

**BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA**

ORDINANCE NO. 380

AN ORDINANCE OF THE BOROUGH COUNCIL OF THE BOROUGH OF ORWIGSBURG, SCHUYLKILL COUNTY, PENNSYLVANIA, AUTHORIZING THE INCREASING OF INDEBTEDNESS OF THE BOROUGH OF ORWIGSBURG BY THE ISSUANCE A GUARANTEED REVENUE NOTE OF ORWIGSBURG BOROUGH FOR THE PURPOSE OF CONSTRUCTING WATER FILTRATION IMPROVEMENTS, INCLUDING ENLARGEMENT OF THE WATER FILTRATION PLANT AND IMPROVEMENTS IN THE DISTRIBUTION SYSTEM IN THE AMOUNT OF SIX MILLION, FIVE HUNDRED AND TEN THOUSAND DOLLARS (\$6,510,000.00) DOLLARS AND TO REFUND PREVIOUSLY APPROVED INDEBTEDNESS TO THE UNION BANK & TRUST COMPANY.

WHEREAS, the Borough Council of the Borough of Orwigsburg adopted Ordinance No. 375, as amended by Ordinance No. 376, authorizing the increasing of the indebtedness of the Borough of Orwigsburg by the issuance of a Revenue Bond for the purpose of constructing water improvements, including the enlargement of the water filtration plant and improvements in the distribution system in the amount of Four Million (\$4,000,000.00) Dollars.

WHEREAS, the Borough Council of the Borough of Orwigsburg adopts this Ordinance for the purpose of securing permanent financing for the Project from Pennsylvania Infrastructure Investment Authority (hereinafter referred to as "PennVest") and to refund the Revenue Bond previously issued to the Union Bank & Trust Company in the principal amount of Four Million (\$4,000,000.00) Dollars;

WHEREAS, the proposed increase in debt will not cause the limitations of the Borough's debt incurring power, pursuant to constitutional and statutory authority, to be exceeded.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Borough Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, and it is hereby **ENACTED** and **ORDAINED** by the authority of the same, as follows:

SECTION 1. The aggregate principal amount of the indebtedness to be incurred by the Borough of Orwigsburg for permanent financing is Six Million, Five Hundred and Ten Thousand (\$6,510,000.00) Dollars to be incurred as non-electoral debt for the following purposes: Water system improvements, including the enlargement of the water filtration plant and improvement the water distribution system, (hereinafter the "Project") and the refunding of a Revenue Bond previously issued to the Union Bank & Trust Company and thereby reducing indebtedness by extending maturity for the Project.

SECTION 2. The remaining period useful life expectancy is still estimated to be twenty (20) years as construction of the water filtration plant has not yet commenced.

SECTION 3. Said indebtedness shall be evidenced by a Guaranteed Revenue Note of the Borough of Orwigsburg secured by a lien on its water revenues and a pledge of its taxing authority in the amount of Six Million, Five Hundred Ten Thousand (\$6,510,000.00) Dollars and no Cents dated at or about the time of settlement currently scheduled for June 1, 2006, bearing interest from the earliest date possible issue of said Note under the statutory time requirements in accordance with the Local Government Unit Debt Act (hereinafter "LGUDA") at rate of 1.369% for years one (1) through five (5) and at a rate of 2.697% for years six (6) to maturity until paid, in accordance with the Permanent Funding Offer attached hereto and marked Exhibit "A".

SECTION 4. The Borough Council of the Borough of Orwigsburg reserves the right to anticipate any and all installments of principal or any payment of interest at any time prior to respective dates thereof, without notice or penalty.

SECTION 5. The principal and interest of said Note shall be payable at the Office of the Sinking Fund Depository selected for the Note as hereinafter provided.

SECTION 6. The Guaranteed Revenue Note of Orwigsburg Borough is to be secured by a lien on its water revenue and is declared to be a general obligation of the Borough of Orwigsburg.

SECTION 7. The Borough of Orwigsburg hereby covenants that the Borough Council shall include the amount of debt service on said Note in each fiscal year in which sums are payable in its budget for that year; shall appropriate such amounts for the payment of such debt service; and shall duly and punctually pay or cause to be paid, the principal of the Note and interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation and payment, the full faith, credit and taxing power of the Borough of Orwigsburg is hereby irrevocably pledged.

