

2022-  
RESOLUTION NO. 15

A RESOLUTION OF BONNER COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A SOLID WASTE REVENUE BOND, SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$8,733,700, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS TO THE SOLID WASTE COLLECTION AND DISPOSAL SYSTEM OF THE COUNTY; DESCRIBING THE BOND; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; ESTABLISHING FUNDS AND ACCOUNTS; PROVIDING COVENANTS RELATING TO THE BOND; PROVIDING FOR THE SALE OF THE BOND TO THE UNITED STATES OF AMERICA, ACTING THROUGH THE DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Bonner County, Idaho (the "County"), is a political subdivision organized and operating under the laws of the State of Idaho; and

WHEREAS, the County owns, operates, and maintains a solid waste collection and disposal system (the "System"); and

WHEREAS, the County is authorized by the Constitution and laws of Idaho to issue revenue bonds to finance all or part of the cost of acquisition, construction, and installation of improvements and betterments to the System of the County; and

WHEREAS, the County Board of Commissioners (the "Board") of the County, by adoption of Resolution No. 21-35 on March 25, 2021, ordered a special bond election to be held within the County on May 18, 2021, for the submission to the qualified electors of the County the question of whether or not the County should be authorized to issue its solid waste revenue bonds in a principal amount not to exceed \$8,733,700 in order to provide funds for certain capital improvements to its System; and

WHEREAS, the requisite majority of the qualified electors of the County, at the special bond election of May 18, 2021, authorized the incurring of indebtedness and the issuance of revenue bonds in a principal amount not to exceed \$8,733,700; and

WHEREAS, the Board has determined that the public health, safety, and welfare will be furthered by the solid waste improvement project described hereinafter and has further determined to issue a solid waste revenue bond of the County in a principal amount not to exceed \$8,733,700; and

WHEREAS, Section 57-227, Idaho Code, authorizes the sale of solid waste revenue bonds to the United States of America, at private sale in such manner as the Board may determine, and the Board has determined to issue its solid waste revenue obligations in the form of a single, amortized solid waste revenue bond in the aggregate principal amount not to exceed

\$8,733,700 to the United States of America, acting through the Department of Agriculture, Rural Utilities Service (the "Bond").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BONNER COUNTY, IDAHO, as follows:

**Section 1: DEFINITIONS**

As used in this Resolution, the following words shall have the following meanings:

A. **Acquisition or Acquire** includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any public body therein or any person or entity, the condemnation, transfer, option to purchase, other contract, or other acquirement, or any combination thereof.

B. **Additional Bonds** means any bonds issued pursuant to Section 15 of this Resolution.

C. **Bond** means the "Bonner County Solid Waste Revenue Bond, Series 2022," herein authorized to be issued, sold, and delivered in the form of a single, fully registered, amortized revenue bond in an aggregate principal amount not to exceed \$8,733,700. The designation may be modified to reflect the actual year of issuance of the Bond.

D. **Bond Fund** means the "Bonner County Solid Waste Revenue Bond Fund" created by Section 12 of this Resolution.

E. **Bond Register** means the registration books on which are maintained the names and addresses of the owners or nominees of the owners of the Bond.

F. **Bond Registrar** means the bond registrar, transfer agent, and authenticating and paying agent appointed and designated in Section 6 of this Resolution.

G. **Capital Improvement Fund** means the "Bonner County Solid Waste Project Capital Improvement Fund" created by Section 10 of this Resolution.

H. **Chairman** means the Chairman of the Board of County Commissioners of Bonner County, Idaho, or his/her successor in functions, if any.

I. **County** means Bonner County, Idaho.

J. **County Clerk or Clerk** means the Clerk of the County, or other officer of the County who is the custodian of the seal of the County and of the records of the proceedings of the County, or his/her successor in functions, if any.

K. Cost of Project or any phrase of similar import, means all or any part designated by the Board of the costs of the Project, or interest therein, which costs, at the option of the Board, may include all or any part of the incidental costs pertaining to the Project, including, without limitation:

- (1) Preliminary expenses advanced by the County from funds available for the use therefor, or advanced by the Federal Government, or from any other source, with approval of the Board, or any combination thereof;
- (2) The costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;
- (3) The costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help, or other agents or employees;
- (4) The costs of contingencies;
- (5) The costs of the issuance of the Bond;
- (6) The costs of funding any short-term financing, bond anticipation notes, and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;
- (7) The costs of any properties, rights, easements, or other interest in properties, or any licenses, privileges, agreements and franchises; and
- (8) All other expenses necessary or desirable and pertaining to the Project, as estimated or otherwise ascertained by the Board.

L. Board means the County Board of Commissioners of the County.

M. Estimated Net Revenues means, for any year, the estimated Revenues of the System for such year less the estimated Operation and Maintenance Expenses for such year, based upon estimates prepared by the County Engineer or an independent engineer, or an independent certified public accountant. In computing Estimated Net Revenues, Revenues of the System may be adjusted as necessary to reflect any changed schedule of rates and charges.

