



Legislation Passed January 13, 2015

The Tacoma City Council, at its regular City Council meeting of January 13, 2015, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

Resolution No. 39095

A resolution setting Tuesday, February 3, 2015, at approximately 5:30 p.m., as the date for a public hearing by the City Council on the proposed adoption of permanent land use regulations concerning the production, processing, and retail sale of recreational marijuana. [Elliott Barnett, Associate Planner; Peter Huffman, Director, Planning and Development Services]

Resolution No. 39096

A resolution accepting seven grants from the Puget Sound Regional Council, the Washington State Transportation Improvement Board and the Federal Highways Administration, in the total amount of \$13,010,976, and depositing said sum into the Transportation Capital and the Paths and Trails Funds, to fund various Public Works projects including roadways, bridges, trails, bikeways and a public promenade. [Chris E. Larson, P.E., Engineering Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39097

A resolution awarding a contract to Pease & Sons, Inc., in the amount of \$5,072,571.00, excluding sales tax, plus a 20 percent contingency and a 2.5 percent Tribal Employment Rights Ordinance Fee, for a cumulative total of \$6,213,899.48, budgeted from the Surface Water Fund, to refurbish the Cleveland Way Stormwater Pump Station - Specification No. ES14-0454F. [Geoffrey M. Smyth, P.E., Division Manager; Michael P. Slevin III, P.E., Director, Environmental Services]

Resolution No. 39098

A resolution awarding a contract to Miles Resources, LLC, in the amount of \$1,833,614.34, including sales tax, plus a 15 percent contingency, for a cumulative total of \$2,129,713.30, budgeted from the Surface Water Fund, for permeable pavement and stormwater improvement on Asotin Street between South 42nd and South 48th Streets; Cushman Avenue between South 44th and South 46th Streets; and South 45th Street from Asotin Street to Cushman Avenue - Specification No. ES14-0379F. [Geoffrey M. Smyth, P.E., Division Manager; Michael P. Slevin III, P.E., Director, Environmental Services]

Resolution No. 39099

A resolution authorizing the execution of an amendment to the agreement with Pierce County Security, Inc., in the amount of \$153,155.00, sales tax not applicable, for a cumulative total of \$648,577.50, budgeted from the Municipal Building Acquisition and Operation Fund, to extend the contract through June 30, 2015 -

Specification No. PW09-0130F.

[Justin E. Davis, Facilities Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39100

A resolution awarding a contract to the low bidder, in the approximate amount of \$1,511,600, for an approximate total cost of \$1,720,875, budgeted from the Transportation Capital Fund, for completion of the Foss Esplanade Site 11, Phase 2 project -

Specification No. PW14-0727F.

[Chris E. Larson, P.E., Engineering Division Manager; Kurtis D. Kingsolver, P.E., Director, Public Works]

Resolution No. 39101

A resolution designating the Point Defiance Streetcar Station, located at 5801 Trolley Lane, as a City Landmark and placing said property on the Tacoma Register of Historic Places.

[Reuben McKnight, Historic Preservation Officer; Peter Huffman, Director, Planning and Development Services]

Ordinance No. 28240

An ordinance approving the reclassification of a portion of the property located at 4810 South Wilkeson Street from an "R-2" One-Family Dwelling District to a "C-2" General Community Commercial District, and provide for a modification to the "C-2" zone on the remainder of the site for construction of a 44,500-square-foot furniture store and associated parking.

(Wesco Management, LLC (Mor Furniture); File No. REZ2014-40000221995)

[Phyllis Macleod, Hearing Examiner]

Ordinance No. 28242

An ordinance amending Chapter 13.06 of the Municipal Code to reclassify two parcels totaling approximately 2.23 acres located at 620 and 630 South Pearl Street from an "R-2" Single-Family Dwelling District to an "R-4-L" Low-Density Multiple-Family Dwelling District to allow for the construction of a 60-bed extended care facility.

(Avamere BelAir Properties, LLC; File No. REZ2014-40000223364)

[Wick Dufford, Hearing Examiner, Pro Tempore]

Ordinance No. 28277

An ordinance amending Chapter 1.12 of the Municipal Code, relating to the Compensation Plan, to implement rates of pay and compensation for employees represented by Professional and Technical Employees, Local 17; Washington State Council of County and City Employees, Local 120; and the District Lodge #160, on behalf of Local Lodge #297, of the International Association of Machinists and Aerospace Workers, General Unit.

[Joy St. Germain, Director, Human Resources]

Ordinance No. 28278

An ordinance providing for the issuance and sale of sewer revenue and refunding bonds, in an amount not to exceed \$125,000,000, to refund certain outstanding sewer bonds; finance the acquisition, construction, and installation of additions and improvements to, and equipment for, the sewer system; and other related costs, and delegating the authority to approve the final terms of the bonds.

[Andy Cherullo, Director, Finance]

Ordinance No. 28279

An ordinance providing for the issuance and sale of solid waste revenue bonds, in an amount not to exceed \$75,000,000, to refund certain outstanding solid waste revenue bonds; finance the acquisition, construction, and installation of additions and improvements to, and equipment for, the solid waste system; and other related costs, and delegating the authority to approve the final terms of the bonds.

[Andy Cherullo, Director, Finance]



RESOLUTION NO. 39095

1 A RESOLUTION relating to land use regulations associated with Initiative 502;
2 setting Tuesday, February 3, 2015, as the date for a public hearing on the
3 proposed adoption of permanent land use regulations concerning the
4 production, processing, and retail sale of recreational marijuana.

5 WHEREAS Initiative 502 ("I-502"), approved by Washington voters in
6 November 2012, provides a framework for licensing and regulating the production,
7 processing, and retail sale of recreational marijuana, and

8 WHEREAS the Washington State Liquor Control Board ("WSLCB") was
9 tasked with establishing rules and procedures to implement I-502 and determine a
10 "maximum number of retail outlets that may be licensed in each county," which
11 rules became effective on November 16, 2013, and

12 WHEREAS, on November 5, 2013, the City Council enacted interim land use
13 regulations, effective November 17, 2013, through November 16, 2014, concerning
14 the production, processing, and retail sale of recreational marijuana, and

15 WHEREAS the interim regulations were intended to provide policy and
16 regulatory guidance to facilitate the review, in a proactive and timely manner, of
17 marijuana license applications that were expected to come forward in
18 December 2013; provide adequate time for the City to evaluate the operations and
19 impacts of licensed marijuana businesses, and allow the state to rectify outstanding
20 issues with the existing, largely unregulated medical marijuana system, before
21 deliberating a permanent local regulatory resolution, and

22 WHEREAS the WSLCB began issuing marijuana production and processing
23 licenses in March 2014 and marijuana retailing licenses in July 2014, and
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WHEREAS the Washington State Legislature deliberated potential changes to address the medical marijuana industry in 2014, but did not adopt any changes, and

WHEREAS, on September 30, 2014, the City Council extended the interim regulations through May 16, 2015, to allow the Planning Commission adequate time to develop recommendations for permanent recreational marijuana regulations to address community concerns, and

WHEREAS the Planning Commission has completed its task of developing permanent recreational marijuana regulations, which would retain and make modifications to the current interim regulations contained in Tacoma Municipal Code ("TMC") 13.06.565, Marijuana Businesses, as well as modify regulations pertaining to Mixed-Use Center and Industrial Districts regulations contained in TMC 13.06.300 and 13.06.400, and

WHEREAS the Planning Commission developed the proposed Code amendments through a public process, including a public hearing held on December 3, 2014, and forwarded its recommendations to the City Council on January 7, 2015, and

WHEREAS, pursuant to TMC 13.02, the City Council is required to conduct a public hearing before enacting any amendments to the Land Use Regulatory Code;

Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That a public hearing on the proposed adoption of permanent land use regulations concerning the production, processing, and retail sale of



recreational marijuana shall be held before the City Council in the Council
1 Chambers on the first floor of the Tacoma Municipal Building, 747 Market Street,
2 Tacoma, Washington, on Tuesday, February 3, 2015, at approximately 5:30 p.m. or
3 as soon thereafter as the same may be heard.
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5 Section 2. That the Clerk of the City of Tacoma shall give proper notice of
6 the time and place of said hearing.
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8 Adopted _____
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10 _____
Mayor

11 Attest:
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13 _____
City Clerk
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15 Approved as to form:
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17 _____
City Attorney
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RESOLUTION NO. 39096

1 A RESOLUTION relating to public works projects; authorizing the acceptance of
2 seven grants, in the total amount of \$13,010,976, for deposit into
3 Transportation Capital Fund 1060 and Paths and Trails Fund 1140, to fund
4 various Public Works projects, including roadways, bridges, trails, bikeways,
5 and a public promenade.

6 WHEREAS the City has aggressively applied for grants for numerous
7 infrastructure projects, and in the past two months, seven Public Works projects
8 ("Projects") have been selected to receive approximately \$13,010,976 in grant
9 funds, and

10 WHEREAS these Projects will improve the safety and well-being of citizens
11 by rehabilitating roadways and bridges; adding or upgrading ADA components;
12 providing trails, bikeways, and a new public promenade; and upgrading traffic
13 signals and pedestrian crossings, and

14 WHEREAS the Projects identified in the attached Exhibit "A" have been
15 selected to receive grant funds, and

16 WHEREAS the Projects will require City matching funds, as follows: (1) Port
17 of Tacoma Road, in the amount of \$797,489, funded through Heavy Haul Corridor
18 Fund; (2) Pedestrian Improvements in Hilltop and South Downtown, in the amount
19 of \$150,000, funded through the General Fund; (3) Historic Water Ditch Trail Phase
20 IV Construction, in the amount of \$324,724, funded through the Real Estate Excise
21 Tax ("REET") Capital Project Fund; (4) South 48th Street and Tacoma Mall
22 Boulevard, in the amount of \$132,353, funded through the REET Fund;
23 (5) Schuster Parkway Promenade, in the amount of \$182,628, with \$91,314 funded
24 through the Surface Water Utility Fund and \$91,314 funded through the Open
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Space Fund; (6) Traffic Model Update/Mode Choice/Pavement Management

Integration Phase 2, in the amount of \$75,000, funded through the REET Fund; and

(7) 56th Street and Cirque Drive, Phase I, in the amount of \$360,000, funded

through the REET Fund; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the proper officers of the City are hereby authorized to accept \$13,010,976 in federal fund grants, \$10,000,700 for deposit into Transportation Capital Fund 1060, and \$3,010,276 for deposit into Paths and Trails Fund 1140, to fund various Public Works projects, including roadways, bridges, trails, bikeways and a public promenade, as set forth in the attached Exhibit "A."

Section 2. That the various programs and projects referred to in the attached Exhibit "A" shall not be implemented or carried into effect until such time as the same have been further reviewed by the appropriate officers and employees of the City and the making of such technical adjustments as may be required to carry out such programs and projects.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

Project	Grantor/Amount	Description	City Match
Port of Tacoma Road	Transportation Improvement Board Grant \$5,940,700	Replace existing pavement from curb-to-curb with new concrete pavement; install two new traffic signals; and add sidewalk to provide continuous pedestrian access for the length of the project. The \$5,940,700 granted by TIB is to conduct the construction phase. A City match of \$797,489 is required and will be funded via the Heavy Haul Fund. Other funding partners for construction are the Port of Tacoma (\$832,489), FMSIB (\$1,000,000), and Tacoma Rail (\$52,000).	\$797,489 Funded through the Heavy Haul Corridor Fund
Pedestrian Improvements in Hilltop and South Downtown	Federal Highways Administration Grant \$850,000	Construction of pedestrian improvements within and/or connecting, the Hilltop and South Downtown areas of the City. Improvements may include curb ramps, striped crosswalks, median refuge islands, signage, accessible pedestrian systems, vehicle detection, or similar treatments to improve pedestrian visibility, accessibility and safety. Improvements may be constructed along the South 11th, South 19th, and South 21st Street pedestrian corridors, and/or in these general vicinities. Improvements will be supported with a pedestrian safety education and encouragement component. This FHWA grant was distributed by Puget Sound Regional Council (PSRC) under the Congestion Mitigation and Air Quality Program (CMAQ). A City match of \$150,000 is required and will be funded via the General Fund.	\$150,000 Funded through the General Fund
Historic Water Ditch Trail Phase IV Construction	Federal Highways Administration Grant \$1,840,104	Construction of a 12-foot wide concrete multi-use trail with 2-foot gravel shoulder, curb and gutter and transit stop/amenities. The project will also include ADA compliant curb, ramps, and sidewalks, new storm drains, pedestrian crossing markers, a traffic signal upgrade for pedestrian safety, and trail user amenities including pedestrian level lighting, benches, sign, and bike racks. This FHWA grant was distributed by PSRC under the CMAQ Program. A City match of \$324,724 is required and will be funded via the REET Fund.	\$324,724 Funded through the REET Fund



