



RESOLUTION NO. U-11395

1 A RESOLUTION relating to Tacoma Water; approving a bond ordinance;
2 authorizing the issuance of one or more series of Regional Water Supply
3 System Revenue Refunding Bonds, Series 2023, in an aggregate
4 principal amount not to exceed \$40,850,000; approving an amendment
5 to the Repayment Agreement; and approving other matters related
6 thereto.

7 WHEREAS the City of Tacoma, Washington (“City”), acting by and
8 through its Department of Public Utilities, Water Division (d/b/a “Tacoma
9 Water”), owns and operates a water system (“Water System”) and a Regional
10 Water Supply System (“Regional System”) as separate systems, and

11 WHEREAS the City has entered into the Agreement for the Second
12 Supply Project effective December 19, 2002, and a Repayment Agreement,
13 effective November 1, 2002, as each may be amended from time to time, with
14 the City of Kent (“Kent”), Covington Water District (“CWD”) and Lakehaven
15 Water and Sewer District, formerly known as Lakehaven Utility District
16 (“Lakehaven,” and collectively with the City, Kent and CWD, “Participants”), to
17 design, finance, construct, operate and maintain certain property and facilities
18 to deliver and receive water from the Regional System, and

19 WHEREAS the Participants’ rights and obligations with regard to the
20 Second Supply Project are called out in the Agreement for the Second Supply
21 Project, and

22 WHEREAS the Regional System is a contract resource obligation of the
23 Water System and, therefore, all payments under that contract resource
24 obligation, including payments before commencement, during suspension and
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1 after termination of water supply or service, shall be treated as operation and
2 maintenance expenses of the Water System, and

3 WHEREAS the City issued its Regional Water Supply System Revenue
4 Refunding Bonds, 2013, in an original principal amount of \$64,795,000 pursuant to
5 Ordinance No. 28137, passed on March 19, 2013 (“2013 Bonds”), and

6 WHEREAS the 2013 Bonds may be redeemed prior to maturity on any date
7 on or after June 1, 2023, at a price of par plus accrued interest to the date of
8 redemption, and

9 WHEREAS the Public Utilities Board (“Board”) now finds that the 2013
10 Bonds can be defeased and/or redeemed through the issuance of one or more
11 series of Regional System revenue refunding bonds in an aggregate principal
12 amount not to exceed \$40,850,000 (“Bonds”) at a savings to the Water System
13 and/or to restructure such debt if it is in the best interest of Tacoma Water and the
14 Regional System, and

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17 WHEREAS Tacoma Water has received a proposal from KeyBanc Capital
18 Markets Inc. and Wells Fargo Corporate & Investment Banking (“Underwriters”) to
19 purchase the Bonds pursuant to the terms of an ordinance adopted by the City
20 Council (“Bond Ordinance”), and

21
22 WHEREAS a form of the proposed Bond Ordinance, a copy of which is on
23 file with the Clerk of the Board, has been presented at this meeting, and

24 WHEREAS pursuant to Tacoma City Charter Section 4.11, the Board is
25 required to initiate and approve all matters related to the incurrence of
26



1 indebtedness and the issuance of bonds on behalf of Tacoma Water, and then
2 forward such matters to the City Council for concurring approval, and

3 WHEREAS the Board requests that the City Council delegate authority to the
4 Director of Utilities and the Superintendent of the Water Division, and their
5 designees, as provided herein, for a limited time, to approve the final terms of the
6 Bonds as set forth herein, and

7 WHEREAS the Board hereby recommends to the City Council that it is in
8 the best interest of the citizens of Tacoma and the Regional System that the Bond
9 Ordinance be approved by the Board and passed by the City Council to
10 accomplish the purposes set forth therein; Now, Therefore,

11 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

12 Sec. 1. Capitalized terms used in this resolution and not otherwise defined
13 herein or in the recitals, which are incorporated by this reference, shall have the
14 meanings set forth in the Bond Ordinance.
15

16 Sec. 2. Pursuant to Tacoma City Charter Section 4.11, it is necessary for
17 the Board to initiate and approve all matters related to the incurrence of
18 indebtedness and the issuance of bonds on behalf of Tacoma Water, and then
19 forward such matters to the City Council for concurring approval. The Board
20 hereby finds it is in the best interest of Tacoma Water and the Regional System
21 that the City issue revenue refunding bonds to defease and/or refund all or a
22 portion of the outstanding 2013 Bonds for aggregate net present value debt service
23 savings and/or to restructure such debt if it is in the best interest of Tacoma Water
24 and the Regional System.
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Sec. 3. Subject to the parameters set forth in the Bond Ordinance, that the terms and conditions of the proposed Bond Ordinance, including delegating authority to the Director of Utilities and the Superintendent of the Water Division, and their designees (each, a “Designated Representative”), to approve the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$40,850,000 and selling such Bonds to the Underwriters pursuant to the terms of the Bond Ordinance and a bond purchase contract are hereby approved, and the City Council is requested to concur in this approval by the passage of the same at the earliest opportunity in the final form approved by the City Attorney’s Office. The Board further approves the form of amendment to the Repayment Agreement in connection with the issuance of the Bonds as set forth in Section 26 of the Bond Ordinance.

Sec. 4. Upon passage of the Bond Ordinance, each Designated Representative is delegated authority to approve the final terms and conditions of the Bonds in coordination with Bond Counsel, the Municipal Advisor to Tacoma Water and the City Attorney’s Office subject to the terms set forth in the Bond Ordinance, and to execute and implement the bond purchase contract and any other certificates or other documents in connection therewith.

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Sec. 5. This resolution shall become effective immediately upon its adoption.

Approved as to form:

_____ Chair

_____ Pacifica Law Group LLP,
Bond Counsel

_____ Secretary

_____ Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Scott Dewhirst, Superintendent, Tacoma Water
MEETING DATE: July 12, 2023
DATE: June 30, 2023

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input checked="" type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY: Tacoma Water requests approval to issue the 2023 Regional Water Supply System (RWSS) Revenue Refunding Bonds in an amount not to exceed \$40,850,000, in order to refund the 2013 Regional Water Supply System Revenue Refunding Bonds, and to amend the RWSS Repayment Agreement.

Due to the volatility of the current interest rate environment, Tacoma Water recommends the Board approve the resolution on July 12, 2023, in order to allow staff to act quickly when the market is favorable and maximize savings.

BACKGROUND: Tacoma Water is considering refunding the outstanding 2013 Regional System bonds callable on June 1, 2023. In addition, the existing RWSS Repayment Agreement will need to be amended as Covington has elected to payoff their portion of the bonds in lieu of participating in the refunding.

These bonds were issued to support the addition of the Second Supply Project, the Green River Filtration Facility, and other RWSS infrastructure projects. This refunding will provide savings, restructure debt service payments, and/or obtain more favorable bond covenants in the best interest of Tacoma Water and its ratepayers.

With assistance from Tacoma's Finance and Legal Departments, our municipal advisory firm, Montague DeRose and Associates, and bond counsel, Pacifica Law Group, we have prepared a bond ordinance for the Public Utility Board and City Council action (current request) that would authorize Tacoma Water to execute a refunding.

The bond ordinance clearly defines the parameters that are in effect for one year, including the delegation of authority to approve the final terms of the refunding.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?

Debt service savings have not been budgeted due to the volatility of market conditions.



Board Action Memorandum

ATTACHMENTS:

- Council Action Memorandum (CAM)
- City Council Ordinance
- TPU Board Resolution
- Repayment Agreement

CONTACT:

Primary Contact: Lyna Vo, Senior Economist

Supervisor's Name: Jodi Collins, Assistant Water Division Manager



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
 Scott Dewhirst, Superintendent, Tacoma Water
COPY: Tacoma City Council and City Clerk
SUBJECT: Regional Water Supply System Revenue Refunding Bonds, Series 2023
DATE: July 25, 2023

SUMMARY AND PURPOSE:

Tacoma Water requests approval to issue the 2023 Regional Water Supply System (RWSS) Revenue Refunding Bonds in an amount not to exceed \$40,850,000, in order to refund the 2013 Regional Water Supply System Revenue Refunding Bonds, and to amend the RWSS Repayment Agreement.

BACKGROUND:

Tacoma Water is considering refunding the outstanding 2013 Regional System bonds callable on June 1, 2023. In addition, the existing RWSS Repayment Agreement will need to be amended as Covington has elected to payoff their portion of the bonds in lieu of participating in the refunding.

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With assistance from Tacoma’s Finance and Legal Departments, our municipal advisory firm, Montague DeRose and Associates, and bond counsel, Pacifica Law Group, we have prepared a bond ordinance for the Public Utility Board and City Council action (current request) that would authorize Tacoma Water to execute a refunding.

The bond ordinance clearly defines the parameters that are in effect for one year, including the delegation of authority to approve the final terms of the refunding.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

In preparation for this request, Tacoma Water provided information and sought feedback during a Public Utility Board (PUB) study session and a Government Performance & Finance Committee (GPFC) meeting. Both the PUB study session and GPFC meeting are open to the public and provide opportunity for community and customer engagement.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. No action		Lost opportunity to save money for customers and modify restrictive bond covenants in support of lower rates.
2.		
3.		



EVALUATION AND FOLLOW UP:

Savings and benefits achieved through this refunding will be communicated to the Board and public as part of the Reports of the Director related Strategic Directives for Financial Sustainability (SD2) and Rates (SD3).

STAFF/SPONSOR RECOMMENDATION:

Tacoma Water requests approval to issue the 2023 Regional Water Supply System (RWSS) Revenue Refunding Bonds in an amount not to exceed \$40,850,000, in order to refund the 2013 Regional Water Supply System Revenue Refunding Bonds, and to amend the RWSS Repayment Agreement.

Due to the volatility of the current interest rate environment, Tacoma Water recommends the Council approve the ordinance on August 1, 2023, in order to allow staff to act quickly when the market is favorable and maximize savings.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Fund 4600-RWSS	580000	6611000	TBD (depending on the market)
2.			
TOTAL			

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

NO, PLEASE EXPLAIN BELOW

Debt service savings have not been budgeted due to the volatility of market conditions.

Are there financial costs or other impacts of not implementing the legislation?

YES

Lost opportunity to save money for customers and modify restrictive bond covenants in support of lower rates.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Supports ongoing debt management and capital funding strategy as part of Tacoma Water’s Long-Range Financial Plan.

Will the legislation change the City’s FTE/personnel counts?

No

ATTACHMENTS:

- City Council Ordinance
- TPU Board Resolution
- Repayment Agreement

FIRST AMENDMENT TO REPAYMENT AGREEMENT

This FIRST AMENDMENT TO REPAYMENT AGREEMENT (this “Amendment”) is effective as of the Effective Date set forth in Section 3 herein, by and among the City of Tacoma, Washington (“Tacoma”), the City of Kent, Washington (“Kent”), Covington Water District (“Covington”) and Lakehaven Water and Sewer District, formerly known as Lakehaven Utility District (“Lakehaven” and, collectively with Tacoma, Kent and Covington, the “Participants”).

WHEREAS, the Participants entered into the Agreement for the Second Supply Project, effective December 19, 2002 (the “Project Agreement”) to design, finance, construct, operate and maintain certain property and facilities to obtain and receive deliveries of water for the Participants from the exercise by Tacoma of the Second Diversion Water Right (the “Project”); and

WHEREAS, the Project offers to all of the Participants an additional water delivery supply system with the benefits of joint development, tax exempt financing and economies of scale; and

WHEREAS, Initial Project Construction costs (as defined in the Project Agreement) were paid, in part, from proceeds of Tacoma’s Regional Water Supply System Revenue Bonds, 2002 (the “2002 Bonds”); and

WHEREAS, Lakehaven elected to prepay its allocable portion of the Initial Project Construction costs and did not participate in the 2002 Bonds; and

WHEREAS, in connection with the issuance of the 2002 Bonds, the Participants entered into the Repayment Agreement, effective November 1, 2002 (the “Original Agreement”) in order to elaborate on the Project Agreement’s payment sections and to set forth Kent and Covington’s respective proportional payment obligation with respect to debt service on the 2002 Bonds; and

WHEREAS, on April 16, 2013, Tacoma issued its Regional Water Supply System Revenue Refunding Bonds, 2013 (the “2013 Bonds”) to refund, for debt service savings, the 2002 Bonds; and

WHEREAS, under the terms of the Original Agreement, Kent and Covington’s respective proportional payment percentages carried forward and applied to the 2013 Bonds; and

WHEREAS, the Tacoma Public Utility Board approved and the Tacoma City Council adopted an ordinance authorizing Tacoma to refund the outstanding 2013 Bonds with, in part, proceeds of its Regional Water Supply System Revenue Refunding Bonds, Series 2023, proposed to be issued in the aggregate principal amount of not to exceed \$40,850,000 (the “2023 Bonds” or the “Bonds”); and

WHEREAS, the 2023 Bonds will be Project Bonds under the Project Agreement and “Bonds” under the Original Agreement; and

WHEREAS, in connection with such refunding, Covington has elected to prepay its allocable portion of the 2013 Bonds and will not participate in the 2023 Bonds; and

WHEREAS, the Participants wish to set forth the terms under which Kent shall make payments to Tacoma equal to its share of the principal of and interest on the 2023 Bonds when due and to confirm other matters required to market the 2023 Bonds;

NOW THEREFORE, the Participants agree as follows:

SECTION 1. Definitions. Unless otherwise specified herein, including in the recitals hereto, all capitalized terms used in this Amendment shall have the meanings specified in the Original Agreement. Furthermore, for purposes of the Original Agreement and this Amendment, the following terms shall be defined as follows:

Bonds shall mean the City's Regional Water Supply System Revenue Refunding Bonds, Series 2023, and any Refunding Bonds issued pursuant to Section 2(g) of this Agreement.

Ordinance means Ordinance _____, passed by the City Council on _____, 2023, as it may be amended from time to time.

SECTION 2. Amendments to the Original Agreement. Upon the satisfaction of the conditions precedent set forth in Section 3 of this Amendment, the Original Agreement is hereby amended as follows:

(A) *Amendments, Additions and Deletions to Section 2.* Section 2 of the Original Agreement (Payments by Kent and Covington) is hereby amended as follows (deletions are ~~stricken~~ and additions are double underlined):

Section 2. Payments by Kent and Covington.

Notwithstanding any provision of Section 25 of the Project Agreement to the contrary, ~~Kent and Covington's obligations~~ Kent's obligation to repay ~~its~~ ~~their~~ share of the Bonds shall be governed by the following provisions.

(a) ~~Covington and Kent~~ hereby acknowledges and agrees that ~~they~~ it shall pay Tacoma ~~[29.5250]% 22.0914% and 22.9348%, respectively,~~ of the principal of and interest on the Bonds and ~~are~~ is liable to repay Tacoma amounts due and owing with respect to such principal and interest as estimated on Schedule A, as revised by, and appended to, the Amendment to this Agreement, dated _____, 2023. A final version of Schedule A ~~schedule~~ showing ~~Covington and Kent's~~ proportionate share of the payments of debt service on the Bonds will be attached to this Agreement when the Bonds have been issued. ~~Resolution has been adopted by the Tacoma City Council.~~

The Bonds shall bear interest at the rates and be payable as set forth in the final Official Statement relating to the Bonds. Interest on the Bonds shall be calculated based on a 360-day year of twelve 30-day months.

~~Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2003. Principal of the Bonds shall be payable annually on each December 1, commencing in 2005 and ending in 2032. Interest on the Bonds shall be calculated based on a 360 day year of twelve 30 day months. The Bonds shall bear interest at the rates set forth in the Resolution.~~

(b) ~~Kent and Covington shall remit to Tacoma on or before three business days prior to each interest and principal payment date for the Bonds, commencing with the December 2023 payment date, an amount equal to the interest and principal, if any, next coming due based on its percentage by the 15th day of each month (or the next following business day if such date is not a business day), commencing with the month following the issuance of the Bonds, an amount equal to one sixth of the interest and one twelfth of the principal (or such greater fraction if there are less than six or twelve months, as applicable, to the next interest or principal date) next coming due based on their percentage share of the Bonds as shown on the debt service schedule applicable to the Bonds and attached in Schedule A, as it may be revised in connection with the refunding of the Bonds. final Schedule A.~~ Payments shall be sent by check or electronic transfer to the address or account shown on Schedule B. Tacoma shall not be required to bill Kent and Covington for these payments. ~~All interest earnings on the amounts submitted by Kent and Covington in any year shall be used to reduce their respective first monthly interest and principal payment in the next succeeding year. Each December Tacoma shall send Kent and Covington a reconciliation statement showing their January payment to reflect the interest earned on their prior year's payments~~

(c) Tacoma agrees to deposit all amounts received from the Participants under this Agreement in the City of Tacoma Regional Water Supply System Bond Fund created or continued under the Ordinance and to use such money for the sole purpose of paying the principal of and interest on the Bonds and Future Parity Bonds (as defined in the Ordinance). If Tacoma draws on the Reserve Account to cover a payment not made by any Participant, Tacoma may deposit amounts related to such late payments paid pursuant to paragraph (b) above to the Reserve Account to meet the Reserve Account Requirement (as such terms are defined in the Ordinance).

(d) ~~Kent and Covington~~ may provide for the prepayment of all or a portion of its ~~their~~ allocable share (in increments of \$5,000) of the Bonds on any date when the Bonds are subject to optional redemption (at the price of par plus accrued interest to the date fixed for redemption set forth in the Resolution) upon at least 60 days written notice to Tacoma at the address shown on Schedule B. Tacoma shall apply those amounts to the redemption and prepayment of an allocable

portion of the Bonds.