H. Net Revenues means Revenue of the System after the deduction of Operation and Maintenance Expenses.

I. Operation and Maintenance Expenses or any phrase of similar import means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining, and repairing the System or of levying, collecting, and otherwise administering the

Net Revenues for the payment of the Bond; and the term includes (except as limited by contract or otherwise limited by law) without limiting the generality of the foregoing:

(1) Engineering, auditing, reporting, legal, and other overhead expenses of the various County departments directly relating and reasonably allocable to the administration of the System;

(2) Fidelity bonds and property and liability insurance premiums pertaining to the ordinary operation of the System, or a reasonably allocable share of a premium of any blanket bond or policy pertaining thereto;

(3) Any taxes, assessments, excise taxes, or other charges which may be lawfully imposed on the County, as a direct result of the ordinary operation of the System, or of revenues therefrom;

(4) The reasonable charges of the Bond Registrar, fiscal or paying agent, commercial bank, trust bank, or other depository bank pertaining to the Bond issued by the County or pertaining to the Project, if any;

(5) Contractual services, professional services, salaries, other administrative expenses, and the cost of materials, supplies, repairs, and labor, pertaining to the issuance of the Bond and to the ordinary operation of the System; and

(6) All other administrative, general, and commercial expenses pertaining to the issuance of the Bond and to the ordinary operation of the System.

J. Project means the System improvement project described in Section 2 of this Resolution.

Q. Registered Owner means the purchaser of the Bond and any subsequent transferee or purchaser of the Bond.

R. Reserve Fund means the "Bonner County Solid Waste Revenue Bond Debt Service Reserve Fund" created by Section 13 of this Resolution.

S. Resolution means this Resolution No. 15, adopted on March 1, 2022.

T. Revenue Fund means the "Bonner County Solid Waste Revenue Fund" created by Section 11 of this Resolution.

K. Revenue of the System means all revenues received by the County from its System and may include moneys derived from one, all, or any combination of revenue sources pertaining to the System, including, without limitation, rates, charges, rents, fees, and any other income derived from the operation or ownership of, the use of services of, or the availability of

or services pertaining to, or otherwise derived in connection with, the System or all or any part of any property pertaining to the System.

V. System, for purposes of this Resolution, means the solid waste collection and disposal system of the County, as the same now exists, including its assets, real and personal, tangible and intangible, and as it may later be added to, extended, and improved, and shall include buildings, structures, utilities, or other income producing solid waste facilities from the operation of or in connection with which the revenues of the payment of the Bond to be issued hereunder will be derived, and the lands pertaining thereto.

W. Treasurer means the Treasurer of the County, or his/her successor in functions, if any.

### Section 2: THE PROJECT

A. Project Description. The solid waste improvement project consists of the acquisition, construction, and installation of improvements and betterments to the County's System, consisting generally of, but not limited to, improvements to the existing buildings, the construction of new buildings, the addition of a scale, and site improvements at the Colburn Site, Idaho Hill Site, Dickensheet Site, and Dufort Site, together with costs of engineering, legal, accounting, and other necessary professional services, costs of bond issuance, interest on borrowed funds during construction, and costs incidental thereto (the "Project").

B. Project Changes. The Board may make changes in the Project prior to or in the course of actual construction, provided such changes are found necessary and desirable by the Board and that such changes do not substantially affect or alter the plans or the cost of the Project.

C. Costs. An amount not to exceed \$8,733,700 of the cost and expenses of construction and installation of the Project will be paid from the issuance and sale of the Bond.

### Section 3: THE BOND

The Bond, designated "Bonner County Solid Waste Revenue Bond, Series 2022" (the "Bond"), in an aggregate principal amount not to exceed \$8,733,700, is hereby authorized to be issued, sold, and delivered pursuant to the Idaho Pollution Control Financing Act of the State of Idaho, the same being Sections 31-4501 through 31-4516, Idaho Code, and pursuant to Section 57-227 and Title 57, Chapter 9, Idaho Code. The designation of the Bond is hereby authorized to be modified to accurately reflect the year it is delivered.

The Bond shall consist of a single, transferable, amortized revenue bond, substantially in the form annexed hereto as Exhibit "A," shall be issued in fully registered form, shall be dated as of the date of its delivery, and shall bear interest on the unpaid balance, at the lower of the rate charged by the United States of America at the time of loan approval or at the time of loan closing.

The Bond shall be payable in equal annual installments of principal and interest, with the first installment of principal and interest being due one year from the date of delivery of the Bond, and annually thereafter until maturity. The final annual installment may be in such greater or lesser amount as is necessary to fully pay said Bond. The principal of and interest on the Bond shall be fully paid within ten (10) years from its date.

The sale of the Bond to the United States of America (hereinafter the "Registered Owner"), is hereby authorized and approved. The Bond may be paid by electronic transfer of funds with the approval of the Registered Owner. The Registered Owner thereof shall have the right, at its expense, to convert said single bond to fully registered serial bonds, without coupons.

In the event that the Bond is purchased by the United States of America, acting through the Department of Agriculture, Rural Utilities Service, the County hereby agrees to comply with the requirements of the United States of America contained in the letter dated August 16, 2021, (hereinafter "Loan and Grant Approval Conditions"), Bonner County Solid Waste Improvement Application, and in the RUS Bulletin 1780-27, Loan Resolution (hereinafter "Loan Resolution"), pertaining to the Project.

#### Section 4: EXECUTION

The Bond shall be executed by the manual signature of the Chairman, countersigned by the manual signature of the Treasurer, and attested by the manual signature of the Clerk, and the seal of the County shall be impressed thereon.

#### Section 5: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond shall be payable in lawful money of the United States of America to the Registered Owner thereof, at the address of such Registered Owner as shown on the registration records of the County, or at such other address as shall be designated in writing to the County by the Registered Owner. Payment may be made by electronic debit or electronic transfer with permission of the Registered Owner.

#### Section 6: BOND REGISTRAR

The Treasurer is hereby appointed as bond registrar, transfer agent and paying agent, and is herein referred to as the "Bond Registrar." The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the County, to carry out all of the Bond Registrar's powers and duties under this Resolution.

The Bond may be transferred only upon the books for the registration and transfer of bonds (the "Bond Register"), upon the surrender thereof to the Bond Registrar, together with a form of transfer duly executed by the Registered Owner or its attorney duly authorized in writing. Upon the transfer of the Bond, there shall be issued in the name of the transferee or

transferees a new fully registered bond or bonds of any authorized denomination or denominations and of the same maturity and interest rate, and of the same aggregate principal amount, as the surrendered bond. The new bond or bonds shall bear the same date as the date of the surrendered bond, but shall bear interest from the immediately preceding interest payment date to which interest has been paid or fully provided for.

This Section is intended to provide the system of registration required by Chapter 9, Title 57, Idaho Code.

#### Section 7: PREPAYMENT; NO DEFEASANCE

The County reserves the right, at its option, to prepay, on any principal payment date, scheduled installments outstanding on the Bond, in whole or in part. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Bond, shall, after payment of interest, be applied to the principal. Partial prepayments shall be made in the amount of \$1,000 or multiples thereof. No partial prepayment shall extend or postpone the due date of any subsequent installment. Prepayments shall be made without penalty. Notice of any intended prepayment shall be mailed by certified mail to the Registered Owner of the Bond at its address appearing on the Bond Register, at least thirty (30) days prior to the prepayment date.

So long as the Bond is held by the United States of America as Registered Owner, the Bond shall not be subject to defeasance prior to maturity, in whole or in part.

#### Section 8: CHARGES

The County has established, may from time to time revise, and shall maintain and collect solid waste rates and charges for furnishing the services of the System to its customers, which rates and charges are, and shall continue to be, uniform as to all persons or properties which are of the same class, which rates and charges shall be collected from the users thereof.

#### Section 9: PLEDGE OF REVENUES

The Net Revenues of the System are hereby pledged for the payment of the Bond and shall be used and applied in the order of priority provided in Section 11 of this Resolution.

The County shall establish, revise, maintain, and collect charges sufficient, with other revenues received, after taking into consideration anticipated delinquencies, to provide Net Revenues equal to not less than 1.1 times the average annual debt service on the Bond.

#### Section 10: THE CAPITAL IMPROVEMENT FUND

There is hereby created a special fund and account known as the Bonner County Solid Waste Project Capital Improvement Fund (the "Capital Improvement Fund"), into which shall be deposited all of the proceeds of the sale of the Bond, to be used and applied for the payment of a portion of the cost and expense of the construction and installation of the Project, including the

payment of the principal of and interest on all outstanding bond anticipation notes or other interim financing. Any interest earnings on moneys invested from the Capital Improvement Fund shall remain in and be used for the purposes of the Capital Improvement Fund. The County's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into said Capital Improvement Fund to assure the completion of the Project.

When the Project has been completed and all costs related thereto have been paid in full, any balance remaining in the Capital Improvement Fund shall be deposited into the Bond Fund described in Section 12 of this Resolution.

#### **Section 11: THE REVENUE FUND**

There is hereby created a special fund, designated the "Bonner County Solid Waste Revenue Fund" (the "Revenue Fund"), which shall be maintained by the Treasurer and into which the Revenue of the System shall be deposited immediately upon its receipt.

A. **Use of Revenues.** The Revenue of the System shall be used for the payment of the following obligations in the following order of priority:

(1) **First Charge and Lien:** The costs of Operation and Maintenance Expenses.

(2) **Second Charge and Lien:** The principal of and interest on the Bond and any Additional Bonds issued on a parity with the Bond pursuant to Section 15 by payment into the Bond Fund, as provided in Section 12 of this Resolution.

(3) **Third Charge and Lien:** To maintain the Reserve Fund and the short-lived asset replacement reserve fund created by Section 13 of this Resolution; and

(4) To administer surplus funds as provided in Subsection C hereof and Section 14.

B. **Interest Earnings.** Interest earnings on deposits in the Solid Waste Revenue Fund shall remain in and be used for the purposes of the Solid Waste Revenue Fund.

C. **Surplus Funds.** Funds remaining in the Revenue Fund after having been applied to designated funds for the purposes provided in this section shall constitute surplus funds and may be used for the purposes set forth in Section 14 of this Resolution.

