

RESOLUTION NO. 28811

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE ISSUANCE OF CITY OF SANTA ROSA WASTEWATER REVENUE REFUNDING BONDS, SERIES 2016A, APPROVING AND AUTHORIZING AND DIRECTING EXECUTION OF SUPPLEMENTAL INDENTURE OF TRUST RELATING THERETO, AUTHORIZING SALE OF SUCH BONDS, APPROVING OFFICIAL STATEMENT, AND AUTHORIZING OFFICIAL ACTION

WHEREAS, the City of Santa Rosa (the “City”) has heretofore authorized, issued and sold multiple series of its wastewater revenue bonds pursuant to an Indenture of Trust dated as of February 1, 1988 (the “Master Indenture”), by and between the City and U.S. Bank National Association (the “Trustee”), as successor trustee, and multiple supplements to the Master Indenture (the Master Indenture and such supplements being collectively referred to herein as the “Indenture”); and

WHEREAS, the City previously issued the following series of wastewater revenue bonds, among others:

(i) City of Santa Rosa Wastewater Revenue Bonds, Series 2007A, issued pursuant to the Master Indenture and the Fifteenth Supplemental Indenture, dated as of June 1, 2007, in the original principal amount of \$67,000,000 (the “Series 2007A Bonds”). The Series 2007A Bonds maturing on and after September 1, 2018, are subject to redemption on any date on or after September 1, 2017.

(ii) City of Santa Rosa Wastewater Revenue Bonds, Series 2008A, issued pursuant to the Master Indenture and the Sixteenth Supplemental Indenture, dated as of July 1, 2008, in the original principal amount of \$48,630,000 (the “Series 2008A Bonds”). The Series 2008A Bonds maturing on or after September 1 2017, are subject to redemption on any date on or after September 1, 2016; and

WHEREAS, the City also previously borrowed money from the State Water Resources Control Board pursuant to a series of loan agreements (collectively, the “State Loans”), 10 of which are currently outstanding in the principal amount of \$55,865,000; and

WHEREAS, the City has determined to issue its Wastewater Revenue Refunding Bonds, Series 2016A, in the aggregate principal amount of not to exceed \$125,000,000 (the “Series 2016A Bonds”) at this time for the purpose of (i) defeasing, paying and redeeming, as applicable, a portion of the outstanding 2007A Bonds and all of the outstanding 2008A Bonds (the “Refunded Bonds”) and (ii) prepaying all or a portion of the outstanding State Loans; and

WHEREAS, in addition, the proceeds of the Series 2016A Bonds will be used to fund the Reserve Account for the Series 2016A Bonds and pay the costs of issuing the Series 2016A Bonds; and

WHEREAS, the Series 2016A Bonds are proposed to be issued pursuant to the Master Indenture, as amended, and a Nineteenth Supplemental Indenture of Trust (the “Nineteenth Supplemental Indenture”), by and between the City and U.S. Bank National Association; and

WHEREAS, Raymond James & Associates, Inc., as underwriter for the Series 2016A Bonds (the “Underwriter”), has proposed to submit an offer to the City to purchase the Series 2016A Bonds, and in connection therewith, Jones Hall, A Professional Law Corporation, as bond and disclosure counsel to the City, has prepared on behalf of the City an “Official Statement” describing the Series 2016A Bonds, the City, and the City’s Wastewater Enterprise, and a “Continuing Disclosure Certificate” (which is attached to the Official Statement as an exhibit), the preliminary forms of which are on file with the City Clerk; and

WHEREAS, the Council wishes at this time to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the issuance and sale of the Series 2016A Bonds as herein provided.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa orders as follows:

1. Issuance of Series 2016A Bonds. The Council hereby authorizes and approves the issuance of the Series 2016A Bonds, under and pursuant to the Indenture and the Nineteenth Supplemental Indenture, in the maximum principal amount of not to exceed \$125,000,000. The Series 2016A Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to redemption, and shall otherwise be issued on the terms and conditions, all as set forth in the Nineteenth Supplemental Indenture, and in accordance with this Resolution. The Mayor, the City Manager, the Deputy City Manager and the Chief Financial Officer shall each be considered an “Authorized Officer” hereunder. An Authorized Officer is hereby authorized and directed, for and in the name of the City, to execute the Series 2016A Bonds by his manual or facsimile signature, and the City Clerk is hereby authorized and directed to attest said signature by manual or facsimile signature and to affix the seal of the City thereon, all in accordance with the provisions of the Indenture.

2. Nineteenth Supplemental Indenture; Master Indenture. The Nineteenth Supplemental Indenture, in substantially the form on file with the City Clerk, and made a part hereof as though set forth in full herein, is hereby approved by the Council. An Authorized Officer is hereby authorized and directed, for and in the name of the City, to execute and deliver the Nineteenth Supplemental Indenture in such form, together with such changes, insertions and omissions as may be approved by the City Attorney, Bond Counsel, and the Authorized Officer executing the Nineteenth Supplemental Indenture, such execution to be conclusive evidence of Council’s approval; and the City Clerk is hereby authorized and directed to attest such Nineteenth Supplemental Indenture and affix the seal of the City thereto. The Council hereby authorizes the delivery and performance of the Nineteenth Supplemental Indenture.

