



portion of the proceeds of the Bonds (defined herein) and other money of the City, if necessary; and

WHEREAS, the Bond Ordinances (defined herein) authorize the Director of Finance to conduct a public or negotiated sale of bonds and to recommend to the City Council for its approval by resolution the interest rates and certain Bond Sale Terms, within certain parameters set forth in the Bond Ordinances; and

WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated May 13, 2015, for the public sale of the Bonds, including an official notice of that sale, was prepared and distributed, bids were received in accordance with the notice of bond sale, and the proposed sale of the Bonds to Barclays Capital Inc. has been recommended to the City Council for its approval with the interest rates and other Bond Sale Terms; NOW THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:**

**Section 1. Definitions.** The meanings of capitalized terms used and not otherwise defined in this resolution shall be as set forth in the Bond Ordinances. In addition, the following terms as used in this resolution shall have the following meanings:

“**2003 Refunded Bonds**” means those Water System and Refunding Revenue Bonds, 2003, identified in Exhibit A, which is attached and incorporated by this reference.

“**2005 Refunded Bonds**” means those Water System Revenue Refunding Bonds, 2005, identified in Exhibit A.

“**2006 Refunded Bonds**” means those Water System Revenue and Refunding Bonds, 2006, identified in Exhibit A.

“**2008 Refunded Bonds**” means those Water System Improvement and Refunding Revenue Bonds, 2008, identified in Exhibit A.

“**Acquired Obligations**” means the Government Obligations purchased to accomplish the refunding of the Refunded Bonds as identified in and in accordance with the Refunding Trust Agreement.

“**Bond Legislation**” means, together, the Bond Ordinances and this resolution.

“**Bond Ordinances**” means, together, the New Money Ordinance and the Omnibus Refunding Ordinance.

“**Bonds**” means the \$340,840,000 aggregate principal amount of Water System Improvement and Refunding Revenue Bonds, 2015, issued pursuant to the Bond Legislation.

“**New Money Ordinance**” means Ordinance 124340 passed by the City Council on November 25,

2013.

“**New Money Portion**” means that portion of the Bonds identified in the column labeled “New Money Portion” in Exhibit B, which is attached and incorporated by this reference.

“**Omnibus Refunding Ordinance**” Ordinance 121939, passed by the City Council on September 26, 2005, as amended by Ordinance 122837, passed by the City Council on November 10, 2008, and amended and restated by Ordinance 124339, passed by the City Council on November 25, 2013.

“**Purchaser**” means Barclays Capital Inc. of New York, New York.

“**Refunded Bond Legislation**” means collectively, the ordinances and resolutions identified in Exhibit A.

“**Refunded Bonds**” means collectively, the 2003 Refunded Bonds, 2005 Refunded Bonds, 2006 Refunded Bonds and 2008 Refunded Bonds.

“**Refunding Plan**” means the refunding plan for the Refunded Bonds, as set forth in Section 5(g).

“**Refunding Portion**” means that portion of the Bonds identified in the column labeled “Refunding Portion” in Exhibit B.

“**Refunding Trust Agreement**” means the agreement between the City and the Refunding Trustee, providing for the carrying out of the applicable refunding plans, in a form acceptable to the Director of Finance.

“**Refunding Trustee**” means the financial institution selected by the Director of Finance to serve as refunding trustee or escrow agent under the Refunding Trust Agreement, or its successors.

**Section 2. Sale and Delivery of Bonds.** The City finds that the sale of the Bonds to the Purchaser at the interest rates and pursuant to the Bond Sale Terms set forth in the Bond Ordinances, this resolution, the Notice of Bond Sale attached as Exhibit C, and the bid information attached as Exhibit D (which includes a summary of the true interest cost associated with each bid and a printed version of all the electronic bids for the Bonds, including the electronic bid of the Purchaser), is in the City’s best interest and therefore confirms, ratifies and approves the award of the Bonds to the Purchaser.

**Section 3. Approval of Bond Sale Terms.** In accordance with Section 5 of the New Money Ordinance and Section 4 of the Omnibus Refunding Ordinance, the following Bond Sale Terms are approved:

**(a) Principal Amount.** The Bonds shall be issued in the aggregate principal amount of

\$340,840,000. The allocation of the Bonds to the New Money Portion and the Refunding Portion shall be as set forth in Exhibit B.

**(b) Date or Dates.** Each Bond shall be dated its Issue Date, which date shall be any date selected by the Director of Finance that is not later than December 31, 2016.

**(c) Denominations.** The Bonds shall be issued in Authorized Denominations, as set forth in the Bond Ordinances.

**(d) Interest Rates; Payment Dates.** Each Bond shall bear interest at fixed rates per annum, as shown below, computed on the basis of a 360-day year of twelve 30-day months, from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. Interest shall be payable on the first day of each May and November, commencing November 1, 2015. Principal shall be payable at maturity (and on mandatory redemption dates in the amounts set forth in subsection (f)) in the

amounts on November 1, 2015, and on each May 1 thereafter, as follows:

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
11/01/2015	\$ 4,350,000	2.00%	05/01/2028	\$18,540,000	5.00%
05/01/2016	12,880,000	2.00	05/01/2029	15,150,000	5.00
05/01/2017	9,275,000	5.00	05/01/2030	9,900,000	5.00
05/01/2018	10,850,000	5.00	05/01/2031	10,355,000	4.00
05/01/2019	18,460,000	5.00	05/01/2032	10,785,000	4.00
05/01/2020	19,780,000	5.00	05/01/2033	6,760,000	4.00
05/01/2021	17,995,000	5.00	05/01/2034	7,035,000	4.00
05/01/2022	19,050,000	5.00	05/01/2035	7,320,000	4.00
05/01/2023	20,015,000	5.00	05/01/2036	7,620,000	4.00
05/01/2024	21,060,000	5.00	05/01/2037	7,935,000	4.00
05/01/2025	22,110,000	5.00	05/01/2038	8,260,000	4.00
05/01/2026	20,135,000	5.00	***	***	***
05/01/2027	17,640,000	5.00	05/01/2045	17,580,000	4.00

**(e) Final Maturity.** The final maturity of the Bonds is May 1, 2045.

**(f) Redemption Rights.**

**(i) Optional Redemption.** The Bonds maturing in the years 2015 through 2025 shall not be subject to redemption at the option of the City prior to their stated maturity dates. The Bonds maturing on and after May 1, 2026, are subject to redemption at the option of the City, in whole or in part on any date on or after May 1, 2025, at a price equal to the principal amount to be redeemed plus accrued interest, if any, to the date fixed for redemption.

(ii) Mandatory Redemption. Bonds maturing in the year 2045 are designated as Term Bonds and, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth in the Bond Ordinances, shall be called for redemption in accordance with the Bond Ordinances at par plus accrued interest on May 1 in years and amounts as follows:

2045 Term Bonds

Mandatory Redemption Year	Mandatory Redemption Amount
2039	\$2,220,000
2040	2,310,000
2041	2,405,000
2042	2,505,000
2043	2,605,000
2044	2,710,000
2045*	2,825,000

\*Maturity

If a Term Bond is redeemed under the optional redemption provisions or defeased or purchased by the City and surrendered for cancellation, the principal amount of that Term Bond so redeemed, purchased, or defeased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond in accordance with the Bond Ordinances.

**(g) Price.** The purchase price for the Bonds is \$382,595,879.10, representing the aggregate principal amount of the Bonds, plus a net original issue premium and less underwriter’s discount.

**(h) Other Terms and Conditions.** The following terms and conditions, along with those additional Bond Sale Terms set forth in the Notice of Sale, are ratified, confirmed and approved in all respects:

- (1) The average expected life of the capital facilities to be financed with the proceeds of the New Money Portion exceeds the weighted average maturity of the New Money Portion allocated to financing those capital facilities.
- (2) The Parity Conditions have been met or satisfied to allow the Bonds to be issued as Parity Bonds.
- (3) The City Council has had due regard for the cost of maintenance and operation of the Water System in creating the Parity Bond Account and in fixing the amounts to be paid into it, and is not setting aside into the Parity Bond Account a greater amount than in its judgment, based on rates established

from time to time, will be available over and above such cost of maintenance and operation.

(4) The Bond Sale Terms do not provide for any bond insurance or other credit enhancement, or for interest rate swaps, caps, floors or other similar hedging devices, at the expense or direction of the City.

(5) Upon issuance of the Bonds, the Reserve Requirement will be fully satisfied and no proceeds of the Bonds will be deposited in the Reserve Subaccount.

(6) Terms and covenants relating to federal tax matters are as set forth in Section 6.

**Section 4. Use of Bond Proceeds.** The principal proceeds of the Bonds received by the City shall be allocated as set forth in Exhibit B and shall be deposited immediately upon receipt, as set forth below. The amounts necessary to pay the costs of issuance of the Bonds shall be allocated among the various purposes in accordance with the schedule set forth in Exhibit B.

**(a) New Money Portion.** The principal proceeds of the sale of the New Money Portion shall be deposited in the funds, accounts or subaccounts as determined by the Director of Finance as necessary to pay costs of the Plan of Additions, the costs of issuing the Bonds and for such other purposes as may be approved by ordinance.

**(b) Refunding Portion.** The principal proceeds of the sale of the Refunding Portion shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to carry out the Refunding Plan, including discharging the obligations of the City relating to the Refunded Bonds under the Refunded Bond Legislation. The Refunding Plan shall be as set forth in the Refunding Trust Agreement and Section 5(g) of this resolution. The Director of Finance shall determine, in his sole discretion, whether the portion of the sale proceeds of the Refunding Portion necessary for payment of costs of issuance and administrative costs of the refunding shall be (i) deposited into a City fund, account or subaccount to be paid directly by the City, or (ii) deposited with the Refunding Trustee, who shall be directed to pay such costs as part of the Refunding Plan.

