

ORDINANCE No. 176261

*Authorize Hydroelectric Power Revenue Refunding Bonds, Series 2002 Federally Taxable (Ordinance)

The City of Portland ordains:

Section The Council finds:

1. The City may obtain debt service savings by issuing bonds to refund the City's previously issued Hydroelectric Revenue Bonds, Series A, which are dated as of June 1, 1979 and are currently outstanding in the principal amount of \$25,750,000.
2. The 1979 Bonds financed a portion of the costs of the City's hydroelectric project on the Bull Run River. The City has sold the power from that project to Portland General Electric Company, which has agreed to purchase the power from the project and pay certain amounts to the City, including an amount equal to the debt service on the bonds issued by the City to finance or refinance that project.
3. The City previously issued its Hydroelectric Power Revenue Refunding Bonds, Series 1993 (Taxable).
4. Issuing the refunding bonds on a parity with the Series 1993 Bonds will allow money in the Debt Service Reserve Account for the 1979 Bonds to be used to redeem the 1979 Bonds, reducing the amount of the refunding bonds and increasing the debt service savings.

NOW, THEREFORE, the Council directs:

- a. Pursuant to the authority of ORS Section 288.592 and the City Charter, the City Council hereby authorizes the issuance of the City of Portland, Oregon Hydroelectric Power Revenue Refunding Bonds, Series 2002 (Federally Taxable) (the "Series 2002 Bonds"), in an aggregate principal amount sufficient to pay principal, interest and premium on the 1979 Bonds through the date they are to be called for redemption, plus costs of issuing the Series 2002 Bonds. However, the City shall not advertise or sell the 2002 Bonds until the City has received a fully executed copy of a contract obligating Portland General Electric Company to pay the City's costs, in substantially the form and with substance which is attached to this ordinance as Exhibit A.
- b. The Series 2002 Bonds shall be issued on a parity with the City's Hydroelectric Power Revenue Refunding Bonds, Series 1993 pursuant to an Amended Trust Indenture (the "Amended Indenture"), substantially in the form attached to this Ordinance as Exhibit B, with such changes as may be authorized by the Debt Manager of the City, the Director of the Bureau of Financial Management of the City, the Chief Administrative Officer of the Office of Management and Finance, or the

person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this Ordinance (the "Debt Manager"). The Mayor, Auditor or Debt Manager are hereby authorized, on behalf of the City, to negotiate the final terms of, and execute and deliver the Amended Indenture.

- c. The Series 2002 Bonds shall be special obligations of the City, and shall be payable solely from the Gross Revenues, as defined and provided in the Amended Indenture. Interest on the Series 2002 Bonds shall be includable in gross income under the Internal Revenue Code of 1986, as amended.
- d. The Series 2002 Bonds shall be in substantially the form of the 1993 Bonds, with such changes as the Debt Manager may approve, and shall be signed with the facsimile or manual signature of the Mayor and the City Auditor or Debt Manager.
- e. The Debt Manager, on behalf of the City, and without further action by the City Council, may:
 1. participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Series 2002 Bonds;
 2. provide that the Series 2002 Bonds may be issued in one or more series, may bear interest at fixed rates or variable rates, and may pay deferred interest;
 3. establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms of the Series 2002 Bonds, and either publish a notice of sale, receive bids and award the sale of the Series 2002 Bonds to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters and negotiate the sale of the Series 2002 Bonds with those underwriters;
 4. undertake to provide continuing disclosure for the Series 2002 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
 5. apply for and purchase municipal bond insurance or other forms of credit enhancements for each series of the Series 2002 Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents;
 6. appoint a Trustee and a paying agent for the Series 2002 Bonds;
 7. irrevocably call the 1979 Bonds for redemption, and apply the amounts in the debt service fund and the debt service reserve fund for the 1979 Bonds, the proceeds of the Series 2002 Bonds and any other available

funds to redeem the 1979 Bonds or to secure the 2002 Bonds;

8. issue, sell and deliver the Series 2002 Bonds, enter into covenants for the benefit of the owners of the Series 2002 Bonds, and execute and deliver any certificates or documents and take any actions which are reasonably required to implement this Ordinance.
9. Execute an agreement with Portland General Electric Company substantially in the form attached hereto as Exhibit A, with such amendments as he deems to be in the best interest of the City, upon approval as to form by the City Attorney.

Section The Council declares that an emergency exists because the refunding must be accomplished while interest rates are favorable; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, FEB 13 2002

Mayor Vera Katz
TG:EJ:Bond Counsel
February 5, 2002

GARY BLACKMER
Auditor of the City of Portland
By /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 153-2002

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 176261

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
FRANCESCONI	X	
HALES	X	
SALTZMAN	X	
STEN	X	
KATZ	X	