

RESOLUTION NUMBER R- 305762

DATE OF FINAL PASSAGE APR 23 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO AN ISSUE OF WATER REVENUE BONDS, REFUNDING SERIES 2010A (PAYABLE SOLELY FROM INSTALLMENT PAYMENTS SECURED BY NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO); AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers local agencies to form a joint powers authority, separate and apart from the contracting parties, and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers such an authority to issue bonds for the purpose of financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits to local agencies, and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code authorizes and empowers such an authority to issue bonds to refund bonds issued by local agencies; and

WHEREAS, the City of San Diego, California [City], with the cooperation of the Public Facilities Financing Authority of the City of San Diego [Authority], a California joint exercise of powers entity duly organized under the laws of the State of California [State], has proposed the issuance of the Authority's Water Revenue Bonds, Refunding Series 2010A (Payable Solely from Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City of San Diego) [2010A Bonds] in order to finance and refinance certain capital facilities improvements for the Water System of the City [Water System], as hereinafter described; and

WHEREAS, the 2010A Bonds will be authorized under a separate Ordinance submitted to and considered by this City Council [Ordinance], which Ordinance provides for, among other things, the conditions attendant to the issuance of one or more series of Water Revenue Refunding Bonds [Water Refunding Bonds], including the 2010A Bonds, as opportunities are presented to lower financing costs, if economical or otherwise on terms beneficial to the City and its residents and the use of the proceeds of such Water Refunding Bonds, including the 2010A Bonds, to refund, on an advance refunding basis, between the date hereof and June 30, 2011, a portion of the City's obligations with respect to the \$286,945,000 Subordinated Water Revenue Bonds, Series 2002 (Payable Solely From Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) [2002 Subordinated Bonds], to prepay, on a current refunding basis, between the date hereof and June 30, 2011, all or a portion of the City's outstanding obligations with respect to the \$385,000,000 Certificates of Undivided Interest (In Installment Payments Payable from Net System Revenues of the Water Utility Fund of the City of San Diego, California) Series 1998 [1998 Certificates], to fund a debt service reserve fund for the Water Refunding Bonds, and to pay the costs of issuance incurred in connection with the issuance of the Water Refunding Bonds; and

WHEREAS, the City and the Authority propose to enter into a Bond Purchase Agreement [Bond Purchase Agreement] with Morgan Stanley & Co. Incorporated, as Representative of certain designated underwriters [collectively, Underwriters] of the 2010A Bonds named therein; and

WHEREAS, there has been presented to this meeting a proposed form of the Bond Purchase Agreement, a copy of which is on file in the Office of the City Clerk as Document Number RR 305762; and

WHEREAS, the City is authorized to undertake the actions described in this Resolution pursuant to its Charter and the Constitution and applicable laws of the State; NOW, THEREFORE,

BE IT RESOLVED by the City Council of The City of San Diego, as follows:

Section 1. This City Council hereby finds and determines that the statements set forth above in the recitals of this Resolution are true and correct.

Section 2. The form, terms, and provisions of the Bond Purchase Agreement are hereby approved. The Chief Operating Officer of the City [Chief Operating Officer] and the Chief Financial Officer of the City [Chief Financial Officer], and their specified designees, and each of them, acting alone, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Bond Purchase Agreement in substantially the form submitted to this meeting, with such additions and changes therein as the Chief Operating Officer or the Chief Financial Officer shall determine are necessary or desirable and approve as being in the best interests of the City, and as approved as to form by the City Attorney of the City [City Attorney], or his specified designee, and with such other changes as may be required or requested by Goodwin Procter, LLP, as Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the 2010A Bonds does not exceed the parameters set forth in the Ordinance, that the advance refunding of all or a portion of the outstanding 2002 Subordinated Bonds eligible to be advance refunded [Refunded 2002 Subordinated Bonds] shall be effected through the issuance and sale of the 2010A Bonds so long as such refunding demonstrates net present value debt service savings of no less than four percent (4.0%) of the principal amount of the Refunded 2002 Subordinated Bonds, and that the prepayment of all or a portion of the outstanding 1998

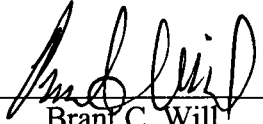
Certificates [Refunded 1998 Certificates] shall be effected through the issuance and sale of the 2010A Bonds so long as such prepayment occurs within ninety (90) days of the issuance of the 2010A Bonds and demonstrates net present value debt service savings of no less than three percent (3.0%) of the principal amount of the Refunded 1998 Certificates.

Section 3. The City Attorney is hereby authorized to appoint Goodwin Procter LLP as Bond Counsel and Disclosure Counsel for the City and as Counsel to the Corporation in connection with the issuance of the 2010A Bonds. The City Attorney or his specified designee is further authorized to pay the fees and expenses of Goodwin Procter LLP, as Bond Counsel and Disclosure Counsel for the City and as Counsel to the Corporation in connection with the issuance of the 2010A Bonds, in an amount not to exceed \$80,000, in addition to an amount not to exceed \$5,000 for reasonable out-of-pocket expenses.

Section 4. All actions heretofore taken by any officers, employees, or agents of the City with respect to the issuance, delivery, or sale of the 2010A Bonds are hereby approved, confirmed and ratified; and the Chief Operating Officer, the Chief Financial Officer, the City Attorney and any such other officers, employees, or agents of the City as may be authorized by the Mayor of the City, the Chief Operating Officer or the Chief Financial Officer are hereby authorized and directed, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including, without limitation, pay necessary and appropriate fees and expenses, and execute and deliver any and all certificates, agreements and other documents

which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with this Resolution.

APPROVED: JAN I. GOLDSMITH, City Attorney

By:   
Brant C. Will  
Deputy City Attorney

BCW:jdf  
03/22/2010  
Or.Dept:Debt Mgmt.  
R-2010-675

I hereby certify that the foregoing Resolution was passed by the Council of The City of San Diego, at this meeting of APR 19 2010.

ELIZABETH S. MALAND  
City Clerk

By:   
Deputy City Clerk

Approved: 4-23-10  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor