

## RESOLUTION NO. 2025-07

A RESOLUTION OF THE CITY OF SALEM AUTHORIZING THE EXECUTION OF A FINANCING CONTRACT WITH THE STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY FOR THE CLEAN WATER STATE REVOLVING LOAN FUND.

**Whereas,** the City of Salem, Oregon is public agency in the Clean Water State Revolving Fund (FUND) program, as defined by Oregon Revised Statute §468.423(2); and

**Whereas,** the City of Salem has filed an application with the Oregon Department of Environmental Quality (ODEQ) to obtain financial assistance for a “Treatment Works project” as defined by Oregon Revised Statute §468.423(6), and the ODEQ has approved the City of Salem’s application for financial assistance; and

**Whereas,** the City of Salem is required, as a prerequisite to the receipt of financial assistance from the ODEQ, to enter into a Financing Contract with the ODEQ, number R80214, substantially in the form attached hereto as Exhibit 1. The project is described in Article 1(F) to that Financing Contract (the “Project”); and

**Whereas,** the estimated cost of the Project to be funded by ODEQ is \$1,110,000 to fund design work; and

**Whereas,** ODEQ is willing to issue a loan to the City of Salem, Oregon in that amount for the Project, and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SALEM, OREGON,  
RESOLVES AS FOLLOWS:

**Section 1. Financing Loan Authorized.** The Salem City Council authorizes the Interim City Manager or their designee to execute the Financing Contract (the “Financing Documents”) and such other documents as may be required to obtain financial assistance including a loan from the ODEQ on the condition that the principal amount of the loan from the ODEQ to the City of Salem is not more than \$1,110,000 with \$555,000 eligible for principal forgiveness if contract conditions are met and the interest rate is not more than 2.23%. The proceeds of the loan from the ODEQ must be applied solely to the “Costs of the Project” as such term is defined in the Financing Documents.

**Section 2. Sources of Repayment.** Amounts payable by the City of Salem are payable from the sources described in Section 4J of the Financing Documents which include:  
(a) Net Operating Revenues

**Section 3. Additional Documents.** The Interim City Manager or their designee is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the ODEQ for the Project pursuant to the Financing Documents.

**Section 4. Tax-Exempt Status.** The City of Salem covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the City of Salem pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Interim City Manager or their designee of the City of Salem may enter into covenants on behalf of the City of Salem to protect the tax-exempt status of the interest paid by the City of Salem pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the ODEQ or their bond counsel to protect the tax-exempt status of such interest.

**Section 5.** This resolution is effective immediately.

ADOPTED by the City Council this 27<sup>th</sup> day of May, 2025

ATTEST:

City Recorder

Approved by City Attorney: \_\_\_\_\_

Prepared by: B. Luse