Project	Grantor/Amount	Description	City Match
South 48th Street and Tacoma Mall Boulevard	Federal Highways Administration Grant \$750,000	Complete a grind and overlay (HMA) across the intersection, including extending approximately 150' on the north, south, and east legs, and approximately 320' on the west leg (to within the vicinity of the Pierce Transit bus stop). Pedestrian ADA improvements will be addressed where needed. This FHWA grant was distributed by PSRC under the STP. A City match of \$132,353 is required and will be funded via the REET Fund.	\$132,353 Funded through the REET Fund
Schuster Parkway Promenade	Federal Highways Administration Grant \$1,170,172	Design of a shared-use promenade along Schuster Parkway connecting the Thea Foss Waterway esplanade and Downtown Tacoma with Old Town and the Ruston Way shoreline promenade. This FHWA grant was distributed by PSRC under the STP. A City match of \$182,628 is required and will be funded with \$91,314 from the Surface Water Utility Fund and \$91,314 from the Open Space Fund.	\$182,628 Funded through the Surface Water Utility Fund and Open Space Fund
Traffic Model Update/ Mode Choice/ Pavement Management Integration Phase 2	Federal Highways Administration Grant \$420,000	Update and further integrate (mode choice and freight elements) the City's base year and forecast year travel demand models consistent with PSRC's upcoming 4K zone model. It has several enhancements including a refined Urban Center mode choice/trip generation component, an air quality post processor, and the inclusion of new trip surveys. The project also includes data collection (counts and roadway attributes, transit ridership information), comprehensive field survey for pavement condition, documentation of the models, and associated staff training. Another element of the project is the assemblage of several subarea micro SYNCHRO models into a complete network to help assess development projects. This FHWA/STP grant was awarded by PSRC by 2014. A City match of \$75,000 is required and will be funded via the REET Fund.	\$75,000 Funded through the REET Fund



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Project	Grantor/Amount	Description	City Match
56th Street and Cirque Drive Phase I	Puget Sound Regional Council \$2,040,000	Phase I will consist of constructing new pavement, upgrading signals, and improving curb ramps and sidewalks to current ADA standards. This FHWA grant was distributed to the City of University Place (UP) by PSRC under the STP to fund this joint project between UP and Tacoma. Improvements extend from 67th Avenue to UP City Limits (Orchard Street) along Cirque Drive West in UP where the street name changes to South 56th Street and continues from Orchard Street to Washington Street in Tacoma. A City of Tacoma match of \$360,000, to be funded via the REET Fund, is required to match \$2,040,000 in grant funds that will be used for improvements in the Tacoma portion of the project.	\$360,000 Funded through the REET Fund



RESOLUTION NO. 39097

1 A RESOLUTION related to the purchase of materials, supplies or equipment, and
2 the furnishing of services; authorizing the execution of a contract with
3 Pease & Sons, Inc., in the amount of \$5,072,571.00, plus a 20 percent
4 contingency and a 2.5 percent Tribal Employment Rights Ordinance Fee, for
5 a cumulative total of \$6,213,899.48, excluding sales tax, budgeted from the
6 Surface Water Fund, to refurbish the aging Cleveland Way Stormwater
7 Pump Station pursuant to Specification No. ES14-0454F.

8 WHEREAS the City has complied with all applicable laws and processes
9 governing the acquisition of those supplies, and/or the procurement of those
10 services, inclusive of public works, as is shown by the attached Exhibit "A,"
11 incorporated herein as though fully set forth, and

12 WHEREAS the Board of Contracts and Awards has concurred with the
13 recommendation for award as set forth in Exhibit "A"; Now, Therefore,

14 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

15 Section 1. That the Council of the City of Tacoma concurs with the Board of
16 Contracts and Awards to adopt the recommendation for award as set forth in the
17 attached Exhibit "A."

18 Section 2. That the proper officers of the City are hereby authorized to
19 enter into a with contract Pease & Sons, Inc., in the amount of \$5,072,571.00, plus
20 a 20 percent contingency and a 2.5 percent Tribal Employment Rights Ordinance
21 Fee, for a cumulative total of \$6,213,899.48, excluding sales tax, budgeted from
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1 the Surface Water Fund, to refurbish the aging Cleveland Way Stormwater Pump
2 Station pursuant to Specification No. ES14-0454F, consistent with Exhibit "A."

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4 Adopted _____

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Mayor

7 Attest:

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9 _____
City Clerk

10 Approved as to form:

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12 _____
13 City Attorney

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RESOLUTION NO. 39098

1 A RESOLUTION related to the purchase of materials, supplies or equipment, and
2 the furnishing of services; authorizing the execution of a contract with
3 Miles Resources, LLC, in the amount of \$1,833,614.34, plus a 15 percent
4 contingency, for a cumulative total of \$2,129,713.30, including sales tax,
5 budgeted from the Surface Water Fund, for permeable pavement and
6 stormwater improvement on Asotin Street between South 42nd and
7 South 48th Streets; Cushman Avenue between South 44th and
8 South 46th Streets; and South 45th Street from Asotin Street to
9 Cushman Avenue pursuant to Specification No. ES14-0379F.

10 WHEREAS the City has complied with all applicable laws and processes
11 governing the acquisition of those supplies, and/or the procurement of those
12 services, inclusive of public works, as is shown by the attached Exhibit "A,"
13 incorporated herein as though fully set forth, and

14 WHEREAS the Board of Contracts and Awards has concurred with the
15 recommendation for award as set forth in Exhibit "A"; Now, Therefore,

16 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

17 Section 1. That the Council of the City of Tacoma concurs with the Board of
18 Contracts and Awards to adopt the recommendation for award as set forth in the
19 attached Exhibit "A."

20 Section 2. That the proper officers of the City are hereby authorized to
21 enter into a contract with Miles Resources, LLC, in the amount of \$1,833,614.34,
22 plus a 15 percent contingency, for a cumulative total of \$2,129,713.30, including
23 sales tax, budgeted from the Surface Water Fund, for permeable pavement and
24 stormwater improvement on Asotin Street between South 42nd and South 48th
25 Streets; Cushman Avenue between South 44th and South 46th Streets; and
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South 45th Street from Asotin Street to Cushman Avenue, pursuant to
Specification No. ES14-0379F, consistent with Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



RESOLUTION NO. 39099

1 A RESOLUTION related to the purchase of materials, supplies or equipment,
2 and the furnishing of services; authorizing the increase of Contract
3 No. 4600005596 with Pierce County Security, Inc., in the amount of
4 \$153,155.00, for a cumulative total of \$648,577.50, sales tax not
5 applicable, budgeted from the Municipal Building Acquisition and
6 Operation Fund, to extend the contract expiration through June 30, 2015,
7 pursuant to Specification No. PW09-0130F.

8 WHEREAS the City has complied with all applicable laws and processes
9 governing the acquisition of those supplies, and/or the procurement of those
10 services, inclusive of public works, as is shown by the attached Exhibit "A,"
11 incorporated herein as though fully set forth, and

12 WHEREAS the Board of Contracts and Awards has concurred with the
13 recommendation for award as set forth in Exhibit "A"; Now, Therefore,

14 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

15 Section 1. That the Council of the City of Tacoma concurs with the
16 Board of Contracts and Awards to adopt the recommendation for award as set
17 forth in the attached Exhibit "A."

18 Section 2. That the proper officers of the City are hereby authorized to
19 increase Contract No. 4600005596 with Pierce County Security, Inc., in the
20 amount of \$153,155.00, for a cumulative total of \$648,577.50, sales tax not
21 applicable, budgeted from the Municipal Building Acquisition and Operation
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Fund, to extend the contract expiration through June 30, 2015, pursuant to
Specification No. PW09-0130F, consistent with Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



RESOLUTION NO. 39100

1 A RESOLUTION related to the purchase of materials, supplies or equipment, and
2 the furnishing of services; authorizing the execution of a contract with the
3 low bidder in the approximate amount of \$1,511,600, for an approximate
4 total cost of \$1,720,875, budgeted from Transportation Capital Fund 1060,
5 for completion of the Foss Esplanade Site 11, Phase 2 project.

6 WHEREAS, in June 2014, Rodarte Construction was awarded the contract
7 for the Foss Esplanade Site 11, Phase 2 project ("Project"), consisting of a
8 300-foot long concrete esplanade with lighting, railing, and park benches, and

9 WHEREAS the contract with Rodarte Construction was mutually terminated
10 prior to completion, and

11 WHEREAS, in its current demolished state, the site is unusable and is
12 expected to negatively impact retainage of current marina tenants and attraction of
13 new tenants, and

14 WHEREAS completion of the remaining work, estimated to be in the amount
15 of \$1,511,600, is time-critical due to environmental permit requirements for
16 in-water work completion by February 15, 2015, and

17 WHEREAS Request for Bids Specification No. PW14-0727F was advertised
18 on December 29, 2014, and four companies were invited to bid, in addition to the
19 City's standard advertising of the Project, and

20 WHEREAS bids will be opened and reviewed on January 13, 2015, and
21 staff recommends that the contract be awarded to the lowest bidder at that time,
22 and
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WHEREAS, due to time constraints for Project completion, the contract
award will not be presented to the Board of Contract and Awards for review and
recommendation, and

WHEREAS the City has complied with all applicable laws and processes
governing the acquisition of those supplies, and/or the procurement of those
services, inclusive of public works, as is shown by the attached Exhibit "A,"
incorporated herein as though fully set forth; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to enter into a
contract with the low bidder in the approximate amount of \$1,511,600, for an
approximate total cost of \$1,720,875, budgeted from Transportation Capital
Fund 1060, for completion of the Foss Esplanade Site 11, Phase 2 project,
consistent with Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



RESOLUTION NO. 39101

1 A RESOLUTION relating to historic preservation; adding the proposed landmark to
2 the Tacoma Register of Historic Places and imposing controls for the
3 following property: Point Defiance Streetcar Station, located at 5801 Trolley
4 Lane; said landmark designated by the Landmarks Preservation Commission
5 under Chapter 13.07 of the Tacoma Municipal Code.

6 WHEREAS the Tacoma Landmarks and Historic Districts Code,
7 Chapter 13.07 of the Tacoma Municipal Code ("TMC"), establishes a procedure for
8 the designation and preservation of structures and areas having historical, cultural,
9 architectural, archaeological, engineering, or geographic importance, and

10 WHEREAS, pursuant to TMC 13.07.050, the nomination of the Point
11 Defiance Streetcar Station, located at 5801 Trolley Lane, currently owned by the
12 Metropolitan Park District of Tacoma ("Metro Parks"), was submitted by Metro Parks
13 for inclusion on the Tacoma Register of Historic Places, along with the requisite
14 application materials, and

15 WHEREAS the Landmarks Preservation Commission ("Commission")
16 reviewed the request on September 24, 2014, and held a public hearing on
17 October 22, 2014, to receive public comment on the historic significance of the
18 Property, and

19 WHEREAS, according to TMC 13.07.040, the Commission found that the
20 Property meets the eligibility requirements for listing on the Tacoma Register of
21 Historic Places, and

22 WHEREAS, based upon said findings, the City Council believes that it would
23 be in the best interest of the City to designate the Property described below as a
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historic landmark and place it on the Tacoma Register of Historic Places; Now,

Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. Designation. That, pursuant to the provisions of Chapter 13.07 of the Tacoma Municipal Code ("TMC"), the City Council of Tacoma approves the designation of the following Property as a historic landmark and places said property on the Tacoma Register of Historic Places:

(1) Point Defiance Streetcar Station

More particularly described as: 5801 Trolley Lane (formerly Kitakyushu Street), Tacoma, WA 98407

Parcel: A portion of Parcel 0221103000 (Point Defiance Park)

Parcel 0221103000 Legal Description:

Lots one, two and three of Section ten, and Lots one, two, three and the South one-half of the Southwest quarter of Section fourteen, Lots one, two, three, four, five and six, and the East one-half of the Southeast quarter, and the Northeast quarter of the Northwest quarter, and the Southwest quarter of the Northeast quarter of Section fifteen, Township twenty-one, North, Range two East, W.M. in the State of Washington.

Structure Legal Description:

The Point Defiance Streetcar Station lies within the East one-half of Government Lot 2 of Section 14, Township 21 North, Range 02 East, W.M.

Situate in City of Tacoma, County of Pierce, State of Washington.

based upon satisfaction of the following standards of TMC 13.07.040:

- A. Is associated with events that have made a significant contribution to the broad patterns of our history;



- 1 B. Embodies the distinctive characteristics of a type, period, or method
2 of construction, or represents the work of a master, or possesses
3 high artistic values, or represents a significant and distinguishable
4 entity whose components may lack individual distinction; and
- 5 F. Owing to its unique location or singular physical characteristics,
6 represents an established and familiar visual feature of the
7 neighborhood or City.

