

**RESOLUTION 2022-012 AUTHORIZING SUPPLEMENTAL FINANCING FOR THE EAST RANGE WATER PROJECT AS DETERMINED NECESSARY BY THE EAST RANGE WATER BOARD TO SUPPORT AND SUSTAIN THE PROJECT BEING BID AND CONSTRUCTED**

**WITH THE CITY OF AURORA ACTING AS FISCAL AGENT**

**WHEREAS**, the East Range Water Board was established as joint power entity on July 21, 2021 by joint action of the City of Aurora (“**City**”) and the Town of White (“**Town**”) for the purpose of overseeing and implementing the East Range Water Project which is intended ultimately to provide a new source and system for the delivery of drinking water to the four East Range communities of Aurora, Biwabik, Hoyt Lakes and Town of White, in different phases (the “**Project**”); and

**WHEREAS**, the plans and specifications for the Project’s system facilities and related improvements are at full 100% design stage and, upon final approval by the Minnesota Department of Health, will be ready to be bid for construction; and

**WHEREAS**, the most recent estimate of the Project’s cost is approximately $ 24.6 million; and

**WHEREAS**, the secured and anticipated financing commitments for the Project from third-party sources has reached the amount of approximately $ 15 million and the amounts of additional third-party funds being sought for the Project, even if obtained, will still leave a funding gap of several million dollars (the “**Funding Gap**”) which will have to be bridged through local borrowings by the City and Town; and

**WHEREAS**, the Town and City, are both fully committed to the successful completion of the Project as evidenced by their joint commitments as expressed in the Joint Powers Agreement of July 21, 2021, which outlines the conditions and responsibilities of each party in relation to funding for the Project; and

**WHEREAS**, completion of the Project will ensure the availability of an abundant supply of high- quality water to serve the drinking water needs of the residents of the East Range for decades to come.

**NOW, THEREFORE, BE IT RESOLVED,** that the Town and City Aurora, in order to position the Project for the solicitation and awarding of construction bids, hereby renew their prior commitments to the successful completion of the Project and hereby commit to undertake, when deemed necessary to bridge the said Project Funding Gap, to issue water system revenue bonds in an amount sufficient to bridge the Funding Gap. The repayment of such revenue bonds shall be secured by a pledge of water system user rate revenues assessed at a level up to the Maximum Affordability Rate as established by the Public Facility Authority for the Project service area. The obligations for the repayment of such revenue bonds shall be allocated between the City and Town water users according to the ERU Rate as set forth in the Joint Power Agreement.

**BE IT FURTHER RESOLVED** that the parties intend that the City will act as the Fiscal Agent for the administration and fiscal management of any and all such Project revenue bonds; and

**BE IT FURTHER RESOLVED**, the legally designated authorities and officials of the Town of White Board of Supervisors and the Council of the City of Aurora, Minnesota, are hereby authorized to execute such agreements as is necessary to implement the said financings for the Project and evidence the adoption of this Resolution.

 Upon vote taken thereon, the following voted:

 For:

 Against:

 Absent:

**Whereupon said Resolution No. 2022-012 was declared duly passed and adopted this 27th day of July 2022.**

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Jon Skelton, Chairman Jodi L. Knaus, Clerk/Town Manager

Town of White Town of White

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Doug Gregor, Mayor Stefanie Dickinson, Clerk & Treasurer

City of Aurora City of Aurora