#### **Section 12: THE BOND FUND**

There is hereby created a special fund, designated the "Bonner County Solid Waste Revenue Bond Fund" (the "Bond Fund"), which shall be maintained by the Treasurer into which shall be deposited, from the Net Revenues of the System, the following amounts:



A. Each annual installment of principal and interest payable on the Bond shall be payable into the Bond Fund from the Revenue Fund not less than ten (10) days prior to each payment date, and paid from the Bond Fund to the Registered Owner on or before each payment date. In the event that the single Bond is converted into fully registered serial bonds, as provided in Section 3 of this Resolution, then there shall be deposited into the Bond Fund from the Revenue Fund on or before the 10th day prior to any interest or principal and interest payment date the amount of interest or principal and interest then falling due on the Bond. The moneys herein allocated shall be used solely to pay currently maturing installments of principal of and interest on the Bond or any serial bonds to which the Bond may be converted.

B. If the County for any reason shall fail to make such deposit, then an amount equal to the deficiency shall be deposited into the Bond Fund from the Reserve Fund, described hereinafter.

### Section 13: DEBT SERVICE RESERVE FUNDS

A. Deposits. There is hereby created a special fund known as the "Bonner County Solid Waste Revenue Bond Debt Service Reserve Fund" (the "Reserve Fund"), which shall be maintained by the Treasurer so long as the Bond remains outstanding. There shall be deposited into the Reserve Fund, one year from the date of issuance of the Bond, from Net Revenues, an amount equal to one-tenth of an annual payment of principal and interest on the Bond, and a like sum shall be deposited therein from Net Revenues each year thereafter, until the reserve equals one annual payment of principal and interest. In addition to the one annual payment of principal and interest, and until the Bond is fully repaid, at least \$149,721 shall be deposited annually and maintained in the Reserve Fund for short lived asset replacement. The sum so accumulated shall be maintained as a debt service reserve fund and a short-lived asset replacement reserve fund for the Bond, or any serial bonds to which the Bond may be converted, until the Bond or serial bonds have been paid in full. The County shall establish such subaccounts within the Reserve Fund, and shall comply with such restrictions on the investment of moneys in such subaccounts, as may be required by the Tax Certificate executed by the County at the time of the delivery of the Bond. As long as the Bond is held by the United States of America, its prior concurrence is required before funds can be withdrawn from the Reserve Fund.

B. Deficiencies or Withdrawals. Whenever any moneys are withdrawn from the Reserve Fund to pay the principal of or interest on the Bond, or if a deficiency exists therein, the amount so withdrawn or the amount of such deficiency shall be restored by monthly deposits from Net Revenues until there has been restored therein the gross amount provided heretofore in subdivision A of this Section.

C. Refunding. In the event refunding bonds are ever issued, the amount set aside into the Reserve Fund to secure the payment of the Bond may be used to retire bonds or may be held in the Reserve Fund to secure payment of the refunding bonds issued, to refund the outstanding refunding bonds, or may be held in the Reserve Fund to secure the payment of any other issue or series of bonds payable out of the Bond Fund and issued on a parity with the Bond.

D. Investments. All moneys in the Reserve Fund may be kept in cash or deposited in institutions permitted by law in an amount in each institution not greater than the amount insured by any department or agency of the United States of America, or may be invested and reinvested in any legal investment permitted for County moneys maturing not later than the last maturity date of any outstanding bonds. Interest earned on any such investment shall be deposited, directly as earned, into the Bond Fund.

#### Section 14: SURPLUS FUNDS

Funds remaining in the Revenue Fund after having been applied to or designated funds for the purposes provided in Section 11A of this Resolution shall constitute surplus funds and may be used for any of the following purposes:

A. To pay the costs of unusual or extraordinary maintenance of or repair to the System;

B. To pay the principal of, interest on, and any reserve payments related to any subordinate lien obligations which may have been issued to provide solid waste facilities in or for the County;

C. To improve, extend, enlarge, or replace any County solid waste facilities;

D. To acquire or construct additional solid waste facilities in or for the County;

E. To call or redeem prior to their fixed dates of maturity any Bond, parity bonds, or subordinate lien obligations issued to provide solid waste facilities for the County; and

F. For any other lawful System purpose consistent with the Loan Resolution referred to in Section 3.

#### Section 15: ADDITIONAL BONDS OR OTHER OBLIGATIONS

A. Limitation Upon Issuance of Parity Obligations. Nothing contained in this Resolution shall be construed in such a manner as to prevent the issuance by the County of Additional Bonds or other additional obligations payable from the Net Revenues on a parity with, but neither prior nor superior to, the lien of the Bond herein authorized; provided, however, that before any such Additional Bonds or other additional parity obligations are authorized or actually issued:

(1) Any consent required by the Loan and Grant Approval Conditions and Loan Resolution referred to in Section 3 of this Resolution shall have been obtained.

(2) The County is not, and has not been, in default as to any payments required by the provisions of this Resolution for a period of not less than twelve

(12) months immediately preceding the issuance of such Additional Bonds or other additional parity obligations.

(3) The Net Revenues of the System for the past twelve (12) consecutive months immediately preceding the year of the issuance of such Additional Bonds shall have been sufficient to pay the Operation and Maintenance Expenses of the Solid Waste System for said past twelve (12) months, and, in addition, sufficient so that the Net Revenues for such preceding year equal an amount representing at least 110% of the annual principal and interest requirements of the outstanding Bond, and any other obligations of the County payable from the Net Revenues of the System.

