

ORDINANCE NUMBER O- 20635 (NEW SERIES)

DATE OF FINAL PASSAGE APR 05 2016

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO (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 WATER REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$835,000,000 TO PROVIDE NET BOND PROCEEDS UP TO \$80,000,000 TO FINANCE ADDITIONAL CAPITAL IMPROVEMENTS TO THE WATER SYSTEM AND TO REFUND ALL OR A PORTION OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO WATER 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, The City of San Diego, California (City), and the Redevelopment Agency of the City of San Diego entered into a Joint Exercise of Powers Agreement, dated as of May 14, 1991, as amended and restated as of January 11, 1999, and as again amended and restated on October 29, 2002, and as again amended and restated as of January 1, 2013 to include the Housing Authority of the City of San Diego (Housing Authority) as member, establishing the Public Facilities Financing Authority of the City of San Diego (Authority), a California joint exercise of powers authority duly organized to provide financial assistance to the City; and

WHEREAS, the San Diego Facilities and Equipment Leasing Corporation (Corporation) is a nonprofit public benefit corporation duly organized and existing under and by virtue of the

laws of the State of California that was incorporated to provide financial assistance to the City;  
and

WHEREAS, in order to effect the design, acquisition, construction and installation of improvements to the City's water system (Water System), the Corporation sold components of the City's water system improvement project to the City pursuant to an Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, a 2009A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, a 2009B Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2009, a 2010A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2010, and a 2012A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of April 1, 2012, and as may be subsequently supplemented from time to time (collectively, the Installment Purchase Agreement), each by and between the City and the Corporation, pursuant to which the Corporation has agreed to sell certain improvements and additions (comprised of various components, each, a Component) to the Water System and the City has agreed from time to time to purchase certain Components as specified in certain supplements to the Installment Purchase Agreement; and

WHEREAS, in connection with the execution and delivery of each prior supplement, the Authority issued a series of its Water Revenues Bonds under an Indenture, dated as of January 1, 2009, as supplemented and amended by that certain First Supplemental Indenture, dated as of June 1, 2009, that certain Second Supplemental Indenture, dated as of June 1, 2010, and that certain Third Supplemental Indenture, dated as of April 1, 2012 (as amended and supplemented, the Indenture), each by and between the Authority and U.S. Bank National Association, or any successor or substitute trust company or bank having trust powers, as trustee (Trustee), each with

an appropriate series, lien, and purpose designation (as currently outstanding, the Outstanding Parity Water Revenue Bonds and Outstanding Subordinated Water Revenue Bonds respectively); and

WHEREAS, the City has installment purchase obligations in connection with the following revenue bonds: the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2009A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund), of which \$148,055,000 is currently outstanding; the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Series 2009B (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund), of which \$293,925,000 is currently outstanding; the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2010A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund), of which \$123,075,000 is currently outstanding; and the Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Refunding Series 2012A (Payable Solely From Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund), of which \$135,970,000 is currently outstanding; and outstanding Drinking Water State Revolving Fund loans (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 Parity Water Revenue Bonds, the Outstanding Subordinated Water Revenue Bonds and/or all or a portion of the outstanding SRF Loans; and

WHEREAS, the City will request the Authority's assistance in effecting the advance refunding and redemption of all or a portion of the Outstanding Parity Water Revenue Bonds, the

advance refunding and redemption of all or a portion of the Outstanding Subordinated Water Revenue Bonds, the current refunding and prepayment of all or a portion of the outstanding SRF Loans (collectively, the Refunded Obligations), to achieve savings and/or to finance the design, acquisition, construction, installation, and improvement of components of the Water System including, without limitation, the reimbursement of such costs (collectively, the New Money Projects), in each case if economical or otherwise on terms beneficial to the City and its residents; and

WHEREAS, with respect to the New Money Projects, by Resolution Number R-309971, enacted on September 24, 2015, the City Council declared its intent to use proceeds of indebtedness to reimburse itself for eligible expenditures in accordance with section 1.150-2 of Treasury Regulations; and

