

RESOLUTION NO. 25-2017

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA
APPROVING THE ISSUANCE AND SALE OF WASTEWATER REVENUE
BONDS BY THE CITY OF PACIFICA FINANCING AUTHORITY IN THE
MAXIMUM PRINCIPAL AMOUNT OF \$27,000,000 TO PROVIDE FINANCING
FOR IMPROVEMENTS TO THE WASTEWATER SYSTEM, AND APPROVING
RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City of Pacifica (the "City") owns and operates facilities and property for the collection, treatment and disposal of wastewater within the service area of the City (the "Wastewater System"), and the City wishes to provide funds for the acquisition, construction and installation of certain improvements to the Wastewater System, consisting generally of the construction of a wet weather flow equalization basin near the Linda Mar Pump Station and the construction of sewer main upgrades (collectively, the "Wastewater Projects"); and

WHEREAS, in order to finance the Wastewater Projects, the City has requested the City of Pacifica Financing Authority (the "Authority") to authorize the issuance of its City of Pacifica Financing Authority 2017 Wastewater Revenue Bonds in the aggregate principal amount not to exceed \$27,000,000 under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

WHEREAS, in order to provide revenues to pay debt service on the Bonds, the City has proposed to enter into an Installment Sale Agreement with the Authority, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are secured by a pledge of and lien on the net revenues of the Wastewater System, on a parity with the pledge and lien which secures certain other outstanding obligations of the City; and

WHEREAS, the City Council wishes to take its action at this time approving the issuance and sale of the Bonds by the Authority and the execution and delivery of documents relating thereto;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pacifica as follows:

Section 1. Issuance of Bonds by the Authority. The City Council hereby approves the issuance of the Bonds by the Authority under the Bond Law for the purpose of providing funds to finance the acquisition, construction and installation of the Wastewater Projects. The aggregate principal amount of the Bonds shall not exceed \$27,000,000.

Section 2. Approval of Installment Sale Agreement. The City Council hereby approves the Installment Sale Agreement between the Authority and the City, under which the Authority agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of and interest on the Bonds when due. The Installment Sale Agreement is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager or the Assistant City Manager (each, an "Authorized Officer"), and the execution thereof by the City Manager shall be conclusive evidence of the approval of any such changes or additions. The City Manager is hereby authorized and

directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of the Installment Sale Agreement.

Section 3. Sale of Bonds by the Authority. The City Council hereby approves the negotiated sale of the Bonds by the Authority to US Bancorp Investments, Inc., as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The amount of Underwriter's discount for the Bonds shall be not more than 1.00% of the par amount thereof and the average rate of interest on the Bonds (taking into account any original issue discount on the sale thereof) shall not exceed 6.00% per annum. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the City.

Section 4. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the City Clerk. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The City Council approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The City Council authorizes the distribution of the final Official Statement by the Underwriter.

Section 5. Official Actions. The Mayor, the City Manager, the Assistant City Manager, the City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form attached to the Preliminary Official Statement which is approved under Section 4, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a regular meeting of the City Council on the 22nd day of May, 2017, by the following called vote:

AYES: Martin, Vaterlaus, Digre, Keener, O'Neill

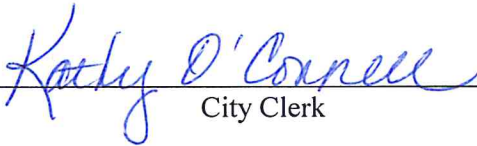
NOES: None

ABSENT: None



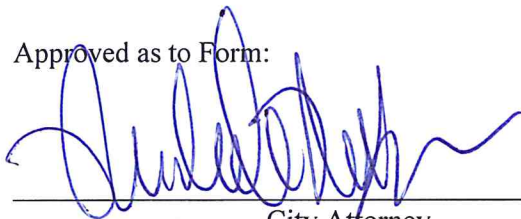
Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney