

ORDINANCE NO. 149945

An Ordinance providing for the issuance and sale of General Obligation Water Bonds under the authority of Section 11-103 of the Charter of the City of Portland, in an amount not exceeding \$29,000,000 to be dated August 1, 1980, prescribing the form, maturity dates, interest rate, and manner of sale, and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. Section 11-103 of the Charter provides that in order to provide funds for the construction, reconstruction, replacement, acquisition, and maintenance of the City water plant and property, the Council is authorized to sell bonds of the City which are general obligations of the City but primarily payable from water revenue.
2. The Council finds that it is in the best interest of the City and the water users of the City to construct and finance a gravity supply main from Southeast Portland to the western City limits at the Multnomah/Washington County line. Approximately 90% of the capacity of the supply line will be used to provide water to places and people outside the City, but in the vicinity of the line, and the City expects to execute agreements with water districts representing these users, providing revenues to finance not less than 90% of the cost of the line. The remaining 10% of the line capacity will be available for use by city residents, and water revenues are expected to be sufficient to finance the project.
3. The Council further finds that the total original cost of the existing plant of the water works and system when last evaluated on June 30, 1979 was \$118,004,573, that the net outstanding water bonds indebtedness as of the present date is \$37,737,853, and that the Council is therefore authorized by Section 11-103 to issue additional water bonds in an amount of more than \$29,000,000.
4. The Council finds that in order to provide for needed capital improvements for the water system, it is desirable to provide for the issuance and sale of \$29,000,000 of general obligation water bonds of the City, payable primarily from water revenue.

NOW, THEREFORE, The Council directs:

a. Amount, Date, Denominations and Maturity of Bonds

There shall be issued \$29,000,000 principal amount of coupon bonds to be known as "The City of Portland, Oregon General Obligation Water Bonds, Series 1980 B" (the "Bonds") to be dated August 1, 1980, to be in \$5,000 denominations, payable at the office of the City Treasurer, interest payable on the first day of February and August of each year

commencing February 1, 1981, and to mature serially on the first day of August in each year and in the amounts as set forth below:

\$ 580,000	1983	\$1,155,000	1994
615,000	1984	1,230,000	1995
655,000	1985	1,310,000	1996
700,000	1986	1,400,000	1997
745,000	1987	1,490,000	1998
795,000	1988	1,585,000	1999
845,000	1989	1,690,000	2000
900,000	1990	1,800,000	2001
960,000	1991	1,915,000	2002
1,020,000	1992	2,040,000	2003
1,085,000	1993	2,170,000	2004
		2,315,000	2005

b. Redemption

The City reserves the right to call and redeem the bonds in inverse numerical order on and after August 1, 1993, at par plus accrued interest to the date of redemption.

c. Bond Form

The bonds and coupons shall be in substantially the following forms:

No. _____ \$5,000

State of Oregon

Counties of Multnomah, Clackamas and Washington
City of Portland, Oregon
General Obligation Water Bond, Series 1980 B.

The City of Portland, in the Counties of Multnomah, Clackamas and Washington, State of Oregon, for value received, acknowledges itself indebted and hereby promises, in consideration of the premises, to pay the bearer

Five Thousand Dollars

on the first day of August, 19___, without grace, with interest thereon at the rate of _____ percent per annum, payable semiannually on the first day of February, and the first day of August, of each year, principal and interest payable in lawful money of the United States of America, at the office of the City Treasurer of the City of Portland, Oregon, upon the presentation and surrender of this bond or of the annexed coupons as they severally become due.

This bond is one of the series of bonds designated as General Obligation Water Bonds, Series 1980 B of the City of Portland, Oregon,

dated August 1, 1980, numbered 47461 to 53260, both numbers inclusive, maturing serially on the first day of August in each of the years 1983 to 2005 inclusive.

This bond, unless sooner maturing, is subject to call and redemption on April 1, 1993, or on any interest payment date thereafter, upon not less than thirty days' nor more than forty-five days' notice of such call by one publication in the official newspaper of the City of Portland. Notice of redemption of any of the bonds shall also be mailed to Moody's Investors Service, Inc. and Standard & Poor's Corporation, both of New York City, New York. The bonds shall be redeemed at the office of the Treasurer of the City on payment of the par value thereof with accrued interest to the call date. Bonds of this issue shall be called by inverse numerical order.

This bond and all of the bonds of this series are issued by the City of Portland, Oregon, for the purpose of providing for a fund for carrying into effect the provisions of Section 11-103 of the Charter of the City of Portland. It is hereby certified and recited that all acts and things required to be done precedent to the issuance of these bonds have been properly done and performed in regular and due time, form and manner, as required by Law, and that the total debt of the City of Portland, Oregon, including this bond does not exceed charter, statutory or constitutional limitations of indebtedness. For punctual payment at maturity of the principal of and interest on this bond the full faith and credit of the City of Portland, Oregon, hereby are irrevocably pledged.