WHEREAS, the City has determined to approve and request that the Authority authorize and approve one or more series, between now and June 30, 2018, of its Water Revenue Bonds, payable from senior or subordinated Installment Payments secured by Net System Revenues of the Water Utility Fund as may be specified in one or more Supplements to the Installment Purchase Agreement (Water Revenue Bonds) to finance additional capital improvements to the Water System and/or to refund all or a portion of the Outstanding Parity Water Revenue Bonds, the Outstanding Subordinated Water Revenue Bonds and/or all or a portion of the outstanding SRF Loans to achieve savings as opportunities are presented to lower financing costs, if economical or otherwise on terms beneficial to the City and its residents; 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, the Installment Purchase Agreement, as amended, provides that each Supplement shall specify either a senior or subordinate pledge of Net System Revenues (as defined in the Installment Purchase Agreement) and this Ordinance will authorize the execution and delivery of one or more Supplements in conjunction with one or more issuances of Water Revenue Bonds, in one or more series and on one or more sale dates, each making such pledge as any Authorized Signatory (as defined below) shall determine to be necessary or desirable and approve as being in the best interests of the City; and

WHEREAS, the Indenture, as amended, provides that each Supplemental Indenture shall specify the issuance of Parity Water Revenue Bonds or Subordinated Water Revenue Bonds secured by and payable from Revenues secured, respectively, by either a senior or subordinate pledge of Net System Revenues (as defined in the Installment Purchase Agreement) and this Ordinance will authorize the execution and delivery of one or more Supplemental Indentures in conjunction with one or more issuances of Water Revenue Bonds, for the purposes of refunding or new money purposes or both, in one or more series and on one or more sale dates, each making such pledge as any Authorized Signatory shall determine to be necessary or desirable and approve as being in the best interests of the City; and

WHEREAS, in connection with refunding certain of the Outstanding Parity Water Revenue Bonds and Outstanding Subordinated Water Revenue Bonds it may be necessary to place proceeds of Water Revenue Bonds into escrow until such time as the Outstanding Parity Water Revenue Bonds and/or all or a portion of the Outstanding Subordinated Water Revenue Bonds can be called for redemption; and

WHEREAS, to provide for the payment of Water Revenue Bonds as described in this Ordinance the City and the Corporation, will provide for installment payments by entering into one or more new Supplements to the Installment Purchase Agreement; and

WHEREAS, this City Council finds it prudent to be ready to act quickly to refund all or a portion of the Refunded Obligations at such times as the interest rate market will provide savings by approving at this time the necessary documents and the issuance of one or more series of Water Revenue Bonds; and

WHEREAS, the City has further 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, pursuant to the San Diego Municipal Code, including Section 22.4108 (as amended by Ordinance No. O-19320), the Disclosure Practices Working Group (the DPWG) is required to review disclosure documents of the City and related entities, and DPWG is required to review and approve a proposed form of Preliminary Official Statement for the Water Revenue Bonds (Preliminary Official Statement), for each such series and issuance, in accordance with the applicable Disclosure Controls and Procedures; and

WHEREAS, there has been presented to this meeting the following documents, forms of which will relate to each issuance of the Water Revenue Bonds:

- a. a proposed form of Supplement to Amended and Restated Master Installment Purchase Agreement (Supplement), by and between the City and the Corporation, a copy of which Supplement is on file in the Office of the City Clerk of the City (City Clerk) as Document

No. O- 20635-1 supplementing the Installment Purchase Agreement, under which Supplement the City will make installment payments to the Corporation; and

b. A proposed form of Assignment Agreement (Assignment Agreement), by and between the Corporation, as assignor, and the Authority, as assignee, a copy of which Assignment Agreement is on file in the Office of the City Clerk as Document No.

O- 20635-2 under which Assignment Agreement the Corporation will assign all of its right, title, and interest in and to the Supplement to the Authority to support the payment of debt service on the Water Revenue Bonds; and

c. A proposed form of Supplemental Indenture (Supplemental Indenture), by and between the Authority and the bond trustee to be named therein, a copy of which Supplemental Indenture is on file in the Office of the City Clerk as Document No. O- 20635-3 under which Supplemental Indenture the Authority will issue its Water Revenue Bonds and pursuant to which certain amendments will be made to the Indenture; and

d. A proposed form of Escrow Agreement (Escrow Agreement), by and between the Authority and U.S. Bank National Association, or any successor or substitute trust company or bank having trust powers, as trustee for the Refunded Obligations and as escrow agent, a copy of which Escrow Agreement is on file in the Office of the City Clerk as Document No.