**Section 5. Provisions for Refunding.**

**(a) Findings With Respect to Refunding.** The City Council finds that the issuance of the Refunding Portion at this time will effect a savings to the City and is in the best interest of the City and its ratepayers and in the public interest. In making such finding, the City Council has given consideration to the

fixed maturities of the Refunding Portion and the Refunded Bonds, the costs of issuance of the Refunding Portion and the known earned income from the investment of the amounts deposited with the Refunding Trustee pending payment and redemption of the Refunded Bonds. The City Council further finds that the money to be deposited with the Refunding Trustee will discharge and satisfy the obligations, pledges, charges, trusts, covenants, and agreements of the City under the Refunded Bond Legislation, and that the Refunded Bonds shall no longer be deemed to be outstanding under the Refunded Bond Legislation immediately upon the deposit of such money with the Refunding Trustee.

**(b) Call for Redemption of 2003 Refunded Bonds.** The City authorizes the Director of Finance to call for redemption on July 10, 2015, all of the 2003 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Legislation in order to effect the redemption prior to the maturity of the 2003 Refunded Bonds.

**(c) Call for Redemption of 2005 Refunded Bonds.** The City authorizes the Director of Finance to call for redemption on September 1, 2015, all of the 2005 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The date on which the 2005 Refunded Bonds are called for redemption is the first date on which the 2005 Refunded Bonds may be called. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Legislation in order to effect the redemption prior to the maturity of the 2005 Refunded Bonds.

**(d) Call for Redemption of 2006 Refunded Bonds.** The City authorizes the Director of Finance to call for redemption on February 1, 2017, all of the 2006 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The date on which the 2006 Refunded Bonds are called for redemption is the first date on which the 2006 Refunded Bonds may be called. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Legislation in order to effect the redemption prior to the

maturity of the 2006 Refunded Bonds.

**(e) Call for Redemption of 2008 Refunded Bonds.** The City authorizes the Director of Finance to call for redemption on February 1, 2018, all of the 2008 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The date on which the 2008 Refunded Bonds are called for redemption is the first date on which the 2008 Refunded Bonds may be called. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Legislation in order to effect the redemption prior to the maturity of the 2008 Refunded Bonds.

**(f) Refunding Trust Agreement.** The Director of Finance is authorized and directed to appoint the Refunding Trustee and to execute a Refunding Trust Agreement, in form and substance acceptable to him, consistent with Section 12(d) of the Omnibus Refunding Ordinance.

**(g) Refunding Plan.** The following Refunding Plan is approved substantially as follows, with such alterations as the Director of Finance deems necessary or appropriate:

- (i) On the Issue Date, proceeds of the Refunding Portion shall be deposited with the Refunding Trustee in an amount sufficient to purchase the Acquired Obligations, establish a beginning cash balance, and to pay the costs of issuance or administrative costs of carrying out the Refunding Plan as are included as part of the Refunding Plan.
- (ii) The Refunding Trustee shall hold the maturing principal of and interest on the Acquired Obligations in a refunding trust account, and shall apply such money, together with other money held in that account, to the payment of the principal of and interest on the Refunded Bonds when due up to and including the respective dates set for redemption.
- (iii) On the date set for redemption of the 2003 Refunded Bonds, the Refunding Trustee shall call, pay, and redeem all of the 2003 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.
- (iv) On the date set for redemption of the 2005 Refunded Bonds, the Refunding Trustee shall call, pay, and redeem all of the 2005 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.

- (v) On the date set for redemption of the 2006 Refunded Bonds, the Refunding Trustee shall call, pay, and redeem all of the 2006 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.
- (vi) On the date set for redemption of the 2008 Refunded Bonds, the Refunding Trustee shall call, pay, and redeem all of the 2008 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.
- (vii) The costs of carrying out the Refunding Plan and the costs of issuance of the Refunding Portion of the Bonds may be paid either by the City directly or from the amounts held by the Refunding Trustee, as directed by the Director of Finance in his discretion.

**Section 6. Federal Tax Matters.** The Bonds shall be issued as Tax-Exempt Bonds, in accordance with Section 22(a) of the New Money Ordinance and Section 23(a) of the Omnibus Refunding Ordinance.

**Section 7. General Authorization.** The Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, the Bond Ordinances and this resolution.

**Section 8. Severability.** The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

**Section 9. Ratification of Prior Acts.** All acts taken pursuant to the authority of this resolution but prior to its effective date are ratified, approved and confirmed.

**Section 10. Section Headings.** Section headings in this resolution are used for convenience only and shall not constitute a substantive portion of this resolution.

ADOPTED by the City Council the 20<sup>th</sup> day of May, 2015, and signed by me in open session in authentication of its adoption this 20<sup>th</sup> day of May, 2015.

President of the City Council

Filed this \_\_\_\_\_ day of May, 2015

(SEAL)

City Clerk

LIST OF EXHIBITS

- Exhibit A Identification of Refunded Bonds
- Exhibit B Allocation of Bonds
- Exhibit C Notice of Bond Sale
- Exhibit D Printed Version of All Electronic Bids