(e) Consistent with the terms of the Project Agreement, each Participant agrees that it will establish, maintain and collect rates and charges for water and other services, facilities and commodities sold, furnished or supplied by it through its water system which shall be adequate to provide revenues sufficient to enable the Participant to make its required payments under this Agreement (in the case of Kent ~~and Covington~~) and the Project Agreement and comply with the rate covenants in ~~their~~ its respective resolutions or ordinances authorizing ~~their~~ its senior lien water bonds (as such covenants may be changed).

(f) Kent ~~and Covington~~ shall remain obligated to provide for its ~~their~~ respective shares of debt service on the Bonds listed on final Schedule A unless all Participants consent to add a new Participant or to permit an existing Participant to assign its interests to a new Participant and all of the requirements set forth in Section ~~2015~~2015(c) of the Ordinance are met. In such event, Schedule A shall be adjusted to reflect the revised debt service schedule for all Participants, including the new Participant. All other terms and conditions of this Agreement shall remain in full force and effect.

(g) Tacoma may in its sole discretion issue bonds that refund the Bonds (“Refunding Bonds”) if and only if there is a debt service savings for each maturity of Refunding Bonds (compared to the Bonds and except as necessary to round out maturities to the nearest \$5,000) and the final maturity date of the Refunding Bonds is not later than that of the Bonds. In such event, Kent ~~and Covington~~ shall be obligated to provide for the payment of its ~~their~~ respective shares of the principal of and interest on those Refunding Bonds, and Schedule A shall be adjusted to reflect the revised debt service schedule for the Refunding Bonds. Refunding Bonds that do not provide the debt service savings with the maturities described above may be issued by Tacoma only with the written approval by ~~both Covington and Kent~~. “Refunding Bonds” shall be treated as “Bonds” for the purposes of this Agreement, and all other terms and conditions of this Agreement shall remain in full force and effect.

(B) *Amendment to Section 3(a)*. Section 3(a) of the Original Agreement is hereby amended as follows (deletions are ~~stricken~~ and additions are double underlined):

(a) Kent ~~and Covington~~ shall not (a) enter into any contracts with private parties for the management of its ~~their~~ water systems or (b) enter into any contracts with a private party or the Federal Government that exceed three years (or such lesser period if informed in writing by

Tacoma) for the sale of water from the Project without providing a copy of any such proposed contract to Tacoma for review by Tacoma and Tacoma's designated nationally recognized bond counsel. Kent ~~and Covington~~ shall not execute any such contract if, in the opinion of such bond counsel, the sales or management agreement as proposed would adversely affect the tax-exempt status on the Bonds.

(C) Amendment to Section 4. Section 4 of the Original Agreement is hereby amended as follows (deletions are ~~stricken~~ and additions are double underlined):

Section 4. Ongoing Disclosure. To assist the underwriters of the Bonds in complying with the ongoing disclosure requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), ~~Covington and Kent~~ agrees to include reference to the Bonds in its ~~their~~ regular ongoing disclosure filings pursuant to the Rule or, in the absence of a regular ongoing disclosure filing, to provide or cause to be provided annually to each nationally recognized municipal securities information repository and to the state information depository for the State of Washington (if one is created), in each case as designated by the SEC in accordance with the Rule, audited financial statements prepared in accordance with generally accepted accounting principles applicable to Washington municipal corporations (except as noted in such financial statements) within eight nine months after each fiscal year. ~~Covington and Kent~~ shall provide Tacoma a copy of such filing by each September 1st.

SECTION 3. Conditions Precedent. This Amendment shall become effective as of the date of issuance and delivery of the 2023 Bonds (the "Effective Date") and defeasance and/or refunding of the 2013 Bonds, in full, subject to satisfaction of all of the following conditions:

(A) Delivery by Tacoma of an executed (a) Resolution of the Tacoma Public Utilities Board adopted on _____, 2023 requesting the issuance of the 2023 Bonds, approving a form of the 2023 Bond Ordinance and requesting this Amendment; and (b) City Ordinance No. _____ adopted on _____, 2023 authorizing the issuance of the 2023 Bonds and authorizing this Amendment;

(B) Delivery by each Participant to the other parties to the Original Agreement copies of such Participant's resolution or ordinance authorizing the execution and delivery of this Amendment; and

(C) Execution by each Participant of this Amendment.

SECTION 4. Failure to Issue Bonds or Prepay. Notwithstanding anything herein to the contrary, this Amendment shall be null and void if either (a) the 2023 Bonds are not issued to defease and/or refund the 2013 Bonds, in full, by June 30, 2024, or (b) Covington does not deliver, or cause to be delivered, funds sufficient to prepay its obligation with respect to the 2013 Bonds

at or prior to the date of issuance of the 2023 Bonds and the defeasance and/or refunding of the 2013 Bonds. The Participants hereby acknowledge and consent to Tacoma issuing the 2023 Bonds as “Bonds” under the Original Agreement in order to provide a portion of the funds necessary to refund the 2013 Bonds.

SECTION 5. Term. The amendments set forth herein shall become effective as of the Effective Date upon satisfaction of the conditions set forth in Section 3. The Original Agreement, as amended by this Amendment, shall expire when the Bonds are no longer outstanding as provided in Section 1 of the Original Agreement.

SECTION 6. Miscellaneous. Except as specifically amended herein, the Original Agreement shall continue in full force and effect in accordance with its terms.

THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF WASHINGTON WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Participants have caused this Amendment to be duly executed and delivered as of the Effective Date.

CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION

CITY OF KENT, WASHINGTON

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Approved as to Form:

Approved as to Form:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

COVINGTON WATER DISTRICT

LAKEHAVEN WATER AND SEWER DISTRICT

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Approved as to Form:

Approved as to Form:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



ORDINANCE NO.

1 AN ORDINANCE of the City of Tacoma, Washington, relating to the Regional
2 Water Supply System; providing for the issuance and sale of Regional
3 Water Supply System revenue refunding bonds in an aggregate principal
4 amount not to exceed \$40,850,000 to provide funds to defease and/or
5 refund all or a portion of the City's Regional Water Supply System
6 Revenue Refunding Bonds, 2013; fixing or setting parameters with respect
7 to certain terms and covenants of the bonds, and appointing the City's
8 designated representatives to approve the final terms of the sale of the
9 bonds; approving an amendment to the Repayment Agreement; and
10 approving certain other matters in connection therewith.

11 WHEREAS the City of Tacoma, Washington ("City"), acting by and
12 through its Department of Public Utilities, Water Division (d/b/a "Tacoma
13 Water"), owns and operates a water system ("Water System") and a Regional
14 Water Supply System ("Regional System") as separate systems, and

15 WHEREAS the Regional System is a "Contract Resource Obligation" (as
16 defined in the ordinances authorizing the issuance of the hereinafter defined
17 Water System Bonds) of the Water System and, therefore, all payments under
18 that Contract Resource Obligation, including payments before commencement,
19 during suspension and after termination of water supply or service, shall be
20 treated as "Operation and Maintenance Expenses" (as defined in the
21 ordinances authorizing the issuance of the hereinafter defined Water System
22 Bonds) of the Water System, and

23 WHEREAS the City has entered into the Agreement for the Second
24 Supply Project effective December 19, 2002, and a Repayment Agreement,
25 effective November 1, 2002, as each may be amended from time to time
26 (together, "Project Agreement"), with the City of Kent ("Kent"), Covington Water



1 District (“CWD”) and Lakehaven Water and Sewer District, formerly known as
2 Lakehaven Utility District (“Lakehaven,” and collectively with the City, Kent and
3 CWD, “Participants”), to design, finance, construct, operate and maintain
4 certain property and facilities to deliver and receive water from the Regional
5 System, and
6

7 WHEREAS under the Project Agreement, the City may finance, to the
8 extent not otherwise provided by the Participants, all or part of certain costs of
9 the Regional System, with the proceeds of revenue bonds to be issued by the
10 City, and
11

12 WHEREAS pursuant to Substitute Ordinance No. 28137, the City has
13 issued its \$64,795,000 original principal amount of Regional Water Supply
14 System Revenue Refunding Bonds, 2013 (“2013 RWSS Bonds”), of which
15 \$52,045,000 are presently outstanding, and
16

17 WHEREAS pursuant to Ordinance No. 27903, the City has issued its
18 \$3,595,000 original principal amount of Regional Water Supply System
19 Revenue Bonds, Series 2010A (“2010A RWSS Bonds”), and its \$44,245,000
20 original principal amount of Regional Water Supply System Revenue Bonds,
21 Series 2010B (Taxable Build America Bonds – Direct Payment) (“2010B RWSS
22 Bonds,” and collectively with the 2010A RWSS Bonds and the 2013 RWSS
23 Bonds, “Outstanding Parity Bonds”), and
24

25 WHEREAS pursuant to the ordinances authorizing the issuance of the
26 Outstanding Parity Bonds, the City is authorized to issue revenue bonds that



1 are secured by a lien and charge on Regional System revenues equal to the
2 lien and charge securing the payment of principal of and interest on the
3 Outstanding Parity Bonds, if specified conditions are met and complied with at
4 the time of issuance of such bonds, and
5

6 WHEREAS the City has adopted financial policies which provide that as
7 a general rule, existing bonds will not be refunded through the issuance of
8 refunding bonds unless the refunding plan will achieve a net present value
9 savings of at least 5%, or as an exception, to obtain more favorable covenants
10 when it is in the City's interest to do so, and
11

12 WHEREAS the 2013 RWSS Bonds maturing on or after December 1,
13 2023 are subject to redemption at the option of the City at any time on or after
14 June 1, 2023, and
15

16 WHEREAS the Public Utility Board ("Board") has initiated and has
17 recommended to the City Council for its approval the issuance of Regional
18 System revenue refunding bonds in one or more series ("2023 RWSS Bonds"),
19 together with other available money, to defease and/or refund all or a portion of
20 the 2013 RWSS Bonds (if so refunded, "Refunded Bonds") for aggregate debt
21 service savings and/or to restructure the debt if it is in the best interest of
22 Tacoma Water and the Regional System, and
23

24 WHEREAS the City Council has determined that it is in the best interest of
25 the City and the Regional System to issue the 2023 RWSS Bonds to defease
26



1 and/or refund the Refunded Bonds and to pay costs of issuance and sale of the
2 2023 RWSS Bonds, and

3 WHEREAS the City Council wishes to delegate authority to the individuals
4 authorized herein (each, a “Designated Representative”), for a limited time, the
5 authority to approve the final terms of the 2023 RWSS Bonds authorized herein
6 within the parameters set by this ordinance, and

7
8 WHEREAS the City expects to receive a purchase contract from KeyBanc
9 Capital Markets Inc. and Wells Fargo Corporate & Investment Banking
10 (“Underwriters”) to purchase the 2023 RWSS Bonds authorized herein, and now
11 desires to issue and sell such bonds to the Underwriters as set forth herein; Now,
12 Therefore,
13

14 BE IT ORDAINED BY THE CITY OF TACOMA:

15 Section 1. Definitions and Interpretation of Terms.

16 A. Definitions. Unless otherwise defined in the recitals and elsewhere in
17 this ordinance, capitalized terms used herein shall have the following meanings:

18 “Accreted Value” means either: (1) with respect to any Capital
19 Appreciation Bonds, as of the time of calculation, the sum of the amount
20 representing the initial principal amount of such Capital Appreciation Bonds as
21 set forth in the applicable Parity Bond Authorizing Ordinance plus the interest
22 accumulated, compounded and unpaid thereon as of the most recent
23 compounding date; or (2) with respect to original issue discount bonds under
24 the Code, as of the time of calculation, the amount representing the initial public
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1 offering price of such original issue discount bonds plus the amount of the
2 discounted principal which has accreted since the date of issue, determined in
3 accordance with the provisions of the applicable Parity Bond Authorizing
4 Ordinance.

5
6 "Acquired Obligations" means the Government Obligations, if any,
7 acquired by the City under the terms of this ordinance and the Escrow
8 Agreement to effect the defeasance and refunding of the Refunded Bonds, but
9 only to the extent that the same are acquired at Fair Market Value.

10
11 "Annual Debt Service" means the amount required to be paid in a
12 calendar year for (1) interest due in such calendar year on all outstanding Parity
13 Bonds (excluding the accrued interest paid to the City upon issuance of Parity
14 Bonds), (2) principal of all outstanding Serial Bonds due in such calendar year,
15 and (3) any Mandatory Amortization Installment for such calendar year. If on
16 such date of calculation the interest rate on any Variable Interest Rate Bonds
17 shall then be fixed for a specified period, including pursuant to a Payment
18 Agreement, the interest rate used for such specified period for the purpose of
19 the foregoing calculation shall be such actual interest rate.

20
21 In the case of Variable Interest Rate Bonds, for the purpose of
22 calculating Annual Debt Service, the interest rate thereon shall be calculated on
23 the assumption that such bonds will bear interest during such period at a rate
24 equal to the rate most recently reported by The Bond Buyer as the Bond Buyer
25 Index for long-term revenue bonds as of the date the Parity Bonds are sold;
26



1 provided, that if on such date of calculation the interest rate on such bonds shall
2 then be fixed for a specified period, the interest rate used for such specified
3 period for the purpose of the foregoing calculation shall be such actual interest
4 rate.

5
6 For purposes of computing Annual Debt Service on any Parity Bonds
7 which constitute Balloon Indebtedness, it shall be assumed that the principal of
8 such Balloon Indebtedness, together with interest thereon at the rate applicable
9 to such Balloon Indebtedness, shall be amortized in equal annual installments
10 over a term equal to the lesser of (1) 25 years or (2) the average weighted
11 useful life (expressed in years and rounded to the next highest integer) of the
12 properties and assets constituting the project (if any) financed out of the
13 proceeds of such Balloon Indebtedness.

14
15 The interest on Parity Bonds designated as Build America Bonds or
16 similar bonds, including the 2010B RWSS Bonds, for purposes of calculating
17 the Annual Debt Service for purposes of the Reserve Account Requirement,
18 shall be based on the net interest after the federal direct payment or such other
19 federal direct payment to be received for the 2010B RWSS Bonds and Future
20 Parity Bonds.

21
22 "Assistant Finance Director/Controller" means the duly appointed and acting
23 Assistant Finance Director/Controller of the City, including anyone acting in an
24 interim or other capacity for the position, or the successor to the duties of that
25 office.
26



1 "Average Annual Debt Service" means the sum of the Annual Debt
2 Service for the remaining years to the last scheduled maturity of the applicable
3 issue or issues of Parity Bonds divided by the number of those years.

4 "Balloon Indebtedness" means any series of Parity Bonds more than
5 25% of the principal of which, in accordance with the terms of such Parity
6 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
7 maturity date of such Parity Bonds or pursuant to a sinking fund installment;
8 provided that with respect to any Parity Bonds issued as Term Bonds, such
9 Bonds shall only be treated as Balloon Indebtedness if more than 25% of the
10 principal thereof is due in any one Fiscal Year pursuant to the applicable sinking
11 fund requirement or upon the stated maturity date thereof (assuming that the
12 only principal due on the stated maturity date thereof will be the principal
13 remaining outstanding after all redemptions have been made pursuant to the
14 applicable sinking fund requirement).

15 "Beneficial Owner" means any person that has or shares the power, directly
16 or indirectly, to make investment decisions concerning ownership of any 2023
17 RWSS Bonds (including persons holding 2023 RWSS Bonds through nominees,
18 depositories or other intermediaries).

19 "Board" means the Public Utility Board of the City, as the same shall be duly
20 and regularly constituted from time to time.

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1 "Bond Counsel" means Pacifica Law Group LLP or another law firm
2 selected by the City that is nationally recognized in matters concerning bonds and
3 other securities issued by states and local governments.

4 "Bond Fund" means the City of Tacoma Regional Water Supply System
5 Bond Fund including any subfunds within such fund.

6 "Bond Obligation" means, as of any given date of calculation, the sum of
7 (1) the aggregate principal amount of all outstanding Current Interest Bonds
8 and (2) the aggregate Accreted Value of all outstanding Capital Appreciation
9 Bonds calculated as of the date of calculation if that date is a Payment Date or
10 as of the next preceding Payment Date if the date of calculation is not a
11 Payment Date.

12 "Bond Purchase Contract" means the contract between the Underwriters and
13 the City for the purchase of the 2023 RWSS Bonds, executed pursuant to this
14 ordinance and setting forth the final terms of the 2023 RWSS Bonds.

15 "Bond Register" means the registration books maintained by the Bond
16 Registrar for purposes of identifying ownership of the 2023 RWSS Bonds or the
17 nominee of each owner, and such other information as the Bond Registrar shall
18 determine.

19 "Bond Registrar" means, initially, the fiscal agent of the State, whose
20 duties include registering and authenticating the 2023 RWSS Bonds,
21 maintaining the Bond Register, effecting transfer of ownership of the 2023
22 RWSS Bonds and paying interest on and principal of the 2023 RWSS Bonds.



1 "Bondowners' Trustee" has the meaning set forth in Section 25(B) of this
2 ordinance.

3 "Build America Bonds" means any series of Parity Bonds to which the
4 City irrevocably elects to have Section 54AA of the Code apply.
5

6 "Call Date" means a date selected by a Designated Representative for
7 the refunding of the Refunded Bonds which shall be no earlier than June 1,
8 2023.

