

#, 331
6/16/15

(O-2015-121)

ORDINANCE NUMBER O- 20506 (NEW SERIES)

DATE OF FINAL PASSAGE JUN 16 2015

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO PURSUANT TO SAN DIEGO CHARTER SECTION 99 (I) APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE (A) SUPPLEMENTAL INDENTURES, (B) SUPPLEMENTS TO MASTER INSTALLMENT PURCHASE AGREEMENT, (C) ESCROW AGREEMENTS, AND (D) CONTINUING DISCLOSURE CERTIFICATES; (II) APPROVING AND AUTHORIZING THE ISSUANCE AND SALE BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO OF ONE OR MORE SERIES OF ITS SENIOR SEWER REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$848,080,000 TO REFUND ALL OR A PORTION OF THE OUTSTANDING PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO SENIOR SEWER REVENUE BONDS AND/OR ALL OR A PORTION OF THE LOANS PROVIDED TO THE CITY BY THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD TO ACHIEVE SAVINGS; AND (III) APPROVING CERTAIN OTHER AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, California Government Code, Article 1 of Chapter 5 of Division 7 of Title 1 authorizes and empowers local agencies to form a joint powers authority and California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 (Mark-Roos Local Bond Pooling Act of 1985) authorizes and empowers such an authority to issue bonds for the purpose of financing and refinancing public capital improvements or projects to further public purposes and effect significant public benefit, as determined by the local agency; and

WHEREAS, the City of San Diego (City), the City as Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego have heretofore entered into a Third Amended and Restated Joint Exercise of Powers

Agreement, dated as of January 1, 2013 (Joint Powers Agreement), which created and established the Public Facilities Financing Authority of the City of San Diego (Authority) for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the City to finance and refinance public capital improvements; and

WHEREAS, the Authority has previously issued and currently has outstanding \$378,115,000 aggregate principal amount of its Senior Sewer Revenue Bonds, Series 2009A, \$435,490,000 aggregate principal amount of its Sewer Revenue Refunding Bonds, Series 2009B, and \$161,930,000 aggregate principal amount of its Sewer Revenue Refunding Bonds, Series 2010A (collectively, Outstanding Senior Sewer Bonds), which were issued pursuant to an Indenture dated as of May 1, 2009 (Original Indenture), supplemented by a First Supplemental Indenture dated as of June 1, 2009 and a Second Supplemental Indenture dated as of April 1, 2010 (the Original Indenture, as so supplemented, is referred to herein as the Indenture), each by and between the Authority and the trustee referred to therein (Trustee), to finance and refinance various components of the Wastewater System (as defined in the hereinafter defined Master Installment Purchase Agreement); and

WHEREAS, the California State Water Resources Control Board (Water Control Board) has previously provided the City several loans to finance various components of the Wastewater System (collectively, Outstanding SRF Loans); and

WHEREAS, from time to time there exist interest rate environments that create savings opportunities through refunding all or a portion of the Outstanding Senior Sewer Bonds and/or all or a portion of the Outstanding SRF Loans; and

WHEREAS, the City has determined to refund now or in the future all or a portion of the Outstanding Senior Sewer Bonds and/or all or a portion of the Outstanding SRF Loans through

the issuance by the Authority of one or more series of Senior Sewer Revenue Refunding Bonds (Senior Sewer Refunding Bonds) as opportunities are presented to lower financing costs; and

WHEREAS, the City's Debt Policy provides that the City will consider a refunding only when there is a net economic benefit (i.e., when there is an aggregate net present value savings, expressed as a percentage of the par amount of the refunded bonds, at 3% and above for a current refunding, and 4% and above for an advance refunding); and

WHEREAS, in connection with refunding certain of the Outstanding Senior Sewer Bonds it may be necessary to place proceeds of Senior Sewer Refunding Bonds into escrow until such time as the Outstanding Senior Sewer Bonds can be called for redemption; and

