

**RESOLUTION OF THE CITY OF DADEVILLE, ALABAMA
AUTHORIZING AND DIRECTING PAYMENT OF A PORTION
OF THE CITY'S SALES TAX REVENUES FOR SEWER PURPOSES**

Resolution No. 14-10

WHEREAS, the City of Dadeville, Alabama (the "City") has regularly allocated and paid a percentage of the City's sales tax revenues for sewer purposes; and

WHEREAS, the City has determined that the sum paid monthly for such purposes should be equal to the amount generated by a sales tax equal to one percent (1.0%) (or currently two-sevenths (2/7) of the total revenues generated by the 3.5% sales tax applicable to sales in the City) (the resulting payment amount is herein referred to as the "Sewer Payment"); and

WHEREAS, The Water Works and Sewage Board of the City of Dadeville (the "Board") has undertaken the responsibility for providing sewer service to residents of the City; and

WHEREAS, in order to assume the debt applicable to sewer service in the City, the Board issued its Water and Sewer Revenue Refunding Bonds, Series 2012A and its Water and Sewer Revenue Refunding Bonds, Series 2012B (collectively, the "Series 2012 Bonds") to provide funds for the refunding of prior debt issued for sewer purposes; and

WHEREAS, the Board has applied the Sewer Payment to the payment of debt service on the Series 2012 Bonds and would like to continue to do so; and

WHEREAS, the City has determined that it is beneficial to the City, its residents, and economic development in the City for the Board to manage and operate the sewer system and for the Board to maintain its ability to service the debt issued for sewer purposes; and

WHEREAS, in order to allow the Board to continue its operations on a sound financial footing, to encourage economic development, and to continue to provide adequate sewer services to the residents of the City at an economical price, the City desires to formalize its commitment to make the Sewer Payment to the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF DADEVILLE, ALABAMA, as follows:

The City hereby agrees that it will continue to make the Sewer Payment to the Board each month for a period continuing until the City adopts a resolution terminating such payment, which termination shall not occur before the Series 2012 Bonds (or any obligations issued in replacement or refunding thereof or in addition thereto) are paid in full. The Board shall be entitled to rely on the continued payment of the Sewer Payment for the period described.

Upon presentation of the foregoing Resolution in writing to the City Council, Councilperson Foster moved for its adoption, Councilperson Goodman seconded the motion, the Resolution was passed by majority vote, and the Mayor declared the Resolution passed.

Adopted this 13th day of May, 2014.

Patricia S. Potts Mayor P.S.
Mayor

ATTEST:

Robert A. Jordan
City Clerk