8 Section 2. Controls. A Certificate of Approval must be obtained from the
9 Landmarks Preservation Commission, pursuant to TMC 13.05.047 et seq., or the
10 time for denying an application for a Certificate of Approval must have expired
11 before the owner may make alterations or changes to the following property:

- 12 1. **Point Defiance Streetcar Station:** Changes to exterior of the
13 principle structure of the streetcar station, but excluding any
14 changes to the surrounding landscaping or site.

15 Adopted _____

16 _____
17 Mayor

18 Attest:

19 _____
20 City Clerk

21 Approved as to form:

22 Legal Description Approved:

23 _____
24 Deputy City Attorney

25 _____
26 Chief Surveyor
Public Works Department



ORDINANCE NO. 28240

AN ORDINANCE relating to zoning; changing the zoning classification of certain property from an R-2 One-Family Dwelling District to a C-2 General Community Commercial District, and provide for a modification to the existing C-2 zone on the remainder of the site; and amending Chapter 13.06 of the Tacoma Municipal Code by deleting certain described property from Section 13.06.100.B.2, and by adding a new section to be known as Section 13.06.200.B.3 (250).

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the Hearing Examiner's Findings, Conclusions, and Recommendations contained in the Hearing Examiner's Report dated July 23, 2014, bearing File No. REZ2014-40000221955, which Report is on file in the office of the City Clerk.

Section 2. That Chapter 13.06 of the Tacoma Municipal Code is hereby amended by a new Section 13.06.200.B.3 (250), to read as follows:



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2 13.06.200.B.3 (250) ADDED TO C-2 GENERAL COMMUNITY

3
4 COMMERCIAL DISTRICT. The following property shall be included in the
5 C-2 General Community Commercial District:

6 Those portions of the Northwest quarter of the Northwest
7 quarter of Section 20, Township 20 North, Range 03 East,
8 W.M. more particularly described as follows:

9 PARCEL A:

10 Lots 1 through 7, inclusive, Block 21, ACME ADDITION TO
11 TACOMA, WASHINGTON, according to the Plat thereof as
12 recorded in Volume 8 of Plats at Page 110, records of Pierce
13 County Auditor;

14 TOGETHER with the North half of vacated alley adjoining, as
15 vacated by City of Tacoma Ordinance No. 15769, recorded
16 January 14, 1957, under recording number 1776938;

17 ALSO TOGETHER WITH that portion of vacated SR-5
18 adjoining, as vacated by City of Tacoma Ordinance
19 No. 24371, recorded June 4, 1990, under recording number
20 9006040112;

21 EXCEPT those portions appropriated by the State of
22 Washington for Primary State Highway No.1 in Pierce County
23 Superior Court Cause No. 134580, recorded March 10, 1961,
24 under recording number 1917456;

25 ALSO EXCEPT the North 5 feet thereof for South 48th Street
26 conveyed to the City of Tacoma by deed recorded
 February 17, 1971, under recording number 2379306;



1
2 PARCEL B:

3
4 Lots 1 through 7, inclusive, Block 22, ACME ADDITION TO
5 TACOMA, WASHINGTON, according to the Plat thereof as
6 recorded in Volume 8 of Plats at Page 110, records of Pierce
7 County Auditor;

8
9 TOGETHER WITH the South half of vacated alley adjoining,
10 as vacated by City of Tacoma Ordinance No. 15769, recorded
11 January 14, 1957, under recording number 1776938;

12
13 ALSO TOGETHER WITH that portion of vacated SR-5
14 adjoining, as vacated by City of Tacoma Ordinance
15 No. 24371, recorded June 4, 1990, under recording number
16 9006040112;

17
18 EXCEPT those portions appropriated by the State of
19 Washington for Primary State Highway No.1 in Pierce County
20 Superior Court Cause No. 134580, recorded March 10, 1961,
21 under recording number 1917456;

22 PARCEL C:

23
24 Lots 8 through 16, inclusive, Block 21 and Lots 8 through 16,
25 inclusive, Block 22, ACME ADDITION TO TACOMA,
26 WASHINGTON, according to the Plat thereof as recorded in
Volume 8 of Plats at Page 110, records of Pierce County
Auditor;

TOGETHER WITH that portion of vacated alley adjoining, as
vacated by City of Tacoma Ordinance Nos. 15769 and 15754,
recorded under recording numbers 1776938 and 1776939;

EXCEPT that portion of Lots 8 through 16, inclusive, in said
Block 21, lying North of the following described line:



Beginning at the Northwest corner of said Lot 8:

Thence easterly to a point on said Lot 10, said point being 1.5 feet South and 4.00 feet East of the Northwest corner of said Lot 10;

Thence South parallel with the West line of said Lot 10, a distance of 1.5 feet;

Thence easterly to a point in said Lot 15 and said point being 4.00 feet South and 2.00 feet East of the Northwest corner of said Lot 15;

Thence easterly to a point on the East line of said Lot 16, said point being 5.0 feet South of the Northeast corner of said Lot 16.

PARCEL D:

Beginning at the Southeast corner of Lot 16, Block 22, ACME ADDITION TO TACOMA, according to the Plat thereof recorded in Book 8 of Plats, Page 110, records of Pierce County, Washington;

Thence North 87°26'32" West, along the South line of said Block 22, a distance of 365.29 feet;

Thence South 03°03'10" East a distance of 60.29 feet, more or less, to the North line of Block 23 of said Acme Addition;

Thence South 87°26'32" East, along the North line of said Block 23, a distance of 269.39 feet;

Thence North 02°32'28" East a distance of 47.50 feet;

Thence South 87°26'32" East a distance of 90.00 feet;

Thence North 02°33'28" East a distance of 12.50 feet to the True Point of Beginning.

Situate in the City of Tacoma, County of Pierce, State of Washington.



Section 3. That the above-described property is hereby deleted from Tacoma Municipal Code 13.06.100.B.2, R-2 One-Family Dwelling District.

Section 4. That prior to final approval of this reclassification, the applicant shall have executed and recorded with the County Auditor a Concomitant Zoning Agreement ("CZA") incorporating the conditions of approval hereby imposed.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Property description approved:

Deputy City Attorney

Chief Surveyor
Public Works Department

Location: A portion of South 49th Street lying between South Wilkeson Street and Interstate 5

Petitioner: Wesco Management, LLC

Request No.: REZ2014-40000221955



ORDINANCE NO. 28242

AN ORDINANCE relating to zoning; changing the zoning classification of two parcels totaling approximately 2.23 acres from an "R-2" Single-Family Dwelling District to an "R-4-L" Low-Density Multiple-Family Dwelling District to allow for a 60-bed extended care facility; and amending Chapter 13.06 of the Tacoma Municipal Code by deleting certain described property from Section 13.06.100.B.2, and by adding a new section to be known as Section 13.06.100.B.6 (188).

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the Hearing Examiner's Findings, Conclusions, and Recommendations contained in the Hearing Examiner's Report dated August 11, 2014, bearing File No. REZ2014-40000223364, which Report is on file in the office of the City Clerk.

Section 2. That Chapter 13.06 of the Tacoma Municipal Code is hereby amended by a new Section 13.06.100.B.6 (188), to read as follows:



1
2 13.06.100.B.6 (188) ADDED TO "R-4-L" LOW-DENSITY MULTIPLE-
3 FAMILY DWELLING DISTRICT. The following property shall be included in

4
5 the "R-4-L" Low-Density Multiple-Family Dwelling District:

6 620 South Pearl Street (Parcel No. 0220022123):

7
8 That portion of Government Lot 3, Section 02, Township 20
9 North, Range 02 East, Willamette Meridian, described as
10 follows:

11 Beginning at a point on the East line of said Government Lot
12 315.85 feet North of the Southeast corner thereof;
13 Thence continuing North along said East line 120.00 feet;
14 Thence West, parallel with the South line of said
15 Government Lot, 331.575 feet;
16 Thence South, parallel with said East line, 120.00 feet;
17 Thence East, parallel with said South line, 331.575 feet to
18 the Point of Beginning;

19
20 Except that portion of the above-described tract appropriated
21 for Pearl Street by the City of Tacoma.

22 630 South Pearl Street (Parcel No. 0220022057):

23 Beginning at the Southeast corner of Government Lot 3 in
24 Section 2, Township 20 North, Range 02 East, W.M.;
25 Thence North 315.89 feet;
26 Thence West 331.575 feet;
Thence South 315.85 feet;
Thence East 331.575 feet to the Point of Beginning.
Except that portion thereof appropriated by the City of
Tacoma for street.

Also Except the South 30 feet thereof.

All land situate in the City of Tacoma, County of Pierce,
State of Washington.



Section 3. That the above-described property is hereby deleted from Tacoma Municipal Code 13.06.100.B.2, "R-2" Single-Family Dwelling District.

Section 4. That prior to final approval of this reclassification, the applicant shall have executed and recorded with the County Auditor a Concomitant Zoning Agreement ("CZA") incorporating the conditions of approval hereby imposed.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Property description approved:

Deputy City Attorney

Chief Surveyor
Public Works Department

Location: 620 and 630 South Pearl Street
Petitioner: Avamere Bel Air Properties, LLC
Request No.: REZ2014-40000223364

**ORDINANCE NO. 28277**

AN ORDINANCE relating to the Compensation Plan; amending Chapter 1.12 of the Municipal Code, relating to the Compensation Plan, to implement rates of pay and compensation and reflect changes in the organizational structure for employees represented by the Professional and Technical Employees, Local 17; Washington State Council of County and City Employees, Local 120; and International Association of Machinists and Aerospace Workers, General Unit.

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Section 1.12.355 of the Tacoma Municipal Code is hereby amended effective January 1, 2015, to read as follows:

Code	A	Job Title	1	2	3	4	5
2101		Building Inspector	30.60	32.13	33.74	35.42	37.20
2119		Mechanical Inspector	30.60	32.13	33.74	35.42	37.20

Section 2. That Section 1.12.355 of the Tacoma Municipal Code is hereby amended retroactive to September 4, 2014, to read as follows:

Code	A	Job Title	1A	1B	1C	1D	2A	2B	2C
1225		Communications Service Technician	25.48	25.80	26.12	26.45	26.78	27.12	27.46
			2D	3A	3B	3C	3D	4A	4B
			27.80	28.15	28.50	28.85	29.22	29.58	29.95
			4C	4D	5A	5B	5C	5D	6A
			30.32	30.70	31.09	31.48	31.87	32.27	32.67

Code	A	Job Title	1	2	3	4	5	6
1225		Communications Service Technician	25.90	27.20	28.56	29.99	31.49	33.06

Section 3. That Section 1.12.355 of the Tacoma Municipal Code is hereby amended effective January 1, 2015, to read as follows:



Code	A	Job Title	1	2	3	4	5	6
1225		Communications Service Technician	25.90	27.20	28.56	29.99	31.49	33.06

Code	A	Job Title	1	2	3	4	5	6
1225		Communications Service Technician	26.29	27.61	28.99	30.44	31.96	33.56

Section 4. That Section 1.12.640 of the Tacoma Municipal Code is hereby amended retroactive to April 16, 2014, to read as follows:

1.12.640 Application of additional rates

* * *

2101, 2102, [2419](#) and 2122 An employee in the classification of [Building Inspector \(CSC 2101\)](#), [Code Inspector Supervisor \(CSC 2102\)](#), [Mechanical Inspector \(CSC 2119\)](#) or Senior Inspector (CSC 2122) holding the applicable ICC certification for their assigned discipline and one additional ICC certification shall receive [five-5](#) percent above his/her base rate of pay, commencing with the ratification of the 2011–2014 collective bargaining agreement, and will sunset on December 31, 2014.

2102 See 2101, 2102, [2419](#), and 2122.

2119 See 2101, 2102, [2419](#), and 2122.

2122 See 2101, 2102, [2419](#), and 2122.

* * *

5105 See 5099, 5105, 5106.

[5105, 5106 An employee in the classification of Wastewater Treatment Plan Maintenance Machinist \(CSC5105\) or Wastewater Treatment Plan Maintenance Machinist, Senior \(CSAC 5106\), when assigned as a Primary Machinist, will receive an application of rate of 5 percent of their hourly rate when working unscheduled overtime while on standby duty. This applies only to the Primary Machinist.](#)

5106 See 5099, 5105, 5106.

[5106 See 5105, 5106](#)

Section 5. That Sections 1 and 3 of this ordinance shall become effective January 1, 2015. That Section 2 of this ordinance shall become effective



1 retroactive to September 4, 2014. That Section 4 of this ordinance shall become
2 effective retroactive to April 16, 2014.

3
4 Passed _____

5
6 _____
Mayor

7 Attest:

8 _____
9 City Clerk

10 Approved as to form:

11
12 _____
Deputy City Attorney

13

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**ORDINANCE NO. 28278**

AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance and sale of sewer revenue and refunding bonds of the City in the aggregate principal amount of not to exceed \$125,000,000 to refund certain outstanding sewer revenue bonds, to finance the acquisition, construction, and installation of additions and improvements to and equipment for the sewer system, to fund the debt service reserve fund, and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the final terms of the bonds.

