

## CITY COUNCIL

For City Clerk's Use:

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APPROVED

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DENIED

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 8

Date: March 7, 2012

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher McKinney, Director of Utilities  
**SUBJECT:** Offering Statement for Wastewater Revenue Bonds

RECOMMENDATION:

The Utilities Department requests Council adoption of Resolution No. 2012-37 and Escondido Joint Powers Financing Authority adoption of Resolution No. EJPFA 2012-03. These resolutions add the Offering Statement for Wastewater Revenue Bonds to the principal financing documents approved by Council (Resolution No. 2012-14) and the Escondido Joint Powers Financing Authority (Resolution No. EJPFA 2012-02) on January 25, 2012.

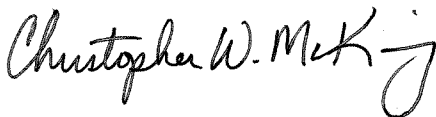
FISCAL ANALYSIS:

No additional financial impact beyond that already approved on January 25, 2012 in Resolution Nos. 2012-14 and EJPFA 2012-02.

BACKGROUND:

On January 25, 2012, the Council and the Escondido Joint Powers Financing Authority approved issuing Wastewater Fund Revenue Bonds in a principal amount not to exceed \$39 million. At that time, the Council and Escondido Joint Powers Financing Authority were advised that the Offering Statement for Wastewater Revenue Bonds was not included in the principal financing documents under consideration. Resolution Nos. 2012-37 and EJPFA 2012-03 will include the Offering Statement for Wastewater Revenue Bonds among the approved principal financing documents. There is no change to the authorized issue amount not to exceed \$39 million and the projects proposed to receive funding from the issue.

Respectfully submitted,



Christopher McKinney  
Director of Utilities

RESOLUTION NO. 2012-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO APPROVING THE FORM OF OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF NOT TO EXCEED \$39,000,000 PRINCIPAL AMOUNT OF REVENUE BONDS (WASTEWATER SYSTEM FINANCING), SERIES 2012 AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH (WASTEWATER SYSTEM)

WHEREAS, the City Council (the "City Council") of the City of Escondido (the "City") has determined to acquire and construct certain local wastewater system collection and treatment improvements consisting of replacement of existing facilities and other wastewater enterprise capital improvement projects of the City (the "2012 Project") and to refinance the acquisition of certain recycled water distribution lines (the "2000 Project"); and

WHEREAS, in order to accomplish the financing of the 2012 Project and the refinancing of the 2000 Project, the City Council adopted Resolution No. 2012-14 on January 25, 2012, authorizing the execution and delivery and approving the form of certain documents in connection therewith; and

WHEREAS, the Board of Directors of the Escondido Joint Powers Financing Authority (the "Authority") adopted Resolution No. 2012-02 on January 25, 2012, approving the Authority's participation in the financing of the 2000 Project and the refinancing of the 2012 Project through the execution, and delivery of certain documents, and the issuance of those certain Revenue Bonds (Wastewater System Financing), Series 2012 (the "Bonds") in connection therewith; and

WHEREAS, the City Council desires to approve the form of a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") to be distributed to potential investors, for the purposes of facilitating the sale of the Bonds at the lowest feasible interest rate, the form of which has been presented to this City Council at the meeting at which this Resolution has been adopted; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido that:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Preliminary Official Statement may be distributed to prospective purchasers in the form so approved, together with such additions thereto and changes therein as are determined necessary by the Finance Director, or his designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). Each and any of the Mayor, the City Manager and the Finance Director is hereby authorized to sign a certificate pursuant to Rule 15c2-12 relating to the Preliminary Official Statement and to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Finance Director, or his designee, and the officer executing the same to make such Official Statement complete and accurate as of its date. The underwriter of the Bonds is further authorized to distribute the final Official Statement for the Bonds to the purchasers thereof upon its execution by an officer of the City as described above. The City

Manager, the Finance Director and their written designees are hereby authorized and directed to take whatever steps are necessary to comply with the requirements of Rule 15c2-12 applicable to the Bonds following their execution and delivery.

SECTION 3. The Mayor, the City Manager, the Finance Director and the City Clerk are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary and advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4. This Resolution shall take effect from and after its date of adoption.

RESOLUTION NO. EJPFA 2012-03

RESOLUTION OF THE ESCONDIDO JOINT  
POWERS FINANCING AUTHORITY  
APPROVING THE FORM OF OFFICIAL  
STATEMENT IN CONNECTION WITH THE  
ISSUANCE OF NOT TO EXCEED  
\$39,000,000 PRINCIPAL AMOUNT OF  
REVENUE BONDS (WASTEWATER SYSTEM  
FINANCING), SERIES 2012, AND  
AUTHORIZING CERTAIN ACTIONS IN  
CONNECTION THEREWITH (WASTEWATER  
SYSTEM)

WHEREAS, the City of Escondido (the "City") and the Community Development Commission of the City of Escondido (the "Commission") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of November 20, 1991, establishing the Escondido Joint Powers Financing Authority (the "Authority") for the purpose of, among other things, providing financing and refinancing for public capital improvements of the City and the Commission; and

WHEREAS, the Authority is a joint powers agency organized and existing under the laws of the State of California with the authority to assist in the financing of the acquisition of certain local wastewater system public capital improvements and to reimburse the City for certain expenses incurred in connection therewith on behalf of the City, and in the refunding of the City's or Authority's bonds and obligations; and

WHEREAS, the City Council of the City has determined to acquire and construct certain local wastewater system collection and treatment improvements consisting of replacement and improvement of existing facilities and other wastewater enterprise capital improvement projects of the City (the "2012 Project") and to refinance the acquisition of certain recycled water distribution lines (the "2000 Project"); and

WHEREAS, in order to assist the City in the financing of the 2012 Project and the refinancing of the 2000 Project, the Board of Directors (the "Board") of the Authority adopted Resolution No. 2012-02 on January 25, 2012, authorizing the execution and delivery and approving the form of certain documents and approving the issuance of those certain Revenue Bonds (Wastewater System Financing), Series 2012 (the "Bonds") in connection therewith; and

WHEREAS, there has been presented to the Authority for approval the form of a Preliminary Official Statement to be delivered to prospective purchasers of the Bonds; and

NOW, THEREFORE, the City Council of the City of Escondido, acting as the Commissioners of the Escondido Joint Powers Financing Authority does hereby resolve, determine and order as follows:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The form of the Preliminary Official Statement presented herewith is hereby approved, subject to such changes as the City Finance Director or his designee may approve, and as may be approved by the City Manager prior to the distribution thereof. Each and any of the Chairman, the Vice Chairman, the Executive Director (which shall be the City Manager of the City), the Auditor and Treasurer and the Secretary (the "Authorized Officers") is hereby authorized to sign a certificate pursuant to Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") relating to the Preliminary Official Statement. The Authority consents to the distribution by the City of a Preliminary Official Statement to prospective purchasers of the Bonds in

the form deemed final by the City and the Authority for purposes of Rule 15c2-12 and to the preparation of a final Official Statement in substantially the form of the Preliminary Official Statement, with such additions thereto and changes therein as are recommended or approved by the City Attorney and approved by the officer or officers executing the same on behalf of the City.

SECTION 3. The Authorized Officers and other officers of the Authority are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary and advisable in order to effectuate the purposes of this Resolution and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4. In the event that an Authorized Officer is unavailable or unable to execute and deliver any of the above-referenced documents, any other member of the Board of the Authority may validly execute and deliver such documents, and any documents required to be signed by the Secretary may be signed by any deputy secretary.

SECTION 5. This Resolution shall take effect from and after its date of adoption.