



COUNCIL RESOLUTION NO. 5399

**A RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF ELECTRIC UTILITY SYSTEM REVENUE BONDS
AND ELECTRIC UTILITY SYSTEM REVENUE REFUNDING
BONDS.**

PASSED: 8:0

REJECTED:

OPPOSED:

ABSENT:

CONSIDERED: February 12, 2024



RESOLUTION NO. 5399

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC UTILITY SYSTEM REVENUE BONDS AND ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS.

The City Council of the City of Eugene finds that:

A. Oregon Revised Statutes (“ORS”) Section 287A.150 authorizes the City of Eugene, Oregon (the “City”) to issue revenue bonds payable from identified revenues of the City. The City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates an electric utility system and related facilities and systems.

B. On August 2, 2016, EWEB adopted a resolution that amended and restated a resolution dated June 16, 1986, and authorized and provided for the issuance, from time to time, of City of Eugene, Oregon Electric Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder (as amended and supplemented, the “Bond Resolution”).

C. The Bond Resolution provides in part that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City or EWEB other than the Bond Fund established by the Bond Resolution, nor constitute a general obligation of EWEB or the City or create a charge upon the tax revenues of the City or any other property of the City or property of EWEB, except the revenues and other money and securities pledged under the Bond Resolution.

D. EWEB has requested by resolution that the City Council adopt this Resolution to set the terms for and authorize the issuance of not to exceed \$64,000,000 in aggregate principal amount of electric utility system revenue bonds (the “New Money Bonds”) for the purpose of financing certain capital improvements related to the relicensing of the Carmen-Smith Hydroelectric Project and other capital projects described in the Electric Capital Improvement Plan (collectively, the “Project”), funding necessary reserves and paying the costs of issuance of the Bonds.

E. Pursuant to Resolution No. 2002, EWEB has previously requested the City authorize the issuance and sale of electric utility system revenue refunding bonds (the “Refunding Bonds”) to refund certain of its Electric Utility System Revenue and Refunding Bonds, Series 2012, originally issued in the principal amount of \$71,230,000 (the “Series 2012 Bonds”), to fund necessary reserves and to pay the costs of issuance of the Refunding Bonds.

F. The City Council adopted Resolution No. 5289 on January 27, 2020, authorizing the Refunding Bonds, and EWEB issued its \$16,790,000 original principal amount of Electric

Utility System Revenue Refunding Bonds, Series 2020B (Federally Taxable), to refund a portion of the Series 2012 Bonds.

G. A portion of the Series 2012 Bonds are still outstanding in the principal amount of \$15,035,000, and EWEB has renewed its request under Resolution No. 2002 to issue the Refunding Bonds to achieve a present value debt service savings.

H. The New Money Bonds and the Refunding Bonds (together, the “Bonds”) will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Electric Utility System which EWEB pledges to the payment of such Bonds pursuant to ORS Sections 287A.310 and 287A.325 and the resolution to be adopted by EWEB pursuant to this Resolution.

I. EWEB has by resolution undertaken to cause to be prepared a plan showing that EWEB’s estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Bonds authorized by this Resolution.

J. The City and EWEB anticipate incurring expenditures (“Expenditures”) to finance the costs of the Project and wish to declare their official intent to reimburse themselves for the expenditures made on the Project from the proceeds of the New Money Bonds. To the extent that the expenditures and the use of proceeds of the New Money Bonds may qualify under federal tax law and regulations, the City, including EWEB, intends for the interest on such bonds to be excludable from gross income for federal income tax purposes under §103 of the Internal Revenue Code of 1986, as amended (the “Code”).

K. EWEB has requested by resolution that the City Council adopt this Resolution in part to authorize the publication of the Notice of Revenue Bond Authorization relating to the Bonds to fund the Project, such notice being in substantially the form attached to this Resolution as Exhibit “A” (the “Notice”). The Notice shall specify the last date on which petitions may be submitted, and the City, acting by and through EWEB, shall cause the Notice to be published in *The Register-Guard*, a newspaper of general circulation within the boundaries of the City, in the same manner as are other public notices of the City.