WHEREAS the City of Tacoma, Washington (the "City"), now owns, operates, and maintains a municipal sewer system, comprised of Wastewater Management and Surface Water Management (the "System"), and

WHEREAS the City has issued and has outstanding the following sewer revenue bonds and obligations:

Designation	Authorizing Documents	Date of Ordinance	Principal Amount Outstanding as of December 1, 2014
Sewer Revenue and Refunding Bonds, 2006 (the "2006 Bonds")	Ordinance No. 27490 and Substitute Resolution No. 36895	5/16/2006 and 6/20/2006, respectively	\$ 54,950,000
Monthly Rent obligation ("2009 Monthly Rent") (principal component)	Ordinance No. 27677, as amended by Ordinance No. 27783	12/18/2007 and 1/20/2009, respectively	34,370,000
Sewer Revenue Refunding Bonds, 2011 (the "2011 Bonds")	Ordinance No. 28015 and Substitute Resolution No. 38334	9/20/2011 and 9/27/2011, respectively	34,315,000

(The outstanding sewer revenue bonds and the City's obligation to pay 2009

Monthly Rent identified above are referred to as the "Outstanding Parity Bonds" and the authorizing documents identified above are referred to as the "Outstanding Parity Bond Ordinances"), and



1 WHEREAS the Outstanding Parity Bond Ordinances provide that additional
2 sewer revenue bonds may be issued with a lien on the operating revenue of the
3 System on a parity with the lien of the Outstanding Parity Bonds if certain
4 conditions are met, and

5
6 WHEREAS Ordinance No. 27490 provides that the 2006 Bonds may be
7 defeased and/or refunded prior to their stated maturities at the option of the City
8 on or after December 1, 2016, at a price of par plus accrued interest to their date
9 of redemption, and

10
11 WHEREAS the City Council (the "Council") has determined that it is in the
12 best interest of the City and its ratepayers to defease and refund all or a portion of
13 the 2006 Bonds maturing on December 1, 2017, through December 1, 2036
14 (the "Refunding Candidates"), if debt service savings can be achieved, and

15
16 WHEREAS the City has adopted capital improvement programs for the
17 System which include certain additions, improvements and extensions to and the
18 equipping of the System as described therein (the "Projects"), and

19
20 WHEREAS the Council deems it in the best interest of the City to issue
21 sewer revenue and refunding bonds in the aggregate principal amount of not to
22 exceed \$125,000,000 (the "Bonds") to redeem and defease all or a portion of the
23 Refunding Candidates, to finance and/or reimburse a portion of the costs of the
24 Projects, to fund the debt service reserve fund, and to pay costs of issuing the
25 Bonds, and

26
WHEREAS the Council wishes to delegate authority to the City Finance
Director and Treasurer, or their designee (each, a "Designated Representative")



1 for a limited time, to select the Refunding Candidates to be refunded, if any, and
2 to approve the interest rates, maturity dates, redemption terms, principal
3 maturities and other terms for the Bonds within the parameters set by this
4 ordinance, and
5

6 WHEREAS the Bonds shall be sold by negotiated sale as set forth herein;

7 Now, Therefore,

8 BE IT ORDAINED BY THE CITY OF TACOMA:
9
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* This Table of Contents is provided for convenience only and is not a part of this ordinance.



1 Section 1. Definitions and Interpretation of Terms.

2 (a) Definitions. As used in this ordinance, the following words shall have
3 the following meanings:

4 "Accreted Value" means, with respect to any Capital Appreciation Bond, as
5 of the time of calculation, the sum of the amount representing the initial principal
6 amount of such bond plus interest accrued, compounded thereon as of the most
7 recent compounding date. With respect to any particular Payment Date, the
8 Accreted Value is the amount set forth on the Accreted Value Table included as
9 part of the form of Capital Appreciation Bond. In the event the Accreted Value of
10 any Capital Appreciation Bond is required to be determined as of a date other than
11 the Payment Date, the Accreted Value shall be determined by adding to the
12 Accreted Value for the next preceding Payment Date the product obtained by
13 multiplying (a) the difference between the Accreted Value for the next Payment
14 Date and the Accreted Value for the next preceding Payment Date, by (b) the ratio
15 obtained by dividing by 180 the number of days elapsed since the next preceding
16 Payment Date (calculated on the basis of a 360-day year of twelve 30-day months).

17 "Accreted Value Table" means the Accreted Value Table printed on the
18 Capital Appreciation Bonds reflecting the Accreted Value of such Capital
19 Appreciation Bonds as of any Payment Date.

20 "Acquired Obligations" means noncallable direct obligations of, or obligations
21 the principal of and interest on which are unconditionally guaranteed by, the United
22 States Government.
23
24
25
26



1 "Adjusted Annual Debt Service" means Annual Debt Service minus (a) an
2 amount equal to ULID Assessments due in that year and not delinquent and (b) any
3 Capitalized Interest to be paid with respect to Parity Bonds.

4 "Adjusted Net Revenues" has the meaning set forth in Section 18 of this
5 ordinance.
6

7 "Annual Debt Service" means the amount required to be paid in a calendar
8 year for (a) interest due in such calendar year on all Parity Bonds, (b) principal of all
9 Serial Bonds due in such calendar year, and (c) any Sinking Fund Requirement for
10 such calendar year.
11

12 In the case of Variable Interest Rate Bonds, for the purpose of calculating
13 Annual Debt Service, the interest rate thereon shall be calculated on the
14 assumption that such bonds will bear interest during such period at a rate equal to
15 the rate most recently reported by The Bond Buyer as the Bond Buyer Municipal
16 Bond Index for long-term revenue bonds; provided, that if on such date of
17 calculation the interest rate on any Variable Interest Rate Bonds shall then be fixed
18 for a specified period, including pursuant to a Payment Agreement, the interest rate
19 used for such specified period shall be such fixed interest rate. *After all of the*
20 *Outstanding Parity Bonds are fully redeemed, refunded or defeased, this paragraph*
21 *shall read as follows:* In the case of Variable Interest Rate Bonds, for the purpose of
22 calculating Annual Debt Service, the interest rate thereon shall be equal to the
23 higher of (i) the average of the SIFMA Municipal Swap Index over the 60-month
24 period immediately preceding the date of computation, or (ii) the average of the
25 SIFMA Municipal Swap Index over the 12-month period immediately preceding the
26



1 date of computation, in each case as determined within ten days prior to the date of
2 computation, with the principal thereof amortized to provide for essentially level
3 annual debt service of principal and interest over such period; provided, that if on
4 such date of calculation the interest rate on any Variable Interest Rate Bonds shall
5 then be fixed for a specified period, including pursuant to a Payment Agreement,
6 the interest rate used for such specified period shall be such fixed interest rate.

8 For purposes of computing Annual Debt Service on any Parity Bonds which
9 constitute Balloon Indebtedness, it shall be assumed that the principal of such
10 Balloon Indebtedness, together with interest thereon at the rate applicable to such
11 Balloon Indebtedness, shall be amortized in equal annual installments over a term
12 equal to the lesser of (a) 25 years or (b) the average weighted useful life (expressed
13 in years and rounded to the next highest integer) of the properties and assets
14 constituting the project (if any) financed out of the proceeds of such Balloon
15 Indebtedness.
16

18 *After all of the Outstanding Parity Bonds are fully redeemed, refunded or*
19 *defeased,* for purposes of satisfying the coverage test pursuant to Section 16 or the
20 requirements for the issuance of Future Parity Bonds pursuant to Section 18,
21 Annual Debt Service for any Fiscal Year or calendar year shall exclude any Debt
22 Service Offsets received or expected to be received in such Fiscal Year or calendar
23 year.
24

25 "Balloon Indebtedness" means any series of Parity Bonds more than
26 25 percent of the principal of which, in accordance with the terms of such Parity
Bonds, is due and payable in any one Fiscal Year either by reason of the stated



1 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
2 provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
3 shall only be treated as Balloon Indebtedness if more than 25 percent of the
4 principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
5 Fund Requirement or upon the stated maturity date thereof (assuming that the only
6 principal due on the stated maturity date thereof will be the principal remaining
7 outstanding after all redemptions have been made pursuant to the applicable
8 Sinking Fund Requirement).

10 "Bond Counsel" means an attorney at law or a firm of attorneys, selected by
11 the City, of nationally recognized standing in matters pertaining to the tax exempt
12 nature of interest on bonds issued by states and their political subdivisions.

14 "Bond Fund" means the Sewer Revenue Bond Fund created by the City for
15 the purpose of paying and securing the payment of Parity Bonds.

16 "Bond Obligation" means, as of any given date of calculation, the sum of
17 (a) the aggregate principal amount of all outstanding Current Interest Bonds and
18 (b) the aggregate Accreted Value of all outstanding Capital Appreciation Bonds
19 calculated as of the date of calculation if that date is a Payment Date or as of the
20 next preceding Payment Date if the date of calculation is not a Payment Date.

22 "Bond Purchase Contract" means the contract for the purchase of the Bonds
23 between the Underwriter and the City, executed pursuant to Section 20.

25 "Bond Register" means the registration books maintained by the Bond
26 Registrar for purposes of identifying ownership of the Bonds or the nominee of each
owner, and such other information as the Bond Registrar shall determine.



1 “Bond Registrar” means, initially, the fiscal agency of the state of
2 Washington, for the purposes of registering and authenticating the Bonds,
3 maintaining the Bond Register, effecting transfer of ownership of the Bonds and
4 paying interest on and principal of the Bonds.
5

6 “Bond Year” means each one-year period that ends on the date selected by
7 the City. The first and last Bond Years may be short periods. If no date is selected
8 by the City before the earlier of the final maturity date of the Bonds or the date that
9 is five years after the date of issuance of the Bonds, Bond Years end on each
10 anniversary of the date of issue and on the final maturity date of such Bonds.
11

12 “Bonds” mean the not to exceed \$125,000,000 aggregate principal amount
13 of City of Tacoma, Washington, Sewer Revenue and Refunding Bonds, 2015,
14 authorized to be issued pursuant to the terms of this ordinance.
15

16 “Call Date” means the date set forth in the Escrow Deposit Agreement for the
17 refunding of the Refunded Bonds.
18

19 “Capital Appreciation Bonds” mean Parity Bonds, the interest on which
20 accrues and compounds, payable at maturity or earlier redemption.
21

22 “Capitalized Interest” means proceeds (not including accrued interest) of
23 Parity Bonds used to pay interest on such Parity Bonds.
24

25 “Certified Public Accountant” means an independent licensed certified public
26 accountant (or firm of certified public accountants) selected by the City.

 “City” means the City of Tacoma, Washington, a municipal corporation duly
organized and existing under and by virtue of the laws of the State.



1 "City Clerk" means the duly appointed and acting City Clerk of the City or the
2 successor to the duties of that office.

3 "City Manager" means the duly appointed and acting City Manager of the
4 City or the successor to the duties of that office.

5 "Closing" means the date of delivery of the Bonds to the Underwriter.

6 "Code" means the Internal Revenue Code of 1986, as amended, and shall
7 include all applicable regulations and rulings relating thereto.

8 "Commission" means the Securities and Exchange Commission.

9 "Construction Fund" means the 2015 Sewer Bond Construction Fund created
10 pursuant to Section 9 of this ordinance.

11 "Costs of Maintenance and Operation" means all necessary operating
12 expenses, current maintenance expenses, expenses of reasonable upkeep and
13 repairs, insurance premiums and administrative expenses and reasonable pro rata
14 charges for services provided to the System by City departments, but excludes
15 (a) payments for debt service or into debt service reserve accounts or funds,
16 (b) costs of capital additions to or replacements of the System, (c) money
17 necessary to pay extraordinary legal claims and judgments against the System or
18 amortized payments to the City's self-insurance fund with respect to extraordinary
19 claims and judgments, (d) depreciation, (e) City taxes (or payments to the City in
20 lieu of taxes) upon the properties and earnings of the System, and (f) any Rebate
21 Amount.

22 "Council" means the Council of the City, as the same shall be duly and
23 regularly constituted from time to time.



1 "Covered Bonds" mean the Outstanding Parity Bonds, the Bonds and those
2 Future Parity Bonds designated in the Parity Bond Ordinance authorizing their
3 issuance as Covered Bonds secured by the Reserve Fund.

4 "Current Interest Bonds" means Parity Bonds, the interest on which is paid
5 periodically.

6 "Debt Service Offset" means receipts of the City that are not included in
7 Gross Revenues and that are legally available to pay debt service on Parity Bonds,
8 including without limitation federal interest subsidy payments, designated as such
9 by the City.

10 "Designated Representative" means the City Finance Director and
11 Treasurer, or his or her designee. The signature of one Designated Representative
12 shall be sufficient to bind the City.

13 "DTC" means The Depository Trust Company, New York, New York.

14 "Engineer" means an independent licensed professional engineer (or firm of
15 licensed professional engineers) selected by the City and experienced and skilled in
16 the design, construction and operation of sewer systems of comparable size and
17 character to the System.

