



ORDINANCE NO. 28920

1 A SUPPLEMENTAL ORDINANCE of the City of Tacoma, Washington, relating to
2 the electric system; providing for the issuance and sale of one or more series
3 of electric system revenue and refunding bonds in an aggregate principal
4 amount not to exceed \$225,000,000 to provide funds to finance and
5 refinance capital improvements to the electric system, to redeem certain
6 obligations of the electric system, and to pay costs of issuance for the bonds;
7 fixing or setting parameters with respect to certain terms and covenants of
8 the bonds, and appointing the City's designated representatives to approve
9 the final terms of the sale of the bonds; and approving certain other matters
10 in connection therewith.

11 WHEREAS the City of Tacoma, Washington ("City"), acting by and through
12 its Department of Public Utilities, Light Division (d/b/a "Tacoma Power"), owns and
13 operates an electric system ("Electric System") for which capital improvements and
14 other expenses may be financed through the issuance of electric system revenue
15 bonds, and

16 WHEREAS the City, by Ordinance No. 23514, passed on November 20,
17 1985 (as amended and supplemented, including as amended and restated by
18 Ordinance No. 28146, passed on April 30, 2013, as amended by Ordinance No.
19 28444, passed on August 1, 2017, and as amended by Ordinance No. 28773,
20 passed on August 3, 2021 (collectively, "Master Ordinance"), authorized electric
21 system revenue bonds of the City ("Parity Bonds") to be issued in series having a
22 parity of lien and charge on the Revenues of the Electric System after the payment
23 of Operating Expenses (as those terms are defined therein), if certain conditions
24 are met, and made covenants in connection with the issuance of such Parity Bonds,
25 and

26



1 WHEREAS the City, acting through Tacoma Power, has issued and currently
 2 has outstanding the following Parity Bonds:

Bonds	Series Authorizing Ordinance	Original Principal Amount
5 Electric System Revenue Bonds, Series 2010B 6 (Taxable Build America Bonds – Direct Payment) 7 and Electric System Revenue Bonds, Series 8 2010C (Taxable Clean Renewable Energy 9 Bonds – Direct Payment) (together, “2010 10 Bonds”)	27889	\$171,255,000
11 Electric System Revenue and Refunding Bonds, 12 Series 2013A and Electric System Revenue 13 Refunding Bonds, Series 2013B (together, “2013 14 Bonds”)	28146	\$217,230,000
15 Electric System Revenue Bonds, Series 2017 16 (“2017 Bonds”)	28444	\$70,575,000
17 Electric System Revenue Bonds, Series 2021 18 (“2021 Bonds”)	28773	\$121,855,000

19 and

20 WHEREAS the 2013 Bonds may be defeased and/or redeemed in whole or
 21 in part, on any day on or after July 1, 2023, at the option of the City at a savings to
 22 Tacoma Power and its ratepayers, and

23 WHEREAS the Master Ordinance permits the City to issue obligations that
 24 are junior and subordinate to the payment of the Parity Bonds subject to the
 25 conditions set forth in the Master Ordinance, and

26 WHEREAS on April 21, 2015, the City Council passed Ordinance No. 28295
 (as amended, “Master Subordinate Ordinance”) to authorize revenue bonds of the
 City, junior and subordinate to the Parity Bonds, to be known as the City of Tacoma



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

3 WHEREAS pursuant to the Master Subordinate Ordinance and Ordinance
4 No. 28774, passed by the City Council on August 3, 2021, the City issued its
5 Electric System Subordinate Revenue Note, Series 2021 to evidence a revolving
6 line of credit in the principal amount of not to exceed \$150,000,000 outstanding at
7 any time to finance and refinance such capital improvements to the Electric System
8 (“2021 Note”), and

9 WHEREAS the 2021 Note is currently scheduled to mature on October 1,
10 2024, and may be prepaid prior to maturity, and

11 WHEREAS the Public Utility Board of the City (“Board”) has initiated and has
12 recommended to the City Council for its approval the issuance of one or more
13 series of Parity Bonds to provide funds to defease and/or redeem all or a portion of
14 the outstanding 2013 Bonds, to finance and/or refinance costs of capital
15 improvements to the Electric System (including prepaying the 2021 Note), and to
16 pay the costs of issuance for the bonds, and

17 WHEREAS the City Council further finds that certain of the capital
18 improvements to be financed and/or refinanced with proceeds of the bonds
19 authorized herein, including those financed with proceeds of the 2021 Note, have
20 environmentally beneficial attributes consistent with the City’s Environmental
21 Action Plan and other environmental priorities and goals of Tacoma Power
22 designed to mitigate the impacts of climate change and promote sustainability and
23 conservation, and



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS the City Council desires to authorize the designation of all or a portion of the bonds issued to finance and/or refinance such improvements, which have environmentally beneficial attributes, as “Green Bonds” in accordance with the voluntary, generally accepted Green Bond Principles promulgated by the International Capital Market Association and/or other relevant standards or frameworks, and the City is permitted to make such a voluntary designation based on the intended use of such proceeds, and

WHEREAS the City Council wishes to delegate authority to the individuals authorized herein (each, a “Designated Representative”), for a limited time, the authority to approve the final terms of the bonds authorized herein within the parameters set by this Supplemental Ordinance, and

WHEREAS the City expects to receive a purchase contract from J.P. Morgan Securities LLC, Goldman Sachs and Co. LLC, and Loop Capital Markets LLC (“Underwriters”) to purchase the bonds authorized herein, and now desires to issue and sell such bonds to the Underwriters as set forth herein; Now, Therefore,



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BE IT ORDAINED BY THE CITY OF TACOMA:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Interpretation of Terms. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Master Ordinance, including any amendments to such terms as provided herein.

In addition, as used in this Supplemental Ordinance and with respect to the Bonds, the following words shall have the following meanings:

“Acquired Obligations” means the Governmental Obligations acquired by the City under the terms of this Supplemental Ordinance and the Escrow Agreement to effect the refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

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

“Beneficial Owner” means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

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



1 “Bond Purchase Contract” means one or more contracts between the
2 Underwriters and the City for the purchase of Bonds, executed pursuant to the
3 Master Ordinance and this Supplemental Ordinance and setting forth the final terms
4 of the applicable series of Bonds.

5
6 “Bond Register” means the registration books maintained by the Bond
7 Registrar for purposes of identifying ownership of the Bonds or the nominee of each
8 owner, and such other information as the Bond Registrar shall determine.

9
10 “Bond Registrar” means, initially, the fiscal agent of the State, whose duties
11 include registering and authenticating the Bonds, maintaining the Bond Register,
12 effecting transfer of ownership of the Bonds and paying interest on and principal of
13 the Bonds.

14 “Bonds” mean the Electric System Revenue and Refunding Bonds
15 authorized to be issued from time to time in one or more series under the Master
16 Ordinance and this Supplemental Ordinance.