NOW THEREFORE, based upon the above findings,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a
Municipal Corporation of the State of Oregon, as follows:**

Section 1. Authorization of New Money Bonds and Publication of Notice; Purpose of Issue. Based on the above findings, subject to the prior publication of the Notice and the expiration of the 60-day period following the publication of the Notice without the receipt of a petition for an election questioning the issuance of the New Money Bonds, which facts and circumstances shall be determined conclusively and for all purposes by any individual designated by EWEB, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the New Money Bonds designated as the “City of Eugene, Oregon Electric Utility System Revenue Bonds,” in one or more series, in the aggregate principal amount of not to exceed \$64,000,000,

for the purpose of financing the Project, and funding any required reserves and costs of issuance, and to publish the Notice as aforesaid. If petitions for an election, containing the valid signatures of not less than 5.0% of the City's qualified electors, are received within the time indicated in the Notice, the question of issuing New Money Bonds shall be placed on the ballot at the next legally available election date. If such petitions are received no New Money Bonds may be sold until the question of whether to issue the New Money Bonds is approved by a majority of electors living within the boundaries of the City who vote on that question. Any such petitions will be subject to ORS 287A.150 and §§2.960-2.1005 of The Eugene Code, 1971.

Section 2. Authorization of Refunding Bonds; Purpose of Issue. Based on the above findings, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the Bonds designated as the "City of Eugene, Oregon Electric Utility System Revenue Refunding Bonds," in one or more series, in the aggregate principal amount of not to exceed \$15,035,000, for the purpose of refunding a portion of the Electric Utility System Revenue Bonds, Series 2012.

Section 3. Conditions of Issuance and Sale. The City Council hereby prescribes that:

(a) The Bonds of each series shall: (i) mature not later than 30 years from the date of issuance of the series; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof; and (iii) have a true interest cost of not to exceed 6.0% per annum; and

(b) The proceeds of the Bonds shall be used only for the purposes above described.

Section 4. Delegation of Authority for Terms of Bonds; Provisions for Issuance. Pursuant to ORS 287A.300(4), EWEB, or any individual designated by EWEB, is hereby authorized and directed to determine, with respect to the Bonds, the number of series, the form of bond and series designation, the manner of disbursement of proceeds of the Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, whether to obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, denominations, form, authorized signatory and other terms and conditions of the Bonds because the same cannot be determined by the City Council at this time. Prior to the issuance of any Bonds, EWEB shall: (i) prepare a plan showing that the estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Bonds; (ii) adopt a supplemental bond authorizing resolution and provide a copy of such resolution to the City; and (iii) provide to the City a resolution determining that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter and ordinances of the City and this Resolution.

Section 5. Declaring Intent to Reimburse. The City reasonably anticipates that the City and EWEB may incur preliminary, costs of issuance and other Project expenditures that qualify as “Original Expenditures” under Treasury Regulation §1.150-2 prior to the date of issuance of the New Money Bonds, and hereby declares its official intent to reimburse itself or EWEB with proceeds of the sale of the New Money Bonds to be issued in an amount not to exceed \$64,000,000 in aggregate principal amount.

Section 6. Statement on Form of Bond. All Bonds shall include a statement on their face to the effect that:

(a) That they do not in any manner constitute a general obligation of EWEB or of the City, or create a charge upon the tax revenues of the City, or upon any other revenues or property of the City, or property of EWEB, but are charges upon and are payable solely from the revenues of the Electric Utility System operated by EWEB, or any portion thereof, pledged to the payment thereof; and

(b) That the holders thereof may look for repayment only to the revenues of the Electric Utility System which are pledged for the payment thereof, and may not directly or indirectly be paid or compensated through any other property of the City, or EWEB, or by or through the taxing power of the City.

Section 7. Bonds Payable Solely from Revenues. The Bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues and funds which EWEB pledges to the payment thereof pursuant to ORS 287A.150, any applicable authorizations and in accordance with this Resolution.

Section 8. Bonds Reporting. EWEB shall submit to the City by May 1 of each year the following annual reports commencing after the first sale of any Bonds or other evidences of indebtedness hereunder and each year thereafter until the Bonds have been paid and retired:

(a) A report on the funds for each series of Bonds describing the funds established, the amounts in each fund, expenditure from each fund, the manner in which the monies in each fund have been invested, the income from such investments and the application of such income; and

(b) A report on Bond payments describing amounts paid, and amounts scheduled to be paid and the source of such payments.

