

MINUTES OF THE
BLANCHARD MAYOR AND TOWN COUNCIL
SPECIAL MEETING – JANUARY 25, 2011
6:30 O'CLOCK

Present: Mayor Pro Tem Lee, Alderpersons Ashby, Jones, and Prewett, Atty. Katherine Douthitt, Bond Atty. Jack Brown, Dave Cherry, David Yeates, and Town Clerk Debra Smith.

Absent: Mayor Digilormo and Alderperson Whittington.

Meeting called to order 6:40 p.m.

Motion by Jones to dispense with formalities, second by Ashby. All voted yea.

NEW BUSINESS

Resolution 3 of 2011 (application to Bond Commission for \$1.5M)

RESOLUTION 3 OF 2011

A resolution affirming the Town of Blanchard, State of Louisiana desire to issue an additional not to exceed One Million Five Hundred Thousand Dollar (\$1,500,000) Water Revenue Bonds and making application to the State Bond Commission for consent and authority to issue, sell and deliver not exceeding \$1,500,000 of Water Revenue Bonds, Series 2011, of the Town of Blanchard, State of Louisiana, all in the manner provided for by Part VII and/or Part XIII, Chapter 4, Title 39 and/or Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority and providing for other matters in connection therewith.

WHEREAS, on May 12, 2009 the Town of Blanchard, State of Louisiana adopted the attached resolution (the "Prior Resolution") declaring the intention of the Town of Blanchard, State of Louisiana to issue Water Revenue Bonds in an amount not to exceed \$15,500,000; and WHEREAS, on November 19, 2009 the Louisiana State Bond Commission granted approval to the Town of Blanchard, State of Louisiana to issue not to exceed \$14,000,000 Water Revenue Bonds (L09-326A); and

WHEREAS, on February 2, 2010 the Town of Blanchard, State of Louisiana issued \$1,000,000 Water Revenue Bond, Series 2010A and \$2,657,000 Water Revenue Bond, Series 2010B for a total of \$3,657,000 of Water Revenue Bonds; and

WHEREAS, it is the desire of the Town of Blanchard, State of Louisiana to issue an additional not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) Water Revenue Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen (the "Board"), acting as the governing authority of the Town of Blanchard, State of Louisiana, that:

SECTION 1. Prior Resolution. The Board hereby affirms the Prior Resolution.

SECTION 2. Additional Bonds. The Town of Blanchard hereby requests an increase of additional bonds from \$14,000,000 to \$15,500,000.

SECTION 3. Application to State Bond Commission. Application be and the same is hereby formally made to the State Bond Commission for consent and authority for the Town of Blanchard, State of Louisiana (the "Issuer"), to affirm the Town of Blanchard, State of Louisiana desire to issue an additional not to exceed One Million Five Hundred Thousand Dollar (\$1,500,000) Water Revenue Bonds to issue, sell and deliver not exceeding \$1,500,000 of

Water Revenue Bonds, Series 2011, of the Town of Blanchard, State of Louisiana (the "Bonds"), to bear interest at a rate or rates not exceeding six percent (6%) per annum, to mature at such time or times, all in the manner provided for by Part VII and/or Part XIII, Chapter 4, Title 39 and/or Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority and shall be secured by and payable from a pledge and dedication of net revenues derived from the operation of the Issuer's water system (the "System").

SECTION 4. Certified Copy of Resolution. A certified copy of this resolution shall be forwarded to said State Bond Commission by the Issuer's bond counsel, together with a letter requesting the prompt consideration and approval of this application.

SECTION 5. Declaration of Official Intent under Reg. 1.150-2. Prior to the issuance of the Water Revenue Bonds, the Issuer anticipates that it may pay a portion of the costs of construction and acquiring improvements, extensions and replacements to the System, including appurtenant equipment, accessories and properties, both personal and real, and costs related thereto, from other available funds. Upon issuance of the Water Revenue Bonds, the Issuer reasonably expects to reimburse said expenditures from the proceeds of the Water Revenue Bonds. Any such allocation of the proceeds of the Water Revenue Bonds for reimbursement will be with respect to capital expenditures as defined in Treasury Regulation 1.150(h) and will be made upon the delivery of the Water Revenue Bonds and not later than one year after the later date of (i) the date such expenditure was made or (ii) the date the improvements were placed in service. This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

SECTION 6. Employment of Bond Counsel. The Issuer hereby finds and determines that a real necessity exists for the employment of special bond counsel in connection with the issuance of the water revenue bonds, and accordingly Casten & Pearce, A.P.L.C., Bond Counsel of Shreveport, Louisiana, is hereby employed to do and perform comprehensive legal and coordinate professional work with respect to the issuance of the Water Revenue Bonds. Said special bond counsel shall prepare and submit to the Board of Aldermen as to the issuance and sale of the Water Revenue Bonds, and shall furnish their opinion covering the legality of the issuance thereof. The fee of special bond counsel in connection with the issuance of the Water Revenue Bonds is hereby fixed at a sum not to exceed the maximum fee allowed by the attorney General's fee guidelines of revenue bonds based on the principal amount of the Water Revenue Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses; provided, however, that said fee shall be contingent upon the sale, issuance and delivery of the Water Revenue Bonds.

SECTION 5. Employment of Financial Advisor. Government Consultants of Louisiana, Inc., Baton Rouge, Louisiana, is hereby appointed as financial advisor in connection with the Water Revenue Bonds, any compensation to be subsequently approved by the Issuer and to be paid from the proceeds of the Water Revenue Bonds and contingent upon the issuance of the Water Revenue Bonds; provided that no compensation shall be due to said financial advisor unless the Water Revenue Bonds are sold and delivered and all costs must be reasonable and approved by the Issuer.

SECTION 6. Authorization of Bond Counsel and Financial Advisor. The Bond Counsel and the Financial Advisor are hereby authorized and directed to take any further action in furtherance of this Resolution and the Bond Counsel is authorized and directed to prepare necessary documents appertaining thereto and to present them for further action by this Board.

SECTION 7. State Bond Commission Swap Policy. By virtue of Issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, it resolves that it understands and agrees that such approval is expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission

Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.”, adopted by the Commission on July 20, 2006, as to the borrowing and other matter subject to the approval, including subsequent application and approval under said Policy of the implementation or use of any swap or other product or enhancement covered thereby.

This Resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Ashby, Jones, Prewett

NAYS: None

ABSENT: Whittington

And Resolution 3 of 2011 was adopted on this 25th day of January, 2011.

Audit report year ending June 30, 2010—Sam Stevens

Mr. Stevens issued an unqualified opinion for the audit period ending June 30, 2010. Motion by Jones to accept report, second by Ashby. All voted yea.

Sewer Plant Expansion

Motion by Jones to set up conference call and explore sewer plant expansion options with the Department of Health and Hospitals (DHH). Second by Ashby. All voted yea.

Comments by Mayor

None. Motion by Prewett to adjourn, second by Jones. All voted yea. Meeting adjourned 6:55.

Patsy Lee, Mayor Pro Tem

Debra Smith, Town Clerk