



RESOLUTION NO. U-11156

1 A RESOLUTION relating to Tacoma Water; authorizing the issuance of a
2 subordinate lien refunding revenue bond; and approving other matters
3 related thereto.

4 WHEREAS the City of Tacoma, Washington (“City”), acting through its
5 Department of Public Utilities, Water Division (d/b/a “Tacoma Water”) issued its
6 Water System Revenue Refunding Bonds, 2010A, in the original principal amount
7 of \$29,100,000 pursuant to Ordinance No. 27902, passed on July 20, 2010 (the
8 “2010A Bonds”), and

9 WHEREAS the 2010A Bonds may be redeemed prior to maturity on any
10 date on or after June 1, 2020, at a price of par plus accrued interest to the date of
11 redemption, and

12 WHEREAS the Public Utilities Board (“Board”) now finds that the 2010A
13 Bonds can be defeased and redeemed through the issuance of a subordinate lien
14 water system revenue bond in the principal amount of not to exceed \$18,400,000
15 (the “Bond”) at a savings to the Water System and its ratepayers; and

16 WHEREAS Tacoma Water has received a proposal from Key Government
17 Finance, Inc. (the “Purchaser”) to purchase the Bond by private placement
18 pursuant to the terms of an ordinance adopted by the City Council (“Bond
19 Ordinance”) and a Continuing Covenant Agreement between the City and the
20 Purchaser to be dated the date of issuance and delivery of the Bond (“Continuing
21 Covenant Agreement”), and

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WHEREAS forms of the proposed Bond Ordinance and the Continuing Covenant Agreement, copies of which are on file with the Clerk of the Board, have been presented at this meeting, and

WHEREAS pursuant to Tacoma City Charter Section 4.11, the Board is required to initiate and approve all matters related to the incurrence of indebtedness and the issuance of bonds on behalf of Tacoma Water, and then forward such matters to the Council of the City for concurring approval, and

WHEREAS the Board requests that the City Council delegate authority to the Director of Utilities, or in the alternative, the Superintendent of the Water Division, as provided herein, for a limited time, to approve the final principal amount of the Bond, the final interest rate for the Bond, and the final terms of the Continuing Covenant Agreement as set forth herein, and

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

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

Sec. 1. The City has established financial policies which provide, as a general rule, that the City may issue refunding bonds to refund outstanding debt when, among other reasons, such refunding results in a sufficient net present value savings. Pursuant to Tacoma City Charter Section 4.11, it is necessary for the Board to initiate and approve all matters related to the incurrence of indebtedness and the issuance of bonds on behalf of Tacoma Water, and then



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forward such matters to the Council of the City for concurring approval. The Board hereby finds it is in the best interest of Tacoma Water and its ratepayers that the City issue a revenue refunding bond to defease and refund the outstanding 2010A Bonds for aggregate net present value debt service savings, and the adoption of this resolution and the authorization of the refunding bond is routine and consistent with City and Tacoma Water policy and procedures.

Sec. 2. Subject to the parameters set forth therein, that the terms and conditions of the proposed Bond Ordinance, including delegating authority to the Director of Utilities, and, in the alternative, the Superintendent of the Water Division (each, a "Designated Representative"), to approve the issuance and sale of the Bond in the principal amount of not to exceed \$18,400,000 and selling such Bond to the Purchaser are hereby approved, and the Council of the City 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.

Sec. 3. The form of Continuing Covenant Agreement is hereby approved, with such changes as may be made by a Designated Representative in consultation with the City Attorney.

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Sec. 4. This resolution shall become effective immediately upon its

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adoption.

Approved as to form:

Chair

*Approved electronically via email 4/2/20 by
Deanna Gregory*

Pacifica Law Group LLP,
Bond Counsel

Secretary

Clerk

Adopted _____