



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Sue Fahey, Chief Financial Officer; Aaron Balmer, Interim Accounting Supervisor
DATE: June 27, 2017
SUBJECT: Resolution No. 1718 Requesting Electric Bond Sale Authorization
OBJECTIVE: Approval of Supplemental Bond Resolution No. 1718

Issue

Board approval is required to issue Electric Utility Revenue Bonds.

Background

At the June 6, 2017 Board meeting, Commissioners approved Resolution No. 1712 requesting City Council action on the issuance of Electric Utility Revenue Bonds. The City Council adopted Resolution No. 5201 at its June 26, 2017 meeting which authorized the sale of bonds not to exceed \$80 million for financing improvements relating to the relicensing of the Carmen-Smith Hydroelectric Project and other projects described in the Electric Capital Improvement Plan. The \$80 million authorization is projected to cover capital spending needs through 2024.

The Uniform Revenue Bond Act requires publishing a notice regarding the issuance of new bonds and allowing City of Eugene voters 60 days to file a petition with the City asking that the bond issuance be referred to a vote. The notice is scheduled to be published in The Register-Guard on June 28, 2017.

Resolution 1718 requests the approval to issue \$40 million of the \$80 million authorized. The Series 2017 Bonds are scheduled to be sold in September.

Recommendation/Requested Board Action

Management recommends and requests approval of Resolution No. 1718 authorizing the issuance, sale and delivery of Electric Utility System Revenue Bonds.

RESOLUTION NO. 1718
July 2017

SUPPLEMENTAL BOND RESOLUTION

A SUPPLEMENTAL BOND RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF ELECTRIC UTILITY SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$40,000,000 FOR THE PURPOSE OF FINANCING ELECTRIC UTILITY SYSTEM IMPROVEMENTS; AND PROVIDING FOR RELATED MATTERS

WHEREAS, ORS 287A.150 authorizes the City of Eugene (the “City”) to issue bonds payable solely from revenues generated by facilities, projects, utilities or systems owned or operated by the City; and the City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates an electric utility system and related facilities and systems;

WHEREAS, on June 16, 1986, EWEB adopted a resolution (the “Original Bond Resolution”) authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Electric Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder;

WHEREAS, the Original Bond Resolution was amended and restated by Resolution No. 1624 (the “Bond Resolution”);

WHEREAS, this Supplemental Bond Resolution is intended to and does hereby supplement the Bond Resolution;

WHEREAS, the Bond Resolution provides in part that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City nor constitute a general obligation of the City or create a charge upon the tax revenues or any other property or revenues of the City;

WHEREAS, by Resolution No. 1712, EWEB has determined that it is in the best interest of the City, acting by and through EWEB, to provide funds for the purpose of financing the licensing, design, construction installation and equipping of certain capital improvements relating to the relicensing of the Carmen-Smith Hydroelectric Project and other projects described in the Electric Capital Improvement Plan (the “Project”), fund necessary reserves and pay the costs of issuance of the bonds;

WHEREAS, by Resolution No. 1712, EWEB requested that the City Council adopt a resolution in part to authorize and set the terms for the issuance of electric utility system revenue bonds in the aggregate principal amount of not to exceed \$80,000,000 to finance the Project;

WHEREAS, by Resolution No. 1712, EWEB requested that the City Council adopt a resolution in part to authorize the publication of the Notice of Revenue Bond Authorization, and pursuant to the City’s Resolution No. 5201, adopted on June 26, 2017 (the “City Resolution”), the City acting by and through EWEB, caused the Notice to be published in *The Register-Guard*,

Eugene, Oregon, a newspaper of general circulation within the boundaries of the County, in the same manner as are other public notices of the City;

WHEREAS, by the City Resolution, the City Council authorized EWEB, on behalf of the City, to issue and sell the electric utility system revenue bonds in one or more series (including the “Series 2017 Bonds”), in the aggregate principal amount of not to exceed \$80,000,000, for the sole purpose of financing the Project, subject to the restrictions that each series of bonds (i) mature not later than 30 years from the date of issuance of such series; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof; and (iii) have an effective interest rate of not to exceed 6% per annum;