(4) The Estimated Net Revenues of the System for the twelve-month period immediately succeeding the issuance of the bonds or other obligations proposed to be issued will be not less than 120% of the annual principal and interest requirements of the Bond and any other obligations of the County payable from the Net Revenues of the System and the average annual principal and interest requirements of the Additional Bonds or other obligations proposed to be issued.

(5) A written certification by an independent certified public accountant that the 110% Net Revenue requirement of subsection (3) above, and the 120% Estimated Net Revenues requirement of subsection (4) above have been satisfied shall be obtained and filed with the County, which certification shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell, and deliver said Additional Bonds or other additional obligations on a parity with the Bond authorized herein.

(6) The foregoing limitations, or any of them, may be waived or modified by the written consent of the Registered Owner of not less than 75% of the principal amount of the Bond then outstanding.

B. Parity Bonds to Complete Project. In the event grant funds, plus the proceeds of the Bond provided for in this Resolution, are insufficient to complete the Project, then parity bonds or other obligations may be issued to complete the Project, and the restrictions set forth in this Section 15 pertaining to the issuance of parity bonds shall not apply, provided that any consent required by the Loan and Grant Conditions and Loan Resolution referred to in Section 3 of this Resolution shall have been obtained.

C. Subordinate Lien Bonds. No provision of this Resolution shall be deemed to limit or restrict the power of the County to issue bonds, notes or warrants, or to make pledges of the Net Revenues which shall be subordinate as to the lien of the Bond and which shall provide for compliance with the current provisions hereof prior to the application of any funds to said subordinate purpose, provided that any consent required by the Loan and Grant Approval Conditions and Loan Resolution referred to in Section 3 of this Resolution shall have been obtained.

D. Refunding. The restrictions with respect to the issuance of parity obligations shall not apply if such additional parity bonds proposed to be issued are for the sole purpose of refunding outstanding solid waste revenue bonds.

#### Section 16: INVESTMENTS

Surplus funds in any of the funds set forth in this Resolution may be invested in securities as permitted by law. Any income from these investments will be considered Revenue of the System.

#### Section 17: GENERAL COVENANTS

For the protection and security of the Bond, it is covenanted and agreed to and with the Registered Owner of the Bond that the County will perform the following covenants:

A. Complete Project. It will complete the construction of the Project with all practical dispatch and in a sound and economical manner.

B. Operate System. It will operate the System in an efficient and economical manner and prescribe, revise, and collect such charges in connection therewith so that the services, facilities, and properties of the System may be furnished at the lowest possible cost consistent with sound economy and prudent management.

C. Good Repair. It will operate, maintain, preserve, and keep the System and every part hereof in good repair, working order, and condition.

D. Corporate Status. It will maintain its status as a municipal corporation of the State of Idaho and will take no steps to disincorporate or otherwise change its corporate status.

E. Preserve Security. It will preserve and protect the security of the Bond and the rights of the Registered Owner thereof.

F. Collect Revenues. It will collect and hold in trust the revenues and other funds pledged to the payment of the Bond and apply such revenue or other funds only as provided in this Resolution.

G. Service Bond. It will pay and cause to be paid punctually the principal of the Bond and the interest thereon on the date or dates and at the place or places and in the manner mentioned in the Bond, and in accordance with this Resolution.

H. Pay Claims. It will pay and discharge any and all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon the Revenue of the System, or any part of said Revenue of the System, or any funds in the hands of the Treasurer, prior or superior to or on a parity with the lien of the Bond or which might impair the

security of the Bond, to the end that the priority and security of the Bond shall be fully preserved and protected.

I. Encumbrances. It will not mortgage or otherwise encumber, sell, lease, or dispose of the System or any part thereof, nor enter into any lease or agreement which would impair or impede the operation of the System or any part thereof necessary to secure adequate revenues for the payment of the principal of and interest on the Bond, nor which would otherwise impair or impede the rights of the Registered Owner of the Bond with respect to such revenues of the operation of the System without provisions for the retirement of the Bond then outstanding from the proceeds thereof, nor, so long as the Bond is held by the United States of America as Registered Owner, without the consent of the Registered Owner.

J. Insurance. It will procure and keep in force insurance upon all buildings and structures of the System and the machinery and equipment therein, which are usually insured by entities operating like property, in good and responsible insurance companies. The amount of the insurance shall be such as may be required to adequately protect it and the Registered Owner of the Bond from loss due to any casualty, and in the event of any such loss, the proceeds shall be used to repair or restore the System or for the payment of the Bond issued under this Resolution.

K. Fidelity Bonds. It will procure suitable fidelity bonds covering all of its officers and other employees charged with the operation of the System and the collection and disbursement of revenues therefrom.

L. Engineers. It will employ consulting engineers of acknowledged reputation, skill, and experience in the improvement and operation of the System for any unusual or extraordinary or significant items of maintenance, repair, or betterments as shall be required from time to time, all reports, estimates, and recommendations of such consulting engineers to be filed with the Clerk and furnished to the Registered Owner of the Bond issued hereunder, upon request.