If the contents of the reports required by subsections (a) and (b) above are included in the annual audit report of EWEB, then EWEB may comply with this Section 8 by transmitting a copy of its annual audit report to the City.

Section 9. Appointment of Professionals. EWEB is authorized to appoint bond counsel, disclosure counsel, financial advisor, underwriter in the case of a negotiated sale, trustees, registrars, paying agents, and any other professional assistance that EWEB determines

is necessary or convenient to accomplish the issuance and sale of any or all of the Bonds, and such appointments are hereby ratified.

Section 10. Official Statement and Disclosure Obligations. EWEB or any party designated by EWEB is authorized to prepare and distribute or direct the preparation and distribution of one or more preliminary or final official statement(s) or other disclosure document(s) for any of the Bonds, and to enter into continuing disclosure agreements for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission. The City shall have no disclosure obligation related to the Bonds or any continuing disclosure agreement for the Bonds. Any similar agreement for any other borrowing by EWEB shall obligate only EWEB and not the City, and the City shall have no obligation to comply with any of those agreements, or to report EWEB's compliance with those agreements to the Municipal Securities Rulemaking Board or any other party. In addition to complying with continuing disclosure agreements related to any borrowings by EWEB, EWEB shall comply with its post issuance compliance procedures in effect from time to time.

Section 11. Other Sale Documents. EWEB or any party designated by EWEB is also authorized to obtain bond insurance or other credit enhancement or commitments therefor, to obtain a rating on any or all of the Bonds from Moody's Investors Service, Inc., S&P Global Ratings and/or Fitch Ratings, and to issue and publish such notices of sale of the Bonds and execute such purchase contracts as may be necessary or required to accomplish the sale of the Bonds in accordance with this Resolution and to determine any other terms, conditions or covenants regarding any or all of the Bonds or the Project, which are necessary or desirable to effect the sale of any or all of the Bonds.

Section 12. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted by the City Council this 12th day of February, 2024.



City Recorder

EXHIBIT A

FORM OF NOTICE OF REVENUE BOND AUTHORIZATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Eugene, Oregon (the “City”), acting pursuant to the request of the Eugene Water & Electric Board (“EWEB”), adopted Resolution No. 5399 on February 12, 2024, authorizing the issuance of the City’s Electric Utility System revenue bonds. The revenue bonds will be issued in one or more series to provide funds for the purpose of financing certain capital improvements related to the relicensing of the Carmen-Smith Hydroelectric Project and other capital projects described in the Electric Capital Improvement Plan (collectively, the “Project”), funding necessary reserves and paying the costs of issuance of the revenue bonds.

The costs of funding the Project, together with the necessary reserves and costs of issuance of the revenue bonds, are estimated not to exceed the authorized principal amount and premium, if any, of the revenue bonds. In accordance with these estimates, the City expects that the revenue bonds to fund the Project will be issued in an aggregate principal amount not to exceed \$64,000,000.

Subject to certain parameters, EWEB may establish all terms, conditions and covenants regarding the revenue bonds and the revenues which are necessary or desirable to affect the sale of the revenue bonds.

The revenue bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the revenues of the City’s Electric Utility System.

If written petitions, signed by not less than 5.0% of the City’s qualified electors, are filed at the Office of the City Recorder on or before April 15, 2024 (the 61st day after the date of publication of this notice), the question of issuing not to exceed \$64,000,000 of electric revenue bonds shall be placed on the ballot at the next legally available election date. Any such petition shall be subject to ORS 287A.150 and Sections 2.960-2.1005 of the Eugene Code, 1971.

The Office of the City Recorder is located at 101 West 10th Avenue, Suite 203, Eugene, Oregon 97401. Information on procedures for filing petitions may also be obtained at such address or by telephone at (541) 682-5042.

The resolution authorizing the revenue bonds is available for inspection at the Office of the City Recorder.

The revenue bonds will be issued and sold pursuant to ORS 287A.150, and this notice is published pursuant to ORS 287A.150(4).