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RESOLUTION NO. U-10937

A RESOLUTION relating to Tacoma Power; authorizing the issuance of up to \$90 million in tax-exempt revenue bonds.

WHEREAS the City of Tacoma, Department of Public Utilities, Power Division (dba "Tacoma Power"), regularly issues revenue bonds to finance construction and renovation of long-lived assets, and

WHEREAS Tacoma Power executed a \$100 million interim funding agreement with Wells Fargo ("Wells Fargo Agreement") to fund capital improvements and as of December 31, 2016, Tacoma Power has funded approximately \$80 million in capital expenditures under the Wells Fargo Agreement, and

WHEREAS Tacoma Power retained Montague DeRose and Associates, LLC as its Financial Advisor ("Financial Advisor") who has advised that it would be advantageous to issue electric system revenue bonds to fund long-term capital expenditures made under the Wells Fargo Agreement, and

WHEREAS these bonds will be sold through a negotiated sale process, and

WHEREAS, with the assistance of the City of Tacoma, Finance Department, the Financial Advisor and bond counsel (Orrick, Herrington & Sutcliffe, LLP), a bond ordinance and official statement are being prepared to give Tacoma Power the option to sell these tax-exempt bonds in August 2017, and



1 WHEREAS, pursuant to RCW 39.46.040(2) in the bond ordinance, the
2 Council of the City of Tacoma will appoint the Director of Utilities and the
3 Superintendent of Tacoma Power to approve the final terms and conditions for
4 the sale of the bonds in the manner and upon the terms deemed most
5 advantageous to the City, including, but not limited to, the amount, date(s),
6 denominations, interest rate(s), payment dates, final maturity, redemption
7 provisions and price, and
8

9 WHEREAS the proposed financing has been reviewed by the Financial
10 Advisor, bond counsel and staff, and they believe it to be in the City's best
11 interest to approve the issuance and sale of Electric System Revenue and
12 Refunding Bonds, Series 2017 in a total amount not to exceed \$90,000,000,
13 within certain parameters as set forth in the attached form of ordinance, a copy
14 of which is on file with the Clerk of the Board, and
15

16 WHEREAS, pursuant to the Tacoma City Charter, the Board is required
17 to initiate the incurrence of indebtedness and the issuance of bonds to the
18 Council of the City of Tacoma, and
19

20 WHEREAS the Board hereby recommends to the Council of the City of
21 Tacoma that it is in the best interest of the customers of Tacoma Power and the
22 citizens of Tacoma that the ordinance be approved by the Board and passed by
23 the Council of the City of Tacoma to accomplish the purposes set forth above;

24 Now, Therefore,

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

26 That the terms and conditions of the proposed ordinance, including



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delegating authority to the Director of Utilities and the Superintendent of Tacoma Power to conduct and approve the sale of such bonds in the manner and upon the terms most advantageous to the City, are approved, and the Council of the City of Tacoma is requested to concur in this approval by the passage of the ordinance at the earliest opportunity in the final form approved by the City Attorney.

Approved as to form and legality:

[Handwritten Signature]

Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____