SECTION 8. The amounts which the Borough of Orwigsburg hereby covenants to pay in each of the following years based upon an interest rate of 1.369% are as follows:

YEAR	PRINCIPAL INTEREST	
2006		\$ 31,340.04
2007	\$ 284,937.91	\$ 87,338.45

2008	\$ 288,863.28	\$ 83,413.08
2009	\$ 292,842.72	\$ 79,433.63
2010	\$296,876.99	\$ 75,399.37
2011	\$300,966.84	\$ 71,309.52

The amounts for which the Borough of Orwigsburg hereby covenants to pay in each of the following years on the basis of an interest rate of 2.697% are as follows:

YEAR	PRINCIPAL	INTEREST
2012	\$276,680.02	\$132,673.99
2013	\$284,235.01	\$125,119.00
2014	\$291,996.31	\$117,357.70
2015	\$299,969.53	\$109,384.48
2016	\$308,160.46	\$101,193.55
2017	\$316,575.06	\$ 92,778.95
2018	\$325,219.42	\$ 84,34.59
2019	\$334,099.83	\$ 75,254.18
2020	\$343,222.72	\$ 66,131.29
2021	\$352,594.73	\$ 56,759.28
2022	\$362,222.64	\$ 47,131.37
2023	\$372,113.45	\$ 37,240.56
2024	\$382,274.34	\$ 27,079.67
2025	\$392,712.69	\$ 16,641.32
2026	\$403,436.06	\$ 5,917.95

The Note shall be repaid in accordance with the PennVest Amortization Schedule attached hereto and marked Exhibit "B".

SECTION 9. The form of the Note shall be substantially in the form provided by PennVest which is attached hereto and marked Exhibit "C".

SECTION 10. The said Note shall be executed in the name and under the corporate seal of the Borough of Orwigsburg by the President and Treasurer and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser and receive payment therefor on behalf of the governmental unit. The President of the Borough Council, Treasurer and Secretary of the Borough of Orwigsburg are authorized and directed to prepare, verify and file the Debt Statement required by Section 8110 of the Local Government Unit Debt Act (LGUDA) and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 11. Sovereign Bank is designated as the Sinking Fund Depository for the obligation herein authorized and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2006 PennVest Guaranteed Revenue Note", for the payment of the principal and interest thereon, which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payment shall become due. The Sinking Fund Depository shall, as in when said payments are due, without further action by the Borough of Orwigsburg, withdraw available monies in the Sinking Fund and apply said monies to the payment of the principal of and interest on the obligation.

SECTION 12. The President of Borough Council and Treasurer of the Borough of Orwigsburg are authorized to contract with Sovereign Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 13. The members of the Borough Council of the Borough of Orwigsburg have determined that private sale by negotiation with PennVest rather than a public sale is in the best interest of the local government unit. Therefore, the Guaranteed Revenue Note in the amount of Six Million Five Hundred Ten Thousand (\$6,510,000.00) Dollars is hereby authorized to be issued to PennVest in accordance with its funding offer which is attached hereto, incorporated herein and marked Exhibit "B", provided the said Note is dated the date of delivery to PennVest and is in form set forth in Exhibit "C" of this Ordinance; and further provided that the proceedings have been approved by the Department of Community & Economic Development under the provisions of the LGUDA.

SECTION 13. The action of the proper officers and advertising of a summary of this Ordinance as required by law in the *Republican and Evening Herald*, a newspaper of general circulation is ratified and confirmed. The advertisement in said paper of the enactment of this Ordinance is hereby directed within fifteen (15) days following the date of final enactment.

SECTION 14. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

DULY ENACTED AND ORDAINED this 3RD day of May, 2006, by the Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, in lawful session duly assembled.


BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA

By: 
CHARLES J. STERNER
COUNCIL PRESIDENT

ATTEST:


SHERRY M. EDWARDS
BOROUGH SECRETARY

EXAMINED and APPROVED this _____ day of May, 2006.


AUSTIN SCANDIBER
MAYOR OF ORWIGSBURG

CERTIFICATE

I HEREBY CERTIFY that the attached is a true copy of an ordinance passed finally at a meeting of the Borough Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, on May 3, 2006; that said meeting above referred to was held with proper notice having been given to members and to the public, and was at all times open to the public; that said ordinance was duly signed by the President, attested to by the Secretary, and has been duly recorded in the Ordinance Book of the said local government unit.

I FURTHER CERTIFY that a copy of the ordinance was available for inspection by any citizen in the office of the Secretary.

WITNESS my hand and seal of the Sherry M. Edwards, Secretary of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, on this 3RD day of May 2006.


Sherry M. Edwards, Borough Secretary

SEAL