M. Accounts. It will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System, and it will furnish complete operating and income statements upon request.

N. Delinquencies. It will not furnish solid waste services to any customer whatsoever free of charge, and it shall not later than sixty (60) days after an account becomes delinquent, take such legal action as may be reasonable to enforce collection of any collectible delinquent account.

#### Section 18: SPECIAL COVENANTS

The County further covenants and agrees:

A. In accordance with Section 149(a) of the Internal Revenue Code of 1986, as amended (the "Code"), the Bond, and any serial bonds to which it may be converted, shall be

issued and remain in fully registered form in order that interest thereon be excluded from gross income of the owner or owners for federal income tax purposes. The County covenants and agrees that it will take no action to permit the Bond, or any serial bonds to which it may be converted, to be issued in or converted to bearer or coupon form.

B. None of the proceeds of the Bond will be used, directly or indirectly, (i) to make or finance loans to persons or (ii) in any trade or business carried on by any person (other than as a member of the general public). For purposes of the preceding sentence, the term "person" does not include a government unit other than the United States or any agency or instrumentality thereof, and the term "trade or business" means any activity carried on by a person other than a natural person. The County further covenants and agrees to take no action which would cause the Bond to be a "private activity bond," nor will it omit to take any action necessary to prevent the Bond from becoming a "private activity bond," within the meaning of Section 141 of the Code.

C. The County has general taxing powers. The Bond is not a "private activity bond" within the meaning of Section 141 of the Code. 95% or more of the net proceeds of the Bond is to be used for the local governmental activities of the County. The County has no subordinate entities.

D. The Chairman, Clerk, and Treasurer, and other appropriate officials of the County, or any one or more of such officials, as may be appropriate, are each hereby authorized and directed to execute, on behalf of the County, such certificate or certificates as shall be necessary to establish that the Bond is not an "arbitrage bond" within the meaning of Section 148 of the Code and the Treasury Regulations promulgated thereunder, and to establish that interest on the Bond is not and will not become includable in the gross income of the owner(s) of the Bond under the Code and applicable regulations. The County covenants and agrees that no use will be made of the proceeds of the Bond, or any funds of the County which may, pursuant to Section 148 of the Code and applicable regulations, be deemed to be proceeds of the Bond, which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. The County further covenants to comply throughout the term of the Bond with the requirements of Section 148 of the Code and the regulations promulgated thereunder in order to prevent the Bond from becoming an "arbitrage bond."

E. None of the proceeds of the Bond will be used to reimburse the County for non-preliminary capital expenditures made prior to the date of delivery of the Bond unless the County, not later than sixty (60) days after the payment of such expenditure, shall have adopted an official intent resolution as provided by Section 1.150-2 of the Treasury Regulations.

F. As long as the Bond is held by the United States of America, the County will comply with the financial reporting and audit requirements set forth in the Loan and Grant Approval Conditions.

## Section 19: AMENDMENTS

A. The County from time to time and at any time may adopt an Resolution or Resolutions supplemental hereto, which Resolution or Resolutions thereafter shall become a part of this Resolution, for any one or more of all of the following purposes:

(1) To add to the covenants and agreements of the County in this Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the Registered Owner of the Bond, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provisions contained in this Resolution, or any Resolution authorizing future bonds in regard to matters or questions arising under such Resolutions as the Board may deem necessary or desirable and not inconsistent with such Resolutions and which shall not adversely affect, in any material respect, the interest of the Registered Owner of the Bond.

Any such supplemental Resolution may be adopted without the consent of the Registered Owner of the Bond at any time outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. With the consent of the Registered Owner of not less than 75% in aggregate principal amount of the Bond at the time outstanding, the Board may adopt an Resolution or Resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental Resolution; provided, however, that no such supplemental Resolution shall:

(1) Extend the fixed maturities of the Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, if applicable, without the consent of the Registered Owner of the Bond so affected; or

(2) Reduce the aforesaid percentage of the Registered Owner required to approve any such supplemental Resolution.

It shall not be necessary for the consent of the Registered Owner under this subsection B to approve the particular form of any proposed supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. Upon the adoption of any supplemental Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the County under this Resolution

and the Registered Owner of the Bond outstanding hereunder shall thereafter be determined, exercised, and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental Resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

D. Any Bond executed and delivered after the execution of any supplemental Resolution adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental Resolution, and if such supplemental Resolution shall so provide, new bonds so modified as to conform, in the opinion of the Board, to any modification of this Resolution contained in any such supplemental Resolution, may be prepared and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of the Bond.

#### Section 20: VALIDITY OF ISSUANCE

The Bond is issued pursuant to the Idaho Pollution Control Financing Act, being Idaho Code Sections 31-4501 through 31-4516. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance.

#### Section 21: REGISTERED OWNER'S REMEDIES - RECEIVER

By action or suit in equity, the Registered Owner or subsequent owners of the Bond may, in the event of a material violation of any of the foregoing covenants, cause the appointment of a receiver, which receiver may enter and take possession of the System and any Net Revenues for the payment of the Bond, prescribe fees to be derived from the System, and collect, receive, and apply all Net Revenues of other moneys pledged for the payment of the Bond in the same manner as the County might do in accordance with the obligations of the County.