17
18 “Call Date” means a date selected by a Designated Representative for the
19 refunding of the Refunded Bonds.

20 “City” means the City of Tacoma, Washington, a municipal corporation duly
21 organized and existing under and by virtue of the laws of the State.

22 “City Attorney” means the duly appointed and acting City Attorney of the City,
23 including anyone acting in an interim or other capacity for the position, or the
24 successor to the duties of that office.
25
26



1 “City Clerk” means the duly appointed and acting City Clerk of the City,
2 including anyone acting in an interim or other capacity for the position, or the
3 successor to the duties of that office.

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

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

12 “Continuing Disclosure Certificate” means one or more written undertakings
13 for the benefit of the owners and Beneficial Owners of the Bonds as required by
14 Section (b)(5) of the Rule.

15 “Council” or “City Council” means the City Council as the general legislative
16 authority of the City, as duly and regularly constituted from time to time.

17 “Designated Representative” means the Director of Utilities and the Tacoma
18 Power Superintendent, and their designees. The signature of one Designated
19 Representative shall be sufficient to bind the City.

20 “Director of Utilities” means the duly appointed and acting Director of the City
21 Department of Public Utilities, including anyone acting in an interim or other
22 capacity for the position, or the successor to the duties of that office.
23
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

“Escrow Agent” means the escrow agent, if any, selected by a Designated Representative pursuant to the terms of this Supplemental Ordinance.

“Escrow Agreement” means the Escrow Deposit Agreement, if any, between the City and the Escrow Agent relating to the refunding of the Refunded Bonds.

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

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

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

“Fiscal Agent” for purposes of the Bonds means the Bond Registrar.

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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

“Master Ordinance” means Ordinance No. 28146, passed on April 30, 2013, as amended by Ordinance No. 28444, passed on August 1, 2017, and as amended by Ordinance No. 28773, passed on August 3, 2021, as it may be further amended from time to time.

“Mayor” means the duly elected Mayor of the City or the successor to such officer.

“Official Statement” means the disclosure documents prepared and delivered in connection with the issuance of each series of Bonds.

“Outstanding Parity Bonds” means the outstanding 2010 Bonds, 2013 Bonds, 2017 Bonds and 2021 Bonds.

“Parity Bonds” means the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds. “Parity Bonds” may include bonds, notes, warrants, certificates of indebtedness or any other evidence of indebtedness issued pursuant to the Parity Conditions.

“Paying Agent” for purposes of the Bonds means the Bond Registrar.

“Plan of Additions” means the system or plan of additions to and betterments and extensions of the Electric System described in Section 2.4, as such Plan may be amended, supplemented, or revised from time to time consistent with the City’s Electric System Comprehensive Plan.

“Project” or “Projects” mean the capital improvements to the Electric System to be financed or refinanced with proceeds of the Bonds, as provided in Section 2.4.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

“Record Date” means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

“Refunded Bonds” mean all or a portion of the 2013 Bonds designated by a Designated Representative for refunding pursuant to this Supplemental Ordinance.

“Registered Owner” means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

“Rule” means the Security and Exchange Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“Subordinate Bonds” means the City of Tacoma Electric System Subordinate Revenue Bonds, issued in one or more series to finance costs of the Electric System, and junior and subordinate to the Parity Bonds, as authorized by the Master Subordinate Ordinance.

“Tacoma Power Superintendent” means the duly appointed and acting Superintendent/Chief Operating Officer, Department of Public Utilities, Light Division, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“Taxable Bonds” means any Bonds of a series determined to be issued on a taxable basis pursuant to this Supplemental Ordinance.

“Tax-Exempt Bonds” has the meaning set forth in the Master Ordinance.



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

4 "Underwriters" means J.P. Morgan Securities LLC, Goldman Sachs and Co.
5 LLC, and Loop Capital Markets LLC, and their successors.
6

7 "2010 Bonds" has the meaning set forth in the recitals hereto.

8 "2013 Bonds" has the meaning set forth in the recitals hereto.

9 "2017 Bonds" has the meaning set forth in the recitals hereto.

10 "2021 Bonds" has the meaning set forth in the recitals hereto.

11
12 "2021 Note" means the outstanding City of Tacoma Electric System
13 Subordinate Revenue Note, Series 2021.

14 "2021 Supplemental Ordinance" means Ordinance No. 28773 of the City,
15 passed by the City Council on August 3, 2021.

16 "2024 Bonds Bond Retirement Account" means the account created in
17 Section 5.1 of this Supplemental Ordinance.

18 "2024 Bonds Construction Account" means the account created in
19 Section 5.1 of this Supplemental Ordinance.
20

21 "2024 Bonds Interest Subaccount" means the account created in
22 Section 5.1 of this Supplemental Ordinance.

23 "2024 Bonds Principal Subaccount" means the account created in
24 Section 5.1 of this Supplemental Ordinance.
25

26 "2024 Bonds Refunding Account" means the account created in Section 5.1
of this Supplemental Ordinance.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Findings; Authority for Supplemental Ordinance; Intent.

Pursuant to the terms of the Master Ordinance, the City has authorized a revenue bond borrowing program, which authorizes the City to issue, from time to time, one or more series of Parity Bonds to finance costs of the Electric System. City Council approval is necessary prior to the issuance of debt under the Tacoma City Charter and State law. This Supplemental Ordinance is adopted pursuant to the laws of the State, the Tacoma City Charter and the Master Ordinance.

The City Council intends that the terms and conditions set forth in this Supplemental Ordinance shall apply to the each series of Bonds issued hereunder. In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Ordinance, the terms and provisions of this Supplemental Ordinance shall control. For instance, the City intends that certain definitions and the following sections shall supersede the corresponding sections of the Master Ordinance as they apply to the Bonds:

- A. Section 3.2 Registration, Exchange and Payments;
- B. Section 3.3 Redemption Terms;
- C. Section 3.4 Form of Bonds;
- D. Section 3.5 Lost or Destroyed Bonds;
- E. Section 4.2 General Authorization; Documents;
- F. Section 4.3 Preliminary and Final Official Statements;
- G. Section 4.4 Ongoing Disclosure; Continuing Disclosure Certificate; and



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

H. Section 7.1 Tax Covenants.

Except as otherwise provided herein, the terms of the Master Ordinance are incorporated herein for the benefit of the Owners of the Bonds.

Section 2.2. Parity Conditions. In connection with the issuance of the Bonds, the City hereby makes the following findings:

A. There is, and as of the Issue Date for each series of Bonds there will be, no deficiency in the Bond Fund and no Event of Default has occurred or shall have occurred and be continuing as of such Issue Date.

B. This Supplemental Ordinance provides that the payment of the principal of and interest on the Bonds shall be paid out of the Bond Fund.

