

RESOLUTION NUMBER R- 312923 (NEW SERIES)

DATE OF FINAL PASSAGE APR 09 2020

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO (I) APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE (A) PRELIMINARY OFFICIAL STATEMENTS AND (B) OFFICIAL STATEMENTS; AND (II) APPROVING CERTAIN OTHER AGREEMENTS AND ACTIONS IN CONNECTION WITH 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.

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, in order to effectuate the design, acquisition, construction and installation of improvements (Projects) to the City's water system (Water System), the City has caused the Authority to have issued various series of water revenue bonds and commercial paper notes, each with an appropriate series, lien, and purpose designation including but not limited to the Subordinated Water Revenue Commercial Paper Notes, Series A (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund) (the Series A Commercial Paper Notes), the Subordinated Water Revenue Commercial Paper Notes, Series B (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund) (the Series B Commercial Paper Notes and, together with the Series A Commercial Paper Notes collectively, the Commercial Paper Notes) and the Subordinated Water Revenue Bonds, Refunding Series 2012A (Payable Solely From Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) (2012A Water Revenue Bonds); and

WHEREAS, from time to time there exist interest rate environments that create savings opportunities through, among other things, the refunding of all or a portion of the outstanding 2012A Water Revenue Bonds (such 2012A Water Revenue Bonds to be refunded, Refunded 2012A Water Revenue Bonds); and

WHEREAS, the City desires to effect, from time to time, the refunding, on an advanced refunding or current refunding basis, the Refunded 2012A Water Revenue Bonds, through one or more issuances by the Authority of one or more series of its water revenue bonds (each such water revenue bonds, Authorized Water Revenue Refunding Bonds), as opportunities are

presented to lower financing costs, if economical or otherwise on terms beneficial to the City and its residents; and

WHEREAS, the Authority issued the Commercial Paper Notes to initially finance various Projects with the expectation that the Commercial Paper Notes would be paid, in whole or in part, with the proceeds of water revenue bonds (the water revenue bonds issued to pay such Commercial Paper Notes and/or finance Projects, the Authorized Water Revenue Bonds); and

WHEREAS, pursuant to section 90.1 of the San Diego City Charter (Charter), the Council of the City of San Diego (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 Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, will be issued by the Authority, not the City; and

WHEREAS, in accordance with Charter section 99, the City Council has heretofore authorized and approved by Ordinance Number O-21166 (Ordinance) on January 7, 2020 certain agreements and conditions attendant to the issuance by the Authority of one or more series of Authorized Water Revenue Refunding Bonds and Authorized Water Revenue Bonds payable from Installment Payments secured by Net System Revenues of the Water Utility Fund of the City (as those terms are defined in the Ordinance) in an aggregate principal amount not to exceed \$350,000,000 in order to (i) current or advance refund the Refunded 2012A Water Revenue

Bonds at such times as the interest rate market will provide savings and (ii) pay, in whole or in part, the Commercial Paper Notes, to provide the necessary capacity to initially finance various other Projects and/or to initially finance various other Projects; and

WHEREAS, in connection with the marketing and sale of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, it is necessary for the City to authorize and approve the distribution of the Preliminary Official Statement (Preliminary Official Statement) and the execution, delivery, and distribution of the final Official Statement (Official Statement) relating to the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, 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 related to each issuance of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, a copy of which Preliminary Official Statement is on file in the Office of the City Clerk as Document No. ~~22~~312923; 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 (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 related to each issuance of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, in accordance with the applicable Disclosure Controls and Procedures; and

WHEREAS, the form of the Preliminary Official Statement submitted to this meeting has been reviewed and approved by 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 of California; NOW, THEREFORE,

BE IT RESOLVED by the City Council, 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 and content of the form of the Preliminary Official Statement submitted to this meeting, a copy of which Preliminary Official Statement is on file in the Office of the City Clerk, and the execution and delivery thereof by the City are 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 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 Preliminary Official Statement and each such Preliminary Official Statement in conjunction with one or more issuances of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, in one or more series and on one or more sale dates, in substantially the form presented to this meeting and the City Clerk is authorized to attest thereto, with such additions, changes, supplements and amendments 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 and DPWG, and with such other changes as may be required or requested by Polsinelli, as Disclosure Counsel

(Disclosure Counsel), such approval to be conclusively evidenced by the execution and delivery thereof by the Authorized Signatory. Upon approval of the Preliminary Official Statement for use in marketing the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, 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 that effect.

Section 3. Following the pricing and sale of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, 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 initial purchasers of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be. 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 4. All actions heretofore taken by any officers, employees, or agents of the Authority with respect to the issuance, delivery, or sale of the Authorized Water Revenue Refunding Bonds and/or Authorized Water Revenue Bonds, as the case may be, are hereby approved, confirmed and ratified; and any officers, employees, or agents of the City as may be authorized by the Authorized Signatories 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 authorized by the Ordinance and the Resolution in accordance with 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) 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 authorized by the Ordinance in accordance with this Resolution.

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

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Bret A. Bartolotta
Bret A. Bartolotta
Deputy City Attorney

BAB:jdf
03/18/2020
Or.Dept: Debt Management
Doc. No.: 2331833

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 04/07/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Gil Sanchez
Deputy City Clerk

Approved: 4/9/2020
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 07 2020, 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"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 09 2020

(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.

(Seal)

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

By Connie Potvinson, Deputy
for Stacy Ready

Office of the City Clerk, San Diego, California

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