WHEREAS, on June 28, 2017, the Notice of Revenue Bond Authorization was published in *The Register-Guard*, a newspaper of general circulation within the geographical boundaries of the City, and 60 days elapsed since the publication of such Notice, and fewer than 5% of the voters residing within the geographical boundaries of the City filed a petition with the City asking to have the question of whether to issue the electric utility system revenue bonds in the aggregate principal amount of not to exceed \$80,000,000 referred to a vote;

WHEREAS, pursuant to the City Resolution and ORS 287A.300, the City Council authorized EWEB, or any individual designated by EWEB, to determine, with respect to the Series 2017 Bonds the form of bond and series designation, the manner of disbursement of proceeds of the Series 2017 Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, obtain bond insurance or some other form of guaranty or security for the payment of the Series 2017 Bonds, denominations, form and authorized signatory, and other terms and conditions of the Series 2017 Bonds, subject to the requirement that prior to the issuance of any Series 2017 Bonds, EWEB shall (i) prepare a plan showing that the estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Series 2017 Bonds; (ii) provide a copy of this Supplemental Bond Resolution to the City; and (iii) provide to the City a resolution determining that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Series 2017 Bonds, exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter and ordinances of the City and the City Resolution;

WHEREAS, the foregoing actions and events enable EWEB to proceed with the issuance and sale of the Series 2017 Bonds without further authorization or approval other than that provided by this Supplemental Bond Resolution;

WHEREAS, the Series 2017 Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Electric Utility System, which EWEB pledges to the payment of the Series 2017 Bonds pursuant to ORS 287A.310 and ORS 287A.325 and the Bond Resolution; and

WHEREAS, EWEB has caused to be prepared a plan showing that EWEB's estimated Electric Utility System revenues are sufficient to pay the debt service on the Series 2017 Bonds as authorized by the City Resolution;

NOW, THEREFORE, BE IT FOUND, DETERMINED, ORDERED AND RESOLVED BY THE EUGENE WATER & ELECTRIC BOARD OF THE CITY OF EUGENE, OREGON, as follows:

SECTION 1. Findings. The improvements to the Electric Utility System identified in the City Resolution are eligible for financing in accordance with EWEB Resolution No. 1712 through the issuance of the Series 2017 Bonds.

SECTION 2. Definitions. Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Bond Resolution which are defined in the Bond Resolution shall for all purposes of this Supplemental Bond Resolution have the respective meanings given to them in the Bond Resolution.

SECTION 3. Series 2017 Bonds Authorized. The Series 2017 Bonds shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple of \$5,000 and shall be numbered as determined by the Trustee. The Treasurer or the Assistant Treasurer of EWEB, or any such officer's designee (the "Authorized Representative"), is hereby authorized and directed, for and in the name and on behalf of EWEB and the City, to issue and sell the "City of Eugene, Oregon Electric Utility System Revenue Bonds, Series 2017" or other designation as determined by the Authorized Representative, in one or more series, taxable or tax-exempt, in the aggregate principal amount of not to exceed \$40,000,000, for the purpose of (1) financing the Project, (2) funding any required reserves and (3) paying costs of issuance. The Authorized Representative may determine, with respect to the Series 2017 Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Series 2017 Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, whether to issue as taxable or tax-exempt bonds, obtain bond insurance or some other form of guaranty or security for the payment of the Series 2017 Bonds, denominations, form, authorized signatory, and other necessary or desirable documents, and other terms and conditions of the Series 2017 Bonds because the same cannot be determined by EWEB at this time.

Prior to the issuance of any Series 2017 Bonds, EWEB shall: (i) prepare a plan showing that the estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Series 2017 Bonds; and (ii) provide a copy of this Supplemental Bond Resolution to the City. Without the prior approval of the City Council and EWEB, the Series 2017 Bonds shall (a) mature not later than 30 years from the date of issuance thereof; and (b) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation, at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof and have an effective interest rate of not to exceed 6% per annum. The Series 2017 Bonds shall be subject to a book-entry only system of ownership and transfer as provided in Section 9. Any remaining terms of the Series 2017 Bonds shall be established as provided in Section 13.

