



Legislation Details (With Text)

File #: 2016-0500 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 10/3/2016 **In control:** Committee of the Whole

On agenda: **Final action:** 10/24/2016

Enactment date: 11/2/2016 **Enactment #:** 18380

Title: AN ORDINANCE amending Ordinance 18141, adopted by the council on October 26, 2015, which authorized the issuance and sale of junior lien sewer revenue bonds in the aggregate principal amount of \$100,000,000, for the purpose of removing the time restriction on remarketing those bonds; and amending Ordinance 18141, Section 22.

Sponsors: Kathy Lambert

Indexes: Bonds

Code sections:

Attachments: 1. Ordinance 18380.pdf, 2. 2016-0500 legislative review form.pdf, 3. 2016-0500 fiscal note.xlsx, 4. 2016-0500 transmittal letter.doc, 5. 2016-0500 and 2016-0501_SR_Bonds Hamacher.docx, 6. 2016-0500_ATT1_Proposed_Ordinance.pdf, 7. 2016-0500 & 0501_ATT6 Memo re Conversion of 2015 Multi-modal bonds - 05-12-16.pdf, 8. 2016-0500&0501_ATT5 Memo - WTD VR Overview Update - 10-10-16-FINAL.pdf

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------------------|-----------------------------|--------|
| 10/24/2016 | 1 | Metropolitan King County Council | Hearing Held | |
| 10/24/2016 | 1 | Metropolitan King County Council | Passed | Pass |
| 10/17/2016 | 1 | Committee of the Whole | Recommended Do Pass Consent | Pass |
| 10/3/2016 | 1 | Metropolitan King County Council | Referred | |

Clerk 09/29/2016

AN ORDINANCE amending Ordinance 18141, adopted by the council on October 26, 2015, which authorized the issuance and sale of junior lien sewer revenue bonds in the aggregate principal amount of \$100,000,000, for the purpose of removing the time restriction on remarketing those bonds; and amending Ordinance 18141, Section 22.

PREAMBLE:

The county owns and operates facilities for the conveyance and treatment of sewage and control of combined sewer overflows that include wastewater treatment plants, interceptor and trunk

sewers, pumping stations, regulator stations, outfall sewers, storm sewers to divert stormwater from sanitary sewers, lands for application of biosolids, property rights, and buildings and other structures and equipment (collectively "the System"), all in accordance with a comprehensive plan for metropolitan water pollution abatement under the authority of chapters 36.56 and 35.58 of the Revised Code of Washington ("RCW").

Long-term service agreements with participating municipalities and other entities ("the Participants") obligate the county to treat and dispose of sewage collected by the Participants.

The Participants must pay the costs of these services, including debt service on bonds payable from sewer revenues and other indebtedness payable from and secured by sewer revenues.

Comparable rates and charges have been established for customers who deliver sewage to the System but are not subject to a contract with the county for this service.

In accordance with RCW 35.58.200(3), the county has declared that the health, safety and welfare of people within the metropolitan area require that certain Participants discharge sewage collected by those Participants into facilities of the System.

Pursuant to Ordinance 18141 ("the Original Ordinance"), the county has issued and sold its junior lien sewer revenue bonds in the aggregate principal amount of \$100,000,000 ("the Bonds").

Pursuant to the Original Ordinance, the authority of the county to remarket the Bonds will terminate on December 31, 2016.

Pursuant to the Original Ordinance, the council may adopt an ordinance supplemental to the Original Ordinance which supplemental ordinance thereafter will become a part of the Original Ordinance, without the consent of Registered Owners (as defined in the Original Ordinance) of any of the Bonds, for any purpose, on any date all Bonds are subject to mandatory tender for purchase, after written notice of such amendment has been given by first class mail to each

Registered Owner of the Bonds not less than 30 days prior to such purchase date.

The Bonds are subject to mandatory tender for purchase on November 16, 2016.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. Capitalized terms used in this ordinance have the meaning given those terms in the Original Ordinance.

SECTION 2. Findings. The council finds that it is in the best interest of the county and the ratepayers of the System to amend the Original Ordinance to remove the time restriction on remarketing the Bonds.

SECTION 3. Amendment of Original Ordinance. Ordinance 18141, Section 22, is hereby amended to read as follows:

Sale and Remarketing of Bonds.

