

RESOLUTION NO. 03-05

A RESOLUTION ACCEPTING A LOAN FROM THE STATE OF OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT FOR THE CITY OF SENECA TO DEVELOP ADDITIONAL SOURCES OF WATER, TO UPGRADE THE WATER TRANSMISSION, WATER STORAGE FACILITY, AND WATER DISTRIBUTION SYSTEM IN THE AMOUNT OF THE COST OF THE PROJECT NOT TO EXCEED \$848,000.00 WITH THE POTENTIAL FORGIVENESS OF \$212,000.00 IN PRINCIPAL IF ALL THE LOAN CONDITIONS ARE SATISFIED AND AUTHORIZING THE CITY OF SENECA TO ENTER INTO SAID LOAN AGREEMENT AND PROMISSORY NOTES FOR SAID PROJECT AND AMOUNT.

WHEREAS, the City Council for the City of Seneca has determined that the City's water system needs an upgrade to facilitate compliance with national primary drinking water regulations applicable to the system under 42 USC 300g-1 or otherwise significantly further the health protection objectives of this subchapter;

WHEREAS said upgrade is needed to maintain or achieve compliance with drinking water standards and to further public health protection goals of the federal Safe Drinking Water Act Amendments of 1996 and Oregon's Drinking Water Quality Act;

WHEREAS the City Council has determined said upgrade should include developing additional water sources and improving the water transmission, the water storage facility and the water distribution system and create a safe and functioning water system. Said upgrades are described more particularly in Exhibit A of the Loan Agreement noted below;

WHEREAS, the City of Seneca is not capable of providing the funds for said upgrade to the water system and applied with the State of Oregon Economic and Community Development Department for a loan of these funds;

WHEREAS, the State of Oregon Economic and Community Development Department has offered a loan with reasonable terms to the City of Seneca for the cost of said upgrade project with a maximum loan amount available of \$848,000.00 with potential forgiveness of \$212,000.00 of the principal amount borrowed if the terms of the Loan Agreement and Promissory Notes marked as Exhibits H-1 and H-2 in said Loan Agreement;

WHEREAS, the City Council for the City of Seneca is addressing this issue by Resolution in accordance with ORS 285B.443(3);

WHEREAS, notice of the meeting addressing said Loan Agreement was published in the East Oregonian a newspaper, a newspaper of general circulation in the City of Seneca, on July 28, 2003 more than 14 days prior to this August 14, 2003 public meeting on the issue;
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WHEREAS, it is in the best interest of the City of Seneca to undertake said upgrade to the water system for the public's health, safety and welfare;

WHEREAS, the City of Seneca is able to comply with the terms of said Loan Agreement and Promissory Notes;

WHEREAS the Mayor is authorized to enter into said Loan Agreement and any subsequent documents needed for said Loan Agreement with the approval of the City Council herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Seneca that the City of Seneca accept and enter into said Loan Agreement and Promissory Notes marked as Exhibits H-1 and H-2 in the Loan Agreement with the State of Oregon Economic and Community Development for said upgrade to the City of Seneca's water system as noted above and in said Loan Agreement's Exhibit A and such other documents as may be required to obtain and maintain said Loan Agreement.


The City of Seneca is capable of and shall comply with all the terms and conditions of said Loan Agreement and Promissory Notes.

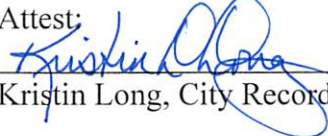
The Mayor is authorized to enter into said Loan Agreement and Promissory Notes on behalf of the City of Seneca along with any additional documents which may be required to be endorsed by the City of Seneca to obtain and maintain said Loan Agreement.

This Resolution shall become effective immediately.

ADOPTED by the City Council of the City of Seneca at a regular meeting thereof this 12 of August, 2003 and filed with the City of Seneca this same day.

Approved by Mayor Linda Starbuck, this 12 day of August, 2003.


Linda Starbuck, Mayor

Attest:

Kristin Long, City Recorder

SUMMARY OF VOTES:

Council Browning *yes*
Council Smith *yes*
Council Wilson *yes*
Council Hughet *yes*