18 "Escrow Deposit Agreement" means the Escrow Deposit Agreement
19 between the City and the Refunding Trustee to be dated as of the date of Closing.

20 "Finance Director" means the duly appointed and acting Finance Director of
21 the City or the successor to the duties of that office.



1 "Fiscal Year" means the fiscal year used by the City at any time. At the time
2 of the adoption of this ordinance, the Fiscal Year is the 12-month period beginning
3 January 1 of each year.

4 "Fitch" means Fitch, Inc., a corporation duly organized and existing under
5 and by virtue of the laws of the State of Delaware, and its successors and assigns.

6 "Future Parity Bonds" means any revenue bonds of the City issued after the
7 date of issuance of the Bonds having a charge or lien upon the Net Revenues and
8 ULID Assessments for payment of the principal thereof and interest thereon equal
9 in priority to the charge or lien upon the Net Revenues and ULID Assessments for
10 the payment of the principal of and interest on the Outstanding Parity Bonds and
11 the Bonds.

12 "Government Obligations" mean those obligations now or hereafter defined
13 as such in chapter 39.53 RCW.

14 "Gross Revenues" mean (a) all revenues received for the use of the System,
15 (b) revenues received from the sale of by-products from a treatment facility of the
16 System or from any other source for rental, use or services rendered by the
17 System, (c) ULID Assessments, (d) the proceeds received by the City from the sale
18 or other disposition of any of the properties of the System, (e) investment income
19 earned on money held in any fund or account of the City in connection with the
20 ownership and operation of the System, including any bond redemption funds, and
21 (f) federal or state reimbursement of operating expenses to the extent that such
22 expenses are included as Costs of Maintenance and Operation, but excluding
23 (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment
24
25
26



1 of any specific sewer revenue bonds of the City refunded or defeased pursuant to a
2 plan of refunding heretofore or hereafter adopted by the City, (iii) investment
3 income earned on money in any rebate fund, and (iv) grants, gifts or donations.

4 Amounts withdrawn from the Rate Stabilization Fund shall increase Gross
5 Revenues for the period in which they are withdrawn, and amounts deposited in the
6 Rate Stabilization Fund shall reduce Gross Revenues for the period during which
7 they are deposited.
8

9 "Interest Account" means the Interest Account in the Bond Fund created by
10 Ordinance No. 25562.
11

12 "Letter of Representations" means the blanket issuer letter of representations
13 from the City to DTC.

14 "Maximum Annual Debt Service" means at the time of calculation, the
15 maximum amount of Annual Debt Service that will mature or come due in the
16 current Fiscal Year or any future Fiscal Year on the Parity Bonds.
17

18 "Maximum Annual Adjusted Debt Service" means Maximum Annual Debt
19 Service minus the amount of ULID Assessments due in that year and not
20 delinquent.

21 "Maximum Interest Rate" means, with respect to any particular Variable
22 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any
23 Parity Bond Ordinance authorizing such Bond, which shall be the maximum rate of
24 interest such Bond may at any time bear.
25
26



1 "Maximum Reserve Requirement" means the maximum dollar amount
2 permitted by the Code to be allocated to a reserve fund from tax-exempt bond
3 proceeds without requiring a balance to be invested at a restricted yield.

4 "Moody's" means Moody's Investors Service, Inc. or its comparable
5 recognized business successor.
6

7 "MSRB" means the Municipal Securities Rulemaking Board or any successor
8 to its functions.

9 "Net Proceeds," when used with reference to any Bonds, means the principal
10 amount of such Bonds, plus accrued interest and original issue premium, if any,
11 and less original issue discount, if any.
12

13 "Net Revenues" means, for any period, the excess of Gross Revenues over
14 Costs of Maintenance and Operation for such period, excluding from the
15 computation of Gross Revenues (a) ULID Assessments, (b) any profit or loss
16 derived from the sale or other disposition, not in the ordinary course of business, of
17 properties, rights or facilities of the System, or (c) gains or losses resulting from the
18 early extinguishment of debt.
19

20 "Outstanding Parity Bond Ordinances" mean the ordinances and resolutions
21 authorizing the issuance of the Outstanding Parity Bonds as described in the
22 recitals to this ordinance.
23

24 "Outstanding Parity Bonds" means the outstanding 2006 Bonds,
25 2011 Bonds, and the City's obligation to pay 2009 Monthly Rent as identified in the
26 recitals to this ordinance.



1 "Parity Bond Ordinances" mean the Outstanding Parity Bond Ordinances,
2 this ordinance, and any ordinance hereafter passed for the purpose of authorizing
3 Future Parity Bonds.

4 "Parity Bonds" mean the Outstanding Parity Bonds, the Bonds and any
5 Future Parity Bonds.
6

7 "Payment Date" means the dates on which principal and/or interest on the
8 Parity Bonds is due and payable.

9 "Permitted Investments" means any investments that are now or may
10 hereafter be permitted to the City by the laws of the State.
11

12 "Principal Account" means the Principal Account of the Bond Fund created
13 by Ordinance No. 25562.

14 "Private Person" means any natural person engaged in a trade or business
15 or any trust, estate, partnership, association, company, or corporation.
16

17 "Private Person Use" means the use of property in a trade or business by a
18 Private Person if such use is other than as a member of the general public. Private
19 Person Use includes ownership of the property by the Private Person as well as
20 other arrangements that transfer to the Private Person the actual or beneficial use
21 of the property (such as a lease, management or incentive payment contract or
22 other special arrangement) in such a manner as to set the Private Person apart
23 from the general public. Use of property as a member of the general public
24 includes attendance by the Private Person at municipal meetings or business rental
25 of property to the Private Person on a short-term basis in accordance with
26 regulations under the Code if the rental paid by such Private Person is the same as



1 the rental paid by any Private Person who desires to rent the property. Use of
2 property by nonprofit community groups or community recreational groups is not
3 treated as Private Person Use if such use is incidental to the governmental uses of
4 property, the property is made available for such use by all such community groups
5 on an equal basis and such community groups are charged only a *de minimis* fee to
6 cover custodial expenses.
7

8 "Project Lease" means the Project Lease Agreement dated as of February 1,
9 2009, between TES Properties and the City, delivered in connection with the
10 2009 TES Properties Bonds.
11

12 "Projects" mean the acquisition, construction, and installation of additions
13 and improvements to and equipment for the System as described in the capital
14 improvements programs for the System approved by the City, as such programs
15 may be amended from time to time, as further described in Section 3 of this
16 ordinance.
17

18 "Qualified Insurance" means any municipal bond insurance policy or surety
19 bond issued by any insurance company licensed to conduct an insurance business
20 in any state of the United States (or by a service corporation acting on behalf of one
21 or more such insurance companies), which insurance company or companies, as of
22 the time of issuance of such policy or surety bond, are currently rated in one of the
23 two highest rating categories by Moody's and S&P; *provided, after all of the*
24 *Outstanding Parity Bonds are fully redeemed, refunded or defeased, this definition*
25 *shall be amended to read as follows:* "Qualified Insurance" means any non-
26 cancellable municipal bond insurance policy or surety bond issued by any



1 insurance company licensed to conduct an insurance business in any state of the
2 United States (or by a service corporation acting on behalf of one or more such
3 insurance companies), which insurance company or companies, as of the time of
4 issuance of such policy or surety bond, are currently rated in one of the two highest
5 rating categories by Moody's, S&P or Fitch, or any other rating agency then
6 maintaining a rating on the Bonds.
7

8 "Qualified Letter of Credit" means any letter of credit issued by a financial
9 institution for the account of the City on behalf of the owners of the Bonds, which
10 institution maintains an office, agency or branch in the United States and as of the
11 time of issuance of such letter of credit is currently rated in one of the two highest
12 rating categories by Moody's and S&P; *provided, after all of the Outstanding Parity
13 Bonds are fully redeemed, refunded or defeased, this definition shall be amended
14 to read as follows:* "Qualified Letter of Credit" means any irrevocable letter of credit
15 issued by a financial institution for the account of the City on behalf of the owners of
16 one or more series of Parity Bonds, which institution maintains an office, agency or
17 branch in the United States and as of the time of issuance of such letter of credit is
18 currently rated in one of the two highest rating categories by Moody's, S&P or Fitch,
19 or any other rating agency then maintaining a rating on the Bonds.
20
21

22 "Rate Stabilization Fund" means the fund of that name in the Sewer Fund.
23

24 "Rebate Amount" means the amount, if any, determined to be payable with
25 respect to the Bonds by the City to the United States of America in accordance with
26 Section 148(f) of the Code.



1 "Refunded Bonds" mean all or a portion of the Refunding Candidates
2 designated by the Designated Representative for defeasance and/or refunding
3 pursuant to Section 9 and Section 20 of this ordinance.

4 "Refunding Account" means the account by that name established pursuant
5 to Section 9 of this ordinance.

6 "Refunding Candidates" means any or all of the 2006 Bonds maturing in the
7 years 2017 through 2036.

8 "Refunding Trustee" means U.S. Bank National Association.

9 "Registered Owner" means the person named as the registered owner of a
10 Bond in the Bond Register. For so long as the Bonds are held in book-entry only
11 form, DTC or its nominee shall be deemed to be the sole Registered Owner.

12 "Reserve Fund" means the Reserve Fund created in the Bond Fund.

13 "Reserve Fund Requirement" is the dollar amount to be calculated with
14 respect to all Covered Bonds and, *after the Outstanding Parity Bonds are fully*
15 *redeemed, refunded or defeased*, separately with respect to other Parity Bonds.

16 (a) With respect to Covered Bonds, the Reserve Fund Requirement
17 means as of any date an amount equal to the lesser of (1) the Maximum Annual
18 Debt Service for Covered Bonds then outstanding, (2) 125 percent of average
19 Annual Debt Service for Covered Bonds then outstanding, or (3) 10 percent of the
20 initial face amount of the Covered Bonds then outstanding; provided, however, that
21 the dollar amount required to be contributed, if any, as a result of the issuance of a
22 series of Future Parity Bonds shall not be greater than the Maximum Reserve
23 Requirement. If the dollar amount required to be contributed at the time of issuance
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1 of a series of Future Parity Bonds exceeds the Maximum Reserve Requirement,
2 then the amount required to be contributed shall be equal to the Maximum Reserve
3 Requirement.

4 (b) *After the Outstanding Parity Bonds are fully redeemed, refunded or*
5 *defeased*, with respect to other series of Parity Bonds, the Reserve Fund
6 Requirement shall be equal to the amount, if any, specified in the Parity Bond
7 Ordinance authorizing the issuance of such Parity Bonds.

9 "Rule" means the Commission's Rule 15c2-12 under the Securities and
10 Exchange Act of 1934, as the same may be amended from time to time.

11 "S&P" means Standard & Poor's Ratings Services, or its comparable
12 recognized business successor.

13 "Serial Bonds" means Parity Bonds other than Term Bonds.

14 "Sewer Fund" means the fund of the City of that name created by Section 13
15 of Ordinance No. 13989, as amended by Ordinance No. 14015, and reenacted by
16 Section 38 of Ordinance No. 21632.

17 "Sinking Fund Requirement" means, for any Fiscal Year, the principal
18 amount of Term Bonds required to be purchased, redeemed or paid in such year as
19 established by the ordinance or resolution of the City authorizing the issuance of
20 such Term Bonds.

21 "State" means the state of Washington.

22 "System" means the "Tacoma Municipal Sewer System," comprised of
23 Wastewater Management and Surface Water Management, as the same is defined
24 in Section 1 of Ordinance No. 13989, as amended by Ordinance No. 14015, and
25



reenacted in and referred to as the "Municipal Sewer System" in Section 1 of Ordinance No. 21632, as amended by Ordinance No. 21681 and as supplemented by Ordinance No. 21638, by adding thereto the system of storm and surface water drainage of the City, as the same has heretofore been added to, improved and extended and as the same will be added to, improved and extended for as long as any of the Parity Bonds are outstanding. Such additions, improvements and extensions shall include the water system of the City should the municipal sewer system ever be combined with such water system.

"Term Bond Retirement Account" means the Term Bond Retirement Account of the Bond Fund created by Ordinance No. 25562.

"Term Bonds" means Parity Bonds designated by the City as term bonds.

"Treasurer" means the duly appointed and acting Treasurer of the City or the successor to the duties of that office.

"2006 Bond Ordinance" means the ordinance and resolution authorizing the issuance of the 2006 Bonds as described in the recitals of this ordinance.

"2006 Bonds" means the outstanding Sewer Revenue and Refunding Bonds, 2006 issued pursuant to Substitute Ordinance No. 27490 and Substitute Resolution No. 36895.

"2011 Bonds" means the outstanding Sewer Revenue Refunding Bonds, 2011 issued pursuant to Substitute Ordinance No. 28015 and Substitute Resolution No. 38334.