The Nineteenth Supplemental Indenture may effect certain amendments to the Master Indenture, which amendments, together with all prior amendments to the Master Indenture, are

reflected in the Master Indenture in substantially the form on file with the City Clerk, which form of the Master indenture is hereby approved by the Council.

3. Determination of Additional Bond Terms. An Authorized Officer is hereby authorized to negotiate a bond purchase contract (the "Purchase Contract") with the Underwriter (the "Purchase Contract") in substantially the form on file with the City Clerk, and to determine the following matters with respect to the Series 2016A Bonds: (a) the aggregate principal amount of the Series 2016A Bonds to be issued and sold under the Nineteenth Supplemental Indenture, but not to exceed the principal amount of \$125,000,000 with respect to the Series 2016A Bonds; (b) the respective maturity dates and principal amounts of the Series 2016A Bonds of each maturity; (c) the sinking fund installments, if any, with respect to any term Series 2016A Bonds; (d) the Underwriter's discount at which the Series 2016A Bonds are to be sold to the Underwriter, but not to exceed 0.25% of the par amount of the Series 2016A Bonds; and (e) the net present value savings achieved by the refunding of the Refunded Bonds and the State Loans, expressed as a percentage of the principal amount of the Refunded Bonds and the State Loans that are refunded, provided that such net present value savings are at least 3%.

The Purchase Contract, in substantially the form on file with the City Clerk and made a part hereof as though set forth in full herein, is hereby approved by the Council. An Authorized Officer is hereby authorized and directed, for and in the name of the City, to execute and deliver the Purchase Contract in such form, together with such changes, insertions and omissions which are approved by the City Attorney, Bond Counsel and the Authorized Officer executing such agreement and which are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of this Council's approval; and the City Clerk is hereby authorized and directed to attest such Purchase Contract, if necessary. The Council hereby approves the negotiated sale of the Series 2016A Bonds to the Underwriter pursuant to such Purchase Contract.

4. Escrow Agreement. The Escrow Deposit and Trust Agreement ("Escrow Agreement"), providing for the refunding of the Refunded Bonds and, if applicable, the State Loans, in substantially the form on file with the City Clerk, and made a part hereof as though set forth in full herein, is hereby approved by the Council. An Authorized Officer is hereby authorized and directed, for and in the name of the City, to execute and deliver the Escrow Agreement, in such form, together with such changes, insertions and omissions as may be approved by the City Attorney, Bond Counsel, and the Authorized Officer executing the Escrow Agreement, such execution to be conclusive evidence of such approval; and the City Clerk is hereby authorized and directed to attest such Escrow Agreement and affix the seal of the City thereto, if applicable. The Council hereby authorizes the delivery and performance of the Escrow Agreement.

5. Insurance Policies; Authorized Investments. An Authorized Officer is authorized to accept, on behalf of the City, a municipal bond insurance policy insuring the Series 2016A Bonds and a debt service reserve fund policy (if needed). The proceeds of the Series 2016A Bonds may be used to pay the premiums for such policies.

An Authorized Officer is further authorized to restrict Authorized Investments (as defined in the Indenture) in accordance with the terms of said policy, provided that the purchase of such policy or policies results in net savings to the City.

6. Official Statement; Continuing Disclosure Certificate. The Council hereby approves the preliminary Official Statement describing the Series 2016A Bonds, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto which are approved by the City Attorney and Bond Counsel. The Council approves, authorizes and directs the distribution by the Underwriter of said preliminary Official Statement to prospective purchasers of the Series 2016A Bonds. An Authorized Officer is hereby authorized and directed to execute the form of final Official Statement for and in the name of the City.

An Authorized Officer is hereby authorized to execute a certificate or certificates to the effect that the preliminary Official Statement is deemed “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12, and is authorized to so deem such preliminary Official Statement final.

An Authorized Officer is hereby authorized to execute a Continuing Disclosure Certificate for the Series 2016A Bonds, in substantially the form on file with the City Clerk.

7. Official Actions. The Authorized Officers and the City Clerk are each hereby separately authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Nineteenth Supplemental Indenture, the Master Indenture, the Purchase Contract, the Escrow Agreement, the Official Statement and this Resolution.

8. Meanings of Capitalized Terms. Unless the context otherwise requires, all capitalized terms in this Resolution are used with the meanings assigned to them in the Master Indenture and the Nineteenth Supplemental Indenture.

9. Effective Date. This Resolution shall take effect immediately upon its adoption.

IN COUNCIL DULY PASSED this 28th day of June, 2016.

AYES: (5) Mayor Sawyer, Vice Mayor Schwedhelm, Council Members Combs, Coursey,
Olivares
NOES: (0)
ABSENT: (2) Council Members Carlstrom, Wysocky
ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
Interim City Clerk Mayor

APPROVED AS TO FORM:

Interim City Attorney