The Bond Trustee (identified in Section 4 below) as Bond Registrar shall endorse on the Series 2017 Bonds the date of their authentication. Interest on the Series 2017 Bonds shall be payable from the February 1 or August 1 next preceding the date of authentication to which interest shall have been paid; provided, however, that prior to the first payment date, such interest shall be payable from the dated date of the Series 2017 Bonds. The Series 2017 Bonds shall be dated the date of their delivery, shall mature on August 1 in each of the years and in the principal amounts as shown in the Official Statement, consistent with the authority provided or delegated to the Authorized Representative at the time of sale of the Series 2017 Bonds, and it is hereby ratified, confirmed and approved that the first maturity date of the Series 2017 Bonds shall be August 1, 20__, the first interest payment date shall be February 1, 2018, and the final maturity date of the Series 2017 Bonds shall be no later than August 1, 20__.

SECTION 4. Bond Trustee and Bond Registrar. In the Bond Resolution, EWEB appointed U.S. Bank National Association as the initial Bond Trustee (“Bond Trustee”) and Bond Registrar (“Bond Registrar”) with respect to the Series 2017 Bonds.

SECTION 5. Security for Series 2017 Bonds. The Series 2017 Bonds shall not be general obligations of the City or EWEB, nor a charge upon the City’s tax revenues, but shall be payable solely from the revenues and funds which EWEB pledges to the payment of the Series 2017 Bonds pursuant to ORS 287A.150 *et seq.* The Series 2017 Bonds shall be secured by a lien on the Revenues of the Electric Utility System that is equal in priority to the lien of the Outstanding Bonds and any additional Bonds. The Outstanding Bonds (including the Series 2017 Bonds) shall be secured as set forth in the Bond Resolution.

SECTION 6. Application of Series 2017 Bond Proceeds. The Series 2017 Bond proceeds shall be applied as follows:

(a) A portion of the proceeds of the Series 2017 Bonds (amount to be determined by the Authorized Representative) shall be deposited into the Series 2017 Project Fund;

(b) A portion of the proceeds of the Series 2017 Bonds (amount to be determined by the Authorized Representative) shall be used to fund any reserve for the Series 2017 Bonds not funded with cash, surety bond or insurance policy;

(c) A portion of the proceeds of the Series 2017 Bonds (amount to be determined by the Authorized Representative) shall be applied to the payment of fees and expenses in connection with the issuance and sale of the Series 2017 Bonds.

SECTION 7. Funds. There is hereby created a separate special trust fund of EWEB to be known as the “Series 2017 Project Fund” to be held by EWEB. Money in the Series 2017 Project Fund shall be applied solely to the reimbursement and payment of the costs related to the Project. Money shall be paid out of the Series 2017 Project Fund by EWEB in accordance with the Tax Certificate and procedures prescribed by EWEB.

SECTION 8. Reserve Account. In connection with the issuance of the Series 2017 Bonds, the Authorized Representative is hereby authorized to calculate the Reserve Requirement in accordance with the provisions of the Bond Resolution and to make any payments in connection therewith. The Authorized Representative is hereby authorized to execute any

agreement (including, but not limited to, an agreement to purchase a reserve fund surety bond) in connection therewith. Any deficiency in the Reserve Account upon issuance of the Series 2017 Bonds shall be funded with proceeds of the Series 2017 Bonds, cash, surety bond, insurance policy, or a combination thereof, in accordance with Section 2.02 of the Bond Resolution.