C. On the Issue Date for each series of Bonds there will be on file with the City a certificate satisfying the Parity Conditions in Section 9.2 of Ordinance No. 28146, amending the Master Ordinance.

Section 2.3. Findings Related to Revenues of the Electric System. The City hereby finds and determines that the Revenues of the Electric System at the rates to be charged for power and other services and commodities from the Electric System will be more than sufficient to meet all Operating Expenses, to make all required payments with respect to the Outstanding Parity Bonds, the Bonds, and the outstanding Subordinate Bonds, and to permit the setting aside into the Bond Fund out of the Revenues of amounts sufficient to pay the principal of and interest on the Bonds as increased and extended and when due at maturity and upon any mandatory sinking fund redemption thereof.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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

Section 2.4. Plan of Additions. The City specifies, adopts, and orders to be carried out the system or plan of additions to and betterments and extensions of the Electric System (“Plan of Additions”) as generally provided for in the capital portions of the Tacoma Power Biennial Budget, as supplemented and amended, and in any subsequent budget, and in the Electric System Comprehensive Plan.

The portion of the Plan of Additions financed and/or refinanced with proceeds of the Bonds is referred to herein as the “Project.” The estimated cost of the Plan of Additions to be financed and/or refinanced with the proceeds of the Bonds, including prepaying the 2021 Note, is at least \$150,000,000.

The Plan of Additions includes the purchase and installation of all materials, supplies, appliances, equipment (including, but not limited to, data processing hardware and software and conservation equipment) and facilities; the acquisition of all permits, franchises, property and property rights; other capital assets; and all engineering, consulting, and other professional services and studies (whether performed by the City or by other public or private entities) necessary or convenient to carry out the Plan of Additions.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ARTICLE III

AUTHORIZATION AND TERMS OF BONDS

Section 3.1. Authorization of Bonds: Terms and Description of Bonds.

A. The City hereby authorizes the issuance of its “City of Tacoma, Washington, Electric System Revenue and Refunding Bonds, Series 2024” or other such designation as set forth in the Bonds and approved by a Designated Representative, pursuant to the terms of the Master Ordinance and this Supplemental Ordinance. The Bonds may be issued in one or more series, may be designated as Taxable Bonds or Tax-Exempt Bonds, and may be issued on the same Issue Date or from time to time on different Issue Dates. The Bonds shall constitute Parity Bonds within the meaning of the Master Ordinance.

B. Proceeds of the Bonds shall be used to finance and/or refinance costs of the Project (including prepaying the 2021 Note), to defease and/or redeem the Refunded Bonds, and to pay the costs of issuance for the Bonds.

C. The Bonds shall be issued in an aggregate principal amount not to exceed \$225,000,000, shall be dated as of the Issue Date for such Bonds, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof within a series and maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control, shall bear interest from their applicable Issue Date payable on the dates and at the rates set forth in the applicable Bond Purchase Contract, and shall be subject to optional



1 and/or mandatory redemption, and mature on the dates and in the principal
2 amounts set forth in the applicable Bond Purchase Contract.

3 Section 3.2. Registration, Exchange and Payments.

4 A. Bond Registrar/Bond Register. The City hereby specifies and adopts the
5 system of registration approved by the Washington State Finance Committee from
6 time to time through the appointment of a state fiscal agent. The City shall cause a
7 Bond Register to be maintained by the Bond Registrar. So long as any Bonds
8 remain outstanding, the Bond Registrar shall make all necessary provisions to
9 permit the exchange or registration or transfer of Bonds at its designated office.
10

11 The Bond Registrar may be removed at any time at the option of the Finance
12 Director upon prior notice to the Bond Registrar and a successor Bond Registrar
13 appointed by the Finance Director. No resignation or removal of the Bond Registrar
14 shall be effective until a successor shall have been appointed and until the
15 successor Bond Registrar shall have accepted the duties of the Bond Registrar
16 hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
17 and deliver Bonds transferred or exchanged in accordance with the provisions of
18 such Bonds and this Supplemental Ordinance, and to carry out all of the Bond
19 Registrar's powers and duties under this Supplemental Ordinance. The Bond
20 Registrar shall be responsible for its representations contained in the Certificate of
21 Authentication of the Bonds.
22
23
24

25 B. Registered Ownership. The City and the Bond Registrar, each in its
26 discretion, may deem and treat the Registered Owner of each Bond as the absolute
owner thereof for all purposes (except as provided in the Continuing Disclosure



1 Certificate), and neither the City nor the Bond Registrar shall be affected by any
2 notice to the contrary. Payment of any such Bond shall be made only as described
3 in subsection G, but such Bond may be transferred as herein provided. All such
4 payments made as described in subsection G shall be valid and shall satisfy and
5 discharge the liability of the City upon such Bond to the extent of the amount or
6 amounts so paid.
7

8 C. DTC Acceptance/Letters of Representations. The Bonds initially shall be
9 held by DTC acting as depository. The City has executed and delivered to DTC a
10 Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar
11 shall have any responsibility or obligation to DTC participants or the persons for
12 whom they act as nominees (or any successor depository) with respect to the
13 Bonds in respect of the accuracy of any records maintained by DTC (or any
14 successor depository) or any DTC participant, the payment by DTC (or any
15 successor depository) or any DTC participant of any amount in respect of the
16 principal of or interest on Bonds, any notice which is permitted or required to be
17 given to Registered Owners under this Supplemental Ordinance (except such
18 notices as shall be required to be given by the City to the Bond Registrar or to DTC
19 (or any successor depository)), or any consent given or other action taken by DTC
20 (or any successor depository) as the Registered Owner. For so long as any Bonds
21 are held by a depository, DTC or its successor depository or its nominee shall be
22 deemed to be the Registered Owner for all purposes hereunder, and all references
23 herein to the Registered Owners shall mean DTC (or any successor depository) or
24 its nominee and shall not mean the owners of any beneficial interest in such Bonds.
25
26



1 D. Use of Depository.

2 (1) The Bonds of each series shall be registered initially in the name
3 of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the
4 maturity dates for the Bonds in a denomination corresponding to the total principal
5 therein designated to mature on such date. Registered ownership of such Bonds,
6 or any portions thereof, may not thereafter be transferred except (i) to any
7 successor of DTC or its nominee, provided that any such successor shall be
8 qualified under any applicable laws to provide the service proposed to be provided
9 by it; (ii) to any substitute depository appointed by the Finance Director pursuant to
10 subsection (2) below or such substitute depository's successor; or (iii) to any person
11 as provided in subsection (4) below.
12

13
14 (2) Upon the resignation of DTC or its successor (or any substitute
15 depository or its successor) from its functions as depository or a determination by
16 the Finance Director to discontinue the system of book entry transfers through
17 DTC or its successor (or any substitute depository or its successor), the Finance
18 Director may appoint a substitute depository. Any such substitute depository shall
19 be qualified under any applicable laws to provide the services proposed to be
20 provided by it.
21

22 (3) In the case of any transfer pursuant to clause (i) or (ii) of
23 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
24 Bonds, together with a written request on behalf of the Finance Director, issue a
25 single new Bond for such series for each maturity then outstanding, registered in
26



1 the name of such successor or such substitute depository, or their nominees, as the
2 case may be, all as specified in such written request of the Finance Director.

