



Legislation Details (With Text)

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Title: AN ORDINANCE approving forms of amendments to reimbursement agreements between the county and Helaba Bank to provide for extensions of the letters of credit securing \$100,000,000 of the county's junior lien variable rate demand sewer revenue bonds issued in 2001 and authorizing the county's finance director to sign and deliver the amendments.

Sponsors: Julia Patterson

Indexes:

Code sections:

Attachments: 1. 16874.pdf, 2. 2010-0361 fiscal note.xls, 3. 2010-0361 Transmittal Letter .doc, 4. A. Second Amendment relating to the Reimbursement Agreement, 5. Staff Report 06-29-10, 6. A. Second Amendment relating to the Reimbursement Agreement

Date	Ver.	Action By	Action	Result
7/6/2010	1	Metropolitan King County Council	Passed	Pass
6/29/2010	1	Budget and Fiscal Management Committee	Recommended Do Pass Consent	Pass
6/28/2010	1	Metropolitan King County Council	Introduced and Referred	

Clerk 06/18/2010

AN ORDINANCE approving forms of amendments to reimbursement agreements between the county and Helaba Bank to provide for extensions of the letters of credit securing \$100,000,000 of the county's junior lien variable rate demand sewer revenue bonds issued in 2001 and authorizing the county's finance director to sign and deliver the amendments.

PREAMBLE:

The county's policy for debt of the county's regional water pollution control and wastewater treatment system (the "System") provides for a certain portion of such debt to be outstanding at variable rates. In accordance with that policy, the county issued \$100,000,000 in junior lien variable rate sewer bonds in 2001 (the "2001 Bonds") pursuant to Ordinances 14171 and 14172,

as amended by Ordinances 16719 and 16720, respectively. Payments of principal of and interest on the 2001 Bonds, as well as the payment of the purchase price of the 2001 Bonds when tendered by their holders, are secured by letters of credit that have been provided by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch, known as Helaba Bank (the "Bank").

The terms for the Bank's provision of the letters of credit are set forth in reimbursement agreements, one for each series of the bonds. The current reimbursement agreements expire in August 2010, and the letters of credit will terminate unless terms for extensions are established. The Bank and the county have agreed to the terms set forth in the attached form of amendment to each of the reimbursement agreements. To maintain the lowest cost for the county, the county wishes to amend the reimbursement agreements to provide additional security to the Bank.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. Unless otherwise defined in this ordinance, capitalized terms used in this ordinance have the meanings given them in Ordinances 14171 and 14172, as amended by Ordinances 16719 and 16720, respectively.

SECTION 2. Findings. The council finds that it is in the best interest of the county and customers of the System to maintain liquidity and credit support for the 2001 Bonds. The council further finds that the lowest cost for providing that liquidity and credit support may be obtained by extending the letters of credit provided by the Bank on the terms and conditions set forth in the amendments to reimbursement agreements approved by this ordinance.

SECTION 3. Approval of Amendments to Reimbursement Agreements. The amendments to reimbursement agreements are approved in substantially the form attached as Attachment A to this ordinance. In particular, Section 3.8 of each reimbursement agreement is amended, as follows (additions are underscored, deletions are stricken):

SECTION 3.8. Nature of County's Obligations.

All payment obligations of the County under this Agreement are **(i)** obligations of the Sewer System, payable from Revenue of the System available after making the payments described in Paragraphs First through Eleventh in Section 5.01(b) of the Bond Ordinance **and** **(ii) general obligations of the County, for which the County covenants that each year it will include in its budget and levy an *ad valorem* tax upon all property within the County subject to taxation, within and a part of the tax levy permitted to counties without a vote of the people, in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes (including Revenue of the Sewer System, as provided in clause (i) above), to pay such obligations. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such obligations.** The payment obligations of the County under this Agreement are not general obligations of the County nor a pledge of the faith and credit of the County.

The council ratifies and confirms the authority of the finance director, pursuant to Section 9.3(b) of Ordinances 14171 and 14172, to execute and deliver the amendments to reimbursement agreements and other documentation on behalf of the county as may be necessary or advisable in providing for extensions of the Helaba letters of credit securing the 2001 Bonds.

SECTION 4. Effective Date. This ordinance shall be effective 10 days after its enactment, in accordance with Article II of the county charter.