SECTION 9. Book-Entry System of Ownership. During any time that the Series 2017 Bonds are held in a book-entry only system (the “Book-Entry System”), the registered owner of all of the Series 2017 Bonds shall be The Depository Trust Company, New York, New York (“DTC”), and the Series 2017 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. EWEB has entered into a Blanket Issuer Letter of Representations (the “Letter”) wherein EWEB represents that it will comply with the requirements stated in DTC’s Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Series 2017 Bonds shall be initially issued in the form of a single fully registered certificate, one for each series and maturity of the Series 2017 Bonds. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered by the Bond Registrar on the registration books in the name of Cede & Co., as nominee of DTC. EWEB and the Bond Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2017 Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Series 2017 Bonds, selecting the Series 2017 Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Series 2017 Bonds, obtaining any consent or other action to be taken by the Bondholders and for all other purposes; and neither the Bond Registrar nor EWEB shall be affected by any notice to the contrary. The Bond Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Series 2017 Bonds under or through DTC or any participant in DTC (a “Participant”), or any other person which is not shown on the registration books of the Bond Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2017 Bonds; any notice or direction which is permitted or required to be given to or received from Bondholders under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Series 2017 Bonds; or any consent given or other action taken by DTC as Bondholder; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any Bondholders’ rights under this Resolution. The Bond Registrar shall pay from money available hereunder all principal of and premium, if any, and interest on the Series 2017 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge EWEB’s obligations with respect to the principal of and premium, if any, and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. So long as the Series 2017 Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Series 2017 Bond for each separate stated maturity evidencing the obligation of the Bond Registrar to make payments of principal of and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Bond Registrar of DTC’s written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Series 2017 Bonds, the term “Cede & Co.,” in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the Bondholders or EWEB, EWEB may notify the Bond Registrar, and the Bond Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2017 Bond certificates. In such event, the Bond Registrar shall issue, transfer and exchange, at EWEB's expense, Series 2017 Bond certificates as requested in writing by DTC in appropriate amounts at the principal office of the Bond Trustee. DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving written notice to the Bond Registrar and discharging its responsibilities under applicable law. If DTC resigns as securities depository for the Series 2017 Bonds, Bond certificates shall be delivered pursuant to this Section 9. Under such circumstances (if there is no successor securities depository), the Bond Registrar shall be obligated to deliver Series 2017 Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by EWEB. In the event Series 2017 Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Series 2017 Bonds. Whenever DTC requests the Bond Registrar to do so, the Bond Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Series 2017 Bonds to any DTC Participant having Series 2017 Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 Bonds.

EWEB will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its Participants or persons acting through such Participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Series 2017 Bonds.

SECTION 10. Redemption Provisions. The Series 2017 Bonds may be subject to optional and mandatory redemption as determined by the Authorized Representative. Notice of any redemption of Series 2017 Bonds shall be provided for in the manner set forth in the Bond Resolution. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Bond Registrar of money sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Bond Registrar to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

(a) Notice of Redemption (Book-Entry). So long as the Series 2017 Bonds are in the Book-Entry System, the Paying Agent shall notify DTC of an early redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Series 2017 Bonds. Official written notice of redemption will be given by EWEB to the Bond Registrar at least five calendar days prior to the date the notice is scheduled to be sent to DTC.

(b) Notice of Redemption (No Book-Entry). During any period in which the Series 2017 Bonds are not in the Book-Entry System, unless waived by any Bondholder of the Series 2017 Bonds to be redeemed, official notice of any redemption of Series 2017 Bonds shall be given by the Bond Registrar on behalf of EWEB by mailing a copy of an official redemption notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Bondholders of the Series 2017 Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Bondholder to the Bond Registrar. Official written notice of redemption will be given by EWEB to the Bond Registrar at least five calendar days prior to the date the notice is scheduled to be sent to Bondholders of the Series 2017 Bonds.

SECTION 11. Findings and Determinations: Authority for Supplemental Resolution: Bonds are “Bonds” under the Bond Resolution. EWEB hereby finds:

(a) The Series 2017 Bonds are issued under the authorization of Section 7 of the Bond Resolution and are “Bonds” within the meaning of the quoted words as defined and used in the Bond Resolution.

(b) All acts and conditions required to exist, to happen and to be performed precedent to and in the issuance of the Series 2017 Bonds exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter of the City of Eugene, the Bond Resolution, and the City Resolution.

(c) Except for supplemental resolutions, the Bond Resolution has not been amended, supplemented, or repealed since adoption thereof. This Supplemental Bond Resolution supplements the Bond Resolution, constitutes and is a “Supplemental Resolution” within the meaning of the quoted words as defined and used in the Bond Resolution and is adopted pursuant to and under authority of the Bond Resolution.

(d) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 13 of the Bond Resolution, nor does there exist any condition which, after passage of time, would constitute such an “Event of Default.”

(e) The Series 2017 Bonds: (i) shall be entitled to the benefits, security and protection of the Bond Resolution, equally and ratably with one another and with any other Bonds heretofore or hereafter issued thereunder; (ii) shall be payable as provided in the Bond Resolution solely from the Revenues and other money specified in the Bond Resolution on a parity with one another and with all Bonds heretofore or hereafter issued under the Bond Resolution; and (iii) shall be equally and ratably secured under the Bond Resolution with one another and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the supplemental resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

(f) The Board hereby affirms the covenants contained in Section 10 and other provisions of the Bond Resolution.

SECTION 12. Tax-Exempt Status and Covenant as to Arbitrage.