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

16
17
18
19 E. Registration of Transfer of Ownership or Exchange; Change in
20 Denominations. The transfer of any Bond may be registered and Bonds may be
21 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
22 to the Bond Registrar with the assignment form appearing on such Bond duly
23 executed by the Registered Owner or such Registered Owner's duly authorized
24 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
25 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
26 deliver, without charge to the Registered Owner or transferee therefor, a new Bond



1 (or Bonds at the option of the new Registered Owner) of the same series, date,
2 maturity, and interest rate and for the same aggregate principal amount in any
3 authorized denomination, naming as Registered Owner the person or persons listed
4 as the assignee on the assignment form appearing on the surrendered Bond, in
5 exchange for such surrendered and cancelled Bond. Any Bond may be
6 surrendered to the Bond Registrar and exchanged, without charge, for an equal
7 aggregate principal amount of Bonds of the same series, date, maturity, and
8 interest rate, in any authorized denomination. The Bond Registrar shall not be
9 obligated to register the transfer of or to exchange any Bond between the Record
10 Date and the next principal payment or redemption date.
11
12

13 F. Bond Registrar's Ownership of Bonds. The Bond Registrar may become
14 the Registered Owner of any Bond with the same rights it would have if it were not
15 the Bond Registrar, and to the extent permitted by law, may act as depository for
16 and permit any of its officers or directors to act as a member of, or in any other
17 capacity with respect to, any committee formed to protect the right of the Registered
18 Owners or Beneficial Owners of Bonds.
19

20 G. Place and Medium of Payment. Both principal of and interest on the
21 Bonds shall be payable in lawful money of the United States of America. Interest
22 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
23 30-day months. For so long as all Bonds of a series are held by a depository,
24 payments of principal thereof and interest thereon shall be made as provided in
25 accordance with the operational arrangements of DTC referred to in the Letter of
26 Representations. In the event that the Bonds of a series are no longer held by a



1 depository, interest on such Bonds shall be paid by check or draft mailed to the
2 Registered Owners at the addresses for such Registered Owners appearing on the
3 Bond Register on the Record Date, or upon the written request of a Registered
4 Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least
5 by the Record Date), such payment shall be made by the Bond Registrar by wire
6 transfer to the account within the United States designated by the Registered
7 Owner. Principal of the Bonds shall be payable upon presentation and surrender of
8 such Bonds by the Registered Owners at the designated office of the Bond
9 Registrar.
10

11
12 If any Bond is duly presented for payment and funds have not been provided
13 by the City on the applicable payment date, then interest will continue to accrue
14 thereafter on the unpaid principal thereof at the rate stated on the Bond until the
15 Bond is paid.

16 Section 3.3. Redemption Terms.

17
18 A. Mandatory Redemption of Term Bonds and Optional Redemption, if any.
19 Each series of Bonds shall be subject to optional redemption on the dates, at the
20 prices and under the terms set forth in the applicable Bond Purchase Contract.
21 Each series of Bonds shall be subject to mandatory redemption to the extent, if any,
22 set forth in the applicable Bond Purchase Contract.
23

24 B. Purchase of Bonds. The City reserves the right to purchase any or all of
25 the Bonds in the open market at any time at any price acceptable to the City plus
26 accrued interest to the date of purchase.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

D. Notice of Redemption.

(1) Official Notice. For so long as the Bonds of a series are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any Beneficial Owners. The notice of optional redemption may be conditional. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which optional redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (iv) any conditions to redemption, and



1 (v) the place where such Bonds are to be surrendered for
2 payment of the redemption price, which place of payment shall be the principal
3 office of the Bond Registrar.

4 On or prior to any optional redemption date, unless any condition to such
5 redemption has not been satisfied or waived, or notice of such redemption has
6 been rescinded or revoked, and on or prior to any mandatory redemption date, the
7 City shall deposit with the Bond Registrar an amount of money sufficient to pay the
8 redemption price of all the Bonds or portions of Bonds which are to be redeemed on
9 that date. The City retains the right to rescind any optional redemption notice and
10 the related optional redemption of Bonds by giving notice of rescission to the
11 affected Registered Owners at any time on or prior to the scheduled redemption
12 date. Any notice of optional redemption that is so rescinded shall be of no effect,
13 and the Bonds for which the notice of optional redemption has been rescinded shall
14 remain outstanding.
15
16
17

18 (2) Effect of Notice; Bonds Due. If notice of redemption has been
19 given and not rescinded or revoked, or if the conditions set forth in a conditional
20 notice of redemption have been satisfied or waived, the Bonds or portions of Bonds
21 to be redeemed shall, on the redemption date, become due and payable at the
22 redemption price therein specified, and if the Bond Registrar then holds sufficient
23 funds to pay such Bonds at the redemption price, then from and after such date
24 such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of
25 such Bonds for redemption in accordance with said notice, such Bonds shall be
26 paid by the Bond Registrar at the redemption price. Installments of interest due on



1 or prior to the redemption date shall be payable as herein provided for payment of
2 interest. All Bonds which have been redeemed shall be canceled by the Bond
3 Registrar and shall not be reissued.

4 (3) Additional Notice. In addition to the foregoing notice, further
5 notice shall be given by the City as set out below, but no defect in said further
6 notice nor any failure to give all or any portion of such further notice shall in any
7 manner defeat the effectiveness of a call for redemption if notice thereof is given as
8 above-prescribed. Each further notice of redemption given hereunder shall contain
9 the information required above for an official notice of redemption plus (i) the
10 CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as
11 originally issued; (iii) the rate of interest borne by each Bond being redeemed;
12 (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive
13 information needed to identify accurately the Bonds being redeemed. Each further
14 notice of redemption may be sent at least 20 days before the redemption date to
15 each party entitled to receive notice pursuant to the Continuing Disclosure
16 Certificate and with such additional information as the City shall deem appropriate,
17 but such mailings shall not be a condition precedent to the redemption of such
18 Bonds.
19
20
21

22 (4) Amendment of Notice Provisions. The foregoing notice provisions
23 of this Section 3.3, including, but not limited to, the information to be included in
24 redemption notices and the persons designated to receive notices, may be
25 amended by additions, deletions and changes in order to maintain compliance with
26



1 duly promulgated regulations and recommendations regarding notices of
2 redemption of municipal securities.