O- 20635-4 under which Escrow Agreement the proceeds of Water Revenue Bonds may be held pending the redemption or prepayment of all or a portion of the Public Facilities Financing Authority of The City of San Diego Water Revenue Bonds and/or all or a portion of the loans provided to the City by the California State Water Resources Control Board; and

e. A proposed form of Continuing Disclosure Certificate (Continuing Disclosure Certificate), to be signed by the City, a copy of which, Continuing Disclosure Certificate is on file in the Office of the City Clerk as Document No. O- 20635<sup>-5</sup> under which Continuing Disclosure Certificate the City will comply with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission, as amended (the Rule) in connection with the issuance of Water Revenue Bonds (the documents described in paragraphs a. through e. are collectively referred to as the Financing Documents); and

WHEREAS, a notice of public hearing concerning the adoption of this Ordinance was duly published once at least five (5) days prior to such hearing in a newspaper of general circulation in the City; and

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

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

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

Section 2. The City Council hereby finds that financing and refinancing of components of the Water 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, 2018, such Outstanding Parity Water



Revenue Bonds as will, in the aggregate, create a net present value savings equal to or greater than 4% of the principal amount of Outstanding Parity Water Revenue Bonds to be advance refunded through the issuance by the Authority of Water Revenue Bonds in one or more series and through one or more issuances, not later than June 30, 2018, pursuant to one or more Supplemental Indentures, which Water Revenue 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 advance refund, between now and June 30, 2018, such Outstanding Subordinated Water Revenue Bonds as will, in the aggregate, create a net present value savings equal to or greater than 4% of the principal amount of Outstanding Subordinated Water Revenue Bonds to be advance refunded through the issuance by the Authority of Water Revenue Bonds in one or more series and through one or more issuances, not later than June 30, 2018, pursuant to one or more Supplemental Indentures, which Water Revenue 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 City has determined it is in the best interests of the City to be prepared to current refund, between now and June 30, 2018, 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 Water Revenue Bonds in one or more series and through one or more issuances, not later than June 30, 2018, pursuant to one or more Supplemental Indentures, which Water Revenue 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 6. The City hereby authorizes and approves and requests the Authority authorize and approve the issuance of its Water Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$835,000,000 to provide funds for (a) the financing and refinancing of New Money Projects through the issuance and sale by the Authority of Water Revenue Bonds, in one or more series, through one or more issuances to provide net bond proceeds in amount not to exceed \$80,000,000; (b) the advance refunding of all or a portion of the Outstanding Parity Water Revenue Bonds and the Outstanding Subordinated Water Revenue Bonds through the issuance and sale by the Authority of Water Revenue Bonds, in one or more series, through one or more issuances; (c) the current refunding of all or a portion of the outstanding SRF Loans through the issuance and sale by the Authority of Water Revenue Bonds, in one or more series, through one or more issuances; (d) the funding of, or purchase of a reserve policy or surety for, a debt service reserve fund, if any, for the Water Revenue Bonds, and (e) paying costs of issuance incurred in connection with the issuance of the Water Revenue Bonds, in each case by public offering now or in the future; provided that as to each such issuance: (i) the financing and refinancing of New Money Projects must achieve a true interest cost with respect to the issuance and sale by the Authority of Water Revenue Bonds not to exceed 6.00% per annum; (ii) any advance refunding of the Outstanding Parity Water Revenue Bonds must create in the aggregate net present value savings equal to or greater than 4% of the principal amount of the Outstanding Parity Water Revenue Bonds to be refunded; (iii) any advance refunding of the Outstanding Subordinated Water Revenue Bonds must create in the aggregate net present value savings equal to or greater than 4% of the principal amount of the Outstanding

Subordinated Water Revenue Bonds to be refunded; (iv) any current 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; (v) there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement for each such series and issuance; and (vi) such Water Revenue Bonds shall be issued on or before June 30, 2018.