In testimony whereof, the Council of the City of Portland, Oregon, by ordinance duly passed, has caused this bond to be signed by the Mayor by facsimile signature and countersigned by the Auditor of the City of Portland, Oregon, and has caused the City corporate seal to be printed hereon, all as of the first day of August, 1980.

(Facsimile Signature)

Mayor of the City of Portland, Oregon

Countersigned:

Auditor of the City of Portland, Oregon

Interest Coupon

No. _____

On the first day of (February-August), 19____, the City of Portland, Oregon, will pay to the bearer _____ Dollars, in lawful money of the United States of America, at the office of the City Treasurer of the City of Portland, Oregon, being six months' interest then due on General Obligation Water Bond Series 1980 B of the City of Portland dated August 1, 1980, and bearing No. _____, (unless said bond is sooner redeemed as therein provided).

(Facsimile Signature)

Mayor of the City of Portland, Oregon

(Facsimile Signature)

Auditor of the City of Portland, Oregond. Disposition of Proceeds

After payment of expenses for the issuance of the Bonds the proceeds shall be placed in the Water Construction Fund created pursuant to Section 11-104 of the Charter of the City of Portland.

e. Pledge of Revenues

All net revenues from the operation of the water system, after deducting operation and maintenance charges of the water system, shall be placed in the Water Fund created pursuant to Section 11-104 of the Charter of the City of Portland, Oregon.

f. Debt Service Reserve Fund

Under the terms of the Washington County Gravity Supply Conduit Agreement, there has been established a Washington County Water Supply Debt Service Reserve Fund, which shall be funded by a deposit from Construction Fund established with the proceeds of these Bonds. The Debt Service Reserve Fund shall be established in an amount equal to the maximum annual debt service on the bonds and maintained in that amount so long as any Series 1980 B Bonds are outstanding.

g. Full Faith and Credit

To the extent that the net revenues of the water system are not sufficient to pay the principal, premium, if any, and interest on the Bonds, the City shall levy an ad valorem tax without limit to rate or amount on all taxable properties within the City.

ORDINANCE No.

Notice

The Auditor of the City of Portland, Oregon is directed to advertise for proposals for the purchase of the bonds. Advertisement for the purchase of the bonds shall be made in the official newspaper of the City of Portland, namely the Daily Journal of Commerce, and in a financial newspaper published in New York City, New York, as required by law in the form shown on Exhibit A, attached hereto. The advertisement shall state that the bonds will be sold to the responsible bidder whose bid will be the most advantageous to the City and will result in the lowest interest cost to the City and at not less than ninety-eight percent (98%) of the par value thereof and accrued interest. The bonds shall bear a maximum effective interest rate of not to exceed 10% per annum. Different rates of interest shall be confined to multiples of one-eighths (1/8) or one-twentieth (1/20) on one (1) percent. Each interest rate specified for bonds of any maturity shall be not less than the interest rate specified for the bonds of any earlier maturity. Supplemental coupons will not be permitted. All bidders shall be required to deposit a certified check or cashier's check payable to the order of the City of Portland, Oregon for two percent (2%) of the amount of the bonds, drawn upon a bank in the State of Oregon. Checks of unsuccessful bidders will be returned upon award of bids. No interest will be allowed upon the check of the successful bidder. Such checks will be retained to be applied in part payment for the bonds or to secure the City of Portland against any loss resulting from the failure of the bidder to comply with the terms of his bid. Bonds will be sold subject to prior approving opinion of Rankin, McMurry, Osburn, VavRosky & Doherty, Lawyers, Portland, Oregon. The Council may at its discretion reject any or all bids and proceed to readvertise and receive bids until a satisfactory bid is received.

Section 2. The Council declares that an emergency exists so that the necessary procedures may be carried through in an orderly manner prior to the issuance of the bonds herein authorized, and so that sufficient time may be afforded for the legal opinion, advertisements, receipt of bids, evaluation and award, and so as to obtain the proceeds therefrom to pay for construction work of the Bureau of Water Works in progress or projected; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, **JUL 2 1980**

Commissioner Ivancie
P.V. Demarinis
June 25, 1980

George F. Johnson
Auditor of the City of Portland

Ordinance No. 53308

ORDINANCE NO. 4000

Calendar No. 2398

ORDINANCE No. 149945

Title

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Filed

JUN 27 1980

GEORGE YERKOVICH

Auditor of the CITY OF PORTLAND

Gordon Crowl
Deputy

THE COMMISSIONERS VOTED AS FOLLOWS:

	Yeas	Nays
Ivancie	1	
Jordan	1	
Lindberg	1	
Schwab	1	
McCready	1	

FOUR-FIFTHS CALENDAR

Ivancie	
Jordan	
Lindberg	
Schwab	
McCready	

INTRODUCED BY
Commissioner Ivancie

NOTED BY THE COMMISSIONER

Affairs

Finance and Administration

Safety

Utilities **FJIMK**

Works

BUREAU APPROVAL

Bureau: Water Works

Prepared By: Jim Kessler Date:

Budget Impact Review: Completed Not required

Bureau Head: *Carl Goebel*
Carl Goebel, Administrator

NOTED BY

City Attorney

City Auditor

City Engineer