9 "Capital Appreciation Bonds" means any Parity Bonds, all or a portion of
10 the interest on which is compounded and accumulated at the rates or in the
11 manner, and on the dates, set forth in the applicable Parity Bond Authorizing
12 Ordinance and is payable only upon redemption or on the maturity date of such
13 Parity Bonds. Parity Bonds that are issued as Capital Appreciation Bonds, but
14 later convert to obligations on which interest is paid periodically, shall be Capital
15 Appreciation Bonds until the conversion date and thereafter shall no longer be
16 Capital Appreciation Bonds, but shall be treated as having a principal amount
17 equal to their Accreted Value on the conversion date.
18

19 "Certified Public Accountant" means an independent licensed certified
20 public accountant (or firm of certified public accountants) selected by the City.
21

22 "City" means the City of Tacoma, Washington, a municipal corporation
23 duly organized and existing under and by virtue of the laws of the State.
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1 "City Attorney" means the duly appointed and acting City Attorney of the
2 City, including anyone acting in an interim or other capacity for the position, or
3 the successor to the duties of that office.

4 "City Clerk" means the duly appointed and acting City Clerk of the City,
5 including anyone acting in an interim or other capacity for the position, or the
6 successor to the duties of that office.

7 "City Manager" means the duly appointed and acting City Manager of the
8 City, including anyone acting in an interim or other capacity for the position, or
9 the successor to the duties of that office.

10 "Code" means the Internal Revenue Code of 1986 as in effect on the
11 date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced
12 herein) as it may be amended to apply to obligations issued on the date of
13 issuance of the Tax-Exempt Bonds, together with applicable proposed,
14 temporary and final regulations promulgated, and applicable official public
15 guidance published, under the Code.

16 "Construction Account" means the Tacoma Second Supply Project
17 Construction Account established by the Finance Director of the City in
18 accordance with Substitute Ordinance 27001.

19 "Continuing Disclosure Certificate" means one or more written
20 undertakings for the benefit of the owners and Beneficial Owners of the 2023
21 RWSS Bonds as required by Section (b)(5) of the Rule.

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1 "Council" or "City Council" means the City Council as the general
2 legislative authority of the City, as duly and regularly constituted from time to
3 time.

4 "Current Interest Bonds" means Parity Bonds, the interest on which is
5 paid periodically.
6

7 "CWD" means Covington Water District, and its successors.

8 "Debt Service Account" means the Debt Service Account in the Bond
9 Fund.

10 "Designated Representative" means the Director of Utilities and the
11 Superintendent of the Water Division, and their designees. The signature of
12 one Designated Representative shall be sufficient to bind the City.
13

14 "Director of Utilities" means the duly appointed and acting Director of the
15 City Department of Public Utilities, including anyone acting in an interim or other
16 capacity for the position, or the successor to the duties of that office.
17

18 "DTC" means The Depository Trust Company.

19 "Engineer" means an independent licensed professional engineer (or firm
20 of licensed professional engineers) selected by the City and experienced and
21 skilled in the operation of water systems of comparable size and character to
22 the Regional System.
23

24 "Escrow Agent" means the escrow agent appointed pursuant to
25 Section 8(B) of this ordinance.
26



1 “Escrow Agreement” means the Escrow Deposit Agreement between the
2 City and the Escrow Agent to be dated as of the Issue Date of the 2023 RWSS
3 Bonds.

4 “Fair Market Value” means the price at which a willing buyer would
5 purchase an investment from a willing seller in a bona fide, arm’s length
6 transaction, except for specified investments as described in Treasury
7 Regulation § 1.148-5(d)(6), including United States Treasury obligations,
8 certificates of deposit, guaranteed investment contracts, and investments for
9 yield restricted defeasance escrows. Fair Market Value is generally determined
10 on the date on which a contract to purchase or sell an investment becomes
11 binding, and, to the extent required by the applicable regulations under the
12 Code, the term “investment” will include a hedge.

13 “Federal Tax Certificate” means the certificate of the City pertaining to
14 the tax-exemption of interest on the Tax-Exempt Bonds, and any attachments
15 thereto.

16 “Filtration Treatment Project” means the design and construction of the
17 portion of the filtration treatment system financed by the Regional System.

18 “Finance Director” means the duly appointed and acting Finance Director
19 of the City, including anyone acting in an interim or other capacity for the
20 position, or the successor to the duties of that office.

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1 "Fiscal Year" means the fiscal year used by the City at any time. At the
2 time of the adoption of this ordinance, the Fiscal Year is the 12-month period
3 beginning January 1 of each year.

4 "Future Parity Bonds" means any revenue bonds or any other revenue
5 obligations of the City issued in accordance with this ordinance after the date of
6 issuance of the 2023 RWSS Bonds, that are secured by a lien and charge as
7 described in Section 17 equal to the lien and charge securing the payment of
8 the principal of and interest on the 2023 RWSS Bonds and the Outstanding
9 Parity Bonds.
10

11 "Government Obligations" means those obligations now or hereafter
12 defined as such in chapter 39.53 RCW constituting direct obligations of, or
13 obligations the principal of and interest on which are unconditionally guaranteed
14 by the United States of America, as such chapter may be hereafter amended or
15 restated.
16

17 "Gross Revenues of the Water System" means in any Fiscal Year of the
18 Water System all of the revenues of the Water System, including but not limited
19 to revenue from the sale or transmission of water; the sale, lease or furnishing
20 of other commodities, services, properties or facilities; the imposition of
21 connection, capital improvement or other charges; utility local improvement
22 district assessments that are pledged to Water System Bonds; and earnings
23 from the investment of money in the Water System Revenue Fund. However,
24 Gross Revenue shall not include earnings of the Regional System or a separate
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1 utility system that may be acquired or constructed by the City, including the
2 Regional System; principal proceeds of Water System Bonds or other
3 borrowings; grants or other capital contributions to the Water System which by
4 their terms are restricted to specific projects or purposes; or earnings or
5 proceeds from any investments in a trust, defeasance or escrow fund created to
6 defease or refund Water System obligations (until commingled with other
7 earnings and revenues of the Water System defined as Gross Revenue) or held
8 in a special account for the purpose of paying a rebate to the United States
9 government under the Code.
10

11
12 “Issue Date” means, with respect to any series of 2023 RWSS Bonds,
13 the date of initial issuance and delivery of such series to the Underwriters.

14 “Kent” means the City of Kent, and its successors.

15 “Lakehaven” means Lakehaven Water and Sewer District, and its
16 successors.
17

18 “Letter of Representations” means the blanket issuer letter of
19 representations from the City to DTC.

20 “Mandatory Amortization Installment” means, for any Fiscal Year, the
21 principal amount of Term Bonds required to be purchased, redeemed, or paid in
22 such year as established by the ordinance or resolution of the City authorizing
23 the issuance of such Term Bonds.
24

25 “Maximum Interest Rate” means, with respect to any particular Variable
26 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any



1 ordinance authorizing such Bond that shall be the maximum rate of interest
2 such Bond may at any time bear.

3 "Mayor" means the duly elected Mayor of the City or the successor to
4 such officer.

5 "Moody's" means Moody's Investors Service, Inc., or its comparable
6 recognized business successor.

7 "Net Revenues" means, for any period, Revenues minus Operating
8 Expenses for such period, excluding from the computation of Revenues any
9 profit or loss derived from the sale or other disposition, not in the ordinary
10 course of business, of properties, rights or facilities of the Regional System or
11 gains or losses resulting from the early extinguishment of debt or the
12 requirements to mark assets or liabilities to market.

13 "Official Statement" means the disclosure documents prepared and
14 delivered in connection with the issuance of each series of 2023 RWSS Bonds.

15 "Operating Expenses" means all expenses incurred by the City in
16 causing the Regional System to be operated and maintained in good repair,
17 working order and condition, including without limitation: deposits, premiums,
18 assessments or other payments for insurance, if any, on the Regional System;
19 payments into pension funds; State-imposed taxes; payments made to any
20 other person or entity for the receipt of water supply or transmission or other
21 right, commodity or service; payments made to any other person or entity that
22 are required in connection with the operation of the Regional System or the
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1 acquisition or transmission of water and that are not subordinate to the lien of
2 the Parity Bonds; and payments with respect to any other expenses of the
3 Regional System that are properly treated as operation and maintenance
4 expenses under generally accepted accounting principles applicable to
5 municipal corporations. Operating Expenses do not include any depreciation or
6 taxes levied or imposed by the City, Payment Agreement payments, or
7 payments to the City in lieu of taxes, any Rebate Amount, or capital additions or
8 capital replacements to the Regional System.
9

10 “Outstanding Parity Bonds” means the 2010 RWSS Bonds and the 2013
11 RWSS Bonds.
12

13 “Owners” mean, without distinction, the Registered Owners and the
14 Beneficial Owners.
15

16 “Parity Bond Authorizing Ordinances” means the ordinances and/or
17 resolutions of the City authorizing the issuance and sale and establishes the
18 terms of a particular issue of Parity Bonds.
19

20 “Parity Bonds” means the Outstanding Parity Bonds, the 2023 RWSS
21 Bonds and any Future Parity Bonds.
22

23 “Participants” mean the City, Kent, CWD and Lakehaven.
24

25 “Participants’ Payments” means all payments received from the
26 Participants under the Project Agreement.



1 “Participants’ Systems” or “Participant’s System” means the City’s Water
2 System, Kent’s water system, CWD’s water system, and Lakehaven’s water
3 and sewer system.

4 “Payment Date” means the dates on which principal and/or interest on
5 the Parity Bonds is due and payable.

6 “Permitted Investments” means investments that are now or may
7 hereafter be permitted to the City by the laws of the State.

8 “Project Agreement” means, together, the Agreement for the Second
9 Supply Project, entered into by and among the Participants effective as of
10 December 19, 2002, and the Repayment Agreement, entered into by and
11 among the Participants effective as of November 1, 2002, as each may be
12 amended from time to time.

13 “Projects” mean the capital facilities of the Regional System financed or
14 refinanced with proceeds of the Refunded Bonds.

15 “Qualified Insurance” means any municipal bond insurance policy or
16 surety bond issued by any insurance company licensed to conduct an
17 insurance business in any state of the United States (or by a service
18 corporation acting on behalf of one or more such insurance companies), which
19 insurance company or companies, as of the time of issuance of such policy or
20 surety bond, are currently rated in one of the two highest rating categories by
21 two Rating Agencies.

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1 "Qualified Letter of Credit" means any letter of credit issued by a financial
2 institution for the account of the City on behalf of the owners of the Parity
3 Bonds, which institution maintains an office, agency or branch in the
4 United States and as of the time of issuance of such letter of credit is currently
5 rated in one of the two highest rating categories by two Rating Agencies.
6

7 "Rating Agencies" means Moody's, S&P or another nationally recognized
8 rating agency rating municipal bonds.

9 "Rebate Amount" means the amount, if any, determined to be payable
10 with respect to the 2023 RWSS Bonds by the City to the United States of
11 America in accordance with Section 148(f) of the Code.
12

13 "Record Date" means the Bond Registrar's close of business on the 15th
14 day of the month preceding an interest payment date. With respect to
15 redemption of a Bond prior to its maturity, the Record Date shall mean the Bond
16 Registrar's close of business on the date on which the Bond Registrar sends
17 the notice of redemption in accordance with Section 5.
18

19 "Refunded Bonds" means all or a portion of the 2013 RWSS Bonds
20 designated by the Designated Representative for refunding pursuant to this
21 ordinance.
22

23 "Refunding Account" means the account of that name established
24 pursuant to this ordinance.

25 "Regional System" means the Regional Water Supply System,
26 comprised of certain property and facilities to deliver and receive water for the



1 Participants from the exercise by the City of its Second Diversion Water Right,
2 which property and facilities include (1) a Main Branch pipeline to the City with a
3 72 MGD nominal capacity; (2) headworks improvements associated with the
4 Second Diversion Water Right; (3) related fisheries and environmental
5 enhancements; (4) improvements and additions to the Howard Hanson Dam to
6 raise the summer storage pool to elevation 1,167 in phase I to provide an
7 additional 20,000 acre feet of water storage, together with improvements and
8 additions related to accommodating fish passage; (5) the Filtration Treatment
9 Project; and (6) additional related water treatment facilities; and as the same
10 will be added to, improved and extended for as long as any of the Parity Bonds
11 are outstanding. The Regional System shall not include the Water System or
12 any other separate system.

15 "Regional System Costs" means with respect to each month, all costs
16 attributable to the Regional System, to the extent not paid from the proceeds of
17 Parity Bonds or other sources, resulting from the ownership, operation,
18 maintenance and termination of, and repair, renewals, replacements, additions,
19 improvements, betterments and modifications to the Regional System, including
20 without limitation (1) Operating Expenses, (2) the amount required to be paid
21 into the Bond Fund, (3) any amount that the City may be required during such
22 month to pay for the prevention or correction of any unusual loss or damage or
23 for renewals, replacements, repairs, additions, improvements, betterments, and
24 modifications that are necessary to keep the Regional System in good
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1 operating condition, to improve the operation thereof or to prevent a loss, and
2 (4) all other charges or obligations against the Revenues.

3 "Registered Owner" means the person named as the registered owner of
4 a 2023 RWSS Bond in the Bond Register. For so long as the 2023 RWSS
5 Bonds are held in book-entry only form, DTC or its nominee shall be deemed to
6 be the sole Registered Owner.
7

8 "Reserve Account" means the Reserve Account created in the Bond
9 Fund.

10 "Reserve Account Requirement" with respect to the 2023 RWSS Bonds
11 means zero (\$0.00).
12

13 The Reserve Account Requirements with respect to the Outstanding
14 Parity Bonds have the meanings set forth in the applicable Parity Bond
15 Authorizing Ordinances.
16

17 The Reserve Account Requirement with respect to Future Parity Bonds
18 will be either (1) an amount equal to Average Annual Debt Service on such
19 issuance of Future Parity Bonds, but in no case shall the amount in the Reserve
20 Account allocable to such issuance of Future Parity Bonds exceed 10% of the
21 proceeds of such bonds, or (2) the ordinance authorizing such issuance of
22 Future Parity Bonds may provide for the creation of a separate reserve account,
23 in which case the Reserve Account Requirement, if any, for such issuance of
24 Future Parity Bonds may be set in such ordinance and the Reserve Account
25
26



1 created by Ordinance No. 27001 shall not secure such series of Future Parity
2 Bonds.

3 "Revenue Fund" means the Regional Water Supply System Fund.

4 "Revenues" means the income, revenues, receipts and loan proceeds
5 derived by the City through the ownership and operation of the Regional
6 System, including Participants' Payments, but, except as provided in Sections 9
7 and 12, shall not include any income derived by the City through the ownership
8 and operation of the Water System or any other separate utility system of the
9 City.
10

11 "Rule" means the Security and Exchange Commission's Rule 15c2-12
12 under the Securities Exchange Act of 1934, as the same may be amended from
13 time to time.
14

15 "S&P" means S&P Global Ratings, or its comparable recognized
16 business successor.
17

18 "Second Diversion Water Right" means the City's permit to appropriate
19 up to 100 cubic feet per second of surface water from the Green River for
20 municipal and industrial supply, obtained from the State Department of Ecology.
21

22 "Serial Bonds" means Parity Bonds other than term bonds.

23 "State" means the State of Washington.

24 "Taxable Bonds" means any 2023 RWSS Bonds of a series determined
25 to be issued on a taxable basis pursuant to this ordinance.
26



1 "Tax-Exempt Bonds" means any 2023 RWSS Bonds of a series
2 determined to be issued on a tax-exempt basis under the Code pursuant to this
3 ordinance.

4 "Term Bonds" means Parity Bonds designated as such by a Designated
5 Representative and those Parity Bonds designated as such in the applicable
6 Parity Bond Authorizing Ordinance.

7 "Treasurer" means the duly appointed and acting Treasurer of the City,
8 including anyone acting in an interim or other capacity for the position, or the
9 successor to the duties of that office.

10 "Underwriters" means KeyBanc Capital Markets Inc. and Wells Fargo
11 Corporate & Investment Banking, and their successors.

12 "Variable Interest Rate" means any variable interest rate or rates to be
13 borne by any Parity Bonds. The method of computing such a variable interest
14 rate shall be as specified in the applicable Parity Bond Authorizing Ordinance,
15 which ordinance or resolution also shall specify either: (1) the particular period
16 or periods of time or manner of determining such period or periods of time for
17 which each value of such variable interest rate shall remain in effect; or (2) the
18 time or times upon which any change in such variable interest rate shall
19 become effective. A Variable Interest Rate may, without limitation, be based on
20 the interest rate on certain bonds or may be based on interest rate, currency,
21 commodity, or other indexes.

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1 “Variable Interest Rate Bonds” for any period of time means Parity Bonds
2 that during such period bear a Variable Interest Rate, provided that Parity
3 Bonds the interest rate on which shall have been fixed for the remainder of the
4 term thereof shall no longer be Variable Interest Rate Bonds.
5

6 “Water System” means the water system of the City as it now exists, and
7 all additions thereto and betterments and extensions thereof at any time made
8 for so long as any of the Water System Bonds are outstanding. The Water
9 System shall not include the Regional System or any water supply or service or
10 other facilities that may be created, acquired, or constructed by the City as a
11 separate utility system.
12

13 “Water System Bonds” means, as of the date of this ordinance, the City’s
14 (1) \$46,550,000 original principal amount of Water System Revenue and
15 Refunding Bonds, 2005; (2) \$76,755,000 original principal amount of Water
16 System Revenue Bonds, 2009 (Taxable Build America Bonds – Direct
17 Payment); (3) \$74,985,000 original principal amount of Water System Revenue
18 Bonds, 2010B (Taxable Build America Bonds – Direct Payment);
19 (4) \$78,305,000 original principal amount of Water System Revenue and
20 Refunding Bonds, 2013; (5) \$16,645,000 original principal amount of Water
21 System Revenue Refunding Bonds, Series 2015A; and (6) any obligations
22 thereafter issued on a parity of lien on Gross Revenues of the Water System
23 with such Water System Bonds.
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1 “2010 RWSS Bonds” means the 2010A RWSS Bonds and the 2010B
2 RWSS Bonds.

