

Resolution No. 674

RESOLUTION OF THE TOWN COUNCIL OF  
THE TOWN OF JEROME, ARIZONA,  
AUTHORIZING THE SALE, ISSUANCE, AND PAYMENT OF A  
SEWER SYSTEM NOTE IN A PRINCIPAL AMOUNT  
NOT TO EXCEED \$1,819,000

WHEREAS, the Town Council of the Town of Jerome, Arizona (the "Town") has determined that it is necessary and desirable to provide funds for the designing, purchasing, and installing of necessary equipment and components to address high ammonia and copper levels in the area along with line improvements to the aging wastewater system (the "Project"); and

WHEREAS, the Town Council has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

WHEREAS, the Town intends to issue and sell not to exceed \$1,819,000 of its Sewer System Notes pursuant to its authority to issue non-voted obligations under A.R.S. 9-512 (the "Notes") pursuant to the provisions of Title 9 of the Arizona Revised Statutes, to finance the cost of the Project; and has duly adopted an initial resolution authorizing the issuance of the Notes; and

WHEREAS, under the provisions of Title 9 of the Arizona Revised Statutes (the "Act"), Districts in Arizona are authorized to issue and sell interest bearing notes for the purpose of providing funds for the projects; and

WHEREAS, the Town Council finds that it is advantageous to the Town to authorize the issuance of the Notes at this time:

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Jerome, Arizona, as follows:

**Section 1.** For the purpose of providing funds to finance the Project, the Mayor of the Town (the "Mayor") is hereby authorized in accordance with the terms of this Resolution, and upon signature of the Clerk of the Town (the "Clerk"), to sell and issue an interest-bearing note in a principal amount not to exceed One Million Eight Hundred Nineteen Dollars (\$1,819,000) (the "Note") to Rural Water Financing Agency (the "Purchaser") pursuant to a loan agreement and form of Note to be executed by the Town and the Purchaser (the "Loan Agreement"), a form of which Loan Agreement is attached hereto as Attachment 1. The Note shall be sold at par. The Note shall be designated "Sewer System Note, Series 2024"; shall be dated as of the date of issuance; shall be issued as a single note; shall bear interest at a rate of not to exceed nine percent (9%); and shall be a tax-exempt rate. All of the proceeds of the Note shall be deposited into a fund or account at closing of the Note. All terms and conditions of the Note shall be set forth in the Loan Agreement, of which final form shall be signed by the Mayor and attested by the Clerk.

**Section 2.** The Note shall mature not later than twenty-four (24) months after the date of closing, on such date as agreed upon by the Town and the Purchaser.

**Section 3.** The Note shall be subject to redemption at the option of the Town, in whole or in part, at any time, at the principal amount plus accrued interest to the date of redemption, without a premium, at par. The Note shall be subject to mandatory redemption upon receipt of funds from the United States Department of Agriculture - Rural Development ("USDA-RD") for such purpose.

**Section 4.** Principal on the Note shall be payable from the proceeds of the sewer system of the Town. The Note shall be further secured by grant revenues received by USDA-RD and any other lawfully available cash of the Town, all as further set forth in the Loan Agreement.

**Section 5.** The Note shall be executed in the name of the Town and bear the signature of the Mayor and the signature of the Clerk and shall be payable as to principal and interest at the office of the Clerk or the paying agent duly appointed by the Town. Proceeds of the Note shall be deposited with the Town and shall be paid out for the purpose of providing funds in anticipation of the issuance of the Note to this Resolution and as required by law.

**Section 6.** The Note will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Town or its agent shall keep or cause to be kept at its office a note register, if held by an agent of the Town, shall at all times be open for inspection by the Town or any duly authorized officer of the Town. The Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Town or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Town or its agent together with a written instrument of transfer satisfactory to the Town duly executed by the registered owner of the registered owner's duly authorized attorney. Upon the transfer of the Note, the Town shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Note. The Town shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date of the Note or, in the case of any redemption of the Note, during the forty-five (45) days next preceding the date of redemption.

**Section 7.** The Note shall be in substantially the form attached to the Loan Agreement, which form is approved by this Resolution, with only changes as are necessary or appropriate to comply with the requirements of the purchaser thereof and as set forth in the Loan Agreement.

**Section 8.** The Note will be issued under the authority of Title 9 of the Arizona Revised Statutes.

**Section 9.** The Note may be renewed or extended as permitted by law.

**Section 10.** That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage and the satisfaction of all conditions referenced in this Resolution.

Passed and approved this 8th day of October, 2024.

BY: Christina Barber  
Christina Barber, MAYOR

ATTESTED:

Brett Klein  
Brett Klein, TOWN MANAGER / CLERK