3 Section 3.4. Form of Bonds; Execution. The Bonds shall be in substantially
4 the form set forth in Exhibit "A," which is incorporated herein by this reference, with
5 such changes thereto as may be approved by a Designated Representative,
6 consistent with this Supplemental Ordinance.

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

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

17 In case either of the officers who shall have executed the Bonds shall cease
18 to be an officer or officers of the City before the Bonds so signed shall have been
19 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds
20 may nevertheless be authenticated, delivered, and issued and upon such
21 authentication, delivery, and issuance, shall be as binding upon the City as though
22 those who signed the same had continued to be such officers of the City. Any Bond
23 may be signed and attested on behalf of the City by such persons who at the date
24
25
26



1 of the actual execution of such Bond, are the proper officers of the City, although at
2 the original date of such Bond any such person shall not have been such officer of
3 the City.

4 Section 3.5. Lost or Destroyed Bonds. In case any Bonds shall be lost,
5 stolen, or destroyed, the Bond Registrar may authenticate and deliver a new Bond
6 or Bonds of like series, amount, date, tenor, and effect to the owner thereof upon
7 the owner paying the expenses and charges of the City in connection therewith and
8 upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that
9 such Bond(s) were actually lost, stolen, or destroyed and of ownership thereof, and
10 upon furnishing the City with indemnity satisfactory to both.

13 ARTICLE IV

14 SALE OF BONDS

15 Section 4.1. Bond Sale.

16 A. Bond Sale. The Bonds shall be sold by negotiated public sale to the
17 Underwriters pursuant to the terms of one or more Bond Purchase Contracts. The
18 City Council has determined that it would be in the best interest of the City to
19 delegate to the Designated Representatives, for a limited time, the authority to
20 select the Refunded Bonds, to designate each series of Bonds as Tax-Exempt
21 Bonds or Taxable Bonds, and to approve the Final Terms for each series of Bonds,
22 including but not limited to final interest rates, final maturity date, redemption terms,
23 principal maturities, and any other terms for each series of Bonds.

24 Each Designated Representative is further authorized to designate all or a
25 portion of a series of Bonds allocated to finance the portion of the Project, which
26



1 have environmentally beneficial attributes, as “Green Bonds,” and to engage with
2 such consultants and to undertake such action, execute such certificates, and
3 agree to such terms as necessary to accomplish such designation.

4 B. Sale Parameters. Subject to the terms and conditions set forth in this
5 Section, each Designated Representative is hereby authorized to select the
6 Refunded Bonds, to designate the Bonds of a series as Tax-Exempt Bonds or
7 Taxable Bonds, and to approve the final interest rates, final maturity date,
8 redemption terms and principal maturities for each series of Bonds, and to agree to
9 any other Final Terms for each series of Bonds that are in the best interest of the
10 City and necessary to facilitate this Supplemental Ordinance so long as:

11 1. the aggregate principal (face) amount of all Bonds issued under
12 this Supplemental Ordinance does not exceed \$225,000,000,

13 2. the final maturity date for each series of Bonds is no later than
14 January 1, 2054,

15 3. the aggregate purchase price for the Bonds of a series shall not be
16 less than 98% of the aggregate stated principal amount of such Bonds, excluding
17 any original issue discount, and not greater than 120%,

18 4. the Bonds of each series shall bear interest at fixed rates per
19 annum and the true interest cost for the Bonds of such series (in the aggregate)
20 does not exceed 6.00%,

21 5. any series of Bonds or portion of a series of Bonds that are sold for
22 the purpose of defeasing and/or refunding the Refunded Bonds are sold for a price
23 that results in a minimum aggregate net present value debt service savings over the
24



1 Refunded Bonds to be refunded with the proceeds of such series of at least 3.00%,
2 and

3 6. the Bonds of each series conform to all other terms of this
4 Supplemental Ordinance.

5
6 The final terms of each series of Bonds shall be set forth in the applicable
7 Bond Purchase Contract. With respect to the Bonds, each Bond Purchase Contract
8 shall serve as the "Pricing Certificate" as defined in the Master Ordinance. Subject
9 to the terms and conditions set forth in this section, each Designated
10 Representative is hereby authorized to execute one or more Bond Purchase
11 Contracts for the Bonds.
12

13 The authority granted to the Designated Representatives by this Section
14 shall expire on December 31, 2024. If a Bond Purchase Contract for the Bonds has
15 not been executed by December 31, 2024, the authorization for the issuance of the
16 Bonds shall be rescinded, and the Bonds shall not be issued nor their sale
17 approved unless such Bonds are re-authorized by ordinance of the City Council at
18 the request of the Board. The ordinance re-authorizing the issuance and sale of
19 such Bonds may be in the form of a new ordinance repealing this Supplemental
20 Ordinance in whole or in part or may be in the form of an amendatory ordinance
21 approving a Bond Purchase Contract or establishing terms and conditions for the
22 authority delegated under this Section.
23
24

25 Section 4.2. General Authorization; Documents. Following the passage and
26 approval of this Supplemental Ordinance, the proper officials of the City, including
the Designated Representatives, the Mayor, the Finance Director, the Treasurer,



1 the City Manager, the Assistant Finance Director/Controller, and the City Clerk, are
2 authorized and directed to undertake all action necessary for the prompt execution
3 and delivery of the Bonds to the Underwriters and further to execute all closing
4 certificates and documents required to effect the closing and delivery of the Bonds
5 in accordance with the terms of this Supplemental Ordinance and the Bond
6 Purchase Contract. Such documents may include, but are not limited to,
7 documents related to a municipal bond insurance policy delivered by an insurer to
8 insure the payment when due of the principal of and interest on all or a portion of
9 the Bonds as provided therein, if such insurance is determined by a Designated
10 Representative to be in the best interest of the City.
11
12

13 Notwithstanding anything herein or in the Master Ordinance to the contrary,
14 the signature of one authorized official, including, but not limited to, the Designated
15 Representatives, shall be sufficient to bind the City.
16

17 Section 4.3. Preliminary and Final Official Statements. The Designated
18 Representatives and the City Finance Director are each hereby authorized to deem
19 final one or more preliminary Official Statements relating to the Bonds for the
20 purposes of the Rule. The Designated Representatives and the City Finance
21 Director are each further authorized to approve for purposes of the Rule, on behalf
22 of the City, one or more final Official Statements relating to the issuance and sale of
23 the Bonds and the distribution of the final Official Statement(s) pursuant thereto with
24 such changes, if any, as may be deemed by such individual to be appropriate.
25

26 Section 4.4. Ongoing Disclosure; Continuing Disclosure Certificate. The
City covenants to execute and deliver on each Issue Date a Continuing Disclosure



1 Certificate consistent with the Rule. The Finance Director is hereby authorized to
2 execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery,
3 and sale of the Bonds with such terms and provisions as such officer shall deem
4 appropriate and in the best interests of the City.