3 “2010A RWSS Bonds” means the City’s Regional Water Supply System
4 Revenue Bonds, 2010A, issued in the original principal amount of \$3,595,000
5 pursuant to Ordinance No. 27903, passed on July 20, 2010.
6

7 “2010B RWSS Bonds” means the City’s Regional Water Supply System
8 Revenue Bonds, 2010B (Taxable Build America Bonds – Direct Payment),
9 issued in the original principal amount of \$44,245,000 pursuant to Ordinance
10 No. 27903, passed on July 20, 2010.
11

12 “2013 RWSS Bonds” means the “City of Tacoma, Washington, Regional
13 Water Supply System Revenue Refunding Bonds, 2013” issued in the original
14 principal amount of \$64,795,000 pursuant to Ordinance No. 28137, passed on
15 March 19, 2013.
16

17 “2023 RWSS Bonds” or “Bonds” means the “City of Tacoma,
18 Washington, Regional Water Supply System Revenue Refunding Bonds, Series
19 2023” to be hereafter issued pursuant to and for the purposes provided in this
20 ordinance.
21

22 B. Interpretation. In this ordinance, unless the context otherwise
23 requires:

24 (1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,”
25 and any similar terms, as used in this ordinance, refer to this ordinance as a
26 whole and not to any particular article, section, subdivision, or clause hereof,



1 and the term “hereafter” shall mean after, and the term “heretofore” shall mean
2 before, the date of this ordinance;

3 (2) Words importing the singular number shall mean and include
4 the plural number and vice versa;

5 (3) Words importing persons shall include firms, associations,
6 partnerships (including limited partnerships), trusts, corporations, limited liability
7 companies, and other legal entities, including public bodies, as well as natural
8 persons;

9 (4) Any headings preceding the text of the several articles and
10 sections of this ordinance, and any table of contents or marginal notes
11 appended to copies hereof, shall be solely for convenience of reference and
12 shall not constitute a part of this ordinance, nor shall they affect its meaning,
13 construction, or effect; and

14 (5) All references herein to “articles,” “sections,” and other
15 subdivisions or clauses are to the corresponding articles, sections, subdivisions,
16 or clauses hereof.

17 Section 2. Findings; Parity Bonds.

18 A. Parity and Other Findings. In connection with the issuance of the
19 2023 RWSS Bonds on a parity of lien with the Outstanding Parity Bonds, the
20 City hereby makes the following findings:

21 (1) As of the date hereof, and as of the Issue Date of the 2023
22 RWSS Bonds, the Project Agreement is and will be in effect.



1 (2) There is, and as of the Issue Date of the 2023 RWSS Bonds,
2 there will be, no deficiency in the Bond Fund or any accounts therein.

3 (3) The 2023 RWSS Bonds will be issued for refunding purposes
4 for aggregate debt service savings and/or to restructure the Refunded Bonds.
5
6 At or prior to the issuance of the 2023 RWSS Bonds, the City will have on file a
7 certificate satisfying the Future Parity Bond requirements of the Parity Bond
8 Authorizing Ordinances for the Outstanding Parity Bonds.

9 B. Findings Related to Revenues of the Regional System. The City hereby
10 finds and determines that the Revenues of the Regional System will be more than
11 sufficient to meet all Operating Expenses to make all required payments with
12 respect to the Outstanding Parity Bonds and the 2023 RWSS Bonds, and to permit
13 the setting aside into the Bond Fund out of the Revenues of amounts sufficient to
14 pay the principal of and interest on the 2023 RWSS Bonds when due at maturity
15 and upon any mandatory sinking fund redemption thereof.
16
17

18 The City further finds and determines that in creating the Bond Fund and in
19 fixing the amounts to be paid into the Bond Fund, it has exercised due regard for
20 Operating Expenses, and the City has not bound and obligated itself to set aside
21 and pay into the Bond Fund a greater amount or proportion of the Revenues than
22 in the judgment of the City will be available over and above the Operating
23 Expenses.
24

25 The 2023 RWSS Bonds shall be issued as Future Parity Bonds under
26 the terms of the Parity Bond Authorizing Ordinances for the Outstanding Parity



1 Bonds, subject to the same rights and limitations as Parity Bonds set forth
2 therein and herein.

3 Section 3. Authorization of 2023 RWSS Bonds. For the purposes of
4 providing part of the funds required to defease and/or refund the Refunded
5 Bonds and paying costs of issuance of the 2023 RWSS Bonds, the City is
6 hereby authorized to issue and sell one or more series of Regional System
7 revenue refunding bonds in an aggregate principal amount not to exceed
8 \$40,850,000 (“2023 RWSS Bonds”).
9

10 The 2023 RWSS Bonds shall be designated as the “City of Tacoma,
11 Washington, Regional Water Supply System Revenue Refunding Bonds, Series
12 2023,” or other such designation as set forth in the 2023 RWSS Bonds and
13 approved by a Designated Representative, which may include but is not limited to
14 revising the series designation to “Series 2024,” pursuant to the terms of this
15 ordinance. The 2023 RWSS Bonds may be issued in one or more series, may be
16 designated as Taxable Bonds or Tax-Exempt Bonds, and may be issued on the
17 same Issue Date or from time to time on different Issue Dates.
18

19 The 2023 RWSS Bonds shall be dated as of the Issue Date for such 2023
20 RWSS Bonds, shall be fully registered as to both principal and interest, shall be in
21 the denomination of \$5,000 each or any integral multiple thereof within a series
22 and maturity, shall be numbered separately in such manner and with any additional
23 designation as the Bond Registrar deems necessary for purposes of identification
24 and control, shall bear interest from their Issue Date payable on the dates and at
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1 the rates set forth in the Bond Purchase Contract, and shall be subject to optional
2 and/or mandatory redemption, and mature on the dates and in the principal
3 amounts set forth in the Bond Purchase Contract.

4 The 2023 RWSS Bonds shall be special obligations of the City payable
5 only from the Bond Fund and shall be payable and secured as provided herein.

6 The 2023 RWSS Bonds shall not be general obligations of the City, the State or
7 any political subdivision thereof.

8 Section 4. Registration of 2023 RWSS Bonds.

9 A. Bond Registrar/Bond Register. The City hereby specifies and adopts the
10 system of registration approved by the Washington State Finance Committee from
11 time to time through the appointment of a state fiscal agent. The City shall cause a
12 Bond Register to be maintained by the Bond Registrar. So long as any 2023
13 RWSS Bonds remain outstanding, the Bond Registrar shall make all necessary
14 provisions to permit the exchange or registration or transfer of 2023 RWSS Bonds
15 at its designated office. The Bond Registrar may be removed at any time at the
16 option of the Finance Director upon prior notice to the Bond Registrar and a
17 successor Bond Registrar appointed by the Finance Director. No resignation or
18 removal of the Bond Registrar shall be effective until a successor shall have been
19 appointed and until the successor Bond Registrar shall have accepted the duties of
20 the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the
21 City, to authenticate and deliver 2023 RWSS Bonds transferred or exchanged in
22 accordance with the provisions of such 2023 RWSS Bonds and this ordinance, and
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1 to carry out all of the Bond Registrar's powers and duties under this ordinance. The
2 Bond Registrar shall be responsible for its representations contained in the
3 Certificate of Authentication of the 2023 RWSS Bonds.

4 B. Registered Ownership. The City and the Bond Registrar, each in its
5 discretion, may deem and treat the Registered Owner of each 2023 RWSS Bond as
6 the absolute owner thereof for all purposes (except as provided in the Continuing
7 Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected
8 by any notice to the contrary. Payment of any such 2023 RWSS Bond shall be
9 made only as described in subsection G, but such 2023 RWSS Bond may be
10 transferred as herein provided. All such payments made as described in
11 subsection G shall be valid and shall satisfy and discharge the liability of the City
12 upon such 2023 RWSS Bond to the extent of the amount or amounts so paid.

13 C. DTC Acceptance/Letters of Representations. The 2023 RWSS Bonds
14 initially shall be held by DTC acting as depository. The City has executed and
15 delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor
16 the Bond Registrar shall have any responsibility or obligation to DTC participants or
17 the persons for whom they act as nominees (or any successor depository) with
18 respect to the 2023 RWSS Bonds in respect of the accuracy of any records
19 maintained by DTC (or any successor depository) or any DTC participant, the
20 payment by DTC (or any successor depository) or any DTC participant of any
21 amount in respect of the principal of or interest on 2023 RWSS Bonds, any notice
22 which is permitted or required to be given to Registered Owners under this
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1 ordinance (except such notices as shall be required to be given by the City to the
2 Bond Registrar or to DTC (or any successor depository)), or any consent given or
3 other action taken by DTC (or any successor depository) as the Registered Owner.
4 For so long as any 2023 RWSS Bonds are held by a depository, DTC or its
5 successor depository or its nominee shall be deemed to be the Registered Owner
6 for all purposes hereunder, and all references herein to the Registered Owners
7 shall mean DTC (or any successor depository) or its nominee and shall not mean
8 the owners of any beneficial interest in such 2023 RWSS Bonds.
9

10 D. Use of Depository.

11 (1) The 2023 RWSS Bonds of each series shall be registered initially
12 in the name of "Cede & Co.", as nominee of DTC, with one 2023 RWSS Bond
13 maturing on each of the maturity dates for the 2023 RWSS Bonds in a
14 denomination corresponding to the total principal therein designated to mature on
15 such date. Registered ownership of such 2023 RWSS Bonds, or any portions
16 thereof, may not thereafter be transferred except (i) to any successor of DTC or its
17 nominee, provided that any such successor shall be qualified under any applicable
18 laws to provide the service proposed to be provided by it; (ii) to any substitute
19 depository appointed by the Finance Director pursuant to subsection (2) below or
20 such substitute depository's successor; or (iii) to any person as provided in
21 subsection (4) below.
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25 (2) Upon the resignation of DTC or its successor (or any substitute
26 depository or its successor) from its functions as depository or a determination by



1 the Finance Director to discontinue the system of book entry transfers through
2 DTC or its successor (or any substitute depository or its successor), the Finance
3 Director may appoint a substitute depository. Any such substitute depository shall
4 be qualified under any applicable laws to provide the services proposed to be
5 provided by it.

6
7 (3) In the case of any transfer pursuant to clause (i) or (ii) of
8 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding 2023
9 RWSS Bonds, together with a written request on behalf of the Finance Director,
10 issue a single new 2023 RWSS Bond for such series for each maturity then
11 outstanding, registered in the name of such successor or such substitute
12 depository, or their nominees, as the case may be, all as specified in such written
13 request of the Finance Director.

14
15 (4) In the event that (A) DTC or its successor (or substitute depository
16 or its successor) resigns from its functions as depository, and no substitute
17 depository can be obtained, or (B) the Finance Director determines that it is in the
18 best interest of the Beneficial Owners of the 2023 RWSS Bonds that such owners
19 be able to obtain physical 2023 RWSS Bond certificates, the ownership of such
20 2023 RWSS Bonds may then be transferred to any person or entity as herein
21 provided, and shall no longer be held by a depository. The Finance Director shall
22 deliver a written request to the Bond Registrar, together with a supply of physical
23 2023 RWSS Bonds, to issue 2023 RWSS Bonds as herein provided in any
24 authorized denomination. Upon receipt by the Bond Registrar of all then
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1 outstanding 2023 RWSS Bonds of a series together with a written request on behalf
2 of the Finance Director to the Bond Registrar, new 2023 RWSS Bonds of such
3 series shall be issued in the appropriate denominations and registered in the names
4 of such persons as are requested in such written request.

5
6 E. Registration of Transfer of Ownership or Exchange; Change in
7 Denominations. The transfer of any 2023 RWSS Bond may be registered and 2023
8 RWSS Bonds may be exchanged, but no transfer of any such 2023 RWSS Bond
9 shall be valid unless it is surrendered to the Bond Registrar with the assignment
10 form appearing on such 2023 RWSS Bond duly executed by the Registered Owner
11 or such Registered Owner's duly authorized agent in a manner satisfactory to the
12 Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the
13 surrendered 2023 RWSS Bond and shall authenticate and deliver, without charge
14 to the Registered Owner or transferee therefor, a new 2023 RWSS Bond (or 2023
15 RWSS Bonds at the option of the new Registered Owner) of the same series, date,
16 maturity, and interest rate and for the same aggregate principal amount in any
17 authorized denomination, naming as Registered Owner the person or persons listed
18 as the assignee on the assignment form appearing on the surrendered 2023 RWSS
19 Bond, in exchange for such surrendered and cancelled 2023 RWSS Bond. Any
20 2023 RWSS Bond may be surrendered to the Bond Registrar and exchanged,
21 without charge, for an equal aggregate principal amount of 2023 RWSS Bonds of
22 the same series, date, maturity, and interest rate, in any authorized denomination.
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26 The Bond Registrar shall not be obligated to register the transfer of or to exchange



1 any 2023 RWSS Bond between the Record Date and the next principal payment or
2 redemption date.

3 F. Bond Registrar's Ownership of 2023 RWSS Bonds. The Bond Registrar
4 may become the Registered Owner of any 2023 RWSS Bond with the same rights it
5 would have if it were not the Bond Registrar, and to the extent permitted by law,
6 may act as depository for and permit any of its officers or directors to act as a
7 member of, or in any other capacity with respect to, any committee formed to
8 protect the right of the Registered Owners or Beneficial Owners of 2023 RWSS
9 Bonds.
10

11 G. Place and Medium of Payment. Both principal of and interest on the
12 2023 RWSS Bonds shall be payable in lawful money of the United States of
13 America. Interest on the 2023 RWSS Bonds shall be calculated on the basis of a
14 year of 360 days and twelve 30-day months. For so long as all 2023 RWSS Bonds
15 of a series are held by a depository, payments of principal thereof and interest
16 thereon shall be made as provided in accordance with the operational
17 arrangements of DTC referred to in the Letter of Representations. In the event that
18 the 2023 RWSS Bonds of a series are no longer held by a depository, interest on
19 such 2023 RWSS Bonds shall be paid by check or draft mailed to the Registered
20 Owners at the addresses for such Registered Owners appearing on the Bond
21 Register on the Record Date, or upon the written request of a Registered Owner of
22 more than \$1,000,000 of 2023 RWSS Bonds (received by the Bond Registrar at
23 least by the Record Date), such payment shall be made by the Bond Registrar by
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1 wire transfer to the account within the United States designated by the Registered
2 Owner. Principal of the 2023 RWSS Bonds shall be payable upon presentation and
3 surrender of such 2023 RWSS Bonds by the Registered Owners at the designated
4 office of the Bond Registrar.

5
6 If any 2023 RWSS Bond is duly presented for payment and funds have not
7 been provided by the City on the applicable payment date, then interest will
8 continue to accrue thereafter on the unpaid principal thereof at the rate stated on
9 the 2023 RWSS Bond until the 2023 RWSS Bond is paid.

10 Section 5. Redemption Terms and Right to Purchase.

11 A. Mandatory Redemption of Term Bonds and Optional Redemption, if any.

12 Each series of 2023 RWSS Bonds shall be subject to optional redemption on the
13 dates, at the prices and under the terms set forth in the Bond Purchase Contract.

14 Each series of 2023 RWSS Bonds shall be subject to mandatory redemption to the
15 extent, if any, set forth in the Bond Purchase Contract.

