

RESOLUTION NUMBER R- 310310

DATE OF FINAL PASSAGE MAR 23 2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS; AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; AND APPROVING CERTAIN ACTIONS, ALL IN CONNECTION WITH THE ISSUANCE AND SALE BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO 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 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/OR TO FINANCE OR REFINANCE IMPROVEMENTS TO THE WATER SYSTEM.

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, separate and apart from the contracting parties, and California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 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 California Government Code, Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 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) has determined pursuant to an ordinance introduced at a meeting of the City Council of the City of San Diego (City Council) on

the date hereof (Ordinance), that it is in the best interests of the City, between now and June 30, 2018, to request and cause the Public Facilities Financing Authority of the City of San Diego (Authority) to issue one or more series 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), in an aggregate principal amount not to exceed \$835,000,000 to (a) provide net bond proceeds up to \$80,000,000 to finance additional capital improvements to the Water System, (b) refund all or a portion of the Authority's outstanding Water Revenue Bonds and/or all or a portion of the outstanding Drinking Water State Revolving Fund loans provided to the City by the California State Water Resources Control Board (the SRF Loans and, together with the outstanding Water Revenue Bonds to be refunded, the Refunded Obligations) to achieve savings, (c) fund, or purchase a reserve policy or surety for, a reserve fund, if any, and (d) pay the costs of issuance incurred in connection with the issuance of the Water Revenue Bonds; and

WHEREAS, the issuance of the Water Revenue Bonds is authorized under the Ordinance in one or more series over time as opportunities are presented to lower financing costs, if economical or otherwise on terms deemed beneficial by and to the City and its residents; and

WHEREAS, the City has conducted a competitive proposal process to select the underwriting firms to serve as underwriters with respect to the sale and delivery of the Water Revenue Bonds; and

WHEREAS, there has been presented to this meeting a proposed form of Bond Purchase Agreement (Bond Purchase Agreement), by and among J.P. Morgan Securities Inc., for itself, and as representative (Representative) of, Morgan Stanley & Co. LLC, Siebert Brandford Shank & Co., LLC, Samuel A. Ramirez & Company, Inc., and The Williams Capital Group, as initial

underwriters, and such other or alternative underwriters as may be designated by the City (collectively, with the Representative, the Underwriters), the Authority and the City, a copy of which is on file in the Office of the City Clerk of the City (City Clerk) as Document No.

RR- **310310** pursuant to which form of Bond Purchase Agreement the Authority will agree to sell the Water Revenue Bonds; 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 of California; 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 form of the Bond Purchase Agreement submitted to this meeting, a copy of which Bond Purchase Agreement is on file in the office of the City Clerk and submitted to this meeting, is hereby approved. Each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver one or more forms of the Bond Purchase Agreement, and the Authority is hereby requested to execute and deliver one or more forms of the Bond Purchase Agreement, in conjunction with one or more issuances of Water Revenue Bonds, in one or more series and on one or more sale dates between now and June 30, 2018, in substantially the form presented to this meeting and consistent with the Ordinance, with such additional or alternative underwriters and representatives as may be named, together with other additions and changes therein, as any Authorized Officers 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 of the Bond Purchase Agreement, and which aggregate principal denomination, final maturity and terms of the respective series of Water Revenue Bonds will be conclusively evidenced by the execution by the Authority of the Bond Purchase Agreement.

Section 3. The City Attorney or his specified designee is authorized to retain Orrick, Herrington & Sutcliffe LLP as bond counsel and disclosure counsel for the City and the Authority in connection with the initial issuance of Water Revenue Bonds under such contracts or other arrangements as the City Attorney or his specified designee shall approve and believes to be in the best interests of the City. Such contract or other arrangements shall be in an amount not to exceed \$73,000.

Section 4. The Authorized Officers, and each of them, acting alone, are hereby authorized and directed 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 an Authorized Officer 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

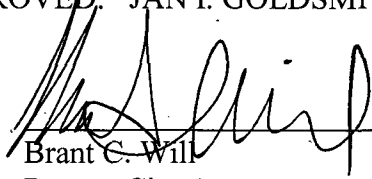
deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby.

Section 5. 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 documents referenced herein in accordance with this Resolution and the documents approved herein and other documents authorized by this Resolution, 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 documents referenced herein in accordance with this Resolution.

This Resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

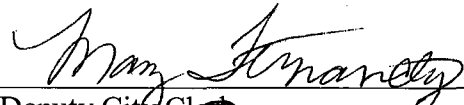
By

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

BCW:jdf  
03/01/16  
Or.Dept:Debt Management  
Doc. No.: 1234818

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 15 2016.

ELIZABETH S. MALAND  
City Clerk

By   
\_\_\_\_\_  
Deputy City Clerk

Approved:

3/21/16  
\_\_\_\_\_  
(date)

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

Vetoed:

\_\_\_\_\_  
(date)

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

Passed by the Council of The City of San Diego on MAR 15 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 checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 23 2016

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

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 *Mary Stroman*, Deputy

Office of the City Clerk, San Diego, California

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