

RESOLUTION NUMBER R- 310410

DATE OF FINAL PASSAGE MAY 17 2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO SUBORDINATED WATER REVENUE BONDS, SERIES 2016A AND SUBORDINATED WATER REVENUE BONDS, REFUNDING SERIES 2016B (PAYABLE SOLELY FROM SUBORDINATED INSTALLMENT PAYMENTS SECURED BY NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO); AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR SUCH ISSUE OF BONDS; 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 Council (Council) of the City of San Diego (City) has heretofore authorized and approved by Ordinance Number O-20635 (Ordinance), and Resolution Numbers R-310310, the agreements and conditions attendant to the issuance of one or more series of Water Revenue Bonds payable from Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City, 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 of the City (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 outstanding Drinking Water State Revolving Fund loans

provided to the City by the California State Water Resources Control Board, in each case, to achieve savings, to fund a reserve fund, if any, and to pay the costs of issuance incurred in connection with the issuance of the Water Revenue Bonds; and

WHEREAS, the 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 Subordinated Water Revenue Bonds, Series 2016A and Subordinated Water Revenue Bonds, Refunding Series 2016B (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City of San Diego) (2016 Bonds) in order to finance and refinance certain capital facilities improvements for the Water System, as hereinafter described; and

WHEREAS, the issuance of the 2016 Bonds, the advance refunding of all or a portion of 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 current refunding of all or a portion of the outstanding Drinking Water State Revolving Fund loans, and the design, acquisition, construction, installation, and improvement of components of the Water System are authorized under the Ordinance; 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 2016 Bonds; and

WHEREAS, the City has previously approved the execution and delivery of 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., L.L.C., Ramirez & Co., and The Williams Capital Group, L.P., and such other or alternative underwriters as may be designated by the City (collectively, with the Representative, the Underwriters), the Authority and the City, pursuant to which Bond Purchase Agreement the Authority will agree to sell the 2016 Bonds; and

WHEREAS, in connection with the marketing and sale of the 2016 Bonds, it is necessary for the City to authorize and approve the distribution of the Preliminary Official Statement relating to the 2016 Bonds (Preliminary Official Statement) and the execution, delivery, and distribution of the final Official Statement relating to the 2016 Bonds (Official Statement), all in accordance with the policies of this City Council and applicable securities laws and regulations; and

WHEREAS, there has been presented to this meeting a proposed form of Preliminary Official Statement, a copy of which is on file in the Office of the City Clerk as Document Number R-310410 which Preliminary Official Statement the Underwriters will use in marketing the 2016 Bonds; and

WHEREAS, the form of the Preliminary Official Statement submitted to this meeting has been reviewed and approved by the Disclosure Practices Working Group (DPWG); 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 Preliminary Official Statement in substantially the form presented to and considered at this meeting 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 (collectively, the Authorized Officers), acting alone, is hereby authorized and directed, for and in the name and on behalf of the City, to deliver the Preliminary Official Statement shall be used and distributed, together with a final Official Statement,

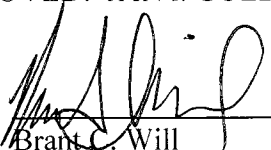
to the Underwriters in substantially the form submitted to this meeting, with such additions and changes therein, and supplements thereto, as the Authorized Officers shall determine are necessary or desirable and approve as being in the best interests of the City, and as approved as to form by the City Attorney and DPWG, and with such other changes as may be required or requested by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel (Disclosure Counsel). Upon approval of the Preliminary Official Statement for use in marketing the 2016 Bonds by the Authorized Officers and in accordance with applicable policies and procedures of the City, including approval by the DPWG, the Preliminary Official Statement shall be "deemed final" as of its date, except for the omission of certain information as permitted in and pursuant to Rule 15c2-12 (Rule), promulgated by the Securities and Exchange Commission pursuant to the provisions of the Securities Act of 1934, as amended, and the Authorized Officers are hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the City, to execute a certificate to the Underwriters to that effect.

Section 3. Following the pricing and sale of the 2016 Bonds, the Authorized Officers are authorized and directed to cause a form of Official Statement to be prepared in accordance with the disclosure policies of the City, the requirements of the Rule and with the assistance of DPWG together with such changes as are determined to be necessary or desirable by the Authorized Officer executing the Official Statement to make such Official Statement complete and accurate as of its date, such approval to be conclusively evidenced by the execution and delivery of the Official Statement to the Underwriters. The Official Statement shall be executed by any of the Authorized Officers upon satisfaction of applicable DPWG requirements and the recommendation of Disclosure Counsel.

Section 4. The Authorized Officers and their respective designees are each authorized and directed to take any related actions deemed necessary, advisable, or desirable to consummate and give effect to this Resolution. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed, and approved.

Section 5. This Resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
April 25, 2016
Or.Dept:Debt Management
Doc. No.: 1272992

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of May 16, 2016.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 5/17/16

(date)

 _____
KEVIN L. FAULCONER, Mayor

Vetoed: _____

(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAY 16 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 17 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 Fernandez*, Deputy

Office of the City Clerk, San Diego, California

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