16
17 B. Selection of 2023 RWSS Bonds for Redemption. For as long as the 2023
18 RWSS Bonds of a series are held in book entry only form, the selection of particular
19 2023 RWSS Bonds within a series and maturity to be redeemed shall be made in
20 accordance with the operational arrangements then in effect at DTC. If the 2023
21 RWSS Bonds of a series are no longer held by a depository, the selection of such
22 2023 RWSS Bonds of such series to be redeemed and the surrender and
23 reissuance thereof, as applicable, shall be made as provided in the following
24 provisions of this subsection B or in the Official Statement. If the City redeems at
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1 any one time fewer than all of the 2023 RWSS Bonds of a series having the same
2 maturity date, the particular 2023 RWSS Bonds or portions of 2023 RWSS Bonds
3 of such series and maturity to be redeemed shall be selected by lot (or in such
4 manner determined by the Bond Registrar) in increments of \$5,000. In the case of
5 a 2023 RWSS Bond of a denomination greater than \$5,000, the City and the Bond
6 Registrar shall treat each 2023 RWSS Bond as representing such number of
7 separate 2023 RWSS Bonds each of the denomination of \$5,000 as is obtained by
8 dividing the actual principal amount of such 2023 RWSS Bond by \$5,000. In the
9 event that only a portion of the principal sum of a 2023 RWSS Bond is redeemed,
10 upon surrender of such 2023 RWSS Bond at the designated office of the Bond
11 Registrar there shall be issued to the Registered Owner, without charge therefor,
12 for the then unredeemed balance of the principal sum thereof, at the option of the
13 Registered Owner, a 2023 RWSS Bond or 2023 RWSS Bonds of like series,
14 maturity and interest rate in any of the denominations herein authorized.
15
16 Notwithstanding the foregoing or anything else to the contrary in this ordinance, the
17 selection of any 2023 RWSS Bonds for redemption may be as provided in the Bond
18 Purchase Contract or Official Statement for such 2023 RWSS Bonds.
19
20

21 C. Notice of Redemption.

22 (1) Official Notice. For so long as the 2023 RWSS Bonds of a series
23 are held by a depository, notice of redemption shall be given in accordance with the
24 operational arrangements of DTC as then in effect, and neither the City nor the
25 Bond Registrar shall provide any notice of redemption to any Beneficial Owners.
26



1 The notice of optional redemption may be conditional. Unless waived by any owner
2 of 2023 RWSS Bonds to be redeemed, official notice of any such redemption
3 (which optional redemption may be conditioned by the Bond Registrar on the
4 receipt of sufficient funds for redemption or otherwise) shall be given by the Bond
5 Registrar on behalf of the City by mailing a copy of an official redemption notice by
6 first class mail at least 20 days and not more than 60 days prior to the date fixed for
7 redemption to the Registered Owner of the 2023 RWSS Bond or 2023 RWSS
8 Bonds to be redeemed at the address shown on the Bond Register or at such other
9 address as is furnished in writing by such Registered Owner to the Bond Registrar.
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12 All official notices of redemption shall be dated and shall state:

- 13 (i) the redemption date,
14 (ii) the redemption price,
15 (iii) if fewer than all outstanding 2023 RWSS Bonds are to be
16 redeemed, the identification by series and maturity (and, in the case of partial
17 redemption, the respective principal amounts) of the 2023 RWSS Bonds to be
18 redeemed,
19 (iv) any conditions to redemption, and
20 (v) the place where such 2023 RWSS Bonds are to be
21 surrendered for payment of the redemption price, which place of payment shall be
22 the principal office of the Bond Registrar.
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25 On or prior to any optional redemption date, unless any condition to such
26 redemption has not been satisfied or waived, or notice of such redemption has



1 been rescinded or revoked, and on or prior to any mandatory redemption date, the
2 City shall deposit with the Bond Registrar an amount of money sufficient to pay the
3 redemption price of all the 2023 RWSS Bonds or portions of 2023 RWSS Bonds
4 which are to be redeemed on that date. The City retains the right to rescind any
5 optional redemption notice and the related optional redemption of 2023 RWSS
6 Bonds by giving notice of rescission to the affected Registered Owners at any time
7 on or prior to the scheduled redemption date. Any notice of optional redemption
8 that is so rescinded shall be of no effect, and the 2023 RWSS Bonds for which the
9 notice of optional redemption has been rescinded shall remain outstanding.
10

11
12 (2) Effect of Notice; 2023 RWSS Bonds Due. If notice of redemption
13 has been given and not rescinded or revoked, or if the conditions set forth in a
14 conditional notice of redemption have been satisfied or waived, the 2023 RWSS
15 Bonds or portions of 2023 RWSS Bonds to be redeemed shall, on the redemption
16 date, become due and payable at the redemption price therein specified, and if the
17 Bond Registrar then holds sufficient funds to pay such 2023 RWSS Bonds at the
18 redemption price, then from and after such date such 2023 RWSS Bonds or
19 portions of 2023 RWSS Bonds shall cease to bear interest. Upon surrender of such
20 2023 RWSS Bonds for redemption in accordance with said notice, such 2023
21 RWSS Bonds shall be paid by the Bond Registrar at the redemption price.
22 Installments of interest due on or prior to the redemption date shall be payable as
23 herein provided for payment of interest. All 2023 RWSS Bonds which have been
24 redeemed shall be canceled by the Bond Registrar and shall not be reissued.
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(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above-prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 2023 RWSS Bonds being redeemed; (ii) the date of issue of the 2023 RWSS Bonds as originally issued; (iii) the rate of interest borne by each 2023 RWSS Bond being redeemed; (iv) the maturity date of each 2023 RWSS Bond being redeemed; and (v) any other descriptive information needed to identify accurately the 2023 RWSS Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such 2023 RWSS Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this section, including, but not limited to, the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.



1 D. Purchase of 2023 RWSS Bonds. The City reserves the right to purchase
2 any or all of the 2023 RWSS Bonds in the open market at any time at any price
3 acceptable to the City plus accrued interest to the date of purchase.

4 Section 6. Form of 2023 RWSS Bonds; Execution. The 2023 RWSS Bonds
5 shall be in substantially the form set forth in Exhibit A, which is incorporated herein
6 by this reference, with such changes thereto as may be approved by a Designated
7 Representative, consistent with this ordinance.

8 The 2023 RWSS Bonds shall be executed on behalf of the City with the
9 manual or facsimile signatures of the Mayor and City Clerk and the seal of the City
10 shall be impressed, imprinted, or otherwise reproduced thereon.

11 Only such 2023 RWSS Bonds as shall bear thereon a Certificate of
12 Authentication in the form provided herein, manually executed by the Bond
13 Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of
14 this ordinance. Such Certificate of Authentication shall be conclusive evidence that
15 the 2023 RWSS Bonds so authenticated have been duly executed, authenticated
16 and delivered hereunder and are entitled to the benefits of this ordinance.

17 In case either of the officers who shall have executed the 2023 RWSS Bonds
18 shall cease to be an officer or officers of the City before the 2023 RWSS Bonds so
19 signed shall have been authenticated or delivered by the Bond Registrar, or issued
20 by the City, such 2023 RWSS Bonds may nevertheless be authenticated, delivered,
21 and issued and upon such authentication, delivery, and issuance, shall be as
22 binding upon the City as though those who signed the same had continued to be



1 such officers of the City. Any 2023 RWSS Bond may be signed and attested on
2 behalf of the City by such persons who at the date of the actual execution of such
3 2023 RWSS Bond, are the proper officers of the City, although at the original date
4 of such 2023 RWSS Bond any such person shall not have been such officer of the
5
6 City.

7 Section 7. Lost or Destroyed 2023 RWSS Bonds. In case any 2023 RWSS
8 Bonds shall be lost, stolen, or destroyed, the Bond Registrar may authenticate and
9 deliver a new 2023 RWSS Bond or 2023 RWSS Bonds of like series, amount, date,
10 tenor, and effect to the owner thereof upon the owner paying the expenses and
11 charges of the City in connection therewith and upon filing with the Bond Registrar
12 evidence satisfactory to the Bond Registrar that such 2023 RWSS Bond(s) were
13 actually lost, stolen, or destroyed and of ownership thereof, and upon furnishing the
14 City with indemnity satisfactory to both.
15

16 Section 8. Deposit of Proceeds of the 2023 RWSS Bonds; Refunding
17 Plan.
18

19 A. Upon closing of the 2023 RWSS Bonds, the City shall deposit
20 proceeds of each series of 2023 RWSS Bonds (net of the Underwriters'
21 discount and any associated fees and costs) as follows:

22 (1) an amount sufficient to refund the Refunded Bonds to be
23 deposited with the Escrow Agent; and
24

25 (2) the amount to pay costs of issuing the 2023 RWSS Bonds into
26 the Revenue Fund, or deposited with the Escrow Agent.



1 The exact amount of such deposits shall be determined by a Designated
2 Representative of the City.

3 B. For the purpose of realizing a debt service savings and/or to
4 restructure the Refunded Bonds, the City proposes to apply a portion of the
5 proceeds of the 2023 RWSS Bonds to defease and/or redeem the Refunded
6 Bonds as set forth herein. If a Designated Representative determines that it is
7 in the best interest of the City to proceed with the refunding authorized herein, a
8 Designated Representative shall designate all or a portion of the 2013 RWSS
9 Bonds as Refunded Bonds and such designation shall be set forth in the Bond
10 Purchase Contract. Each Designated Representative is further authorized to
11 appoint an escrow agent ("Escrow Agent") to assist in the refunding plan
12 authorized herein.
13
14

15 A portion of the proceeds of such series of 2023 RWSS Bonds, together
16 with other available funds of the City, if any, shall be deposited with the Escrow
17 Agent on behalf of the City in the Refunding Account, which is hereby authorized to
18 be created, pursuant to an Escrow Agreement to be used immediately upon receipt
19 thereof to defease or redeem, as applicable, the Refunded Bonds as authorized by
20 the bond ordinance authorizing the Refunded Bonds, and to pay costs of issuance
21 of such series of 2023 RWSS Bonds. The net proceeds deposited with the Escrow
22 Agent shall be used to defease the Refunded Bonds and discharge the obligations
23 thereon by either holding the funds uninvested or through the purchase of certain
24 Acquired Obligations bearing such interest and maturing as to principal and
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1 interest in such amounts and at such times which, together with any necessary
2 beginning cash balance, will provide for the payment of interest on the Refunded
3 Bonds as the same becomes due on and prior to the Call Date for the Refunded
4 Bonds, and the redemption price (100 percent of the principal amount) of the
5 Refunded Bonds on the Call Date. Such Acquired Obligations shall be purchased
6 at a yield not greater than the yield permitted by the Code and regulations relating
7 to acquired obligations in connection with refunding bond issues.
8

9 A cash balance and the Acquired Obligations shall be deposited irrevocably
10 with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. In
11 order to carry out the purposes of this section, each Designated Representative
12 and the Finance Director are authorized and directed to execute and deliver to the
13 Escrow Agent an Escrow Agreement.
14

15 The City hereby irrevocably sets aside sufficient funds out of the purchase
16 of Acquired Obligations from proceeds of one or more series of 2023 RWSS Bonds
17 to make the payments described above. In the Escrow Agreement, the City shall
18 irrevocably call the Refunded Bonds for redemption on the Call Date in accordance
19 with the provisions of the bond ordinance authorizing the redemption and
20 retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance
21 and call for redemption of the Refunded Bonds shall be irrevocable after the
22 delivery of the cash and Acquired Obligations to the Escrow Agent.
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25 The Escrow Agent is hereby authorized and directed to provide for the
26 giving of notices of the redemption of the Refunded Bonds in accordance with the



1 applicable provisions of the bond ordinance authorizing the issuance of the
2 Refunded Bonds. The costs of publication of such notices shall be an expense of
3 the City.

4 Section 9. Revenue Fund. The City covenants that it will pay, or cause
5 to be paid, into the Revenue Fund all of the Revenues and all other money
6 required to be paid into the Revenue Fund pursuant to this ordinance.

7 The City covenants that it shall pay into the Revenue Fund in each
8 month, as an operation and maintenance expense of the Water System, from
9 Gross Revenues of the Water System an amount which, together with other
10 Participants' Payments and other Revenues available for such purpose, is
11 equal to the Regional System Costs which are then unpaid together with the
12 estimated Regional System Costs for the next succeeding month.

13 In each month, the City shall apply amounts in the Revenue Fund first, to
14 the payment of Operating Expenses of the Regional System for such month
15 and second, to the deposit in the Bond Fund of the amounts required pursuant
16 to Section 10 and, in the event the City has entered into any Parity Payment
17 Agreement (as described in Section 16) on a parity of lien with the Parity
18 Bonds, to make any regularly scheduled City Payments adjusted by any
19 regularly scheduled Receipt (provided, however, that termination payments with
20 respect to any Parity Payment Agreement shall not rank on a parity of lien with
21 the Parity Bonds); and, in the event the City has entered into a reimbursement
22 agreement authorized by Section 18, to make all payments required to be made
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1 on a parity of lien with the Parity Bonds pursuant to such reimbursement
2 agreement in connection with a Qualified Letter of Credit, Qualified Insurance,
3 or other credit facility, provided that if there is not sufficient money to make all
4 payments under more than one such reimbursement agreement, the payments
5 shall be made on a pro rata basis. After such required payments are made,
6 amounts in the Revenue Fund may be used to pay junior lien obligations of the
7 Regional System, to finance capital improvements or for any other lawful
8 purpose of the Regional System.
9

10 Section 10. Bond Fund.
11

12 A. Bond Fund. The Bond Fund has been created and divided into two
13 accounts: the Debt Service Account and the Reserve Account. At the option of
14 the City, separate accounts may be created in the Bond Fund for the purpose of
15 paying or securing the payment of principal, premium, if any, and interest on
16 any series of Parity Bonds. So long as any Parity Bonds are outstanding, the
17 Bond Fund shall be used solely and Revenues are appropriated for the
18 purposes of paying the principal of, premium, if any, and interest on Parity
19 Bonds and retiring Parity Bonds prior to maturity in the manner provided herein
20 or in any ordinance authorizing Parity Bonds.
21

22 The City shall set aside and pay into the Bond Fund out of the Revenue
23 Fund certain fixed amounts sufficient (together with other available funds on
24 hand and paid into the Bond Fund) to pay the principal of, premium, if any, and
25 interest on the Parity Bonds from time to time outstanding pursuant to this
26



1 ordinance and the ordinances authorizing the Parity Bonds as the same
2 respectively become due and payable, either at the maturity thereof or in
3 accordance with the terms of any Mandatory Amortization Installment schedule
4 established for the retirement of Term Bonds. The fixed amounts to be paid
5 into the Bond Fund, to the extent that such payments are not made from bond
6 proceeds or from other money that may legally be available therefor, shall be
7 made out of the Revenue Fund into the Bond Fund in the following order of
8 priority: first, to pay interest; second, to pay principal and Mandatory
9 Amortization Installments; and third, into the Reserve Account and into any
10 separate reserve account that secures the payment of Parity Bonds.
11
12

13 (1) Interest. In the case of all Parity Bonds, no later than the day
14 prior to the date on which an installment of interest falls due on any Parity
15 Bonds, there shall be on deposit in the Debt Service Account in the Bond Fund
16 an amount equal to the installment of interest then falling due on all outstanding
17 Parity Bonds.
18

19 (2) Principal. No later than the day prior to the date upon which
20 an installment of principal on Parity Bonds that are Serial Bonds falls due, there
21 shall be on deposit in the Debt Service Account in the Bond Fund an amount
22 equal to the installment of principal then falling due on all outstanding Parity
23 Bonds that are Serial Bonds.
24

25 (3) Term Bonds. No later than the day prior to the date upon
26 which a Mandatory Amortization Installment falls due, there shall be on deposit



1 in the Debt Service Account an amount equal to the Mandatory Amortization
2 Installment for such date. The City shall apply all such money to the
3 redemption or purchase of Term Bonds on the next ensuing Mandatory
4 Amortization Installment due date (or may so apply such money prior to such
5 Mandatory Amortization Installment due date), pursuant to the terms of this
6 ordinance or of the Parity Bond Authorizing Ordinance authorizing the issuance
7 thereof. If the principal amount of Term Bonds retired by purchase or
8 redemption exceeds the cumulative amount required to be redeemed by
9 Mandatory Amortization Installment, then such excess may be credited against
10 Mandatory Amortization Installments in the manner determined by the City at
11 the time of such purchase or redemption. Any such purchase of Term Bonds
12 by the City may be made with or without tenders of such bonds in such manner
13 as the City shall, in its discretion, deem to be in its best interest.
14
15

16 (4) Reserve Account.

17
18 (i) The 2023 RWSS Bonds shall not be secured by the
19 Reserve Account or any separate reserve account. The Reserve Account
20 Requirement for the 2023 RWSS Bonds is zero (\$0.00).

21 (ii) The following subsection (ii) applies to the Reserve
22 Account so long as it secures payment of any Parity Bonds. Provisions related
23 to a separate reserve account established for one or more series of Future
24 Parity Bonds shall be set forth in the applicable Parity Bond Authorizing
25 Ordinance(s).
26



1 Valuation of the amount in the Reserve Account and all subaccounts
2 therein shall be made by the City on each December 31 and may be made on
3 any other date. Such valuation shall be at the market value of the obligations in
4 such account and such subaccounts (including accrued interest); provided, that
5 investments which mature within one year shall be valued at their maturity
6 value.
7

8 In the event of the issuance of any Future Parity Bonds secured by the
9 Reserve Account, the Parity Bond Authorizing Ordinance for such Future Parity
10 Bonds shall provide for further and additional approximately equal monthly
11 payments into the Reserve Account from the money in the Revenue Fund, in
12 such amounts and at such times so that by no later than five years from the
13 date of issuance of such Future Parity Bonds or by the final maturity established
14 for such series of Future Parity Bonds, whichever occurs first, there will be
15 credited to the Reserve Account an amount equal to the Reserve Account
16 Requirement, if any. Notwithstanding the foregoing provisions of this
17 subparagraph (ii), the proceedings authorizing the issuance of Future Parity
18 Bonds, to the extent permitted under the Code, may provide for payments into
19 the Reserve Account from the proceeds of such Future Parity Bonds or from
20 any other money lawfully available therefor, or may provide for the City to obtain
21 Qualified Insurance or a Qualified Letter of Credit for amounts required by this
22 subsection or similar provisions in other Parity Bond Authorizing Ordinance to
23 be paid out of the Reserve Account. The face amount of any such Qualified
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1 Insurance or Qualified Letter of Credit shall be credited against the amounts
2 required to be maintained in the Reserve Account by this section or similar
3 provisions in other Parity Bond Authorizing Ordinance to the extent that such
4 payments and credits to be made are insured by an insurance company, or
5 guaranteed by a letter of credit from a financial institution. Such Qualified Letter
6 of Credit or Qualified Insurance shall not be cancelable on less than five years'
7 notice.
8

9 On receipt of a notice of cancellation of any Qualified Letter of Credit or
10 Qualified Insurance or upon notice that the entity providing the Qualified Letter
11 of Credit or Qualified Insurance no longer meets the requirements specified
12 herein, the City shall substitute a Qualified Letter of Credit or Qualified
13 Insurance in the amount required to make up the deficiency created in the
14 Reserve Account or in the alternative shall create a special account in the
15 Revenue Fund and deposit therein, on or before the 25th day of each of the
16 36 succeeding calendar months (commencing with the 25th day of the calendar
17 month next following the date of the notice) one thirty-sixth of the amount
18 sufficient, together with other money and investments on deposit in the Reserve
19 Account, to equal the Reserve Account Requirement in effect as of the date the
20 cancellation or disqualification of the entity becomes effective. Those amounts
21 shall be deposited in the special account from money in the Revenue Fund after
22 making provision for payment of Operating Expenses and for required
23 payments into the Bond Fund. Amounts on deposit in that special account shall
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1 not be available to pay debt service on Parity Bonds or for any other purpose of
2 the City, and shall be transferred to the Reserve Account on the effective date
3 of any cancellation of a Qualified Letter of Credit or Qualified Insurance to make
4 up all or part of the deficiency caused thereby. Amounts in that special account
5 or in the Reserve Account may be transferred to the Revenue Fund and used
6 for any purpose if and when a qualifying Qualified Letter of Credit or Qualified
7 Insurance is obtained.
8

9 If at any time the money and value of Permitted Investments in the
10 Reserve Account shall exceed the amount of money and value of Permitted
11 Investments then required to be maintained therein, such excess may be
12 transferred to the Revenue Fund.
13

14 In the event that there shall be a deficiency in the Debt Service Account
15 for Parity Bonds secured by the Reserve Account, the City shall promptly make
16 up such deficiency from available funds in the Reserve Account by the
17 withdrawal of cash therefrom for that purpose and by the sale or redemption of
18 obligations held in the Reserve Account, if necessary, in such amounts as will
19 provide cash in the Reserve Account sufficient to make up any such deficiency,
20 and if a deficiency still exists immediately prior to an interest payment date and
21 after the withdrawal of cash, the City shall then draw from any Qualified Letter
22 of Credit, Qualified Insurance, or other equivalent credit facility in sufficient
23 amount to make up the deficiency. Such draw shall be made at such times and
24 under such circumstances as the agreement for such Qualified Letter of Credit
25
26



1 or Qualified Insurance shall provide. The City covenants that any deficiency
2 created in the Reserve Account by reason of any withdrawal therefrom for
3 payment into the Debt Service Account shall be made up from money in the
4 Revenue Fund first available after providing for the required payments into such
5 Debt Service Account and after providing for payments under a reimbursement
6 agreement entered into by the City under Section 18.