5 ARTICLE V

6 CREATION OF ACCOUNTS; APPLICATION OF BOND PROCEEDS

7 Section 5.1. Establishment and Designation of Accounts.

8 A. There is hereby created in the Construction Fund an account to be
9 known as the 2024 Bonds Construction Account.

10 B. There is hereby created in the Bond Fund the following accounts:
11 2024 Bonds Interest Subaccount, the 2024 Bonds Principal Subaccount, and the
12 2024 Bonds Bond Retirement Account.

13 C. There is hereby created the 2024 Bonds Refunding Account.

14 Section 5.2. No Reserve for the Bonds. The City hereby determines that
15 the Bonds shall not be secured by the Reserve Account or any debt service
16 reserve account. The reserve account requirement for the Bonds shall be zero.

17 Section 5.3. Deposit of Proceeds of the Bonds; Refunding Plan.

18 Immediately upon receipt thereof, the City shall deposit proceeds of each series of
19 Bonds (net of the Underwriters' discount and any associated fees and costs) as
20 follows:

21 A. The amount necessary to finance and/or refinance the Project, including
22 the amount necessary to prepay all or a portion of the 2021 Note, shall be
23 deposited into the 2024 Bonds Construction Account. Any amount deposited
24



1 therein to prepay the 2021 Note shall be transferred, together with other available
2 funds of the City, if any, within 30 days of the Issue Date for such Bonds, to the
3 owner of the 2021 Note. The proper City officials are authorized and directed to
4 give or cause to be given notice of prepayment of the 2021 Note in order to carry
5 out the terms of this Supplemental Ordinance. After the prepayment of the 2021
6 Note, the 2021 Note shall remain outstanding until maturity or cancellation in
7 accordance with its terms.
8

9 The remaining proceeds of any Bonds deposited into the 2024 Bonds
10 Construction Account shall be used to pay and/or reimburse the City for any
11 additional costs of the Project and to pay costs of issuance for such Bonds.
12

13 B. For the purpose of realizing a debt service savings and/or restructuring
14 the Refunded Bonds, the City proposes to apply a portion of the proceeds of any
15 Bonds issued for such purpose to defease and/or redeem the Refunded Bonds as
16 set forth herein. The Council hereby finds that given current market conditions, is
17 in the best interest of the City to proceed with the defeasance and/or refunding of
18 the Refunded Bonds if the minimum aggregate net present value debt service
19 savings over the Refunded Bonds is at least 3.00%, which is less than the
20 minimum savings target set forth in the financial policies of the City.
21

22 If a Designated Representative determines that it is in the best interest of
23 the City to proceed with the refunding authorized herein, a Designated
24 Representative shall designate all or a portion of the 2013 Bonds as Refunded
25 Bonds and such designation shall be set forth in the applicable Bond Purchase
26 Contract. Each Designated Representative and the Finance Director are further



1 authorized to appoint an escrow agent ("Escrow Agent") to assist in the refunding
2 plan authorized herein.

3 A portion of the proceeds of such series of Bonds, together with other
4 available funds of the City, if any, shall be deposited with the paying agent for the
5 Refunded Bonds or with the Escrow Agent on behalf of the City in the 2024 Bonds
6 Refunding Account pursuant to an Escrow Agreement. Such proceeds and
7 available funds of the City, if any, shall be used immediately upon receipt thereof to
8 defease or redeem, as applicable, the Refunded Bonds as authorized by the bond
9 ordinance authorizing the Refunded Bonds, and to pay costs of issuance of such
10 series of Bonds.
11

12 Any net proceeds deposited with the Escrow Agent shall be used to defease
13 the Refunded Bonds and discharge the obligations thereon by either holding the
14 funds uninvested or through the purchase of certain Acquired Obligations bearing
15 such interest and maturing as to principal and interest in such amounts and at such
16 times which, together with any necessary beginning cash balance, will provide for
17 the payment of interest on the Refunded Bonds as the same becomes due on and
18 prior to the Call Date for the Refunded Bonds, and the redemption price (100% of
19 the principal amount) of the Refunded Bonds on the Call Date.
20

21 In order to carry out the purposes of this Section, each Designated
22 Representative and the Finance Director are authorized and directed to select the
23 Call Date and to execute and deliver to the Escrow Agent an Escrow Agreement.
24

25 In the Escrow Agreement, the City shall irrevocably call the Refunded
26 Bonds for redemption on the Call Date in accordance with the provisions of the



1 bond ordinances authorizing the redemption and retirement of the Refunded Bonds
2 prior to their fixed maturities. Said defeasance and call for redemption of the
3 Refunded Bonds shall be irrevocable after the delivery of the cash and/or Acquired
4 Obligations to the Escrow Agent.

5
6 The City and the Escrow Agent are each hereby authorized and directed to
7 provide for the giving of notices of the redemption of the Refunded Bonds in
8 accordance with the applicable provisions of the bond ordinances authorizing the
9 issuance of the Refunded Bonds. The costs of publication of such notices shall be
10 an expense of the City.

11
12 Section 5.4. Deposits Into and Uses of the 2024 Subaccounts in the Bond
13 Fund; Pledge of Revenues. The City hereby obligates and binds itself irrevocably
14 to set aside and to pay into the 2024 Bonds Interest Subaccount, the 2024 Bonds
15 Principal Subaccount, and the 2024 Bonds Bond Retirement Subaccount,
16 respectively, out of the Revenues of the Electric System the amounts necessary
17 (together with other available moneys on hand therein) to pay the principal of,
18 interest on and any mandatory sinking fund redemptions for the Bonds as and
19 when the same respectively become due and payable in accordance with the
20 terms hereof. The 2024 Bonds Interest Subaccount, the 2024 Bonds Principal
21 Subaccount, and the 2024 Bonds Bond Retirement Subaccount, respectively, shall
22 be drawn upon solely for the purpose of paying the principal of, interest on and
23 mandatory sinking fund redemptions for the Bonds.
24

25
26 Section 5.5. Investment of Funds. Money in the funds and accounts
contained herein and in the Master Ordinance may be invested in Permitted



1 Investments as provided in the Master Ordinance, but only to the extent that the
2 same are acquired, and disposed of at Fair Market Value.