Section 7. The form and content of the form of Supplemental Indenture submitted to this meeting, a copy of which Supplemental Indenture is on file in the Office of the City Clerk as Document No. O- 20635-3, and the execution, delivery and performance thereof by the Authority are hereby approved. Any of the Chief Operating Officer or the Chief Financial Officer of the City and each of them or any of their respective designees (each, an Authorized Signatory), are each hereby authorized, and any one of the Authorized Signatory is hereby directed, for and in the name and on behalf of the City, to execute and deliver any requested certificate or instrument evidencing the City's approval of the Supplemental Indenture and each such Supplemental Indenture, and to be bound by certain provisions of the Supplemental Indenture, and the Authority is hereby requested to execute and deliver one or more forms of the Supplemental Indenture, in conjunction with one or more issuances of Water Revenue 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 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 or his specified designee, and with such other changes that may be required by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City (Bond Counsel), such approval to be conclusively evidenced by the execution and delivery thereof. Each such issuance and each

Supplemental Indenture shall specify a senior or subordinate pledge of Net System Revenues (as defined in the Installment Purchase Agreement) as any Authorized Signatory shall determine to be necessary or desirable and approve as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The form and content of the form of Supplement, by and between the City and the Corporation, a copy of which Supplement is on file in the Office of the City Clerk as Document No. O- 20635-1 and submitted to this meeting, is hereby approved. The Authorized Signatories are each hereby authorized, and any one of the Authorized Signatories is hereby directed, for and in the name and on behalf of the City, to execute and deliver one or more Supplements, and the Corporation is hereby requested to execute and deliver such Supplements, in conjunction with one or more issuances of Water Revenue Bonds, in one or more series, substantially in the form submitted to this meeting, and the City Clerk is authorized to attest thereto, with such additions and changes therein as any Authorized Signatory 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 or his specified designee, and with such other changes that may be required by Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Each Supplement shall specify a senior or subordinate pledge of Net System Revenues (as defined in the Installment Purchase Agreement) as any Authorized Signatory shall determine to be necessary or desirable and approve as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The form and content of the form of Assignment Agreement submitted to this meeting, a copy of which Assignment Agreement is on file in the Office of the City Clerk as Document No. O- 20635-2, and the assignment by the Corporation of the City's obligations

under the related Supplement to the Authority, is hereby approved. The Authorized Signatories are each hereby authorized, and any one of the Authorized Signatories is hereby directed, for and in the name and on behalf of the City, to execute and deliver any requested certificate or instrument evidencing the City's approval of the Assignment Agreement, and each such Assignment Agreement and each of the Authority and the Corporation is hereby requested to execute and deliver one or more forms of the Assignment Agreement, in conjunction with one or more issuances of Water Revenue Bonds, in one or more series and on one or more sale dates, in substantially the form presented to this meeting, with such additions and changes therein, as any Authorized Signatory 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 or his specified designee, and with such other changes that may be required by Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The City hereby acknowledges that the obligation of the City to make Installment Payments to the Authority, in accordance with any Supplement and Assignment Agreement shall be a limited obligation of the City payable solely from Net System Revenues (as defined in the Installment Purchase Agreement) and other funds provided for under the Supplement and any Supplemental Indenture and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 11. The anticipated source of revenues for payment of the Water Revenue Bonds is the Installment Payments (which may be Installment Payments or Subordinated Installment Payments, each as defined in the Supplement) and the other funds provided for under the Supplement and the Supplemental Indenture. If designated as Subordinated Installment

Payments in a Supplement, the pledge of and the right of payment for the Net System Revenues that secures the related Subordinated Installment Payments shall be subordinate to, and such payment may only be made after the satisfaction on an annual basis of, the Parity Obligations (as defined in the Installment Purchase Agreement) and on a parity with the payment of certain Subordinated Obligations (as defined in the Installment Purchase Agreement).