8 When a series of Parity Bonds is refunded in whole or in part, money
9 may be withdrawn from the Reserve Account to pay or provide for the payment
10 of refunded Parity Bonds; provided that immediately after such withdrawal there
11 shall remain in or be credited to the Reserve Account money, Qualified
12 Insurance, Qualified Letter of Credit and Permitted Investments in an amount
13 equal to the Reserve Account Requirement or so much thereof as is then
14 required to be maintained.

16 B. Money in the Bond Fund shall be transmitted to the Bond
17 Registrar in amounts sufficient to meet the maturing installments of principal of,
18 premium, if any, and interest on all Parity Bonds when due. All money
19 remaining in the Bond Fund after provision for the payment in full of the
20 principal of, premium, if any, and interest on all Parity Bonds shall be returned
21 to the Revenue Fund.

24 The Bond Fund shall be drawn upon solely for the purpose of paying the
25 principal of, premium, if any, and interest on Parity Bonds. Money set aside
26 from time to time with the Bond Registrar for such payment shall be held in trust



1 for the owners of Parity Bonds in respect of which the same shall have been so
2 set aside. Until so set aside, all money in the Bond Fund shall be held in trust
3 for the benefit of the owners of all Parity Bonds at the time outstanding equally
4 and ratably.

5
6 C. Money in the Bond Fund may, at the option of the City, be
7 invested and reinvested as permitted by law in Permitted Investments maturing,
8 or which are redeemable at the option of the owner, prior to the date needed or
9 prior to the maturity date of the final installment of principal of the Parity Bonds
10 payable out of the Bond Fund, but only to the extent that the same are acquired
11 at Fair Market Value. At the City's option, earnings on investments in the Bond
12 Fund may be retained in the Bond Fund or transferred to the Revenue Fund,
13 except that earnings on investments in the Reserve Account shall first be
14 applied to remedy any deficiency in such Account.

15
16 D. Money in each of the subaccounts described in this Section 10
17 may be used, if necessary, to pay Rebate Amounts to the extent that such
18 Rebate Amounts are directly attributable to earnings on such subaccount.

19
20 Section 11. Adequacy of Revenues of Regional System to Make
21 Required Payments. The Council declares, in fixing the amounts to be paid into
22 the Bond Fund as hereinbefore provided, that it has exercised due regard for
23 Operating Expenses and has not obligated the City to set aside and pay into the
24 Bond Fund a greater amount of the Revenues than in its judgment will be
25 available over and above such Operating Expenses.
26



1 Section 12. Pledge of Gross Revenue and Lien Position. The Parity
2 Bonds are special limited obligations of the City payable from and secured
3 solely by Revenues, including the amount of Gross Revenues of the Water
4 System and Participants' Payments required to be deposited in the Revenue
5 Fund pursuant to Section 9, subject to the prior payment of Operating
6 Expenses, and other funds specifically pledged hereunder. There are hereby
7 pledged as security for the payment of the principal, premium, if any, and
8 interest on the Parity Bonds in accordance with their terms and the provisions of
9 this ordinance, and any City Payments or reimbursement obligations as set
10 forth in Sections 16 and 18: (1) the proceeds of the sale of the Parity Bonds to
11 the extent held in the Bond Fund and any construction fund established for the
12 Parity Bonds, (2) the Revenues, including such Gross Revenues of the Water
13 System and Participants' Payments as provided in Section 9, and (3) the money
14 and investments, if any, credited to the Bond Fund (including the Reserve
15 Account or any separate reserve account to the extent such account secures
16 the payment of Parity Bonds) and any construction fund established for the
17 Parity Bonds, and the income therefrom. The Revenues and other money and
18 securities hereby pledged shall immediately be subject to the lien of this pledge
19 without any physical delivery or further act, and the lien of this pledge shall be
20 valid and binding as against all parties having claims of any kind in tort, contract
21 or otherwise against the City.
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1 All Parity Bonds hereafter outstanding shall be equally and ratably
2 payable and secured without priority by reason of date of adoption of the
3 ordinance providing for their issuance or by reason of their number or date of
4 sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts,
5 assignments and covenants made herein or in any ordinance authorizing Future
6 Parity Bonds, except as otherwise expressly provided or permitted in this
7 ordinance and except as to insurance which may be obtained by the City to
8 insure the repayment of one or more series or maturities within a series.
9

10 Parity Bonds shall not in any manner or to any extent constitute general
11 obligations of the City or of the State, or any political subdivision of the State, or
12 a charge upon any general fund or upon any money or other property of the
13 City or of the State, or of any political subdivision of the State, not specifically
14 pledged thereto by this ordinance.
15

16 Section 13. Defeasance. In the event that the City, to effect the
17 payment, retirement, or redemption of any 2023 RWSS Bond, sets aside in the
18 Bond Fund or in another special account, cash or noncallable Government
19 Obligations, or any combination of cash and/or noncallable Government
20 Obligations, in amounts and maturities which, together with the known earned
21 income therefrom, are sufficient to redeem and retire such 2023 RWSS Bond in
22 accordance with its terms and to pay when due the interest and redemption
23 premium, if any, thereon, and such cash and/or noncallable Government
24 Obligations are irrevocably set aside and pledged for such purpose, then no
25
26



1 further payments need be made into the Bond Fund for the payment of the
2 principal of and interest on such 2023 RWSS Bond. The owner of a 2023
3 RWSS Bond so provided for shall cease to be entitled to any benefit or security
4 of this ordinance except the right to receive payment of principal, premium, if
5 any, and interest from the Bond Fund or such special account, and such 2023
6 RWSS Bond shall be deemed to be not outstanding under this ordinance.
7

8 The City shall give written notice of defeasance to the Registered
9 Owners of the 2023 RWSS Bonds and to each party entitled to receive notice in
10 accordance with the Continuing Disclosure Certificate.
11

12 Section 14. Tax Covenants. The 2023 RWSS Bonds of a series may be
13 issued as Tax-Exempt Bonds. The City hereby covenants that it will take all
14 actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds
15 from the gross income of the Owners of the Tax-Exempt Bonds, to the same
16 extent as such interest is permitted to be excluded from gross income under the
17 Code as in effect on the Issue Date of the Tax-Exempt Bonds, including, but not
18 limited to, the following:
19

20 A. Private Activity Bond Limitation. The City will assure that the proceeds of
21 the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to
22 satisfy the private business tests of Section 141(b) of the Code or the private loan
23 financing test of Section 141(c) of the Code.
24

25 B. Limitations on Disposition of Projects. The City will not sell or otherwise
26 transfer or dispose of (i) any personal property components of the Projects



1 refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary
2 course of an established government program under Treasury Regulation
3 Section 1.141-2(d)(4) or (ii) any real property components of such Projects, unless
4 it has received an opinion of nationally recognized bond counsel to the effect that
5 such disposition will not adversely affect the treatment of interest on the Tax-
6 Exempt Bonds as excludable from gross income for federal income tax purposes.

8 C. Federal Guarantee Prohibition. The City will not take any action or permit
9 to suffer any action to be taken if the result of such action would be to cause any of
10 the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of
11 Section 149(b) of the Code.

13 D. Rebate Requirement. The City will take any and all actions necessary to
14 assure compliance with Section 148(f) of the Code, relating to the rebate of excess
15 investment earnings, if any, to the federal government, to the extent that such
16 section is applicable to the Tax-Exempt Bonds.

18 E. No Arbitrage. The City will not take, or permit or suffer to be taken, any
19 action with respect to the proceeds of the Tax-Exempt Bonds which, if such action
20 had been reasonably expected to have been taken, or had been deliberately and
21 intentionally taken, on the Issue Date of the Tax-Exempt Bonds would have caused
22 the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of
23 the Code.

25 F. System of Registration. The City will maintain a system for recording the
26 ownership of the Tax-Exempt Bonds that complies with the provisions of



1 Section 149 of the Code until the Tax-Exempt Bonds have been surrendered and
2 canceled.

3 G. Record Retention. The City will retain its records of all accounting and
4 monitoring it carries out with respect to the Tax-Exempt Bonds for at least three
5 years after the Tax-Exempt Bonds mature or are prepaid (whichever is earlier);
6 however, if the Tax-Exempt Bonds are redeemed prior to maturity, the City will
7 retain its records of accounting and monitoring at least three years after the earlier
8 of the maturity or redemption of the obligations that refunded the Tax-Exempt
9 Bonds.
10

11 H. Compliance with Federal Tax Certificate. The City will comply with the
12 provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds,
13 which are incorporated herein as if fully set forth herein.
14

15 The covenants of this section will survive payment in full or defeasance of
16 the Tax-Exempt Bonds.
17

18 Section 15. Covenants. The City covenants with the owner of each
19 2023 RWSS Bond at any time outstanding, as follows:

20 A. Operation and Maintenance. It will at all times maintain, preserve
21 and keep the Regional System in good repair, working order and condition, will
22 make all necessary and proper improvements, replacements and extensions
23 thereof, and will at all times operate or cause to be operated the properties of
24 the Regional System and the business in connection therewith in an efficient
25 manner and at a reasonable cost.
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B. Rate Covenants.

(1) The City shall establish, maintain and collect contract charges or other amounts for water and other goods and services sold or supplied through the facilities of the Regional System that will provide the City with Revenues sufficient for the payment of Regional System Costs.

(2) The City shall establish, maintain and collect rates and charges for water and other goods and services sold or supplied through the facilities of the Water System sufficient to pay the cost of operation and maintenance of the Water System and to provide Gross Revenues of the Water System sufficient, together with amounts on deposit in the Revenue Fund and available for such purpose (including Participants' Payments), to pay all Regional System Costs and all obligations against Gross Revenues of the Water System now or hereafter imposed by law or contract.

C. Project Agreement. The City shall not amend Sections 11.4.10, 25.3, 25.7, 25.8, or 31.3 of the Agreement for the Second Supply Project in any manner that would materially impact the security for the Parity Bonds or increase or reduce a Participant's obligations to pay its share of debt service on the Parity Bonds or any Future Parity Bonds, other than to allow for a new Participant or an existing Participant (other than the City) to assign its interests in the Project Agreement if (1) the new Participant signs a Project Agreement substantially in the form of the Project Agreement, (2) the new Participant's water system is rated at least in one of the three highest categories by one



1 Rating Agency, (3) the Participant's resolutions or ordinances authorizing
2 outstanding water revenue bonds permit the Participant to pay all costs it owes
3 under the Project Agreement as an operating and maintenance expense of its
4 water system and any other utility that is combined with its water system, (4) the
5 tax-exempt status of any outstanding Parity Bonds issued as tax-exempt
6 obligations or the entitlement of the City to receive federal direct payments from
7 the United States Treasury with respect to any outstanding Parity Bonds issued
8 as Build America Bonds will not be affected, and (5) to the extent that the new
9 Participant's share of debt service on any Parity Bonds exceeds 10% or other
10 threshold as determined by the City, the new Participant shall execute a
11 continuing disclosure undertaking that satisfies the requirements of Rule 15c2-
12 12.

15 D. Sale, Transfer or Disposition of the Regional System. The City may
16 sell, transfer or otherwise dispose of any of the works, plant, properties,
17 facilities or other part of the Regional System or any real or personal property
18 comprising a part of the Regional System only consistent with State law and the
19 City Charter and one or more of the following:

21 (1) The City may exchange any of the works, plant, properties,
22 facilities or other part of the Regional System for works, plant, properties or
23 facilities of substantially the same type, use and value; or

25 (2) The City in its discretion may carry out such a sale, transfer
26 or disposition (each, as used in this subparagraph, a "transfer") if the facilities or



1 property transferred are not material to the operation of the Regional System, or
2 shall have become unserviceable, inadequate, obsolete or unfit to be used in
3 the operation of the Regional System or are no longer necessary, material or
4 useful to the operation of the Regional System; or

5
6 (3) The City in its discretion may carry out such a transfer if the
7 aggregate depreciated cost value of the facilities or property of the Regional
8 System being transferred under this subparagraph (iii) in any Fiscal Year
9 comprises no more than five percent of the total assets of the Regional System;
10 or

11
12 (4) The City may sell, lease, mortgage or otherwise dispose of
13 the Regional System, including all additions to and betterments and extensions
14 thereof at any time made, that are used, useful or material in the operation of
15 the Regional System, if provision is made for the replacement thereof or
16 provision is made for the payment, redemption or other retirement of a principal
17 amount of Parity Bonds equal to the greater of the following amounts:

18
19 (i) An amount that will be in the same proportion to the net
20 Bond Obligation of Parity Bonds then outstanding (defined as the total Bond
21 Obligation of such Parity Bonds outstanding less the amount of cash and
22 investments in the Debt Service Account) that the revenues attributable to the
23 part of the Regional System sold or disposed of for any 12 consecutive of the
24 most recent 24 months bears to the total revenues for such period; or

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(ii) An amount that will be in the same proportion to the net Bond Obligation of Parity Bonds then outstanding that the book value of the part of the Regional System sold or disposed of bears to the book value of the entire Regional System immediately prior to such sale or disposition.

E. Books and Accounts. It will keep proper books, records and accounts with respect to the operations, income and expenditures of the Regional System in accordance with generally accepted accounting practices relating to municipal utilities, and will cause those books, records and accounts to be audited on an annual basis by the State Auditor or by a Certified Public Accountant selected by the City. It will prepare annual financial and operating statements after the close of each Fiscal Year of the Regional System showing in reasonable detail the financial condition of the Regional System, which financial and operating statements may be included in the consolidated financial statements of the Water System or other form deemed appropriate by the City.

F. Maintenance of Insurance. The City will keep the Regional System insured, and will carry such other insurance, with responsible insurers, with policies payable to the City, against risks, accidents or casualties, at least to the extent that insurance is deemed prudent and/or necessary by the other Participants; provided, however, that the City may, with the other Participants' approval, institute or continue a self-insurance program with respect to any or all of the aforementioned risks. In the event of any loss or damage, the City will promptly deposit the insurance proceeds into the Construction Account or other



1 capital account, or any construction fund hereafter created for the Regional
2 System, and use such funds to repair or replace the damaged portion of the
3 insured property and apply the proceeds of any insurance policy or
4 self-insurance funding for that purpose; or in the event the City should
5 determine not to repair or reconstruct such damaged portion of the properties of
6 the Regional System, the proceeds of such insurance or self-insurance funding
7 shall be transferred to the Reserve Account to the extent that such transfer shall
8 be necessary to make up any deficiency in the Reserve Account and the
9 balance, if any, shall, at the option of the City, be used for repairs, renewals,
10 replacements, or additions to or extension of the Regional System or be used in
11 the retirement of Parity Bonds prior to maturity, either by purchase at prices not
12 to exceed the next applicable redemption price or by call for redemption.
13
14

15 Section 16. Parity Derivative Products. For purposes of this section, the
16 following words shall have the following definitions:
17

18 A. "Payment" means any payment (designated as such by an ordinance)
19 required to be made by or on behalf of the City under a Payment Agreement
20 and which is determined according to a formula set forth in the Payment
21 Agreement.
22

23 B. "Parity Payment Agreement" means a Payment Agreement under
24 which the City's payment obligations are expressly stated to be secured by a
25 pledge of and lien on Gross Revenues on an equal and ratable basis with
26



1 Gross Revenues required to be paid into the Bond Fund to pay and secure the
2 payment of the principal of and interest on Parity Bonds.

