Security.** The 2026 Bonds shall not be a general obligation of the City, nor a charge on its tax revenues. As security for the payment of the 2026 Bonds, the City pledges the Net Revenues of the System to the punctual payment of principal and interest on the 2026 Bonds. Pursuant to ORS 287A.310, or any successor provision in law, the pledge of the Net Revenues made by the City under this Resolution and set forth in the Bond Declaration shall be valid and binding upon the execution and delivery of the 2026 Bonds and any related supplemental or series declaration. The owners of the 2026 Bonds will not have a lien on or security interest in the 2016 Project or the Refunding Project or any other property financed with the proceeds of the 2026 Bonds. "Net Revenues" means the gross revenues of the System less payment of operating expenses, as those terms are further defined in the Bond Declaration.
3. **Refunding the 2016 Bonds.** Pursuant to 287A.360, the City authorizes the refunding of all or a portion of the 2016 Bonds.



4. **Designation, Authorization and Direction of Authorized Representative; Bond Declaration and Rate Covenant; Bond Documents.**

- a. The City authorizes and directs the City Manager or the Chief Financial Officer or each of their respective designees (each, an "Authorized Representative") to evaluate, negotiate, enter into, execute, deliver and otherwise implement on behalf of the City, the terms and conditions for the issuance, sale, execution and delivery and administration of the 2026 Bonds, as may in the judgment of such Authorized Representative be in the best interests of the City and in a manner consistent with and in furtherance of this Resolution, including, without limitation, the delegated authority set forth in Section 6 below.
- b. The Authorized Representative is further authorized and directed on behalf of the City to negotiate, review, execute and deliver a supplemental or series declaration related to the 2026 Bonds and all other documents, agreements, supplemental actions and certificates (collectively, the "Bond Documents"), in connection with the offering, sale, administration, execution and delivery of the 2026 Bonds pursuant to the authorization of this Resolution.

5. **Tax Covenants.** The City covenants to use the proceeds of the 2026 Bonds and the facilities financed or refinanced with the 2026 Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on the 2026 Bonds will not be includable in gross income of the holders of the 2026 Bonds for federal income tax purposes. The City specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the 2026 Bonds; and
- b. to operate the facilities financed or refinanced with the proceeds of the 2026 Bonds so that the 2026 Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. to comply with all reporting requirements.

Each Authorized Representative is authorized and directed, on behalf of the City without further approval of the City Council, to enter into covenants on behalf of the City to maintain the tax-exempt status of the 2026 Bonds.

6. **Delegation for Establishment of Terms and Sale of the 2026 Bonds.** Each Authorized Representative is hereby authorized and directed, on behalf of the City without further approval of the City Council to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the 2026 Bonds or to carry out the purposes of this Resolution, including but not limited to:

- a. select all or any portion of the maturities of the 2016 Bonds to be refunded, irrevocably call for redemption those maturities of the 2016 Bonds selected for refunding with the proceeds of the 2026 Bonds and cause notice of redemption to be given as required;
- b. establish the maturity dates for the 2026 Bonds, and establish the principal amounts, optional or mandatory redemption provisions, interest rates or method



- for determining a variable or adjustable interest rate, premiums and discounts, if any, denominations, costs, fees and expenses relating thereto, if any, and all other terms and conditions for the 2026 Bonds;
- c. evaluate and determine favorable terms and conditions for the issuance, sale, execution, delivery and administration of the 2026 Bonds and the Bond Documents, subject to a determination by the Authorized Representative that such terms are beneficial to the City to obtain good financing terms for the 2026 Bonds, including:
  - d. soliciting bids from and selecting the method of purchase of the 2026 Bonds by a banking or financial institution (the "Bank"), which may occur through a direct private placement with a Bank, a negotiated public sale with the Bank serving as underwriter, or a public, competitive offering of the 2026 Bonds for sale subject to a notice of sale; and
  - e. evaluating any proposals from providers of Credit Enhancement Devices for the 2026 Bonds, obtaining a Credit Enhancement Device for the 2026 Bonds and executing and delivering agreements related to such Credit Enhancement Device and/or including representations, agreements and covenants in the 2026 Bonds or the Bond Documents with respect to such Credit Enhancement Device; and
  - f. determine the form and content of the preliminary and final bond disclosure documents (collectively, the "Official Statement");
  - g. establish and fund a bond debt service reserve, if necessary or desirable, for the 2026 Bonds;
  - h. negotiate and establish the terms of and execute and deliver an undertaking to provide ongoing disclosure (the "Continuing Disclosure Certificate") for the benefit of owners of the 2026 Bonds that satisfies the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12;
  - i. execute and deliver the 2026 Bonds, the Bond Declaration, the Bond Documents, the Continuing Disclosure Certificate and any other documents and certificates and opinions required in connection with the offering, sale, execution and delivery of the 2026 Bonds;
  - j. obtain ratings on the 2026 Bonds if determined by the Authorized Representative to be in the best interest of the City and expend proceeds of the 2026 Bonds to pay costs for obtaining such ratings;
  - k. solicit proposals for services and select a paying agent and registrar (the "Bond Registrar") for the 2026 Bonds;
  - l. approve the form of the 2026 Bonds and take actions necessary to qualify the 2026 Bonds for the book-entry system of the Depository Trust Company ("DTC"), and provide for the authentication, registration, payment, exchange and transfer of the 2026 Bonds;
  - m. enter into covenants regarding the use of the proceeds of the 2026 Bonds and the 2016 Project refinanced with the proceeds of the 2026 Bonds to maintain the tax-exempt status of the 2026 Bonds;



- n. execute and deliver a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver such other certificates, documents or agreements in connection with the 2026 Bonds that the Authorized Representative determines are desirable in connection with the 2026 Bonds and in accordance with this Resolution.
- 7. **Bond Counsel, Financial Advisor and Underwriter.** In connection with the 2026 Bonds, the City confirms its prior appointment of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City and PFM Financial Advisors LLC, Financial Advisor to the City.
- 8. **Binding Agreement of the City.** The covenants, pledges, representations and agreements set forth in this Resolution, the Bond Declaration and the Bond Documents executed in connection with the 2026 Bonds, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the benefit, protection and security of the owners of the 2026 Bonds, all of which shall be of equal rank without preference, priority or distinction of the 2026 Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.
- 9. **Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption by the City Council.

## Adopted by the Bend City Council

March 4, 2026

**Yes:** Kebler, Franzosa, Méndez, Norris, Perkins, Platt, Riley

**No:**

Melanie Kebler, Mayor

**Attest:**

Ashley Bontje, City Recorder

**Approved as to form:**

Ian Leitheiser, City Attorney