

RESOLUTION NUMBER R- 312055

DATE OF FINAL PASSAGE NOV 20 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO (I) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; (II) 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 2018A (PAYABLE SOLELY FROM SUBORDINATED INSTALLMENT PAYMENTS SECURED BY NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO); (III) AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR SUCH ISSUE OF BONDS; AND (IV) 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 (known as the Marks-Roos Local Bond Pooling Act of 1985) 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

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 a 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, pursuant to section 90.1 of the San Diego City Charter (Charter), the City Council may authorize the issuance of revenue bonds by a two-thirds vote of the members of the City Council provided the bonds are not secured by or payable from the general fund or any fund other than an enterprise fund and that the purpose of the bond issue is to provide for the construction, reconstruction or replacement of water facilities, wastewater facilities, or stormwater facilities, all such revenue bonds to be issued and sold in accordance with state law or any procedure established by ordinance; and

WHEREAS, Charter section 90.1 is inapplicable because the 2018 Bonds will be issued by the Authority, not the City; and

WHEREAS, in accordance with Charter section 99, the Council of the City of San Diego (City Council) has, on September 27, 2018, heretofore authorized and approved by Ordinance No. O-20990 (Ordinance) certain agreements and conditions attendant to the issuance of one or more series of Water Revenue Bonds (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 \$283,000,000 to provide funds for (a) the financing of the design, acquisition, construction and installation of improvements (Projects) to the City's water system (Water System), including paying the Commercial Paper Notes previously issued

to finance the Projects, and (b) paying costs of issuance in connection with the issuance of the Water Revenue Bonds by public offering; and

WHEREAS, the City, with the cooperation of the Authority, has proposed the issuance of the Authority's Subordinated Water Revenue Bonds, Series 2018A (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City of San Diego) (2018 Bonds) in order to finance the Projects, as described above; 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 2018 Bonds; and

WHEREAS, there has been presented to this meeting a proposed form of Bond Purchase Agreement (Bond Purchase Agreement), by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated (or BofAML Securities, Inc.), for itself, and as representative (Representative) of Citigroup Global Markets Inc., 280 Securities LLC, Hilltop Securities Inc., and UBS Financial Services Inc., 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. 312055-1, pursuant to which form of Bond Purchase Agreement the Authority will agree to sell the 2018 Bonds; and

WHEREAS, in connection with the marketing and sale of the 2018 Bonds, it is necessary for the City to authorize and approve the distribution of the Preliminary Official Statement relating to the 2018 Bonds (Preliminary Official Statement) and the execution, delivery, and distribution of the final Official Statement relating to the 2018 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 No. ~~312055~~² which Preliminary Official Statement the Underwriters will use in marketing the 2018 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. The City Council hereby finds and determines that the statements set forth above in the recitals to 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. Any of the Mayor, 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), is hereby jointly and severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver a form of the Bond Purchase Agreement, and the Authority is hereby requested to execute and deliver a form of the Bond Purchase Agreement, in conjunction with the issuance of the 2018

Bonds, in one or more series between now and June 30, 2020, 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 Signatories shall determine are necessary or desirable as being in the best interests of the City, and as approved as to form by the City Attorney or her 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 the 2018 Bonds will be conclusively evidenced by the execution by the Authority of the Bond Purchase Agreement.

Section 3. The form, terms, and provisions of the Preliminary Official Statement in substantially the form presented to and considered at this meeting are hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed, for and in the name and on behalf of the City, to deliver the Preliminary Official Statement which 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 Signatories 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 Hawkins Delafield & Wood LLP, as Disclosure Counsel (Disclosure Counsel). Upon approval of the Preliminary Official Statement for use in marketing the 2018 Bonds by the Authorized Signatories and in accordance with applicable policies and procedures of the City, including approval by DPWG, the Preliminary Official Statement shall be “deemed final” as of its date, except for the omission of certain

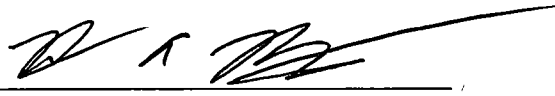
information as permitted in and pursuant to Rule 15c2-12 (Rule), promulgated by the Securities and Exchange Commission pursuant to the provisions of the Securities Act of 1934, as amended, and the Authorized Signatories are hereby authorized, and any one of the Authorized Signatories is hereby directed, for and in the name and on behalf of the City, to execute a certificate to the Underwriters to that effect.

Section 4. Following the pricing and sale of the 2018 Bonds, the Authorized Signatories are authorized and directed to cause a form of the 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 Signatory 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 Signatories upon satisfaction of applicable DPWG requirements and the recommendation of Disclosure Counsel.

Section 5. The Authorized Signatories and their respective designees are each authorized and directed, for and on behalf of the City, to do any and all things and take any and all actions, including, without limitation, payment of 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, advisable, or desirable to consummate and give effect to the transactions approved by the Ordinance and in accordance with this Resolution. Any actions heretofore taken by any officers, employees, or agents of the City in furtherance of any of the transactions authorized herein are hereby ratified, confirmed, and approved.

Section 6. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Bret A. Bartolotta
Deputy City Attorney

BAB:jdf
10/11/18
Or.Dept.: Debt Management
Doc. No.: 1854233

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of NOV 13 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11/20/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 13 2018, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 20 2018

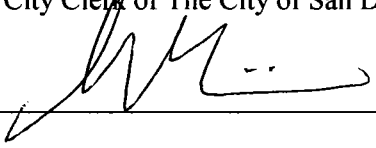
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

(Seal)

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

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

By , Deputy

Office of the City Clerk, San Diego, California

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