3
4 ARTICLE VI
5 DEFEASANCE

6 In the event that the City, to effect the payment, retirement, or redemption of
7 any Bond, sets aside in the Bond Fund or in another special account, cash or
8 noncallable Government Obligations, or any combination of cash and/or noncallable
9 Government Obligations, in amounts and maturities which, together with the known
10 earned income therefrom, are sufficient to redeem and retire such Bond in
11 accordance with its terms and to pay when due the interest and redemption
12 premium, if any, thereon, and such cash and/or noncallable Government
13 Obligations are irrevocably set aside and pledged for such purpose, then no further
14 payments need be made into the Bond Fund for the payment of the principal of and
15 interest on such Bond. The owner of a Bond so provided for shall cease to be
16 entitled to any benefit or security of this Supplemental Ordinance except the right to
17 receive payment of principal, premium, if any, and interest from the Bond Fund or
18 such special account, and such Bond shall be deemed to be not outstanding under
19 this Supplemental Ordinance.
20
21

22 The City shall give written notice of defeasance to the Registered Owners of
23 the Bonds and to each party entitled to receive notice in accordance with the
24 Continuing Disclosure Certificate.
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ARTICLE VII

TAX COVENANTS

Section 7.1. Tax Covenants. The Bonds may be issued as “Tax-Exempt Bonds” within the meaning of the Master Ordinance. The City hereby covenants that it will take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Owners of the Tax-Exempt Bonds, to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Issue Date of the Tax-Exempt Bonds, including, but not limited to, the following:

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

B. Limitations on Disposition of Project. The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Project financed or refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary course of an established government program under Treasury Regulation Section 1.141-2(d)(4) or (ii) any real property components of such Project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

C. Federal Guarantee Prohibition. The City will not take any action or permit to suffer any action to be taken if the result of such action would be to cause any of



1 the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of
2 Section 149(b) of the Code.

3 D. Rebate Requirement. The City will take any and all actions necessary to
4 assure compliance with Section 148(f) of the Code, relating to the rebate of excess
5 investment earnings, if any, to the federal government, to the extent that such
6 section is applicable to the Tax-Exempt Bonds.
7

8 E. No Arbitrage. The City will not take, or permit or suffer to be taken, any
9 action with respect to the proceeds of the Tax-Exempt Bonds which, if such action
10 had been reasonably expected to have been taken, or had been deliberately and
11 intentionally taken, on the Issue Date of the Tax-Exempt Bonds would have caused
12 the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of
13 the Code.
14

15 F. System of Registration. The City will maintain a system for recording the
16 ownership of the Tax-Exempt Bonds that complies with the provisions of
17 Section 149 of the Code until the Tax-Exempt Bonds have been surrendered and
18 canceled.
19

20 G. Record Retention. The City will retain its records of all accounting and
21 monitoring it carries out with respect to the Tax-Exempt Bonds for at least three
22 years after the Tax-Exempt Bonds mature or are prepaid (whichever is earlier);
23 however, if the Tax-Exempt Bonds are redeemed prior to maturity, the City will
24 retain its records of accounting and monitoring at least three years after the earlier
25 of the maturity or redemption of the obligations that refunded the Tax-Exempt
26 Bonds.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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

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

ARTICLE VIII

AMENDMENTS TO MASTER ORDINANCE

Section 8.1 Amendments to the Master Ordinance. The 2021 Supplemental Ordinance provides for amendments to the Master Ordinance, which amendments shall be immediately effective, without the need for further action of the Council, upon receipt of (a) consent of not less than 51% in aggregate principal amount of the Parity Bonds at the time outstanding, and (b) the consent of Assured Guaranty Municipal Corp., which has been received, so long as the surety policy related to the 2010 Bonds and the 2013 Bonds (as applicable) remains in effect or such bonds are no longer outstanding. Reference is made to Section 8.1 of the 2021 Supplemental Ordinance for the full contents of such amendments, which were incorporated herein by reference. Owners of the Bonds, by taking and owning the same, shall be deemed to have consented to the amendments provided for in the 2021 Supplemental Ordinance. Assured Guaranty Municipal Corp. consented to such amendments as of August 30, 2021.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

SECTION IX

MISCELLANEOUS

Section 9.1. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this Supplemental Ordinance is ratified, approved and confirmed.

Section 9.2. Terms of Bonds Subject to the Master Ordinance. Except for matters otherwise provided for herein, every term and condition contained in the Master Ordinance shall apply to this Supplemental Ordinance and the Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations, and modification as may be appropriate to make the same conform to this Supplemental Ordinance.

In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Ordinance, the terms and provisions of this Supplemental Ordinance shall control.

Section 9.3. Ratification of Master Ordinance. Except as supplemented and amended by this Supplemental Ordinance, the Master Ordinance is hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with its terms and provisions thereof, as amended and supplemented.

Section 9.4. Corrections by Clerk. Upon approval of the City Attorney, or such individual's designee, and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this Supplemental Ordinance, including, but not limited to, the correction of clerical errors; references to other local, state or federal



1 laws, codes, rules, or regulations; ordinance numbering and section/subsection
2 numbering; and other similar necessary corrections.

3 Section 9.5. Severability. If any one or more of the provisions of this
4 Supplemental Ordinance is or are held by any court of competent jurisdiction to be
5 contrary to law, then such provision or provisions shall be null and void and shall
6 be deemed separable from the remaining provisions and shall in no way affect the
7 validity of the other provisions of this Supplemental Ordinance.

8 Section 9.6. Effective Date. This Supplemental Ordinance shall take effect
9 and be in force 10 days after its passage, approval and publication as required by
10 law.
11

12
13 Passed: _____
14

15
16 _____
17 Mayor

18 Attest:
19 _____

20
21 City Clerk

22 Approved as to form and legality:

23 Pacifica Law Group LLP
24 Bond Counsel

25 By _____
26



EXHIBIT "A"

Form of Bonds

[DTC Language]

UNITED STATES OF AMERICA

No. _____

\$ _____

STATE OF WASHINGTON
CITY OF TACOMA

ELECTRIC SYSTEM REVENUE [AND REFUNDING] BONDS,
SERIES 2024[_____]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The City of Tacoma (the "City"), a municipal corporation duly organized and existing under and pursuant to the Charter of the City and the Constitution and laws of the State of Washington (the "State"), 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 _____, 20__, 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 _____, 20__, 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 and interest thereon 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 (the "Letter of Representations") from the City to DTC. Interest on this bond shall be calculated on the basis of actual days elapsed in a 360 day year consisting of twelve 30-day months.

This bond is one of an authorized issue of bonds of like series, date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of \$_____ (the "Bonds") pursuant to Ordinance No. 28146 of the City, passed on April 30, 2013, as amended and supplemented (the "Master Ordinance"), including as supplemented by Supplemental Ordinance No. ____ of the City, passed on



1 _____, 2023 (the "Supplemental Ordinance," and together with the
2 Master Ordinance, the "Bond Ordinance"). The Bonds are issued for the
3 purpose of financing and refinancing certain capital improvements of the electric
4 system (as defined in the Bond Ordinance, the "Electric System"), to redeem
5 certain Subordinate Bonds of the Electric System, [to defease and redeem
6 certain outstanding Parity Bonds], and to pay costs of issuance for the Bonds.
7 Capitalized terms not otherwise defined herein shall have the meanings set
8 forth in the Bond Ordinance.