WHEREAS, the City and the Authority are parties to a Master Installment Purchase Agreement dated as of September 1, 1993, as amended and supplemented (Master Installment Purchase Agreement), pursuant to which the Authority sells to the City, and the City purchases from the Authority, components of the Wastewater System, which payments from the City secure the Authority's Outstanding Senior Sewer Bonds and the City's Outstanding SRF Loans; and

WHEREAS, to provide for payment of the Outstanding Senior Sewer Bonds, the City's Outstanding SRF Loans and the Senior Sewer Refunding Bonds, the City and the Authority will provide for installment payments by entering into one or more new Supplements to the Master Installment Purchase Agreement; and

WHEREAS, the Council of the City of San Diego (Council) finds that the refinancing of the Wastewater System results in significant public health benefits, including but not limited to

more efficient delivery of service, and that the Wastewater System constitutes facilities for the transmission and treatment of sewage, recycled or reclaimed water, and wastewater; and

WHEREAS, the Council finds it prudent to be ready to act quickly to refund all or a portion of the Outstanding Senior Sewer Bonds and/or all or a portion of the Outstanding SRF Loans at such times as the interest rate market will provide savings by approving at this time the necessary documents and the issuance of Senior Sewer Refunding Bonds; and

WHEREAS, the Council made the aforementioned determinations after holding a public hearing on the date hereof and hearing all interested persons desiring to be heard; and

WHEREAS, a notice of public hearing concerning the adoption of this Ordinance was duly published once at least five days prior to such hearing in a newspaper of general circulation in the City; and

WHEREAS, in order to accomplish the refunding of all or a portion of the Outstanding Senior Sewer Bonds and/or all or a portion of the Outstanding SRF Loans and to achieve such public purposes, and to timely issue bonds when savings are available, the City has determined to request and approve the Authority's issuance of not to exceed \$848,080,000 aggregate principal amount of Senior Sewer Refunding Bonds, in one or more series, pursuant to the Mark-Roos Local Bond Pooling Act of 1985; and

WHEREAS, the City has determined that it is in its best interest to request the Authority to amend certain provisions of the Indenture, including, but not limited to, the provisions related to the reserve fund and permitted investments; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Senior Sewer Refunding Bonds:

(a) a proposed form of Supplement to the Master Installment Purchase Agreement (Supplement) between the Authority and the City, a copy of which is on file in the Office of the City Clerk as Document No. OO- ~~20506~~⁻¹ under which the City will make installment payments to the Authority to support the Senior Sewer Refunding Bonds; and

(b) a proposed form of Supplemental Indenture (Supplemental Indenture) between the Authority and the Trustee, a copy of which is on file in the Office of the City Clerk as Document No. OO- ~~20506~~⁻² under which the Authority will issue its Senior Sewer Refunding Bonds and pursuant to which certain amendments will be made to the Indenture; and

(c) a proposed form of Escrow Agreement (Escrow Agreement) among the City, the Authority and the escrow agent named therein, a copy of which is on file in the Office of the City Clerk as Document No. OO- ~~20506~~⁻³ under which the proceeds of the Senior Sewer Refunding Bonds may be held pending the redemption dates of the Outstanding Senior Sewer Bonds; and

(d) a proposed form of Continuing Disclosure Certificate (Continuing Disclosure Certificate) of the City, a copy of which is on file in the Office of the City Clerk as Document No. OO- ~~20506~~⁻⁴ and

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

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

Section 1. The Council hereby finds and determines that the statements set forth above in the recitals to this Ordinance are true and correct.

Section 2. The Council hereby finds that the refinancing of components of the Wastewater System as set forth in the recitals to this Ordinance will provide significant public benefits in accordance with the criteria specified in California Government Code section 6586.

Section 3. The City has determined it is in the best interests of the City to be prepared to advance refund, between now and June 30, 2017, such Outstanding Senior Sewer Bonds as will, in the aggregate, create a net present value savings equal to or greater than 4% of the principal amount of Outstanding Senior Sewer Bonds to be advance refunded through the issuance by the Authority of Senior Sewer Refunding Bonds, in one or more series, not later than June 30, 2017 through one or more issuances pursuant to one or more Supplemental Indentures, which Senior Sewer Refunding Bonds will be payable from installment payments made by the City in accordance with one or more Supplements to the Master Installment Purchase Agreement.

