

RESOLUTION NO. 200625

AUG 25 1970

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA, PROVIDING FOR THE SALE OF \$9,500,000 BONDS ON BEHALF OF CITY OF SAN DIEGO PENASQUITOS SEWER DISTRICT AND DIRECTING THE CITY CLERK TO PUBLISH NOTICE INVITING SEALED BIDS FOR SAID BONDS.

WHEREAS, a resolution providing for the issuance of \$9,500,000 Bonds on behalf of the City of San Diego Penasquitos Sewer District has been adopted; and

WHEREAS, it is desirable that said bonds be sold;

NOW, THEREFORE, the Council of The City of San Diego DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Said Bonds shall be sold and sealed bids for the purchase of said Bonds shall be received up to the time stated in the notice hereinafter set forth.

Section 2. The Clerk is hereby authorized and directed to publish said notice once in the Daily Transcript, a newspaper of general circulation published in said City. Said notice shall be substantially as follows:

NOTICE INVITING BIDS ON \$9,500,000
BONDS OF THE CITY OF SAN DIEGO
ISSUED ON BEHALF OF THE CITY OF
SAN DIEGO PENASQUITOS SEWER DISTRICT

NOTICE IS HEREBY GIVEN that sealed bids for the purchase of Bonds of the City of San Diego will be received by the Council of the City at the place and up to the time below specified:

TIME: Tuesday, October 6, 1970
10:00 o'clock A.M.

PLACE: Office of the City Clerk
12th Floor, City Hall
202 C Street
San Diego, California

MAILED BIDS: City Clerk
at the above address

OPENING OF BIDS: The bids will be opened at the time and place above specified and will be presented to the Council of the City at its meeting held October 6, 1970, at 10:00 o'clock A.M.

ISSUE:

Name: "City of San Diego Penasquitos Sewer
District, 1970 Sewer Bonds, Series A."

Amount: \$9,500,000.

Denomination: Bearer Bonds shall be in the denomination of \$5,000 each and Fully Registered Bonds shall be in the denomination of \$5,000 each or any multiple thereof.

200625

Dated: November 1, 1970.

Maturities: The Bonds shall mature and be payable on May 1 in each year of maturity in the amounts for each of the several years as follows:

<u>May 1 of</u>	<u>Maturing Principal Amount</u>
1973	\$150,000
1974	250,000
1975	350,000
1976	450,000
1977 and 1978	550,000
1979 through 1990	600,000

Next Sale: It is not intended that additional bonds be sold prior to July 1, 1971.

INTEREST: The Bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 8% per annum, payable annually the first year on November 1, 1971, and semiannually thereafter.

PAYMENT: Said Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the Treasurer of the City in the City or at the main offices of the Bank of America National Trust and Savings Association in the Cities of San Diego, Los Angeles or San Francisco, California, or at the office of any paying agent of the City in the Cities of Chicago, Illinois, or New York, New York, at the option of the holder.

REGISTRATION, DISCHARGE AND EXCHANGE: There are two forms of Bonds provided for by the Resolution of

Issuance: (1) Bonds issued in negotiable form payable to bearer with negotiable coupons ("Bearer Bonds"); and (2) Bonds issued in non-negotiable form payable only to the registered owner ("Fully Registered Bonds"). The Bearer Bonds are not registrable other than by exchange for Fully Registered Bonds.

A Bearer Bond may be registered by exchanging the same for a Fully Registered Bond. A Fully Registered Bond may be exchanged for a Bearer Bond. Transfer of ownership of a Fully Registered Bond shall be made by exchanging the same for a new Fully Registered Bond. All of such exchanges shall be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by the City; provided, however, no such exchange shall be made between the tenth day preceding any interest payment date and such interest payment date. The first such exchange shall be free of any costs or charges to the person, firm or corporation requesting such exchange, and thereafter the City may impose a charge not exceeding \$5.00 per Bond for each such exchange, the above to be exclusive of any tax or governmental charge that may be imposed in connection with such exchange.

REDEMPTION: The Bonds maturing on or prior to May 1, 1982, shall not be subject to call or redemption prior to maturity. The Bonds maturing on or after May 1, 1983, or any of them, may be called before maturity and redeemed at the option of the City on May 1, 1982, or on

any interest payment date thereafter prior to maturity, at a redemption price for each redeemable bond equal to the principal amount thereof, plus a premium of one-half of one per cent for each year or fraction of a year from the redemption date to the maturity date. All or any of the Bonds subject to call may be called for redemption at any one time. If less than all of the Bonds are redeemed at any one time, such Bonds shall be redeemed only in inverse order of maturity within a maturity by lot.

PURPOSE OF ISSUE: The Bonds were authorized for the purpose of acquiring, constructing, completing and financing works, improvements and facilities for the collection, treatment and disposal of sewage, including interceptor and trunk sewers, pumping plant, appurtenances and appurtenant works benefiting the City of San Diego Penasquitos Sewer District.

SECURITY: Said Bonds are issued pursuant to the Charter of the City of San Diego and an ordinance adopted pursuant thereto entitled the "San Diego Utility Improvement Districts Procedural Ordinance." Pursuant to said Ordinance, the Bonds shall not be general obligations of the City, nor shall the credit of the City or the property or revenue of any public utility owned by the City be pledged for the payment thereof. The Bonds shall be special obligations of and be issued on behalf of the City of San Diego Penasquitos Sewer District, and taxes for the payment of

the interest on the Bonds and the principal thereof shall be levied exclusively upon the taxable land in the City of San Diego Penasquitos Sewer District without limitation as to rate or amount.

At the time of making the general tax levy after the issuance of the Bonds and annually thereafter until the Bonds are paid or until there is a sum in the Treasury of the City set apart for that purpose sufficient to meet all payments of principal and interest on the Bonds as they become due, the Council shall cause a tax to be levied exclusively upon the land in the City of San Diego Penasquitos Sewer District sufficient to pay the interest on the Bonds and such part of the principal as will become due before the proceeds of such a tax levied at the next general tax levy will be available. Such tax shall be levied and collected at the same time as other City taxes, and shall be used only for the payment of interest on and principal of the Bonds. Taxes for the payment of such Bonds shall constitute a lien on all of the taxable land within the City of San Diego Penasquitos Sewer District. Such liens shall be of the same force and effect as other liens for City taxes and their collection may be enforced by the same means as provided for the enforcement of liens for other City taxes. This shall not be deemed to prevent the City Council from using any funds of the City which are attributable to the City of San Diego Penasquitos Sewer District for payment of such principal and interest, and to the extent that such funds are in the treasury set apart for that purpose, the required tax need not be levied.

TERMS OF SALE

Interest Rate: The maximum rate bid may not exceed 8% per annum, payable annually the first year (on November 1, 1971) and semiannually thereafter. Each rate bid must be a multiple of 1/20 of 1%. No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same rate. Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. Only one coupon will be attached to each Bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The rate on any maturity or group of maturities shall not be less than the rate on any preceding maturity or group of maturities.

Discount: The bid may be at or less than the par value of the Bonds. Any discount bid may not exceed 2% of the principal amount of the Bonds.

Award: The Bonds shall be sold for cash only. All bids must be for not less than all of the Bonds hereby offered for sale, and each bid shall state that the bidder offers par and accrued interest to the date of delivery, the premium, if any, or the discount, if any, as the case may be, and the interest rate or rates not to exceed those specified herein, at which the bidder offers to buy said Bonds. Each bidder shall state in his bid the total net

interest cost in dollars and the average net interest rate determined thereby, which shall be considered informative only and not a part of the bid.

Highest Bidder: The Bonds will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium or discount offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) or adding the amount of the discount bid (if any), as the case may be, from the total amount of interest which will be required to be paid from the date of said Bonds to the respective maturity dates thereof at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the City. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery computed on a 360-day year basis. The cost of printing the Bonds will be borne by the City.

Right of Rejection: The City reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

Prompt Award: The City will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the time herein prescribed for the receipt of bids; provided that the award may be made after the expiration of the specified time if the bidder shall not have given to the City notice in writing of the withdrawal of such proposal.

200625

Place of Delivery: Delivery of said Bonds will be made to the successful bidder at the office of the City Treasurer of the City in the City of San Diego, California, or at any other place agreed upon by the purchaser and the City Treasurer.

Prompt Delivery; Cancellation for Late Delivery: It is expected that said Bonds will be delivered to the successful bidder within 30 days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the City shall fail to execute the Bonds and tender them for delivery within 60 days from the date herein fixed for the receipt of bids, and in such event the successful bidder shall be entitled to the return of the check accompanying his bid.

Form of Bid: Each bid, together with the bid check, must be in a sealed envelope, addressed to the City with the envelope and bid clearly marked "Bid for City of San Diego Penasquitos Sewer District, 1970 Sewer Bonds, Series A."

Bid Check: A certified or cashier's check on a responsible bank or trust company in the amount of \$100,000 payable to the order of the City must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said Bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price or, if

such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of the City, shall then be cashed and the proceeds retained by the City. The check accompanying each unaccepted proposal will be returned promptly.

Change in Tax Exempt Status: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw the proposal if the interest received by the private holders from bonds of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable by the terms of any federal income tax law enacted subsequent to the date of this notice, or shall be declared taxable, or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this notice.

Legal Opinion: The unqualified opinion of O'Melveny & Myers, attorneys, approving the validity of said Bonds will be furnished the successful bidder at or prior to the time of delivery of the Bonds, at the expense of the City. A copy of such opinion, certified by an officer of the City by his facsimile signature will be printed on the back of each Bond. No charge will be made to the purchaser for such printing or certification.

No Litigation Certificate: At the time of payment for and delivery of said Bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

INFORMATION AVAILABLE: Requests for information concerning the Bonds, the City and the City of San Diego Penasquitos Sewer District should be addressed to:

Mr. Gordon Feeley
City Treasurer
City Hall
202 C Street
San Diego, California,
92101

OR

Bartle Wells Associates
260 California Street
San Francisco,
California 94111

GIVEN by order of the City Council of the City of San Diego Penasquitos Sewer District adopted _____
August 25, 1970.

JOHN LOCKWOOD,

City Clerk of the City of San Diego

Section 3. The City Clerk is hereby authorized and directed to publish said notice (or an advertisement referring thereto) once in the BOND BUYER, a financial journal published in New York, New York, but failure to publish said notice or advertisement in the BOND BUYER or any defect in such publication shall not invalidate or in any manner affect the proceedings for the sale of the Bonds.

APPROVED: JOHN W. WITT, City Attorney

By 
Clifton E. Reed, Deputy

104-b

AUG 25 1970

Passed and adopted by the Council of The City of San Diego on _____, by the following vote:

RECEIVED
CITY CLERK'S OFFICE
1970 AUG 24 PM 4:04

SAN DIEGO, CALIF.

Councilmen	Yeas	Nays	Excused	Absent
Helen Cobb	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sam T. Loftin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Landt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Allen Hitch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mike Schaefer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Frank Curran	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

FRANK CURRAN

Mayor of The City of San Diego, California.

(Seal)

JOHN LOCKWOOD

City Clerk of The City of San Diego, California.

By Erla P. Hamel, Deputy. *ER*

Office of the City Clerk, San Diego, California

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Number

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