3 C. "Payment Agreement" means a written agreement, for the purpose of
4 managing or reducing the City's exposure to fluctuations or levels of interest
5 rates, currencies or commodities or for other interest rate, investment, asset or
6 liability management purposes, entered into on either a current or forward basis
7 by the City and a Qualified Counterparty, all as authorized by any applicable
8 laws of the State. Such agreement may or may not be characterized by a
9 structure of reciprocity of payment.
10

11 D. "Payment Date" means any date specified in the Payment Agreement
12 on which a City Payment or Receipt is due and payable under the Payment
13 Agreement.
14

15 E. "Receipt" means any payment (designated as such by an ordinance)
16 to be made to, or for the benefit of, the City under a Payment Agreement by the
17 Payor.
18

19 F. "Payor" means a Qualified Counterparty to a Payment Agreement
20 that is obligated to make one or more payments thereunder.

21 G. "Qualified Counterparty" means a party (other than the City or a party
22 related to the City) who is the other party to a Payment Agreement that has or
23 whose obligations are unconditionally guaranteed by a party that has at least an
24 investment grade rating from a Rating Agency or who is otherwise qualified to
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1 act as the other party to a Payment Agreement under any applicable laws of the
2 State.

3 H. A Payment made under a Payment Agreement may be on a parity
4 with the 2023 RWSS Bonds if the Payment Agreement satisfies the
5 requirements for Future Parity Bonds described in Section 17, taking into
6 consideration regularly scheduled Payments and Receipts (if any) under the
7 Payment Agreement. The following shall be conditions precedent to the use of
8 any Payment Agreement on parity with the 2023 RWSS Bonds:
9

10 (1) The City shall obtain an opinion of Bond Counsel on the due
11 authorization and execution of such Payment Agreement, the validity and
12 enforceability thereof and opining that the action proposed to be taken is
13 authorized or permitted by this ordinance or the applicable provisions of any
14 supplemental ordinance and will not adversely affect the excludability for federal
15 income tax purposes of the interest on any outstanding Parity Bonds issued as
16 tax-exempt obligations or the entitlement of the City to receive federal direct
17 payments from the United States Treasury with respect to any outstanding
18 Parity Bonds issued as Build America Bonds.
19

20 (2) Prior to entering into a Payment Agreement, the City shall
21 adopt an ordinance, which shall:
22

23 (i) set forth the manner in which the Payments and
24 Receipts are to be calculated and a schedule of Payment Dates;
25

26



1 (ii) establish general provisions for the rights of parties to
2 Payment Agreements; and

3 (iii) set forth such other matters as the City deems
4 necessary or desirable in connection with the management of Payment
5 Agreements as are not clearly inconsistent with the provisions of this ordinance.
6 The Payment Agreement may oblige the City to pay, on one or more scheduled
7 and specified Payment Dates, the Payments in exchange for the Payor's
8 obligation to pay or to cause to be paid to the City, on scheduled and specified
9 Payment Dates, the Receipts. The City may also enter into Payment
10 Agreements that are not reciprocated by the other party to the agreement.
11

12
13 If the City enters into a Parity Payment Agreement, Payments shall be
14 made from the Debt Service Account in the Bond Fund and Annual Debt
15 Service shall include any regularly scheduled City Payments adjusted by any
16 regularly scheduled Receipts during a Fiscal Year. Receipts shall be made
17 directly into the Bond Fund. Obligations to make unscheduled payments, such
18 as termination payments, may not be entered into on parity with the 2023
19 RWSS Bonds.
20

21 Nothing in this section shall preclude the City from entering into Payment
22 Agreements with a claim on Gross Revenues junior to that of the 2023 RWSS
23 Bonds. Furthermore, nothing in this section shall preclude the City from
24 entering into obligations on parity with the 2023 RWSS Bonds in connection
25 with the use of Payment Agreements or similar instruments if the City obtains
26



1 an opinion of Bond Counsel that the obligations of the City thereunder are
2 consistent with this ordinance.

3 Section 17. Future Parity Bonds.

4 A. The City reserves the right to issue Future Parity Bonds from time to
5 time as may be required for any lawful purpose of the City relating to the
6 Regional System, including but not limited to, acquiring, constructing and
7 installing additions, betterments and improvements to and extensions of,
8 acquiring necessary equipment for, or making necessary renewals,
9 replacements or repairs and capital improvements to the Regional System and
10 refunding any outstanding indebtedness.
11

12 B. The City covenants that Future Parity Bonds shall be issued only
13 upon compliance with the following conditions:
14

15 (1) The Project Agreement shall be in effect.

16 (2) At the times of the issuance of such Future Parity Bonds there
17 is no deficiency in the Bond Fund or in any of the accounts therein.
18

19 (3) If the Future Parity Bonds proposed to be issued are secured
20 by the Reserve Account, the Parity Bond Authorizing Ordinance shall require
21 that there shall be paid into the Reserve Account in the Bond Fund (a) from the
22 proceeds of such Future Parity Bonds an amount such that the amount on
23 deposit in the Reserve Account, allowing for any amount covenanted in a Parity
24 Bond Authorizing Ordinance for outstanding Parity Bonds to be paid into such
25 Account over five years, in equal monthly installments, as provided in
26



1 Section 10(A)(4) is equal to the Reserve Account Requirement, if any, or
2 (b) from the Revenue Fund in not more than five years, in equal monthly
3 installments, as provided in Section 10(A)(4) such that the amount on deposit in
4 the Reserve Account is equal to the Reserve Account Requirement. Upon the
5 issuance of any series of Future Parity Bonds, the City shall recalculate the
6 Reserve Account Requirement, which recalculated Reserve Account
7 Requirement shall become effective as of such date of recalculation.

9 Notwithstanding the foregoing, Future Parity Bonds may be secured by a
10 separate reserve account with a separate Reserve Account Requirement, which
11 may be zero.

13 (4) Without obtaining a certificate described in (4)(i) or (ii),
14 Future Parity Bonds may be issued for refunding purposes as described in
15 Subsection 17(C). For all other Future Parity Bonds there shall be on file with
16 the City Clerk either:

18 (i) A certificate of the Finance Director (or equivalent
19 official) of each Participant (including the City in the case of the Water System)
20 that will be responsible for paying debt service on the Future Parity Bonds
21 stating that "Revenues" or "Gross Revenues" (as defined in the Participant's
22 System bond ordinances or resolutions) in any 12 consecutive months out of
23 the most recent 24 months preceding the delivery of the Future Parity Bonds
24 then proposed to be issued, as determined from the financial statements of the
25 Participant's System, were sufficient to pay the operation and maintenance
26



1 expenses of the Participant's System and the Participant's portion of the debt
2 service on the Future Parity Bonds then proposed to be issued based on the
3 highest debt service in the next three calendar years following the year interest
4 is capitalized or the project being financed is placed in service, whichever is
5 later, and "Net Revenues" (as defined in the Participant's System bond
6 ordinance or resolution) for such 12-month period were sufficient to pay debt
7 service on the Participant's senior lien water revenue bonds and meet the
8 Participant's rate coverage required by such ordinance or resolution; or
9

10 (ii) For each Participant (including the City) that will be
11 responsible for paying debt service on the Future Parity Bonds, a certificate of
12 an Engineer or a Certified Public Accountant showing that the "Adjusted
13 Revenues" (determined as described herein) for each calendar year during the
14 life of the Future Parity Bonds proposed to be issued will be sufficient to pay the
15 operation and maintenance expenses of the Participant's System and the
16 Participant's portion of the debt service on outstanding Parity Bonds and on the
17 Future Parity Bonds then proposed to be issued, based on the highest debt
18 service in the three calendar years following the year interest is capitalized, or
19 the project being financed is placed in service, whichever is later, and "Adjusted
20 Net Revenues" (determined as described herein) will be sufficient to pay debt
21 service on the Participant's senior lien water revenue bonds and meet the
22 Participant's rate coverage required by the ordinances or resolutions
23 authorizing such senior lien bonds.
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The "Adjusted Revenues" or "Adjusted Net Revenues," as applicable, shall be the Participant's System water revenue for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds ("Base Period") as adjusted by such Engineer or Accountant to take into consideration changes in revenues estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(1) the additional revenues that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of the Base Period and effective within 12 months of the certificate had been in force during the full Base Period;

(2) the additional net revenues that would have been received if any facility of the Participant's System that became fully operational after the beginning of the Base Period had been so operating for the entire Base Period;

(3) the additional revenues to the Participant's System estimated by such Engineer or Accountant to be received (a) as a result of any additions, betterments and improvements to and extensions of any facilities of the Participant's System which are under construction at the time of such certificate or (b) as a result of improvements to the Regional System to be



1 constructed or acquired from the proceeds of the Future Parity Bonds to be
2 issued; and

3 (4) the additional revenues that would have been
4 received if any customers added to the Participant's System during the Base
5 Period or subsequent thereto had been customers for the entire Base Period.
6

7 Such Accountant or Engineer may rely upon, and the Accountant's or
8 Engineer's certificate shall have attached thereto, financial statements of the
9 Participant's System, certified by the Finance Director, or equivalent official of
10 such Participant, showing income and expenses for the period upon which the
11 same is based.
12

13 C. In the event that any Future Parity Bonds provided for in this section
14 are issued for refunding purposes and the issuance of such refunding Future
15 Parity Bonds results in a net present value monetary saving to the City and
16 such refunding Future Parity Bonds will not require an increase of greater than
17 \$5,000 in debt service payments to be paid in any Fiscal Year or calendar year
18 thereafter than would have been required to be paid in the same Fiscal Year or
19 calendar year for Annual Debt Service on the Parity Bonds being refunded, then
20 paragraph (4) of Subsection 17(B) need not be complied with to permit such
21 refunding Future Parity Bonds to be issued, although the provisions of
22 paragraphs (1), (2) and (3) of Subsection 17(B) must still be complied with.
23
24

25 D. In making any calculations required to be made by a Finance Director
26 or the Engineer or Accountant in paragraph (4) of Subsection 17(B), in the case



1 of Variable Interest Rate Bonds, for purposes of calculating Annual Debt
2 Service the interest rate thereon shall be calculated on the assumption that
3 such bonds will bear interest at a rate equal to the rate most recently reported
4 by The Bond Buyer as the Bond Buyer's Index for long-term revenue bonds;
5 provided, that if on such date of calculation the interest rate on such bonds shall
6 then be fixed to maturity, the interest rate used for such specified period for the
7 purpose of the foregoing calculation shall be such actual interest rate.
8

9 Section 18. Reimbursement Obligations. In the event that the City
10 elects to meet the requirements of Section 10(A)(4) with respect to the Reserve
11 Account as to any issue of Parity Bonds through the use of a Qualified Letter of
12 Credit, Qualified Insurance or other equivalent credit enhancement device, the
13 City may contract with the entity providing such Qualified Letter of Credit,
14 Qualified Insurance or other equivalent credit enhancement device that the
15 City's reimbursement obligation, if any, to such entity ranks on a parity of lien
16 with the Parity Bonds.
17

18 In the event that the City elects additionally to secure any issue of
19 Variable Interest Rate Bonds through the use of a letter of credit, insurance or
20 other equivalent credit enhancement device, the City may contract with the
21 entity providing such letter of credit, insurance or other equivalent credit
22 enhancement device that the City's reimbursement obligation, if any, to such
23 entity ranks on a parity of lien with the Parity Bonds; provided, that the
24 payments due under such reimbursement agreement are such that if such
25
26



1 reimbursement obligation were a series of Future Parity Bonds, such Future
2 Parity Bonds could be issued in compliance with the provisions of Section 17.

3 Section 19. Junior Lien Obligations. Nothing herein shall prevent the
4 City from issuing bonds, notes, warrants or other obligations payable from and
5 secured by a lien and charge junior to the lien and charge described in
6 Section 9.

8 Section 20. Sale of 2023 RWSS Bonds.

9 A. Bond Sale. The 2023 RWSS Bonds shall be sold by negotiated public
10 sale to the Underwriters pursuant to the terms of the Bond Purchase Contract. The
11 City Council has determined that it would be in the best interest of the City to
12 delegate to the Designated Representatives, for a limited time, the authority to
13 select the Refunded Bonds, to designate each series of 2023 RWSS Bonds as Tax-
14 Exempt Bonds or Taxable Bonds, and to approve the final terms for each series of
15 2023 RWSS Bonds, including but not limited to final interest rates, final maturity
16 date, redemption terms, principal maturities, and any other terms for each series of
17 2023 RWSS Bonds.

18 Each Designated Representative is further authorized to designate all or a
19 portion of a series of 2023 RWSS Bonds allocated to refinance the portion of the
20 Projects which have environmentally beneficial attributes, as "Green Bonds," and to
21 engage with such consultants and to undertake such action, execute such
22 certificates, and agree to such terms as necessary to accomplish such designation.
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1 B. Sale Parameters. Subject to the terms and conditions set forth in this
2 section, each Designated Representative is hereby authorized to select the
3 Refunded Bonds, to designate the 2023 RWSS Bonds of a series as Tax-Exempt
4 Bonds or Taxable Bonds, and to approve the final interest rates, final maturity date,
5 redemption terms and principal maturities for each series of 2023 RWSS Bonds,
6 and to agree to any other final terms for each series of 2023 RWSS Bonds that are
7 in the best interest of the City and necessary to facilitate this ordinance so long as:

9 (1) the aggregate principal (face) amount of all 2023 RWSS Bonds
10 issued under this ordinance does not exceed \$40,850,000,

12 (2) the final maturity date for each series of 2023 RWSS Bonds is no
13 later than December 1, 2032,

14 (3) the aggregate purchase price for the 2023 RWSS Bonds of a
15 series shall not be less than 95 percent of the aggregate stated principal amount of
16 such 2023 RWSS Bonds, excluding any original issue discount, and not greater
17 than 140 percent,

19 (4) the 2023 RWSS Bonds of each series shall bear interest at fixed
20 rates per annum and the true interest cost for the 2023 RWSS Bonds of such series
21 (in the aggregate) does not exceed 4.25 percent, and

23 (5) the 2023 RWSS Bonds of each series conform to all other terms
24 of this ordinance.

25 The final terms of each series of 2023 RWSS Bonds shall be set forth in the
26 Bond Purchase Contract. Subject to the terms and conditions set forth in this



1 section, each Designated Representative is hereby authorized to execute the Bond
2 Purchase Contract.

3 The authority granted to the Designated Representatives by this section shall
4 expire one year from the effective date of this ordinance. If a Bond Purchase
5 Contract for the 2023 RWSS Bonds has not been executed by such date, the
6 authorization for the issuance of the 2023 RWSS Bonds shall be rescinded, and the
7 2023 Bonds shall not be issued nor their sale approved unless such 2023 RWSS
8 Bonds are re-authorized by ordinance of the City Council at the request of the
9 Board. The ordinance re-authorizing the issuance and sale of such 2023 RWSS
10 Bonds may be in the form of a new ordinance repealing this ordinance in whole or
11 in part or may be in the form of an amendatory ordinance approving a Bond
12 Purchase Contract or establishing terms and conditions for the authority delegated
13 under this section.

14 Section 21. General Authorization; Documents. Following the passage and
15 approval of this ordinance, the proper officials of the City, including the Designated
16 Representatives, the Mayor, the Finance Director, the Treasurer, the City Manager,
17 the Assistant Finance Director/Controller, and the City Clerk, are authorized and
18 directed to undertake all action necessary for the prompt execution and delivery of
19 the 2023 RWSS Bonds to the Underwriters and further to execute all closing
20 certificates and documents required to effect the closing and delivery of the 2023
21 RWSS Bonds in accordance with the terms of this ordinance and the Bond
22 Purchase Contract. Such documents may include, but are not limited to,
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1 documents related to a municipal bond insurance policy to insure the payment
2 when due of the principal of and interest on all or a portion of the 2023 RWSS
3 Bonds as provided therein, if such insurance is determined by a Designated
4 Representative to be in the best interest of the City.
5

6 Notwithstanding anything herein to the contrary, the signature of one
7 authorized official, including, but not limited to, the Designated Representatives,
8 shall be sufficient to bind the City.
9

10 Section 22. Preliminary and Final Official Statements. The Designated
11 Representatives and the City Finance Director are each hereby authorized to deem
12 final the preliminary Official Statement relating to the 2023 RWSS Bonds for the
13 purposes of the Rule. The Designated Representatives and the City Finance
14 Director are each further authorized to approve for purposes of the Rule, on behalf
15 of the City, the final Official Statement relating to the issuance and sale of the 2023
16 RWSS Bonds and the distribution of the final Official Statement pursuant thereto
17 with such changes, if any, as may be deemed by such individual to be appropriate.
18

19 Section 23. Ongoing Disclosure; Continuing Disclosure Certificate. The City
20 covenants to execute and deliver on each Issue Date a Continuing Disclosure
21 Certificate consistent with the Rule. The Finance Director is hereby authorized to
22 execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery,
23 and sale of the 2023 RWSS Bonds with such terms and provisions as such officer
24 shall deem appropriate and in the best interests of the City.
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Section 24. Additional or Supplemental Ordinances.

A. The Council from time to time and at any time may pass an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the City contained in this ordinance other covenants and agreements thereafter to be observed which shall not adversely affect the interests of the owners of any Parity Bonds or to surrender any right or power reserved to or conferred upon the City; or

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance or any ordinance authorizing Parity Bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect the interest of the owners of the Parity Bonds. Any such supplemental ordinance of the City may be passed without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of Subsection (b) of this section, if the City obtains an opinion of Bond Counsel to the effect that such supplemental ordinance is solely for one or more of the purposes stated above and will not adversely affect the interests of the owners of Parity Bonds.



1 B. With the consent of the owners of not less than 51% in aggregate
2 Bond Obligations of the Parity Bonds at the time outstanding, the City may pass
3 an ordinance or ordinances supplemental hereto for the purpose of adding any
4 provisions to or changing in any manner or eliminating any of the provisions of
5 this ordinance or of any supplemental ordinance; provided, however, that no
6 such supplemental ordinance shall:
7

8 (1) Extend the fixed maturity of any Parity Bonds, or reduce the
9 rate of interest thereon, or extend the times of payment of interest thereon from
10 their due dates, or reduce the amount of the principal thereof, or reduce any
11 premium payable on the redemption thereof, without the consent of the owner
12 of each Parity Bond so affected; or
13

14 (2) Reduce the aforesaid percentage of bondowners required to
15 approve any such supplemental ordinance, without the consent of the owners of
16 all of the Parity Bonds then outstanding.
17

18 It shall not be necessary for the consent of bondowners under this
19 Subsection (B) to approve the particular form of any proposed supplemental
20 ordinance, but it shall be sufficient if such consent shall approve the substance
21 thereof.
22

23 C. Upon the passage of any supplemental ordinance pursuant to the
24 provisions of this section, this ordinance shall be deemed to be modified and
25 amended in accordance therewith, and the respective rights, duties and
26 obligations of the City under this ordinance and of all owners of Parity Bonds



1 outstanding hereunder shall thereafter be determined, exercised and enforced
2 thereunder, subject in all respects to such modification and amendments, and
3 all the terms and conditions of any such supplemental ordinance shall be
4 deemed to be part of the terms and conditions of this ordinance for any and all
5 purposes.
6

7 To the extent the 2023 RWSS Bonds are insured, the insurer may
8 consent on behalf of owners of the 2023 RWSS Bonds to any amendment to
9 this ordinance so long as the Insurer is not in default on its obligations to pay.
10

11 Section 25. Defaults and Remedies.

12 A. Events of Default. The following shall constitute "Events of Default"
13 with respect to the Parity Bonds:

14 (1) If a default is made in the payment of the principal of or
15 interest on any of the Parity Bonds when the same shall become due and
16 payable; or
17

18 (2) If the City defaults in the observance and performance of any
19 of the covenants, conditions and agreements on the part of the City set forth in
20 this ordinance or any covenants, conditions or agreements on the part of the
21 City contained in any ordinance authorizing Parity Bonds and such default or
22 defaults have continued for a period of six months after it has received from the
23 Bondowners' Trustee (as defined below) or from the registered owners of not
24 less than 25% in principal amount of the Parity Bonds, a written notice
25 specifying and demanding the cure of such default. However, if the default in
26



1 the observance and performance of any other of the covenants, conditions and
2 agreements is one which cannot be completely remedied within the six months
3 after written notice has been given, it shall not be an Event of Default with
4 respect to the Parity Bonds as long as the City has taken active steps within the
5 six months after written notice has been given to remedy the default and is
6 diligently pursuing such remedy.

8 (3) If the City files a petition in bankruptcy or is placed in
9 receivership under any state or federal bankruptcy or insolvency law.

10 B. Bondowners' Trustee. So long as such Event of Default has not been
11 remedied, a bondowners' trustee ("Bondowners' Trustee") may be appointed by
12 the registered owners of 25% in principal amount of the Parity Bonds, by an
13 instrument or concurrent instruments in writing signed and acknowledged by
14 such registered owners of the Parity Bonds or by their attorneys-in-fact duly
15 authorized and delivered to such Bondowners' Trustee, notification thereof
16 being given to the City. That appointment shall become effective immediately
17 upon acceptance thereof by the Bondowners' Trustee. Any Bondowners'
18 Trustee appointed under the provisions of this section shall be a bank or trust
19 company organized under the laws of the State, the State of New York or a
20 national banking association. The bank or trust company acting as
21 Bondowners' Trustee may be removed at any time, and a successor
22 Bondowners' Trustee may be appointed, by the registered owners of a majority
23 in principal amount of the Parity Bonds, by an instrument or concurrent
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1 instruments in writing signed and acknowledged by such registered owners of
2 the Parity Bonds or by their attorneys-in-fact duly authorized. The Bondowners'
3 Trustee may require such security and indemnity as may be reasonable against
4 the costs, expenses and liabilities that may be incurred in the performance of its
5 duties. In the event that any Event of Default in the sole judgment of the
6 Bondowners' Trustee is cured and the Bondowners' Trustee furnishes to the
7 City a certificate so stating, that Event of Default shall be conclusively deemed
8 to be cured and the City, the Bondowners' Trustee and the registered owners of
9 the Parity Bonds shall be restored to the same rights and position which they
10 would have held if no Event of Default had occurred.

13 The Bondowners' Trustee appointed in the manner herein provided, and
14 each successor thereto, is declared to be a trustee for the registered owners of
15 all the Parity Bonds and is empowered to exercise all the rights and powers
16 herein conferred on the Bondowners' Trustee.

18 C. Suits at Law or in Equity. Upon the happening of an Event of Default
19 and during the continuance thereof, the Bondowners' Trustee may, and upon
20 the written request of the registered owners of not less than 25% in principal
21 amount of the Parity Bonds outstanding shall, take such steps and institute
22 such suits, actions or other proceedings, all as it may deem appropriate for the
23 protection and enforcement of the rights of the registered owners of the Parity
24 Bonds, to collect any amounts due and owing to or from the City, or to obtain
25 other appropriate relief, and may enforce the specific performance of any
26



1 covenant, agreement or condition contained in this ordinance or in any
2 ordinance authorizing Parity Bonds.

3 Nothing contained in this section shall, in any event or under any
4 circumstance, be deemed to authorize the acceleration of maturity of principal
5 on the Parity Bonds, and the remedy of acceleration is expressly denied to the
6 registered owners of the Parity Bonds under any circumstances including,
7 without limitation, upon the occurrence and continuance of an Event of Default.

9 Any action, suit or other proceedings instituted by the Bondowners'
10 Trustee hereunder shall be brought in its name as trustee for the owners of
11 Parity Bonds and all such rights of action upon or under any of the Parity Bonds
12 or the provisions of this ordinance may be enforced by the Bondowners'
13 Trustee without the possession of any of those Parity Bonds and without the
14 production of the same at any trial or proceedings relative thereto except where
15 otherwise required by law. Any such suit, action or proceeding instituted by the
16 Bondowners' Trustee shall be brought for the ratable benefit of all of the
17 registered owners of those Parity Bonds, subject to the provisions of this
18 ordinance. The respective registered owners of the Parity Bonds, by taking and
19 holding the same, shall be conclusively deemed irrevocably to appoint the
20 Bondowners' Trustee the true and lawful trustee of the respective registered
21 owners of those Parity Bonds, with authority to institute any such action, suit or
22 proceeding; to receive as trustee and deposit in trust any sums becoming
23 distributable on account of those Parity Bonds; to execute any paper or
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1 documents for the receipt of money; and to do all acts with respect thereto that
2 the registered owner himself or herself might have done in person. Nothing
3 herein shall be deemed to authorize or empower the Bondowners' Trustee to
4 consent to accept or adopt, on behalf of any registered owner of the Parity
5 Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or
6 any right of any registered owner thereof, or to authorize or empower the
7 Bondowners' Trustee to vote the claims of the registered owners thereof in any
8 receivership, insolvency, liquidation, bankruptcy, reorganization or other
9 proceeding to which the City is a party.
10
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12 D. Application of Money Collected by Bondowners' Trustee. Any money
13 collected by the Bondowners' Trustee at any time pursuant to this section, shall
14 be applied in the following order of priority:

15 (1) First, to the payment of the charges, expenses, advances and
16 compensation of the Bondowners' Trustee and the charges, expenses, counsel
17 fees, disbursements and compensation of its agents and attorneys; and

18 (2) Second, to the payment to the persons entitled thereto of all
19 installments of interest then due on the Parity Bonds in the order of maturity of
20 such installments and, if the amount available shall not be sufficient to pay in
21 full any installment or installments maturing on the same date, then to the
22 payment thereof ratably, according to the amounts due thereon to the persons
23 entitled thereto, without any discrimination or preference; and
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(3) Third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

E. Duties and Obligations of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this ordinance, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this ordinance.



1 The Bondowners' Trustee shall not be required to expend or risk its own
2 funds or otherwise incur individual liability in the performance of any of its duties
3 or in the exercise of any of its rights or powers as the Bondowners' Trustee,
4 except as may result from its own negligent action, its own negligent failure to
5 act or its own willful misconduct.
6

7 The Bondowners' Trustee shall not be bound to recognize any person as
8 a registered owner of any Parity Bond until such person's title thereto, if
9 disputed, has been established to its reasonable satisfaction.
10

11 The Bondowners' Trustee may consult with counsel and the opinion of
12 such counsel shall be full and complete authorization and protection in respect
13 of any action taken or suffered by it hereunder in good faith and in accordance
14 with the opinion of such counsel. The Bondowners' Trustee shall not be
15 answerable for any neglect or default of any person, firm or corporation
16 employed and selected-by it with reasonable care.
17

18 F. Suits by Individual Bondowners Restricted. Neither the registered
19 owner nor the beneficial owner of any one or more of Parity Bonds shall have
20 any right to institute any action, suit or proceeding at law or in equity for the
21 enforcement of same unless:
22

23 (1) An Event of Default has happened and is continuing; and

24 (2) A Bondowners' Trustee has been appointed; and
25
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1 (3) Such owner previously shall have given to the Bondowners'
2 Trustee written notice of the Event of Default on account of which such suit,
3 action or proceeding is to be instituted; and

4 (4) The registered owners of 25% in principal amount of the
5 Parity Bonds, after the occurrence of such Event of Default, have made written
6 request of the Bondowners' Trustee and have afforded the Bondowners'
7 Trustee a reasonable opportunity to institute such suit, action or proceeding;
8 and
9

10 (5) There have been offered to the Bondowners' Trustee security
11 and indemnity satisfactory to it against the costs, expenses and liabilities to be
12 incurred therein or thereby; and

13 (6) The Bondowners' Trustee has refused or neglected to comply
14 with such request within a reasonable time.

15
16 No registered owner or beneficial owner of any Parity Bond shall have
17 any right in any manner whatever by such individual's action to affect or impair
18 the obligation of the City to pay from Gross Revenues the principal of and
19 interest on such Parity Bonds to the respective owners thereof when due.

20
21 G. Payment Solely From Gross Revenues and Certain Funds. Nothing
22 in this section shall be deemed to require payment to owners of Parity Bonds
23 from any source other than Gross Revenues and money and investments in the
24 funds pledged in this ordinance.
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Section 26. Approval of Amendment to the Repayment Agreement. The Participants previously entered into the Repayment Agreement, effective November 1, 2002, as amended (the "Repayment Agreement"), to elaborate on the payment obligation of the Participants with respect to the Refunded Bonds. Council hereby approves an amendment to the Repayment Agreement to revise certain payment obligations of the Participants and other matters related thereto, in substantially the form on file with the City Clerk. The Designated Representatives are each hereby authorized to execute the amendment and to approve such changes as determined to be necessary by such individuals to complete such amendment and carryout the purposes of this ordinance.

Section 27. Miscellaneous.

A. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this ordinance is ratified, approved and confirmed.

B. Parity Bond Authorizing Ordinances. In the event of any inconsistency between the terms and provisions provided for in this ordinance and the Parity Bond Authorizing Ordinances for the Outstanding Parity Bonds, the terms and provisions of this ordinance shall control.

C. Corrections by Clerk. Upon approval of the City Attorney's Office and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations;



1 ordinance numbering and section/subsection numbering; and other similar
2 necessary corrections.

3 D. Severability. If any one or more of the provisions of this ordinance is or
4 are held by any court of competent jurisdiction to be contrary to law, then such
5 provision or provisions shall be null and void and shall be deemed separable from
6 the remaining provisions and shall in no way affect the validity of the other
7 provisions of this ordinance.

9 E. Effective Date. This ordinance shall take effect and be in force 10 days
10 after its passage, approval and publication as required by law.

12 Passed: _____

14 _____
15 Mayor

16 Attest:
17 _____
18 City Clerk

19 Approved as to form and legality:

20 Pacifica Law Group LLP
21 Bond Counsel

22 By _____

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EXHIBIT A

FORM OF BOND

The 2023 RWSS Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA, WASHINGTON

REGIONAL WATER SUPPLY SYSTEM REVENUE REFUNDING BOND,
SERIES 2023

INTEREST RATE: MATURITY DATE: CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Tacoma, Washington (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from _____, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal of and interest hereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the City to DTC. In the event that the bonds of this issue are no longer held in fully immobilized form, interest on this bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of this bond shall be payable upon presentation and surrender of this bond by the Registered Owner at the principal office of the fiscal agent of the State of Washington (the "Bond Registrar"); provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of bonds, interest will be paid by



1 wire transfer on the date due to an account with a bank located within the
2 United States.

3 This bond is one of an authorized issue of \$ _____ City of
4 Tacoma, Washington, Regional Water Supply System Revenue Refunding
5 Bonds, Series 2023 (“Bonds”). The Bonds are issued under and in accordance
6 with the provisions of the Constitution and applicable statutes of the State of
7 Washington, Ordinance No. _____ (“Bond Ordinance”) of the City. The
8 Bonds are issued for the purpose of refunding the City’s outstanding Regional
9 Water Supply System Revenue Refunding Bonds, 2013 and paying costs of
10 issuance.

11 Capitalized terms used in this bond and not otherwise defined shall have
12 the meanings given them in the Bond Ordinance.

13 The bonds of this issue are subject to redemption prior to their maturities
14 as provided in the Bond Ordinance.

15 The bonds of this issue are payable solely from the special fund of the
16 City known as the Water Revenue Bond Fund (the “Bond Fund”), created by
17 Ordinance No. 25392. The City has pledged and bound itself to pay into the
18 Revenue Fund as collected all of the Revenues derived by the City from the
19 operation of the City’s Regional Water Supply System. The City by the Bond
20 Ordinance has further pledged and bound itself to set aside from the money in
21 the Revenue Fund and to pay into the Bond Fund and the accounts therein
22 certain fixed amounts sufficient to pay the principal, premium, if any, and
23 interest on the Parity Bonds as the same become due. As security for the
24 payment of the principal of, premium, if any, and interest on all Parity Bonds the
25 City has pledged (i) the proceeds of the sale of Parity Bonds to the extent held
26 in funds established by the Bond Ordinance, (ii) the Revenues and such Gross
Revenues of the Water System and Participants’ Payments as provided in the
Bond Ordinance, and (iii) the money and investments, if any, credited to the
funds and accounts established by the Bond Ordinance and the income
therefrom.

To the extent more particularly provided by the Bond Ordinance, the
amounts so pledged to be paid out of the Revenues shall be a lien and charge
thereon equal in rank to the lien and charge upon such Revenues of the
amounts required to pay and secure the payment of the City’s Outstanding
Parity Bonds and any Future Parity Bonds, and superior to all other liens and
charges of any kind or nature, except subject to the Operating Expenses.



1 The City hereby covenants that it will perform all the covenants of this
2 bond and of the Bond Ordinance, and reference is hereby made to the Bond
3 Ordinance for a complete statement of such covenants.

4 The pledge of Revenues and other obligations of the City under the Bond
5 Ordinance may be discharged at or prior to the maturity or redemption of the
6 Bonds upon the making of provision for the payment thereof on the terms and
7 conditions set forth in the Bond Ordinance.

8 The bonds of this issue are special limited obligations of the City and are
9 not an obligation of the State of Washington or any political subdivision thereof
10 other than the City, and neither the full faith and credit nor the taxing power of
11 the City or the State of Washington is pledged to the payment of the bonds of
12 this issue.

13 This bond shall not be valid or become obligatory for any purpose or be
14 entitled to any security or benefit under the Bond Ordinance until the Certificate
15 of Authentication has been manually signed by the Bond Registrar.

16 This bond is transferable only on the records maintained by the Bond
17 Registrar for that purpose upon the surrender of this bond by the Registered
18 Owner or such individual's duly authorized agent and only if endorsed in the
19 manner provided hereon, and a new fully registered Bond of like principal
20 amount, maturity, and interest rate shall be issued to the transferee in
21 exchange. Such exchange or transfer shall be without cost to the Registered
22 Owner or transferee. The City and Bond Registrar may deem the person in
23 whose name this bond is registered to be the absolute owner for the purpose of
24 receiving payment of the principal of and interest on this bond and for all other
25 purposes.

26 The Bond Registrar is not required to issue, register, transfer, or
exchange any Bonds during a period beginning at the opening of business on
the 15th day of the month next preceding any interest payment date and ending
at the close of business on the interest payment date, or, in the case of any
proposed redemption of the Bonds, after the mailing of notice of the call of such
Bonds for redemption.

 It is hereby certified that all acts, conditions, and things required by the
Constitution and statutes of the State of Washington and the Charter and
ordinances of the City to exist, to have happened, been done, and performed
precedent to and in the issuance of this bond do exist, have happened, been
done, and performed and that the issuance of this bond and the Bonds does not
violate any constitutional, statutory, or other limitation upon the amount of
bonded indebtedness that the City may incur.



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IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond to be signed with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and the seal of the City to be impressed or a manual or facsimile thereof to be imprinted hereon, as of this ___ day of _____, 2023.

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Regional Water Supply System Revenue Refunding Bonds, Series 2023 of the City, dated _____, 2023.

WASHINGTON STATE FISCAL
AGENT, as Bond Registrar

By _____
Authorized Signer

CLERK'S CERTIFICATE

I, the undersigned, the duly chosen, qualified City Clerk of the City of Tacoma, Washington, and keeper of the records of the City Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. _____ (herein called the "Ordinance") is a true and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the Council held on the ____ day of _____, 2023 and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City as of this ____ day of _____, 2023.

City Clerk
City of Tacoma