9
10 Payments on this bond shall be made solely from Revenues of the
11 Electric System, after payment of Operating Expenses, to the registered owner
12 by the Bond Registrar without the necessity of presentation and surrender of
13 this bond. Reference is made to the Bond Ordinance and the provisions of the
14 Charter of the City and all laws of the State (referred to as the "Act") for a
15 description of the terms on which the Bonds are issued and may be issued, the
16 provisions with regard to the nature and extent of the Revenues, and the rights
17 of the registered owners of the Bonds; and all the terms of the Bond Ordinance
18 and the Act are hereby incorporated herein and made a contract between the
19 City and the registered owner from time to time of this bond, and to all the
20 provisions thereof to which the registered owner of this bond, by its acceptance
21 hereof, consents and agrees. The Bonds are being issued on a parity of lien on
22 Revenues of the Electric System with the City's Outstanding Parity Bonds. The
23 City has reserved the right in the Bond Ordinance to issue additional bonds
24 ("Future Parity Bonds") on a parity with the Bonds and the Outstanding Parity
25 Bonds. The Outstanding Parity Bonds, the Bonds and any Future Parity Bonds
26 are referred to herein as the "Parity Bonds."

17 Under the Master Ordinance, the City is obligated to set aside and pay
18 into the Bond Fund and the accounts held therein out of the Revenue of the
19 Electric System, certain fixed amounts sufficient to pay the principal of and
20 interest and premium, if any, on all Parity Bonds as the same become due and
21 payable, all as is more fully provided in the Master Ordinance.

22 The Bonds are special limited obligations of the City payable from and
23 secured solely by Net Revenues of the Electric System and by other money and
24 assets specifically pledged under the Master Ordinance for the payment
25 thereof. Pursuant to the Master Ordinance, the City has pledged as security for
26 the payment of the principal of, premium, if any, and interest on the Parity
Bonds in accordance with the provisions of the Master Ordinance, subject only
to the provisions of the Master Ordinance restricting or permitting the
application thereof for the purposes and on the terms and conditions set forth in
the Master Ordinance: (i) the proceeds of the sale of the Parity Bonds to the
extent held in funds established by the Master Ordinance, (ii) Net Revenues, and
(iii) the money and investments, if any, credited to the Revenue Fund and the
Bond Fund, and the income therefrom.



1 THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, OR
2 THE STATE, OR A CHARGE UPON ANY GENERAL FUND OR OTHER
3 PROPERTY OF THE CITY OR THE STATE NOT SPECIFICALLY PLEDGED
4 THERETO BY THE MASTER ORDINANCE, AND NEITHER THE FULL FAITH
5 AND CREDIT NOR THE TAXING POWER OF THE CITY OR OF THE STATE,
6 NOR ANY REVENUES OF THE CITY DERIVED FROM SOURCES OTHER
7 THAN THE ELECTRIC SYSTEM, ARE PLEDGED TO THE PAYMENT
8 HEREOF. NO HOLDER OF THIS BOND SHALL EVER HAVE THE RIGHT TO
9 COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY
10 THIS BOND OR THE INTEREST HEREON.

11 Copies of the Bond Ordinance are on file at the office of the City, and
12 reference thereto, and to any and all modifications and amendments thereof, is
13 hereby made for a more complete description of the Revenue available for the
14 payment of the principal of, premium, if any, and interest on the Bonds and the
15 rights and remedies of the registered owners of the Bonds with respect thereto,
16 the terms and conditions upon which the Bonds have been issued, and the
17 terms and conditions upon which this bond shall no longer be secured by the
18 Bond Ordinance or deemed to be outstanding thereunder if money or certain
19 specified securities sufficient for the payment of this bond shall have been set
20 aside in a special account and held in trust for the payment thereof.

21 In and by the Bond Ordinance, the City covenants to establish, maintain
22 and collect rates or charges for electric energy sold through the ownership or
23 operation of the Electric System and all other services, facilities and
24 commodities sold, furnished or supplied by the City in connection with the
25 ownership or operation of the Electric System that shall be fair and
26 nondiscriminatory and reasonably anticipated to provide Revenue sufficient for
the payment of the Parity Bonds, and any other indebtedness of the Electric
System, and all payments that the City is obligated to set aside in the Bond
Fund and for the proper operation and maintenance of the Electric System, all
necessary repairs thereto and replacements and renewals thereof and all other
costs of the Electric System.

This bond is subject to redemption prior to maturity as provided in the
Bond Resolution and Bond Purchase Contract.

This bond is transferable by the registered owner hereof, but only in the
manner and subject to the limitations provided in the Bond Ordinance. Upon
such transfer a new fully registered bond for the same aggregate principal
amount will be issued to the transferee.

It is hereby certified and recited that any and all acts, conditions and
things required to exist, to happen and to be performed, precedent to and in the
incurring of the indebtedness evidenced by this bond, and in the issuing of this
bond, do exist, have happened and have been performed in due time, form and



1 manner, as required by the Constitution and statutes of the State and the
 2 Charter of the City, and that this bond, together with all other indebtedness of
 3 the City pertaining to the Electric System, is within every debt limitation and
 4 other limit prescribed by the Constitution and statutes of the State and said
 Charter, and is not in excess of the amount of Bonds permitted to be issued
 under the Master Ordinance.

5 This bond shall not be entitled to any benefit under the Bond Ordinance,
 6 or become valid or obligatory for any purpose, until the certificate of
 authentication hereon endorsed shall have been signed by the Bond Registrar.
 7 This bond is a valid and binding obligation of City.

8 In the event of any inconsistency between the terms and provisions of
 9 the Bond Ordinance and this bond, the terms and provisions of the Bond
 Ordinance shall control.

10 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond
 11 to be signed with the manual or facsimile signature of the Mayor and attested by
 12 the manual or facsimile signature of the City Clerk, and the seal of the City to be
 13 impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of
 _____, 2024.

14 [SEAL]

CITY OF TACOMA, WASHINGTON

15 By /s/ manual or facsimile
 16 Mayor

17 ATTEST:

18 /s/ manual or facsimile

19 City Clerk

20
21
22
23
24
25
26



1 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
2 substantially the following form:

3 CERTIFICATE OF AUTHENTICATION

4 This bond is one of the bonds described in the within-mentioned Bond Ordinance
5 and is one of the Electric System Revenue [and Refunding] Bonds, Series
6 2024[___] of the City of Tacoma, Washington, dated _____, 2024.

7 WASHINGTON STATE FISCAL AGENT, as
8 Bond Registrar

9 By _____

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26



CLERK'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I, the undersigned, City Clerk of the City of Tacoma, Washington, DO

HEREBY CERTIFY:

1. That the attached is a true and correct copy of Supplemental Ordinance No. ____ (the "Ordinance") of the City, duly passed at a regular meeting of the City Council (the "Council") of the City held on _____, 2023.

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 passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2023.

City Clerk
City of Tacoma, Washington