

**TOWN OF PALISADE, COLORADO
RESOLUTION NO. 2025-06**

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PALISADE ACTING ON BEHALF OF A PROPRIETARY ENTERPRISE, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF MUNICIPAL BONDS OR A SIMILAR BORROWING TO FINANCE CAPITAL EXPENDITURES UNDERTAKEN OR TO BE UNDERTAKEN BY THE TOWN TO CONNECT THE TOWN SEWER TO CLIFTON SANITATION DISTRICT FOR TREATMENT; AND PROVIDING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Town of Palisade (“Palisade” or the “Town”) is a statutory Colorado municipality organized pursuant to Title 31 of the Colorado Revised Statutes (“C.R.S.”) and with the authority set forth therein; and

WHEREAS, the Town is authorized by Section 31-35-402, C.R.S., to operate and maintain water facilities, sewerage facilities or both for its own use and for the use of public and private consumers and users within and without the territorial boundaries of the Town, and in anticipation of the collection of the revenues of such water facilities or sewerage facilities, or joint system, to issue revenue bonds to finance in whole or in part the cost of acquisition, construction, reconstruction, improvement, betterment, or extension of the water facilities or sewerage facilities, or both; and to issue temporary bonds until permanent bonds and any coupons appertaining thereto have been printed and exchanged for the temporary bonds; and

WHEREAS, the Board has heretofore determined and hereby confirms that the Town’s sewer facilities and properties (referred to herein as the “System”) have been and continue to be operated as a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined and is therefore an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Board has determined that it is in the best interest of the Town to make certain capital expenditures for the construction and installation of a sewer transfer line and lift station to transfer all waste to Clifton Sanitation District for treatment (collectively, the “Project”); and

WHEREAS, the Board is in receipt of a Letter of Conditions dated February 2, 2023 (the “Letter of Conditions”) from the United States Department of Agriculture – Rural Development (“USDA”) providing the terms and conditions for the making of a grant and loan(s) by USDA to the Town (collectively, the “USDA Financing”) to provide permanent financing of the Project; and

WHEREAS, the Letter of Conditions requires the Town to finance the construction of the Project using the proceeds of an interim financing that is to be refinanced with the proceeds of the USDA Financing upon completion of the Project; and

WHEREAS, the Board currently intends and reasonably expects to participate in a tax-exempt revenue bond financing, including a principal amount which is currently estimated not to exceed \$22,145,000 (the "Financed Amount"), to reimburse the Town for the portion of such capital expenditures incurred or to be incurred subsequent to a period commencing 60 days prior to the date hereof, and ending prior to the later of 18 months of the date of such capital expenditures or the placing in service of the Project (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Board hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to reimburse the Town, acting by and through the Enterprise, for such capital expenditures with the proceeds of the Town's revenue bond financing.

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF TRUSTEES FOR THE TOWN OF PALISADE, COLORADO THAT:

Section 1. *Recital Incorporation.* The foregoing recitals are incorporated herein as if set forth in full.

Section 2. *Declaration of Official Intent.* The Town shall, presently intends, and reasonably expects to finance all or a portion of the Project with legally available funds.

Section 3. *Dates of Capital Expenditures.* All of the capital expenditures covered by this Resolution were or will be made on and after the date which is 60 days prior to the effective date of this Resolution.

Section 4. *Issuance of Municipal Bonds.* The Town presently intends and reasonably expects to participate in a municipal bond financing within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is later (but in no event more than 3 years after the date of the original expenditure of such moneys), and to allocate from said financing an amount not to exceed the Financed Amount to reimburse the Town for its expenditures in connection with the Project.

Section 5. *Confirmation of Prior Acts.* All prior acts and doings of the officials, agents and employees of the Town which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved, and confirmed.

Section 6. *Resolution Effective Date.* This Resolution shall take effect immediately upon its passage.

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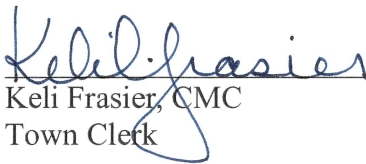
RESOLVED, APPROVED, and ADOPTED this 25th day of February 2025.

TOWN OF PALISADE, COLORADO



Greg Mikolai, Mayor

ATTEST:



Keli Frasier, CMC
Town Clerk