Section 12. The form and content of the form of Continuing Disclosure Certificate, a copy of which is on file in the Office of the City Clerk as Document No. O- 20635-5 and submitted to this meeting, is hereby approved. In connection with the public offering of any series of Water Revenue Bonds, each Authorized Signatory is hereby authorized, and any one of the Authorized Signatory is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate, and the City Clerk is authorized to attest thereto, with such additions and changes therein as any Authorized Signatory 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 or his specified designee, and with such other changes as are required by Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 13. The form and content of the form of Escrow Agreement, by and between the Authority and U.S. Bank National Association, or any successor or substitute trust company or bank having trust powers, as trustee for the Refunded Obligations or such other escrow agent to be named therein, a copy of which Escrow Agreement is on file in the Office of the City Clerk as Document No. O- 20635-4 and submitted to this meeting, is hereby approved, and the Authority is hereby requested to execute and deliver the Escrow Agreement, in conjunction with one or more issuances of Water Revenue 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 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 or his specified designee, and with such other changes that may be required by Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 14. All actions heretofore taken by any officers, employees, or agents of the City with respect to the issuance, delivery, or sale of the Water Revenue 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 desirable to consummate the transactions evidenced by the Financing Documents referenced herein in accordance with this Ordinance and the Financing 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 Refunded Obligations at the time of their original issuance and/or execution which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the Financing Documents referenced

herein in accordance with this Ordinance; provided that any funds derived from the proposed refinancing of the Water System shall be restricted to benefit the Water System. In addition, any Authorized Signatory, in consultation with the Chief Financial Officer, is hereby specifically authorized to approve additions and changes to the Financing Documents authorized by this Ordinance (including, but not limited to, establishing the lien structure for the installment payments securing a series of Water Revenue Bonds, the terms for debt service reserve funds, if any, including, without limitation, providing for a reserve surety bond or reserve fund policy to secure any debt service reserve fund, establishing or changing the size of any reserve fund securing an applicable series of Water Revenue Bonds and the release of funds then on deposit in a debt service reserve fund and the application thereof, and establishing the redemption provisions of each series of the Water Revenue 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 Water Revenue 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 Financing 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 Financing Documents by the City; and provided further that no such addition or changes may be inconsistent with the limitations set forth in Section 6 hereof and provided further that such changes on additions are consistent with limitations in Sections 3, 4 and 5 herein. Such other officials, employees, and agents of the City as may be authorized by any Authorized Signatory are hereby are each authorized, and directed, for and in the name and on behalf of the City, to do any and all things



and take any and all actions and execute and deliver any and all certificates, agreements, and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Water Revenue Bonds and the Financing Documents and other documents authorized by this Ordinance, the transactions authorized hereby and evidenced by the Financings Documents and the disbursement of proceeds thereof in accordance with this Ordinance.

Section 15. The Authorized Signatories are each hereby authorized, and any one of the Authorized Signatories is hereby directed, for and in the name and on behalf of the City, to take all actions and execute any and all documents necessary or advisable to identify eligible Refunded Obligations and improvements to the Water System to be financed, and to determine and document the lien structure for the installment payments, the terms for debt service reserve funds, if any, including, without limitation, providing for a reserve surety bond or reserve fund policy to secure any debt service reserve fund, if any, the release of funds then on deposit in a debt service reserve fund, the insuring of all or a portion of the Water Revenue Bonds, the provision of any other form of credit enhancement for the Water Revenue Bonds, in each case if, upon the advice of the City's municipal advisor and based upon then current market conditions, it is determined by any one of the Authorized Signatories that such determination is expected to result in a lower true interest cost of the Water Revenue Bonds or otherwise deemed beneficial by and to the City and its residents, and to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Ordinance and the consummation of the transactions contemplated hereby.

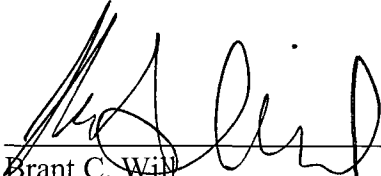
Section 16. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds of the Water Revenue Bonds.

Section 17. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 18. 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

  
\_\_\_\_\_  
Brant C. Will  
Deputy City Attorney

BCW:jdf  
03/01/16  
Or.Dept: Debt Management  
Doc. No.: 1230814\_2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of APR 05 2016.

ELIZABETH S. MALAND  
City Clerk

By *Stacy Bracy*  
Deputy City Clerk

Approved: 4/5/16  
(date)

*Kevin L. Faulconer*  
KEVIN L. FAULCONER, Mayor

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

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 05 2016, 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 APR 05 2016

AUTHENTICATED BY:

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

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

(Seal)

By Atty Mead, 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

MAR 15 2016, and on APR 05 2016

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.

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

(Seal)

By Atty Mead, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20635