



## RESOLUTION NO. U-11269

1 A RESOLUTION relating to Tacoma Power; approving a Supplemental Ordinance;  
2 authorizing the issuance of an Electric System Subordinate Revenue Note,  
3 Series 2021, in the principal amount of not to exceed \$150,000,000;  
4 authorizing the execution of a Note Purchase Agreement; and approving  
5 other matters related thereto.

6 WHEREAS the City of Tacoma, Washington ("City"), by Ordinance  
7 No. 23514, passed on November 20, 1985 (as amended and supplemented,  
8 including as amended and restated by Ordinance No. 28146, passed on April 30,  
9 2013, collectively, the "Senior Bond Ordinance"), authorized electric system  
10 revenue bonds of the City ("Senior Bonds") to be issued in series having a parity of  
11 lien and charge on the Revenues of the Electric System after the payment of  
12 Operating Expenses (as those terms are defined therein), if certain conditions are  
13 met, and

14 WHEREAS the Senior Bond Ordinance permits the City to issue obligations  
15 that are junior and subordinate to the payment of the Senior Bonds and that are  
16 payable out of Revenues of the Electric System, after payment of Operating  
17 Expenses, only after the prior payment of all amounts required to be paid or set  
18 aside under the Senior Bond Ordinance for the Senior Bonds, as the same shall  
19 become due at the times, in the manner and subject to the conditions set forth in  
20 the Senior Bond Ordinance, and

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23 WHEREAS on April 21, 2015, the City Council passed Ordinance No. 28295  
24 (as amended, the "Master Subordinate Ordinance"), authorizing the issuance from  
25 time to time of revenue bonds, junior and subordinate to the Senior Bonds, to be  
26 known as the City of Tacoma Electric System Subordinate Revenue Bonds



1 ("Subordinate Bonds") in one or more series to finance costs of the Electric  
2 System, and

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4 WHEREAS pursuant to the Master Subordinate Ordinance and Ordinance  
5 No. 28297, adopted by the City Council on April 21, 2015, as amended, the City,  
6 acting through its Department of Public Utilities, Light Division (d/b/a "Tacoma  
7 Power"), issued its Electric System Subordinate Revenue Note, Series 2015A, to  
8 provide general credit and funding for capital needs of the Electric System in the  
9 principal amount of not to exceed \$150,000,000 outstanding at any time (the  
10 "2015A Note"), and  
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12 WHEREAS Tacoma Power expects to redeem the 2015A Note prior to its  
13 stated maturity of December 1, 2021 with proceeds of Senior Bonds, and after  
14 such redemption the 2015A Note will no longer be available to Tacoma Power for  
15 advances, and  
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17 WHEREAS Tacoma Power's Electric Rate and Financial Policy directs,  
18 among many things, that Tacoma Power maintain sufficient liquidity to support  
19 Tacoma Power's capital objectives, preserve financial and management flexibility,  
20 and plan for maintaining or improving credit ratings, and  
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22 WHEREAS Wells Fargo Bank, National Association (the "Purchaser") has  
23 offered to extend a credit facility in the form of a drawdown revolving line of credit  
24 to Tacoma Power to replace the 2015A Note, and

25 WHEREAS the Public Utility Board (the "Board") finds that it is in the best  
26 interest of Tacoma Power and its ratepayers that the City issue its Electric System



1 Subordinate Revenue Note, Series 2021, to evidence a drawdown revolving line of  
2 credit established with the Purchaser to provide general credit and funding for  
3 capital improvements for the Electric System, and  
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5 WHEREAS pursuant to Tacoma City Charter Section 4.11, the Board is  
6 required to initiate and approve all matters related to the incurrence of  
7 indebtedness and the issuance of bonds on behalf of Tacoma Power, and then  
8 forward such matters to the City Council for concurring approval, and  
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10 WHEREAS the form of authorizing ordinance (the "Supplemental  
11 Ordinance") has been presented to the Board and a copy of such document is on  
12 file with the Clerk of the Board, and  
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14 WHEREAS the Board hereby recommends that it is in the best interest of  
15 the citizens of Tacoma that the Supplemental Ordinance be approved by the Board  
16 and passed by the City Council to accomplish the purposes set forth therein; Now,  
17 Therefore,

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

19 Sec. 1. The Board hereby finds that it is necessary and advisable to obtain  
20 a general credit facility in the form of a drawdown revolving line of credit to finance  
21 capital costs of the Electric System. The use of short-term debt agreements to  
22 maintain financial stability is consistent with Tacoma Power financial policies and  
23 planning, as is the use of short-term debt to finance capital and operating costs.  
24 Pursuant to Tacoma City Charter Section 4.11, it is necessary for the Board to  
25 initiate and approve all matters related to the incurrence of indebtedness and the  
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1 issuance of bonds on behalf of Tacoma Power, and then forward such matters to  
2 the City Council for concurring approval.

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4       Sec. 2. The Board hereby finds (1) it is in the best interest of Tacoma  
5 Power and its ratepayers that the City issue the 2021 Note as a Subordinate Bond  
6 under the Master Subordinate Ordinance to provide capital funding for Tacoma  
7 Power, (2) Tacoma Power has or expects to receive a proposal from the Purchaser  
8 to purchase the 2021 Note, and (3) it would be beneficial to Tacoma Power and its  
9 ratepayers to sell the 2021 Note to the Purchaser subject to the parameters  
10 provided for in the Supplemental Ordinance.

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12       Sec. 3. Subject to the parameters set forth in the Supplemental Ordinance,  
13 that the terms and conditions of the proposed Supplemental Ordinance, including  
14 delegating authority to the Director of Utilities and the Tacoma Power  
15 Superintendent or their designees (each, a "Designated Representative"), to  
16 approve the issuance and sale of the 2021 Note in the principal amount of not to  
17 exceed \$150,000,000, outstanding at any time and selling such 2021 Note to the  
18 Purchaser pursuant to the terms of a Note Purchase Agreement (the "Purchase  
19 Agreement"), are hereby approved, and the City Council is requested to concur in  
20 this approval by the passage of the same at the earliest opportunity in the final  
21 form approved by the City Attorney.

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24       Sec. 4. Upon passage of the Supplemental Ordinance, each Designated  
25 Representative is delegated authority to approve the final terms and conditions of  
26 the Purchase Agreement in coordination with Bond Counsel, the Municipal Advisor



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and the City Attorney's Office subject to the terms set forth in the Supplemental Ordinance, and to execute and implement the Purchase Agreement (including the payment of any financing costs associated with the delivery of the Purchase Agreement) and any other certificates or other documents in connection therewith. Furthermore, upon closing of the 2021 Note, each Borrower Representative (as defined in the Supplemental Ordinance) is authorized to take all actions necessary to administer and implement the 2021 Note and the Purchase Agreement, including but not limited to submitting requests for draws thereunder.

Sec. 6. This resolution shall become effective immediately upon its adoption.

Approved as to form:

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Pacifica Law Group LLP,  
Bond Counsel

Michael R. Patterson  
Chair

Carlos Watson  
Secretary

Charlene Jacobs  
Clerk

Adopted 7-14-21