Section 4. The City has determined it is in the best interests of the City to be prepared to current refund, between now and June 30, 2017, such Outstanding SRF Loans as will, in the aggregate, create a net present value savings equal to or greater than 3% of the principal amount of Outstanding SRF Loans to be current refunded through the issuance by the Authority of Senior Sewer Refunding Bonds, in one or more series, not later than June 30, 2017 through one or more issuances pursuant to one or more Supplemental Indentures, which Senior Sewer Refunding Bonds will be payable from installment payments made by the City in accordance with one or more Supplements to the Master Installment Purchase Agreement.

Section 5. The form and content of the form of Supplement to the Master Installment Purchase Agreement between the Authority and the City, a copy of which is on file in the Office of the City Clerk as Document No. OO-20506¹ and submitted to this meeting is hereby

approved. Any of the Mayor, the Chief Operating Officer or the Chief Financial Officer and each of them or any of their respective/designees (each, an Authorized Signatory) is hereby severally authorized and directed, for and in the name of and on behalf of the City, to execute and deliver one more Supplements, in conjunction with one or more issuances of Senior Sewer Refunding Bonds, in one or more series, in substantially the form submitted to this meeting, and the City Clerk or his or her specified designees, and each of them, is authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall approve as being in the best interests of the City, and as approved as to form by the City Attorney or his or her specified designee, and with such other changes that may be required by the City Attorney and/or Bond Counsel (Bond Counsel), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form and content of the form of Supplemental Indenture submitted to this meeting, a copy of which is on file in the Office of the City Clerk as Document No. OO-20506⁻² is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver any requested certificate or instrument evidencing the City's approval of one or more Supplemental Indentures and the Authority is hereby requested to execute and deliver one or more Supplemental Indentures, in conjunction with one or more issuances of Senior Sewer Refunding Bonds, in one or more series, in substantially the form presented to this meeting, with such additions and changes therein as any Authorized Signatory shall approve as being in the best interests of the City, and as approved as to form by the City Attorney or his or her specified designee, and with such other changes that may be required by the City Attorney and/or Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The City hereby authorizes and approves and requests the Authority authorize and approve the advance refunding of all or a portion of the Outstanding Senior Sewer Bonds and/or the current refunding of all or a portion of the Outstanding SRF Loans through the issuance and sale by the Authority of Senior Sewer Refunding Bonds, in one or more series, through one or more issuances in an aggregate principal amount not to exceed \$848,080,000 by public offering now or in the future provided that: (i) any refunding of the Outstanding Senior Sewer Bonds must create in the aggregate net present value savings equal to or greater than 4% of the principal amount of the Outstanding Senior Sewer Bonds to be refunded; (ii) any refunding of the Outstanding SRF Loans must create in the aggregate net present value savings equal to or greater than 3% of the principal amount of the Outstanding SRF Loans to be refunded; (iii) there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement; and (iv) such Senior Sewer Refunding Bonds shall be issued on or before June 30, 2017.