"2009 Monthly Rent" means the City's obligation to pay monthly rental payments under the terms of the Project Lease. Pursuant to City Ordinance



1 No. 27677, as amended, the City's obligation to pay 2009 Monthly Rent was
2 declared to be a "Future Parity Bond" with a lien on Net Revenues of the System on
3 parity with the Outstanding Parity Bonds. For purposes of this ordinance,
4 references to the "owner" of the City's obligation to pay 2009 Monthly Rent shall
5 mean the Landlord (as such term is defined in the Project Lease) who was declared
6 to be a third-party beneficiary of the covenants and terms set forth in the
7 Outstanding Parity Bond Ordinances.

9 "2009 TES Properties Bonds" mean the TES Properties, Lease Revenue
10 Bonds, 2009, dated as of February 12, 2009, and issued in the original aggregate
11 principal amount of \$37,840,000 by TES Properties, a Washington nonprofit
12 corporation, on behalf of the City, pursuant to an Indenture of Trust dated as of
13 February 1, 2009.

15 "ULID Assessments" means all assessments (including any interest and
16 penalties) levied in a utility local improvement district for the acquisition or
17 construction of improvements to and extensions of the System if those
18 assessments are pledged to be paid into the Bond Fund. In the case of ULID
19 Assessments payable in installments, ULID Assessments shall be allocated to the
20 years in which they would be received if the unpaid principal balance of each
21 assessment roll were paid over the remaining number of installments with interest
22 thereon at the rate and in the manner provided in the ordinance confirming the
23 assessment roll.

26 "Underwriter" means, collectively, the initial purchaser or purchasers of the
Bonds, as selected by the Designated Representative.



1 “Variable Interest Rate” means a variable interest rate or rates to be borne
2 by a series of Parity Bonds or any one or more maturities within a series of Parity
3 Bonds. The method of computing such variable interest rate shall be specified in
4 the bond ordinance authorizing such series of Parity Bonds. Such variable interest
5 rate shall be subject to a Maximum Interest Rate and there may be an initial rate
6 specified, in each case as provided in such bond ordinance, or a stated interest rate
7 that may be changed from time to time as provided in the bond ordinance
8 authorizing such bonds. Such bond ordinance shall also specify either (a) the
9 particular period or periods of time or manner of determining such period or periods
10 of time for which each value of such variable interest rate shall remain in effect or
11 (b) the time or times upon which any change in such variable interest rate shall
12 become effective.

15 “Variable Interest Rate Bonds” for any period of time means Parity Bonds
16 that during such period bear a Variable Interest Rate, provided that Parity Bonds
17 the interest rate on which shall have been fixed for the remainder of the term
18 thereof shall no longer be Variable Interest Rate Bonds.

20 (b) Interpretation. In this ordinance, unless the context otherwise
21 requires:

22 (1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder”
23 and any similar terms, as used in this ordinance, refer to this ordinance as a whole
24 and not to any particular article, section, subdivision or clause hereof, and the term
25 “hereafter” shall mean after, and the term “heretofore” shall mean before, the date
26 of this ordinance;



1 (2) Words of the masculine gender shall mean and include
2 correlative words of the feminine and neuter genders and words importing the
3 singular number shall mean and include the plural number and vice versa;

4 (3) Words importing persons shall include firms, associations,
5 partnerships (including limited partnerships), trusts, corporations and other legal
6 entities, including public bodies, as well as natural persons;

7 (4) Any headings preceding the text of the several articles and
8 sections of this ordinance, and any table of contents or marginal notes appended to
9 copies hereof, shall be solely for convenience of reference and shall not constitute
10 a part of this ordinance, nor shall they affect its meaning, construction or effect; and
11

12 (5) All references herein to "articles," "sections," and other
13 subdivisions or clauses are to the corresponding articles, sections, subdivisions or
14 clauses hereof.
15

16 Section 2. Compliance with Parity Conditions. In accordance with the
17 Outstanding Parity Bond Ordinances, which permit the issuance of additional Parity
18 Bonds upon compliance with the conditions set forth therein, the City hereby finds
19 and determines, as follows:
20

21 (a) The Bonds are being issued for lawful purposes of the City related to
22 the System.
23

24 (b) There is not now and at the time of Closing of the Bonds there shall
25 not be any deficiency in the Bond Fund.
26



1 (c) The Bonds shall be issued as Covered Bonds, and this ordinance
2 provides for payments into the Reserve Fund of amounts and at the times required
3 by the Outstanding Parity Bond Ordinances.

4 (d) At the time of issuance of the Bonds the City shall have on file a
5 certificate satisfying the parity requirements of the Outstanding Parity Bond
6 Ordinances.

7 The applicable conditions of the Outstanding Parity Bond Ordinances having
8 been or to be complied with in connection with the issuance of the Bonds, the
9 pledge contained herein of Net Revenues of the System to pay and secure the
10 payment of the Bonds shall constitute a lien and charge upon such Net Revenues
11 equal in rank with the lien and charge upon the Net Revenues to pay and secure
12 the payment of the Outstanding Parity Bonds.

13 Section 3. Adoption of Plan of Additions. The City specifies, adopts and
14 orders the carrying out of improvements to and extensions of the System, including,
15 but not limited to, the acquisition, construction, and installation of additions and
16 improvements to and equipment for the System as specified in the capital
17 improvement programs for the System approved by the City, as such programs
18 may be amended from time to time (together, the "Projects"). The City Council may
19 modify the details of the Projects where, in its judgment, it appears advisable if such
20 modifications do not substantially alter the purposes of that system or plan. The
21 estimated cost of carrying out the Projects, including the costs of issuance and sale
22 of the Bonds, is expected to be at least \$70,000,000, which cost shall be paid from
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1 the proceeds of the Bonds and from other money available to the City for such
2 purpose.

3 Section 4. Authorization and Description of Bonds. For the purposes of
4 defeasing and refunding the Refunded Bonds, financing and/or reimbursing costs of
5 the Projects, funding the Reserve Fund, and paying costs of issuance of the Bonds,
6 the City is hereby authorized to issue and sell its sewer revenue and refunding
7 bonds in the aggregate principal amount of not to exceed \$125,000,000 (the
8 “Bonds”).
9

10 The Bonds shall be designated as the “City of Tacoma, Washington, Sewer
11 Revenue and Refunding Bonds, 2015” with additional series designation or other
12 designation as set forth in the Bond Purchase Contract and approved by the
13 Designated Representative.
14

15 The Bonds shall be dated as of their date of initial delivery, shall be fully
16 registered as to both principal and interest, shall be in the denomination of \$5,000
17 each or any integral multiple thereof within a maturity, shall be numbered separately
18 in the manner and with any additional designation as the Bond Registrar deems
19 necessary for purposes of identification and control, and shall bear interest payable
20 on the dates set forth in the Bond Purchase Contract. The Bonds shall bear
21 interest at the rates set forth in the Bond Purchase Contract; and shall mature on
22 the dates and in the principal amounts set forth in the Bond Purchase Contract and
23 as approved by a Designated Representative pursuant to Section 20.
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1 The Bonds shall be special obligations of the City payable only from the
2 Bond Fund and shall be payable and secured as provided herein. The Bonds shall
3 not be general obligations of the City, the State or any political subdivision thereof.

4 Section 5. Registration, Exchange and Payments.

5
6 (a) Bond Registrar/Bond Register. The City hereby specifies and adopts
7 the system of registration approved by the Washington State Finance Committee
8 from time to time through the appointment of state fiscal agencies. The City shall
9 cause a Bond Register to be maintained by the Bond Registrar. So long as any
10 Bonds remain outstanding, the Bond Registrar shall make all necessary provisions
11 to permit the exchange or registration or transfer of Bonds at its principal corporate
12 trust office. The Bond Registrar may be removed at any time at the option of the
13 Finance Director upon prior notice to the Bond Registrar and a successor Bond
14 Registrar appointed by the Finance Director. No resignation or removal of the Bond
15 Registrar shall be effective until a successor shall have been appointed and until
16 the successor Bond Registrar shall have accepted the duties of the Bond Registrar
17 hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
18 and deliver Bonds transferred or exchanged in accordance with the provisions of
19 such Bonds and this ordinance and to carry out all of the Bond Registrar's powers
20 and duties under this ordinance. The Bond Registrar shall be responsible for its
21 representations contained in the Certificate of Authentication of the Bonds.
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24

25 (b) Registered Ownership. The City and the Bond Registrar, each in its
26 discretion, may deem and treat the Registered Owner of each Bond as the absolute
owner thereof for all purposes (except as provided in Section 23 of this ordinance),



1 and neither the City nor the Bond Registrar shall be affected by any notice to the
2 contrary. Payment of any such Bond shall be made only as described in
3 Section 5(h), but such Bond may be transferred as herein provided. All such
4 payments made as described in Section 5(h) shall be valid and shall satisfy and
5 discharge the liability of the City upon such Bond to the extent of the amount or
6 amounts so paid.
7

8 (c) DTC Acceptance/Letters of Representations. The Bonds initially shall
9 be held in fully immobilized form by DTC acting as depository. To induce DTC to
10 accept the Bonds as eligible for deposit at DTC, the City has executed and
11 delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor
12 the Bond Registrar will have any responsibility or obligation to DTC participants or
13 the persons for whom they act as nominees (or any successor depository) with
14 respect to the Bonds in respect of the accuracy of any records maintained by DTC
15 (or any successor depository) or any DTC participant, the payment by DTC (or any
16 successor depository) or any DTC participant of any amount in respect of the
17 principal of or interest on Bonds, any notice which is permitted or required to be
18 given to Registered Owners under this ordinance (except such notices as shall be
19 required to be given by the City to the Bond Registrar or to DTC (or any successor
20 depository)), or any consent given or other action taken by DTC (or any successor
21 depository) as the Registered Owner. For so long as any Bonds are held in fully
22 immobilized form by a depository, DTC or its successor depository shall be deemed
23 to be the Registered Owner for all purposes hereunder, and all references herein to
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1 the Registered Owners shall mean DTC (or any successor depository) or its
2 nominee and shall not mean the owners of any beneficial interest in such Bonds.

3 (d) Use of Depository.

4 (1) The Bonds shall be registered initially in the name of
5 "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity
6 dates for the Bonds in a denomination corresponding to the total principal therein
7 designated to mature on such date. Registered ownership of such Bonds, or any
8 portions thereof, may not thereafter be transferred except (A) to any successor of
9 DTC or its nominee, provided that any such successor shall be qualified under any
10 applicable laws to provide the service proposed to be provided by it; (B) to any
11 substitute depository appointed by the Finance Director pursuant to subsection (2)
12 below or such substitute depository's successor; or (C) to any person as provided in
13 subsection (4) below.

14 (2) Upon the resignation of DTC or its successor (or any substitute
15 depository or its successor) from its functions as depository or a determination by
16 the Finance Director to discontinue the system of book entry transfers through DTC
17 or its successor (or any substitute depository or its successor), the Finance Director
18 may hereafter appoint a substitute depository. Any such substitute depository shall
19 be qualified under any applicable laws to provide the services proposed to be
20 provided by it.

21 (3) In the case of any transfer pursuant to clause (A) or (B) of
22 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
23 Bonds, together with a written request on behalf of the Finance Director, issue a
24



1 single new Bond for each maturity then outstanding, registered in the name of such
2 successor or such substitute depository, or their nominees, as the case may be, all
3 as specified in such written request of the Finance Director.

4 (4) In the event that (A) DTC or its successor (or substitute
5 depository or its successor) resigns from its functions as depository and no
6 substitute depository can be obtained, or (B) the Finance Director determines that it
7 is in the best interest of the beneficial owners of the Bonds that such owners be
8 able to obtain physical Bond certificates, the ownership of such Bonds may then be
9 transferred to any person or entity as herein provided, and such Bonds shall no
10 longer be held by a depository. The Finance Director shall deliver a written request
11 to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as
12 herein provided in any authorized denomination. Upon receipt by the Bond
13 Registrar of all then outstanding Bonds together with a written request on behalf of
14 the Finance Director to the Bond Registrar, new Bonds shall be issued in the
15 appropriate denominations and registered in the names of such persons as are
16 requested in such written request.