#### Section 22: RESOLUTION A CONTRACT

The provisions of this Resolution shall constitute a contract between the County and the Registered Owner so long as the Bond hereby authorized remains unpaid.

#### Section 23: SEVERABILITY

If any one or more of the covenants or agreements provided in this Resolution to be performed on the part of the County shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bond.



Section 24: REPEALER

All prior Resolutions or parts thereof, to the extent inconsistent herewith, are hereby repealed and shall, to the extent of such inconsistency, have no further force or effect.

Section 25: AUTHORIZATION

The Chairman, County Clerk, and County Treasurer, or any one of such officers, as may be appropriate to the circumstances, are hereby authorized to execute, on behalf of the County, all such additional documents as may be necessary to effect the sale and delivery of the Bond.

Section 26: PUBLICATION AND EFFECTIVE DATE

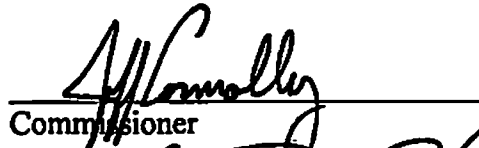
This Resolution shall take effect immediately upon passage and approval and shall be published one time in the County's official newspaper.

DATED this 1<sup>st</sup> day of March, 2022.

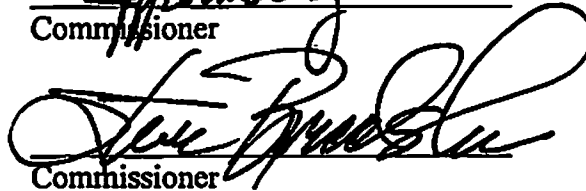
BONNER COUNTY, IDAHO  
Board of County Commissioners



Chairman



Commissioner



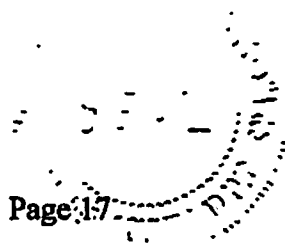
Commissioner

ATTEST:



County Clerk

(SEAL)



[ FORM OF BOND]

UNITED STATES OF AMERICA

Registered  
No. One

Registered  
\$7,733,700

STATE OF IDAHO  
BONNER COUNTY

SOLID WASTE REVENUE BOND, SERIES 2022

BONNER COUNTY, IDAHO (the "County"), for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the United States of America, acting through the Department of Agriculture, Rural Utilities Service, as the registered owner hereof, the principal sum of

SEVEN MILLION SEVEN HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED  
AND 00/100 DOLLARS

(\$7,733,700.00), together with interest on the unpaid balance at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum. Said principal and interest shall be paid in equal annual installments of \$ \_\_\_\_\_, with the first installment of principal and interest being due on \_\_\_\_\_, 2023, and annually on the same date of each year thereafter until maturity, with all principal of and interest on the Bond being fully paid within ten (10) years from its date. The final annual installment may be in such greater or lesser amount as is necessary fully to pay the Bond.

This Bond shall be registered as to principal and interest in the name of the original owner and any subsequent owners in a registration book in the office of the County Treasurer, who shall be the Bond Registrar. This Bond is transferable only upon said book, by notation thereon, by the registered owner hereof in person or by its attorney duly authorized in writing.

Both principal of and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner. Payment may be made by electronic transfer with permission of the registered owner. Any owner of this Bond subsequent to its original owner is hereby placed on notice of all payments of both principal of and interest on this Bond prior to its transfer to him and all subsequent owners hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond as of the date of transfer to them and hereby release the County from all obligations as to all principal and interest paid by the County prior to such date.

EXHIBIT "A"

The County has reserved the right, at its option, to prepay scheduled installments outstanding, in whole or, in the manner hereinafter provided, in part, at any time this Bond is held by the United States of America or any subsequent transferee.

Prepayments shall be made on the date, at the place, and in the manner provided herein for making regularly scheduled installments, and partial prepayments shall be in the amount of \$1,000.00 or multiples thereof. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Bond, shall, after payment of interest, be applied to the principal. Any such prepayment shall be made without penalty, additional interest, or charges.

Notice of any such intended prepayment shall be mailed by registered mail to the registered owner of the Bond at the address appearing on the registration records of the County, or at such other address as designated in writing to the County by the registered owner, at least thirty (30) days prior to the prepayment date. Interest on this Bond shall cease to accrue as to the amount of principal being prepaid after the date fixed for prepayment if notice has been properly given and funds equal to the amount of prepayment have been deposited at the place of payment at that time.

This Bond, upon the surrender hereof at the office of the County Treasurer may, at the option of the registered owner and at its expense, be exchanged for serial bonds, without coupons, in registered form, in the aggregate principal amount then remaining unpaid, bearing the same interest rate, maturing annually in each of the remaining years of the original term of this Bond, and dated as of the year during which the surrender and exchange is effected. Serial bonds so issued shall be redeemable according to the provisions of Resolution No. \_\_\_ of the County, adopted on March 1, 2022 (the "Bond Resolution"), pursuant to which this Bond was issued.

This Bond is issued for the purpose of paying a portion of the cost of the construction and installation of improvements and betterments to the County's solid waste system (the "Project"), pursuant to the Idaho Pollution Control Financing Act (being Idaho Code Sections 31-4501 through 31-4516), and pursuant to Idaho Code, Title 57, Chapters 2 and 9, and also pursuant to the Bond Resolution and the election held by the County on May 18, 2021.

This Bond creates a lien and charge upon the Net Revenue of the County's System (as such capitalized terms are defined in the Bond Resolution), superior to all other charges of any kind and nature, except the charges necessary to pay the principal of and interest on any future parity bonds. This Bond is a limited obligation of the County and is payable as to principal and interest solely from a special fund, designated the Bonner County Solid Waste Revenue Bond Fund (the "Bond Fund") created by the Bond Resolution. For a more particular description of said Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution pursuant to which this Bond is issued, and such Bond Fund will be maintained.

This Bond does not now and shall never constitute an indebtedness of the County within the meaning of any State Constitutional provision or statutory limitation, nor a charge against the general credit or taxing powers of the County.

EXHIBIT "A"

\* \* \* \* \*

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Bond Registrar)

This Bond shall be payable only to the order of the registered owner or its legal representative.

<u>DATE OF REGISTRATION</u>	<u>NAME AND ADDRESS OF REGISTERED OWNER</u>	<u>SIGNATURE OF BOND REGISTRAR</u>
, 2022	United States of America c/o Department of Agriculture 4300 Goodfellow Blvd. St. Louis, MO 63120	

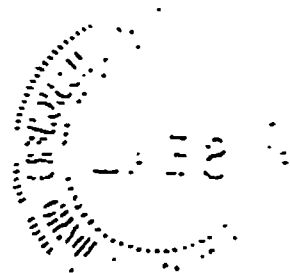


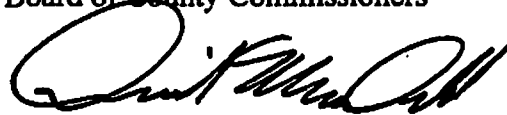
EXHIBIT "A"

The County has covenanted with the registered owner of the Bond to keep and perform all covenants and agreements contained in the Bond Resolution, and the County will establish, maintain, collect, and account for rates and charges for service furnished by or through the System, including all extensions and improvements thereto hereafter constructed or acquired by the County, sufficient to pay the principal of and interest on the Bond as they fall due, provided such rates must be reasonable rates for the type, kind, and character of the services rendered.

IT IS HEREBY CERTIFIED, RECITED, and DECLARED that all conditions, acts, and things essential to the validity of this Bond do exist, have happened, and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that the Net Revenues to be derived from the operation of the System, including any future improvements, additions, or extensions thereto, have been and are hereby pledged and will be set aside into the Bond Fund in amounts sufficient for the payment of principal of and interest on this Bond.

IN WITNESS WHEREOF, the Bonner County, Idaho, under its corporate seal, has caused this Bond to be signed in its corporate name by its Chairman, countersigned by the Treasurer thereof, and attested by the County Clerk, this 16<sup>th</sup> day of March, 2022.

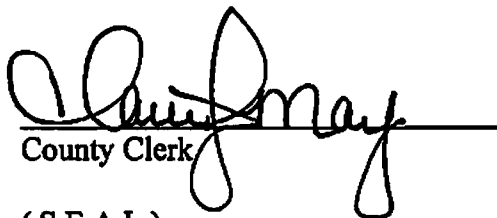
BONNER COUNTY, IDAHO  
Board of County Commissioners



Chairman

Cheryl D. Piehl by [Signature]  
County Treasurer      Chief Deputy

ATTEST:



County Clerk

( S E A L )

EXHIBIT "A"



# BONNER COUNTY SOLID WASTE

1500 Highway 2, Suite 101 • Sandpoint, Idaho 83864-1303  
Phone (208) 255-5681 • Fax 844-965-9700 • [www.bonnercountyid.gov](http://www.bonnercountyid.gov)

**SOLID WASTE  
ITEM #1**

## Memorandum

March 1, 2022

To: Commissioners

From: Bob Howard, Solid Waste Director

Re: Solid Waste Revenue Bond Resolution

Solid Waste is requesting approval of a resolution authorizing and providing issuance of a solid waste revenue bond, in the principal amount not to exceed \$8,733,700 for the purpose of financing the acquisition, construction and installation of improvements to the solid waste collection and disposal system of the county.

This bond resolution is necessary in order to obtain a construction loan which will be paid in full at the end of the 2 year construction period, at which time the USDA loan will go into effect which was approved in May of 2021.

It will be necessary to advertise this resolution to notify the public of its intent. The public will have 30 days for public comment.

Distribution: Original to BOCC  
Email copy to Bob Howard, Melissa Libbers

**Suggested Motion:** Mr. Chairman based on the information before us I move to approve that the County approve Resolution #20-15 the issuance of a solid waste revenue bond not to exceed \$8,733,700 for the purpose of financing the construction improvements of Bonner County's solid waste collection and disposal system.

Auditing Review: not  
Legal Review: SB

Recommendation Acceptance:  yes  no

Handwritten signature of the BOCC Chairman.  
BOCC Chairman

Date: 3/1/22