Section 8. The form and content of the proposed Escrow Agreement submitted to this meeting, a copy of which is on file in the Office of the City Clerk as Document No. OO ~~20506~~⁻³ is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver one or more Escrow Agreements as may be necessary in a refunding of certain of the Outstanding Senior Sewer Bonds in substantially the form presented to this meeting, with such additions and changes therein as any Authorized Signatory shall approve as being in the best interests of the City, and as approved as to form by the City Attorney or his or her specified designee, and with such other changes that may be required by the City Attorney and/or Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The form and content of the Continuing Disclosure Certificate containing undertakings by the City meeting the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission submitted to this meeting, a copy of which is on file in the Office of the City Clerk as Document No. OO-~~20506~~⁻⁴ is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver one or more Continuing Disclosure Certificates in substantially the form presented to this meeting, and the City Clerk is authorized to attest thereto, with such additions and changes therein as any Authorized Signatory shall approve as being in the best interests of the City, and as approved as to form by the City Attorney or his or her specified designee, and with such other changes that may be required by the City Attorney and/or Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the Senior Sewer Refunding Bonds, the refunding and redemption of the Outstanding Senior Sewer Bonds, the refunding and prepayment of the Outstanding SRF Loans, or the refinancing of the Wastewater System, or in connection with or related to any of the documents approved herein or of the other documents referenced herein or related to consummating the refunding of the Outstanding Senior Sewer Bonds and the refunding of the Outstanding SRF Loans, are hereby approved, confirmed and ratified. Any Authorized Signatory and any such other officers, employees or agents of the City as may be authorized by the Mayor, the Chief Operating Officer or the Chief Financial Officer, and each of them acting alone, is 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, from time to time, consistent with this Ordinance and the documents approved herein and other documents

authorized by this Ordinance, including, without limitation, payment of necessary and appropriate fees and expenses of bond counsel, disclosure counsel, municipal advisor and other professionals retained by the City, and execute and deliver any and all certificates, agreements and other documents (including, but not limited to, the tax compliance certificate and any amendments or supplements to the financing documents executed in connection with the original issuance of the Outstanding Senior Sewer Bonds and/or the original incurrence of the Outstanding SRF Loans) 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 Ordinance; provided that any funds derived from the proposed refinancing of the Wastewater System shall be restricted to benefit the Wastewater System. In addition, any Authorized Signatory is hereby authorized to approve additions and changes to the documents authorized by this Ordinance (including, but not limited to, establishing or changing the size of any reserve fund securing an applicable series of Senior Sewer Refunding Bonds, and establishing the redemption provisions of each series of the Senior Sewer Refunding Bonds, if believed by the Chief Operating Officer of the City or the Chief Financial Officer of the City, with the advice of the City's municipal advisor for the applicable series of Senior Sewer Refunding Bonds, to be in the best interest of the City in light of market conditions, such determination to be conclusively evidenced by the execution and delivery of the documents authorized by this Ordinance by the City), as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the City, such determination shall be conclusively evidenced by the execution and delivery of such documents by the City; and provided further that no such addition or changes may be inconsistent with the limitations set forth in Section 7 hereof.

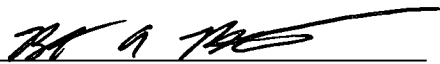
Section 11. Any Authorized Signatory, and each of them, is hereby authorized and directed to take all actions and execute any and all documents necessary or advisable to arrange for the insuring of all or a portion of the Senior Sewer Refunding Bonds or obtain a debt service reserve fund surety bond, or obtain any other form of credit or liquidity enhancement, if, upon consultation with and advice of the City's municipal advisor with respect to the Senior Sewer Refunding Bonds, such insurance, surety bond or other credit or liquidity enhancement is beneficial to the City.

Section 12. This Ordinance is subject to the provisions of the San Diego Municipal Code and San Diego City Charter. Subject to those provisions, this Ordinance shall take effect and be in force 30 days from and after the date of its adoption and, prior to the expiration of 15 days from the passage hereof, the City Clerk shall cause this Ordinance to be published at least once in the San Diego Daily Transcript, a newspaper of general circulation, published and circulated in the City.

Section 13. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been available to the Council and the public prior to the day of its passage.

Section 14. That this Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Bret A. Bartolotta
Deputy City Attorney

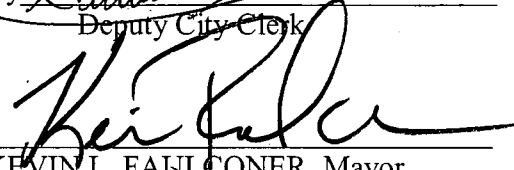
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05/19/15
Or.Dept: Debt Management
Doc. No.: 991519

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 6/16/2015.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/16/15
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 16 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 16 2015

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By [Signature], Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 01 2015

JUN 16 2015

, and on _____.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By [Signature], Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20506