A. **Determination by Finance Director.** The Finance Director will determine, in consultation with the county's financial advisors, the principal amount of each series of the Bonds, whether each series of the Bonds will be structured as Tax Exempt Bonds, Tax-Benefited Bonds or otherwise, and whether each series of Bonds will be sold by negotiated sale or competitive bid and by current or future delivery. The Finance Director is authorized to designate any or all of the Bonds as "green bonds" or any similar designation indicating the purpose for which the proceeds of the Bonds are to be used. ~~((The authority to sell and the authority to remarket any of the Bonds authorized hereunder will terminate on December 31, 2016.))~~

B. **Satisfaction of Conditions.** The Finance Director will provide or cause to be provided by a Professional Utility Consultant any certifications required to satisfy the conditions established in the ordinances of the county for the issuance of the Bonds as Junior Lien Obligations. In the Sale Motion for each series of Bonds, the council will make findings regarding satisfaction of such conditions applicable to that series of Bonds.

C. **Procedure for Negotiated Sale.** If the Finance Director determines that any series of the Bonds will be sold by negotiated sale, the Finance Director will, in accordance with applicable county procurement

procedures, solicit one or more underwriting firms or other financial institutions with which to negotiate the sale of the Bonds. Unless otherwise set forth pursuant to the Sale Motion, the purchase contract for each series of the Bonds will establish the year and series designation, date, principal amount, interest payment dates, interest rates, price, maturity schedule and redemption and bond insurance provisions of the Bonds. The purchase contract may not be executed and delivered unless and until the council by a Sale Motion approves the purchase contract and ratifies and confirms the terms for the series of Bonds established therein.

D. Procedure for Sale by Competitive Bid. If the Finance Director determines that any series of the Bonds will be sold by competitive bid, bids for the purchase of such Bonds will be received at such time or place and by such means as the Finance Director directs. The Finance Director is authorized to prepare an official notice of sale for such Bonds, establishing in such notice the year and series designation, date, principal amount, interest payment dates, maturity schedule and optional redemption and bond insurance provisions of the Bonds. The official notice of sale or an abridged form thereof may be published in such newspapers or financial journals as the county's financial advisors deem desirable or appropriate.

Upon the date and time established for the receipt of bids for a series of the Bonds, the Finance Director or his designee will review the bids, cause the bids to be mathematically verified and report to the council regarding the bids received. Such bids will then be considered and acted upon by the council in an open public meeting. The council reserves the right to reject any and all bids for such Bonds. The council by a Sale Motion will approve the sale of such Bonds and ratify and confirm the year and series designation, date, principal amount, interest payment dates, interest rates, price, maturity schedule, redemption and bond insurance provisions and any other terms of such Bonds.

E. Multimodal Bonds. The Finance Director is authorized to determine that any series of the Bonds will be issued as multimodal bonds, with interest to be borne in a daily rate mode, weekly rate mode, index rate mode, flexible rate mode, term rate mode or fixed rate mode, payable on the dates and at the rates, subject to (i) a minimum rate, maximum rate, alternate rate and default rate, (ii) conversion between modes,

(iii) optional and mandatory tender for purchase on dates and at prices and (iv) additional provisions relating to defaults and remedies, all as set forth pursuant to the Sale Motion. In connection with the remarketing of multimodal Bonds, the Finance Director is authorized, in his or her discretion and without further action by the council, (i) to issue requests for proposals for purchasers, remarketing agents, tender agents, paying agents, calculation agents and providers of Credit Enhancement and Liquidity Facilities and to execute and deliver agreements based on responses received to such requests, including continuing covenant or purchase agreements, remarketing agent agreements, tender agent agreements, paying agent agreements, calculation agent agreements, Credit Enhancement and extensions, replacements and terminations thereof, Liquidity Facilities and extensions, replacements and terminations thereof, reimbursement agreements and other agreements evidencing the county's obligations under any such agreements and any certifications or documentation in connection therewith, (ii) to remarket the Bonds pursuant to an official notice of remarketing and receipt of competitive bids, (iii) to replace the Registrar or Securities Depository, (iv) to cause the interest rate mode of any series of the Bonds to be converted in accordance with the provisions set forth in the Sale Motion and (v) to establish such funds and accounts as are necessary and desirable in connection with such remarketing in such interest rate mode.

SECTION 4. Original Ordinance Remains in Effect. The Original Ordinance, as amended by this ordinance, is and remains in full force and effect.

SECTION 5. Effective Date. This ordinance takes effect November 16, 2016, in accordance with Article II of the King County Charter.