

RESOLUTION NO. 31 FOR 2007

A RESOLUTION AUTHORIZING A LOAN FROM THE STATE CLEAN WATER REVOLVING LOAN FUND BY ENTERING INTO A LOAN CONTRACT WITH THE STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ).

WHEREAS, the City of Sweet Home is a "public agency" as defined in ORS 468.423; and

WHEREAS, ORS 468.439 authorizes a public agency to enter into loan agreements and make related agreements with the DEQ in which the public agency agrees to repay the borrowed money in accordance with the terms of the loan agreement; and

WHEREAS, the City has filed an application with the DEQ to borrow money for Wastewater Inflow & Infiltration (I/I) Reduction Demonstration Pilot project in the 'wastewater treatment works' as defined in ORS 468.423; and

WHEREAS, on November 26, 2002, the City Council approved Resolution No. 31 for 2002 authorizing original loan amount of \$2,000,000 and established appropriate loan reserve amount of \$137,619; and

WHEREAS, the City later rescinded Resolution No. 31 for 2002 with Resolution No. 3 for 2004 increasing loan and reserve amount to \$4,000,000 and \$275,238 respectively; and

WHEREAS, on March 22, 2005 City Council approved Resolution No. 7 for 2005 authorizing additional loan of \$2,000,000 (Loan #R89751) and loan reserve of \$70,930; and

WHEREAS, the DEQ has approved an amendment request from the City of February 5, 2007 to increase original Loan #R89751 amount an additional \$3,886,440 by approving separate loan Amendment #3 pending establishment of appropriate reserve amount of \$196,008; and

WHEREAS, upon approval of this Resolution the City will have entered into two separate "Clean Water Revolving Loans" totaling \$9,886,440 with two separate reserve funds totaling \$471,246.

NOW THEREFORE, THE CITY OF SWEET HOME RESOLVES AS FOLLOWS:

Section 1 - The City Council authorizes the City of Sweet Home to enter into loan agreement #R89751, Amendment #3 from the State of Oregon Clean Water State Revolving Loan Fund for an amount not to exceed \$5,886,440 with the Oregon Department of Environmental Quality.

Section 2 - The City Council authorizes the establishment of a loan reserve account for \$196,008.

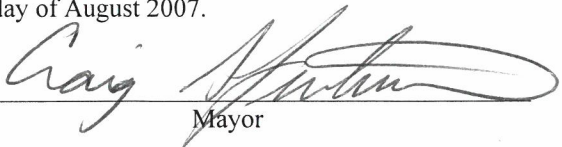
Section 3 - The City Manager is authorized to sign the necessary loan documents on behalf of the City.

Section 4 - The funds from this loan will be used to pay for the costs associated with construction of "Phase 3" of the demonstration project to reduce inflow & infiltration through major repairs to main lines and service laterals. This project will help determine the extent of work necessary to repair the remainder of the wastewater treatment works, if any.

THIS resolution supersedes Resolution No. 7 for 2005.

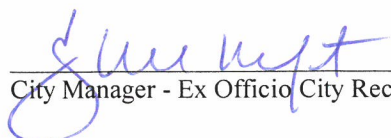
THIS resolution shall be effective immediately upon its passage.

PASSED by the City Council and approved by the Mayor this 28th day of August 2007.



Mayor

ATTEST:



City Manager - Ex Officio City Recorder