(a) Preservation of Tax Exemption for Interest on the Tax-Exempt Series 2017 Bonds. EWEB covenants that it will take all actions necessary to prevent interest on the tax-exempt Series 2017 Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the tax-exempt Series 2017 Bonds or other funds of EWEB treated as proceeds of the tax-exempt Series 2017 Bonds that will cause interest on the tax-exempt Series 2017 Bonds to be included in gross income for federal income tax purposes. EWEB also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the tax-exempt Series 2017 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the tax-exempt Series 2017 Bonds.

(b) Post-Issuance Compliance. An Authorized Representative is authorized and directed to review and update EWEB's written procedures to facilitate compliance by EWEB with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the tax-exempt Series 2017 Bonds from being included in gross income for federal tax purposes, maintain the tax treatment of the Series 2017 Bonds and the receipt of interest thereon.

SECTION 13. Delegation and Approval for Establishment of Terms and Sale of the Series 2017 Bonds. Subject to the provisions of Section 3, and as provided in the City Resolution and Resolution No. 1712, all actions heretofore taken or to be taken in connection with the Series 2017 Bonds are hereby approved in all respects including, without limitation, actions taken or to be taken by an Authorized Representative and the Authorized Representative is hereby delegated to:

(a) establish the principal and interest payment dates, principal amounts, taxable or tax-exempt, optional and mandatory redemption provisions and premium or discount, if any, interest rates, denominations and place of payment and all other terms for the Series 2017 Bonds;

(b) make the determinations required by Section 7.02 of the Bond Resolution;

(c) award the sale of the Series 2017 Bonds in accordance with ORS 287A.300, including entering into a bond purchase contract for a negotiated sale;

(d) approve and authorize the preparation and distribution of preliminary and final official statements for the Series 2017 Bonds;

(e) obtain ratings of the Series 2017 Bonds and expend Series 2017 Bond proceeds to pay for such ratings;

(f) take such actions as are necessary to qualify the Series 2017 Bonds for the Book-Entry System of DTC;

(g) execute a Continuing Disclosure Certificate pursuant to Rule 15c2-12 of the Securities and Exchange Commission;

- (h) execute and deliver the Series 2017 Bond closing documents and certificates;
- (i) enter into covenants regarding the use of the proceeds of the Series 2017 Bonds to maintain the tax-exempt status of the Series 2017 Bonds which are issued as tax-exempt bonds; and
- (j) execute a certificate specifying the actions taken pursuant to this Section 13, and any other certificates, documents or agreements that an Authorized Representative determines are desirable to issue, sell and deliver the Series 2017 Bonds in accordance with this Supplemental Bond Resolution.

SECTION 14. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2017 Bonds by those who shall own the same from time to time, the provisions of this Supplemental Bond Resolution shall be part of the contract of EWEB with the Bondholders and shall be deemed to be and shall constitute a contract between EWEB and the Bondholders. The covenants, pledges, representations and warranties contained in this Supplemental Bond Resolution, the Bond Resolution and in the closing documents executed in connection with the Series 2017 Bonds including without limitation EWEB's covenants and pledges contained in Section 13 hereof and the other covenants and agreements herein set forth to be performed by or on behalf of EWEB shall be contracts for the equal benefit, protection and security of the Bondholders, all of which shall be of equal rank without preference, priority or distinction of any of the Series 2017 Bonds over any other Bonds, except as expressly provided in or pursuant to this Supplemental Bond Resolution or the Bond Resolution.

SECTION 15. Effect of Section Headings. The heading or titles of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Bond Resolution.

SECTION 16. Repeal of Inconsistent Resolutions. Any prior resolution of EWEB, or any portion thereof, in conflict or inconsistent with this Supplemental Bond Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 17. References to Statutes in Bond Resolution. Except as expressly provided herein to the contrary, all references to statutes in the Bond Resolution that have been amended, superseded or re-codified by applicable statutes of similar purpose shall be deemed from and after the effective date of such amendment, supersession or re-codification to refer to such statutes as so amended, superseded or re-codified.

SECTION 18. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 11th day of July, 2017.

EUGENE WATER & ELECTRIC BOARD

President

I, Anne M. Kah, the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the resolution adopted by EWEB at its July 11, 2017 Board Meeting.

Assistant Secretary