17 (e) Registration of Transfer of Ownership or Exchange; Change in
18 Denominations. The transfer of any Bond may be registered and Bonds may be
19 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
20 to the Bond Registrar with the assignment form appearing on such Bond duly
21 executed by the Registered Owner or such Registered Owner's duly authorized
22 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
23 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
24



1 deliver, without charge to the Registered Owner or transferee therefor, a new Bond
2 (or Bonds at the option of the new Registered Owner) of the same date, maturity
3 and interest rate and for the same aggregate principal amount in any authorized
4 denomination, naming as Registered Owner the person or persons listed as the
5 assignee on the assignment form appearing on the surrendered Bond, in exchange
6 for such surrendered and canceled Bond. Any Bond may be surrendered to the
7 Bond Registrar and exchanged, without charge, for an equal aggregate principal
8 amount of Bonds of the same date, maturity and interest rate, in any authorized
9 denomination. The Bond Registrar shall not be obligated to register the transfer or
10 to exchange any Bond during the 15 days preceding any principal payment date
11 any such Bond is to be redeemed.
12

14 (f) Bond Registrar's Ownership of Bonds. The Bond Registrar may
15 become the Registered Owner of any Bond with the same rights it would have if it
16 were not the Bond Registrar, and to the extent permitted by law, may act as
17 depository for and permit any of its officers or directors to act as a member of, or in
18 any other capacity with respect to, any committee formed to protect the right of the
19 Registered Owners of Bonds.
20

21 (g) Registration Covenant. The City covenants that, until all Bonds have
22 been surrendered and canceled, it will maintain a system for recording the
23 ownership of each Bond that complies with the provisions of Section 149 of the
24 Code.
25

26 (h) Place and Medium of Payment. Both principal of and interest on the
Bonds shall be payable in lawful money of the United States of America. Interest



1 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
2 30-day months. For so long as all Bonds are held by a depository, payments of
3 principal and interest thereon shall be made as provided in accordance with the
4 operational arrangements of DTC referred to in the Letter of Representations. In
5 the event that the Bonds are no longer held by a depository, interest on the Bonds
6 shall be paid by check or draft mailed to the Registered Owners at the addresses
7 for such Registered Owners appearing on the Bond Register on the 15th day of the
8 month preceding the interest payment date, or upon the written request of a
9 Registered Owner of more than \$1,000,000 of Bonds (received by the Bond
10 Registrar at least 15 days prior to the applicable payment date), such payment shall
11 be made by the Bond Registrar by wire transfer to the account within the United
12 States designated by the Registered Owner. Principal of the Bonds shall be
13 payable upon presentation and surrender of such Bonds by the Registered Owners
14 at the principal office of the Bond Registrar.

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18 If any Bond shall be duly presented for payment and funds have not been
19 duly provided by the City on such applicable date, then interest shall continue to
20 accrue thereafter on the unpaid principal thereof at the rate stated on such Bond
21 until it is paid.

22 Section 6. Redemption Prior to Maturity and Purchase of Bonds.

23 (a) Mandatory Redemption of Term Bonds and Optional Redemption, if
24 any. The Bonds shall be subject to optional redemption on the dates, at the prices
25 and under the terms set forth in the Bond Purchase Contract approved by the
26 Designated Representative pursuant to Section 20. The Bonds shall be subject to



1 mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract
2 approved by the Designated Representative pursuant to Section 20.

3 (b) Purchase of Bonds. The City hereby reserves the right at any time
4 and at any price to purchase any of the Bonds from amounts in the Sewer Fund
5 available for such purchase.
6

7 (c) Selection of Bonds for Redemption. For as long as the Bonds are
8 held in book-entry only form, the selection of particular Bonds within a maturity to
9 be redeemed shall be made in accordance with the operational arrangements then
10 in effect at DTC. If the Bonds are no longer held in uncertificated form, the
11 selection of such Bonds to be redeemed and the surrender and reissuance thereof,
12 as applicable, shall be made as provided in the following provisions of this
13 subsection (c). If the City redeems at any one time fewer than all of the Bonds
14 having the same maturity date, the particular Bonds or portions of Bonds of such
15 maturity to be redeemed shall be selected by lot (or in such manner determined by
16 the Bond Registrar) in increments of \$5,000. In the case of a Bond of a
17 denomination greater than \$5,000, the City and the Bond Registrar shall treat each
18 Bond as representing such number of separate Bonds each of the denomination of
19 \$5,000 as is obtained by dividing the actual principal amount of Bonds by \$5,000.
20 In the event that only a portion of the principal sum of a Bond is redeemed, upon
21 surrender of such Bond at the principal office of the Bond Registrar there shall be
22 issued to the Registered Owner, without charge therefor, for the then unredeemed
23 balance of the principal sum thereof, at the option of the Registered Owner, a Bond
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1 or Bonds of like maturity and interest rate in any of the denominations herein
2 authorized.

3 (d) Notice of Redemption.

4 (1) Official Notice. For so long as the Bonds are held in
5 uncertificated form, notice of redemption (which notice may be conditional) shall be
6 given in accordance with the operational arrangements of DTC as then in effect,
7 and neither the City nor the Bond Registrar will provide any notice of redemption to
8 any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated
9 form), notice of redemption shall be given in the manner hereinafter provided.
10

11 Unless waived by any owner of Bonds to be redeemed, official notice of any such
12 redemption (which redemption may be conditioned by the Bond Registrar on the
13 receipt of sufficient funds for redemption or otherwise) shall be given by the Bond
14 Registrar on behalf of the City by mailing a copy of an official redemption notice by
15 first-class mail at least 20 days and not more than 60 days prior to the date fixed for
16 redemption to the Registered Owner of the Bond or Bonds to be redeemed at the
17 address shown on the Bond Register or at such other address as is furnished in
18 writing by such Registered Owner to the Bond Registrar.
19

20 All official notices of redemption shall be dated and shall state:
21

- 22 (A) the redemption date,
23 (B) the redemption price,
24 (C) if fewer than all outstanding Bonds are to be redeemed,
25 the identification by maturity (and, in the case of partial redemption, the respective
26 principal amounts) of the Bonds to be redeemed,



1 (D) that unless conditional notice of redemption has been
2 given and such conditions have not been satisfied or waived or such notice has
3 been rescinded, on the redemption date the redemption price will become due and
4 payable upon each such Bond or portion thereof called for redemption, and if the
5 Bond Registrar then holds sufficient funds to pay such Bonds at the redemption
6 price, interest thereon shall cease to accrue from and after said date,

8 (E) any conditions to redemption, and

9 (F) the place where such Bonds are to be surrendered for
10 payment of the redemption price, which place of payment shall be the principal
11 office of the Bond Registrar.
12

13 On or prior to any redemption date, unless any condition to such redemption
14 has not been satisfied or waived or notice of such redemption has been rescinded,
15 the City shall deposit with the Bond Registrar an amount of money sufficient to pay
16 the redemption price of all the Bonds or portions of Bonds which are to be
17 redeemed on that date. The City retains the right to rescind any redemption notice
18 and the related optional redemption of Bonds by giving notice of rescission to the
19 affected registered owners at any time on or prior to the scheduled redemption
20 date. Any notice of optional redemption that is so rescinded shall be of no effect,
21 and the Bonds for which the notice of optional redemption has been rescinded shall
22 remain outstanding.
23
24

25 (2) Effect of Notice; Bonds Due. If an unconditional notice of
26 redemption has been given and not rescinded, or if the conditions set forth in a
conditional notice of redemption have been satisfied or waived, the Bonds or



1 portions of Bonds to be redeemed shall, on the redemption date, become due and
2 payable at the redemption price therein specified, and, if the Bond Registrar then
3 holds sufficient funds to pay such Bonds at the redemption price, then from and
4 after such date such Bonds or portions of Bonds shall cease to bear interest. Upon
5 surrender of such Bonds for redemption in accordance with said notice, such Bonds
6 shall be paid by the Bond Registrar at the redemption price. Installments of interest
7 due on or prior to the redemption date shall be payable as herein provided for
8 payment of interest. All Bonds which have been redeemed shall be canceled by
9 the Bond Registrar and shall not be reissued.
10

11
12 (3) Additional Notice. In addition to the foregoing notice, further
13 notice shall be given by the City as set out below, but no defect in said further
14 notice nor any failure to give all or any portion of such further notice shall in any
15 manner defeat the effectiveness of a call for redemption if notice thereof is given as
16 above prescribed. Each further notice of redemption given hereunder shall contain
17 the information required above for an official notice of redemption plus (A) the
18 CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as
19 originally issued; (C) the rate of interest borne by each Bond being redeemed;
20 (D) the maturity date of each Bond being redeemed; and (E) any other descriptive
21 information needed to identify accurately the Bonds being redeemed. Each further
22 notice of redemption may be sent at least 20 days before the redemption date to
23 each party entitled to receive notice pursuant to Section 23 and with such additional
24 information as the City shall deem appropriate, but such mailings shall not be a
25 condition precedent to the redemption of such Bonds.
26



(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 6, including, but not limited to, the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 7. Form of Bonds and Certificate of Authentication. The Bonds shall be in substantially the following form with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby:

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA, WASHINGTON
SEWER REVENUE AND REFUNDING BOND, 2015

INTEREST RATE: % MATURITY DATE: CUSIP NO.:
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The City of Tacoma, Washington, a municipal corporation of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from _____, 2015, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20__, and semiannually thereafter on the first days of December and June. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.



1 This bond is one of an authorized issue of bonds of like date and tenor,
2 except as to number, amount, rate of interest, date of maturity and rights of
3 redemption, in the aggregate principal amount of \$_____, and is issued
4 pursuant to Ordinance No. _____ passed by the Council on _____, 2015
5 (the "Bond Ordinance") to provide the funds necessary to defease and/or refund
6 certain outstanding sewer revenue bonds of the City, to finance and/or reimburse
costs related to the acquisition, construction, and installation of additions and
improvements to and equipment for the City's municipal sewer system, to fund the
debt service reserve fund, and to pay costs of issuance.

7 The bonds of this issue are subject to redemption at the option of the City as
8 provided in the Bond Ordinance.

9 As security for the payment of the principal of, premium, if any, and interest
10 on all Parity Bonds the City has pledged in accordance with the provisions of the
11 Bond Ordinance, subject to the provisions of the Bond Ordinance restricting or
12 permitting the application thereof, (a) the proceeds of the sale of Parity Bonds to
13 the extent held in funds established or continued by the Bond Ordinance, (b) Net
14 Revenues and ULID Assessments and (c) the money and assets credited to the
Sewer Fund and the Bond Fund and the income therefrom. The pledge of Net
Revenues, money and assets credited to the Sewer Fund and the Bond Fund and
ULID Assessments constitutes a lien and charge on Net Revenues, said Funds
and ULID Assessments superior to all other charges of any kind or nature.

15 The City hereby irrevocably covenants and agrees with the registered owner
16 of this bond that it will keep and perform all the covenants of this bond and of the
17 Bond Ordinance to be by it kept and performed. Reference is hereby made to the
Bond Ordinance for a complete statement of such covenants.

18 Bonds are interchangeable for bonds of any authorized denomination of
19 equal aggregate principal amount and of the same interest rate and maturity upon
20 presentation and surrender to the Bond Registrar.

21 This bond shall not be valid or become obligatory for any purpose or be
22 entitled to any security or benefit under the Bond Ordinance until the Certificate of
Authentication hereon shall have been manually signed by the Bond Registrar.

23 It is hereby certified that all acts, conditions and things required by the
24 Constitution and statutes of the State of Washington and the charter and
25 ordinances of the City to exist and to have happened, been done and performed
26 precedent to and in the issuance of this bond do exist and have happened, been
done and performed and that the issuance of this bond and the bonds of this series
does not violate any constitutional, statutory or other limitation upon the amount of
bonded indebtedness that the City may incur.



1 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this
2 bond to be signed with the manual or facsimile signature of the Mayor and attested
3 by the manual or facsimile signature of the City Clerk, and the seal of the City to be
impressed or a facsimile thereof to be imprinted hereon, as of this ____ day of
_____, 2015.

4 [SEAL]

5 CITY OF TACOMA, WASHINGTON

6 By _____
7 /s/ manual or facsimile
Mayor

8 ATTEST:

9 _____
10 /s/ manual or facsimile
City Clerk

11 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
12 substantially the following form:
13

14 CERTIFICATE OF AUTHENTICATION

15 This bond is one of the bonds described in the within-mentioned Bond Ordinance
16 and is one of the Sewer Revenue and Refunding Bonds, 2015 of the City of
Tacoma, Washington, dated _____, 2015.

17 WASHINGTON STATE FISCAL AGENCY, as Bond Registrar

18 By _____
19

20 Section 8. Execution of Bonds. The Bonds shall be executed on behalf of
21 the City with the manual or facsimile signatures of the Mayor and City Clerk of the
22 City and the seal of the City shall be impressed, imprinted or otherwise reproduced
23 thereon.
24

25 Only such Bonds as shall bear thereon a Certificate of Authentication in the
26 form provided herein, manually executed by the Bond Registrar, shall be valid or



1 obligatory for any purpose or entitled to the benefits of this ordinance. Such
2 Certificate of Authentication shall be conclusive evidence that the Bonds so
3 authenticated have been duly executed, authenticated and delivered hereunder and
4 are entitled to the benefits of this ordinance.

5
6 In case either of the officers who shall have executed the Bonds shall cease
7 to be an officer or officers of the City before the Bonds so signed shall have been
8 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds
9 may nevertheless be authenticated, delivered and issued and upon such
10 authentication, delivery and issuance, shall be as binding upon the City as though
11 those who signed the same had continued to be such officers of the City. Any Bond
12 may be signed and attested on behalf of the City by such persons who at the date
13 of the actual execution of such Bond, are the proper officers of the City, although at
14 the original date of such Bond any such person shall not have been such officer of
15 the City.
16

17
18 Section 9. Application of Bond Proceeds; Refunding Plan.

19 (a) Construction Fund. There is hereby created and established a
20 separate fund to be known as the "2015 Sewer Bond Construction Fund" (the
21 "Construction Fund"). A portion of the proceeds of the Bonds shall be deposited
22 into the Construction Fund for application to the payment of the costs of the
23 Projects and to pay costs of issuance for the Bonds (if not provided for under
24 subsection (b) below) as set forth in the closing memorandum for the Bonds.
25
26



1 Except as provided by the Code, the income from the investment of Bond
2 proceeds in the Construction Fund shall be deposited in the Construction Fund and
3 applied to the payment of the costs of the Projects.

4 Except as provided by the Code, if any money allocable to the Bond
5 proceeds remains in the Construction Fund after payment of all the costs of the
6 Projects or after termination of the Projects by the City, such money shall be
7 transferred to the Bond Fund and applied after consultation with Bond Counsel to
8 the payment of the principal of or interest on the Bonds.

9 Pending application as described in this Section 9 and subject to the
10 requirements of the Code, money allocable to the Bond proceeds in the
11 Construction Fund may be temporarily invested in Permitted Investments.

12 (b) Refunding Plan. For the purpose of realizing a debt service savings,
13 the City proposes to defease and/or refund the Refunded Bonds as set forth herein.
14 If the Designated Representative determines that it is in the best interest of the City
15 to proceed with the refunding authorized herein, the Designated Representative
16 shall designate all or a portion of the Refunding Candidates as Refunded Bonds
17 and such designation shall be set forth in the Bond Purchase Contract.

18 A portion of the proceeds of the Bonds shall be deposited with the Refunding
19 Trustee pursuant to the Escrow Deposit Agreement to be used immediately upon
20 receipt thereof to defease the Refunded Bonds as authorized by the 2006 Bond
21 Ordinance and to pay costs of issuance of the Bonds. The net proceeds deposited
22 with the Refunding Trustee shall be used to defease the Refunded Bonds and
23 discharge the obligations thereon by the purchase of certain Acquired Obligations
24
25
26



1 bearing such interest and maturing as to principal and interest in such amounts and
2 at such times which, together with any necessary beginning cash balance, will
3 provide for the payment of:

4 (1) interest on the Refunded Bonds as such becomes due on and
5 prior to the Call Date; and
6

7 (2) the redemption price (100 percent of the principal amount) of
8 the Refunded Bonds on the Call Date.

9 Such Acquired Obligations shall be purchased at a yield not greater than the
10 yield permitted by the Code and regulations relating to acquired obligations in
11 connection with refunding bond issues.
12

13 A beginning cash balance, if any, and the Acquired Obligations shall be
14 deposited irrevocably with the Refunding Trustee in an amount sufficient to defease
15 the Refunded Bonds. In order to carry out the purposes of this Section 9, the
16 Finance Director is authorized and directed to execute and deliver to the Refunding
17 Trustee, an Escrow Deposit Agreement.
18

19 The City hereby sets aside sufficient funds out of the purchase of Acquired
20 Obligations from proceeds of the Bonds to make the payments described above.

21 The City hereby calls the Refunded Bonds for redemption on the Call Date in
22 accordance with the provisions of the 2006 Bond Ordinance authorizing the
23 redemption and retirement of the 2006 Bonds prior to their fixed maturities.
24

25 Said defeasance and call for redemption of the Refunded Bonds shall be
26 irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations
to the Refunding Trustee.



1 The Refunding Trustee is hereby authorized and directed to provide for the
2 giving of notices of the defeasance and/or redemption of the Refunded Bonds in
3 accordance with the applicable provisions of the 2006 Bond Ordinance. The costs
4 of publication of such notices shall be an expense of the City.
5

6 The Refunding Trustee is hereby authorized and directed to pay to the
7 Finance Director, or, at the direction of the Finance Director, to the paying agent for
8 the Refunded Bonds, sums sufficient to pay, when due, the payments specified in
9 this Section 9. All such sums shall be paid from the moneys and Acquired
10 Obligations deposited with the Refunding Trustee, and the income therefrom and
11 proceeds thereof. All such sums so paid to or to the order of the Finance Director
12 shall be credited to the Refunding Account. All moneys and Acquired Obligations
13 deposited with the Refunding Trustee and any income therefrom shall be held,
14 invested (but only at the direction of the Finance Director) and applied in
15 accordance with the provisions of this ordinance and with the laws of the State for
16 the benefit of the City and owners of the Refunded Bonds.
17
18

19 The City will take such actions as are found necessary to see that all
20 necessary and proper fees, compensation and expenses of the Refunding Trustee
21 for the Refunded Bonds shall be paid when due.
22

23 Section 10. Sewer Fund. A special fund of the City has been created and
24 designated the "Sewer Fund". The City covenants and agrees that so long as any
25 of the Parity Bonds are outstanding, it will pay or cause to be paid into the Sewer
26 Fund all Gross Revenues exclusive of ULID Assessments and earnings on money
and investments in any construction fund, the Rate Stabilization Fund, the Bond



1 Fund and any rebate fund, which earnings may be retained in such funds or
2 accounts or transferred to other funds or accounts as permitted or required by this
3 ordinance.

4 The amounts on deposit in the Sewer Fund shall be used only for the
5 following purposes and in the following order of priority:
6

7 (a) To pay or provide for Costs of Maintenance and Operation.

8 (b) To make all payments required to be made into the Interest Account
9 in the Bond Fund or to make any Payment in accordance with Section 17.

10 (c) To make all payments required to be made into the Principal Account
11 in the Bond Fund and to make all payments into the Term Bond Retirement
12 Account in the Bond Fund.

13 (d) To make all payments pursuant to a reimbursement agreement
14 ranking on a parity of lien with the Parity Bonds and entered into in connection with
15 a Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility
16 with respect to the Reserve Fund, *and after the Outstanding Parity Bonds are fully*
17 *redeemed, refunded or defeased*, into any other reserve fund created in the future
18 for the payment of debt service on Parity Bonds; provided, that if there is not
19 sufficient money to make all payments under reimbursement agreements the
20 payments will be made on a pro rata basis.

21 (e) To make all payments required to be made into the Reserve Fund to
22 secure the payment of any Covered Bonds, *and after the Outstanding Parity Bonds*
23 *are fully redeemed, refunded or defeased*, into any other reserve fund created in
24 the future for the payment of debt service on Parity Bonds.
25
26



1 (f) To make all payments required to be made into any special fund or
2 account created to pay or secure the payment of obligations issued having a lien
3 upon amounts in the Sewer Fund junior and inferior to the lien thereon for the
4 payment of the principal of and interest on the Parity Bonds.
5

6 (g) To pay any taxes (or payments in lieu of taxes) upon the System
7 payable to the City.

8 (h) To make payments into the Rate Stabilization Fund for the purposes
9 set forth in Section 12 or for any lawful purpose of the City related to the System.
10

11 Section 11. Bond Fund.

12 (a) A special fund of the City designated the "City of Tacoma Sewer
13 Revenue Bond Fund" (the "Bond Fund") has previously been created by the City.
14 The Bond Fund shall be used solely for the purposes of paying the principal of,
15 premium, if any, and interest on Parity Bonds and retiring Parity Bonds prior to
16 maturity in the manner provided herein or in any Parity Bond Ordinance.
17

18 The Bond Fund contains four funds and accounts: the Interest Account, the
19 Principal Account, the Term Bond Retirement Account, and the Reserve Fund. At
20 the option of the City, separate funds and accounts may be created in the Bond
21 Fund for the purpose of paying or securing the payment of principal, premium, if
22 any, and interest on any series of Parity Bonds. The City hereby obligates and
23 binds itself irrevocably to set aside and to pay into the Bond Fund all ULID
24 Assessments and out of the Sewer Fund certain fixed amounts sufficient (together
25 with other available funds on hand and paid into the Bond Fund) to pay the principal
26 of, premium, if any, and interest on the Bonds and all other Parity Bonds



1 outstanding pursuant to this ordinance and all other Parity Bond Ordinances when
2 due, either at maturity or in accordance with the terms of any Sinking Fund
3 Requirement schedule established for the retirement of Term Bonds. The fixed
4 amounts to be paid into the Bond Fund, to the extent that such payments are not
5 made from ULID Assessments, bond proceeds or from other legally available
6 money, shall be made out of the Sewer Fund in the following order of priority: first,
7 into the Interest Account; second, into the Principal Account and Term Bond
8 Retirement Account; and third, into the Reserve Fund. The City may create
9 subaccounts within such funds and accounts for the purpose of paying the Bonds.
10
11

12 (1) Interest Account. In the case of all Parity Bonds, no later than the
13 day prior to the date on which an installment of interest is due on any Parity Bonds,
14 the City shall transfer from the Sewer Fund to the Interest Account in the Bond
15 Fund an amount (together with other money as is on hand and available in such
16 Account) equal to the installment of interest then due on all outstanding Parity
17 Bonds.
18

19 (2) Principal Account and Term Bond Retirement Account. No later
20 than the day prior to the date upon which an installment of principal on Parity Bonds
21 that are Serial Bonds is due, the City shall transfer from the Sewer Fund to the
22 Principal Account in the Bond Fund an amount (together with such other money as
23 is on hand and available in such Account) equal to the installment of principal then
24 due on all outstanding Parity Bonds that are Serial Bonds.
25

26 No later than the day prior to the Sinking Fund Requirement date, the City
will transfer from the Sewer Fund to the Term Bond Retirement Account an amount



1 (together with such other money as is available and on hand in such account) equal
2 to the Sinking Fund Requirement for such date.

3 The City will apply all the money paid into the Term Bond Retirement
4 Account to the redemption or purchase of Term Bonds on the next ensuing Sinking
5 Fund Requirement due date (or may so apply such money prior to the Sinking Fund
6 Requirement due date). In addition to redeeming Term Bonds, the City may apply
7 the money paid into the Term Bond Retirement Account to retire Term Bonds by
8 purchasing such Term Bonds at a purchase price (including any brokerage charge)
9 that is not in excess of the principal amount thereof, in which event the principal of
10 such Term Bonds so purchased will be credited against the ensuing Sinking Fund
11 Requirement. If, as of any January 1, the principal amount of Term Bonds retired
12 by purchase or redemption exceeds the cumulative amount required to be
13 redeemed by Sinking Fund Requirement on or before such January 1, then the
14 excess may be credited against Sinking Fund Requirements in the manner
15 determined by the City at the time of the purchase or redemption. Any such
16 purchase of Term Bonds by the City may be made with or without tenders of such
17 Term Bonds in such manner as the City will deem, in its discretion, to be in its best
18 interest.

19
20
21
22 (3) Reserve Fund.

23 (A) A Reserve Fund has been created in the Bond Fund for
24 the purpose of securing the payment of the principal of and interest on the Covered
25 Bonds. *After the Outstanding Parity Bonds are fully redeemed, refunded or*
26 *defeased*, the City may create separate reserve funds and establish separate



1 Reserve Fund Requirements, if any, to secure the payment of the principal of and
2 interest on Parity Bonds.

3 The City hereby covenants and agrees that on the date of Closing for the
4 Bonds it shall pay into the Reserve Fund out of proceeds of such Bonds and other
5 funds lawfully available therefor and/or acquire Qualified Insurance or a Qualified
6 Letter of Credit so that the amount in the Reserve Fund at least equals the Reserve
7 Fund Requirement.
8

9 The City may, at any time, substitute Qualified Insurance or a Qualified
10 Letter of Credit for the money and investments in the Reserve Fund or may
11 substitute money and investments for Qualified Insurance or a Qualified Letter of
12 Credit in accordance with this subsection. The face amount of such Qualified
13 Insurance or Qualified Letter of Credit shall be at least equal to the amount of the
14 money or investments for which the Qualified Insurance or Qualified Letter of Credit
15 is substituted.
16

17
18 (B) Valuation of the amount in the Reserve Fund and all
19 subaccounts therein shall be made by the City on each December 31 and may be
20 made on any other date. Such valuation shall be at the market value of the
21 obligations in such fund and such subaccounts (including accrued interest);
22 provided, that investments which mature within one year shall be valued at their
23 maturity value.
24

25 (C) In the event of the issuance of any Future Parity Bonds
26 that are Covered Bonds, the Parity Bond Ordinance authorizing the issuance of
such Future Parity Bonds shall provide for further and additional approximately



1 equal monthly payments into the Reserve Fund from the money in the Sewer Fund,
2 in such amounts and at such times so that by no later than five years from the date
3 of issuance of such Future Parity Bonds or by the final maturity established for such
4 series of Future Parity Bonds, whichever occurs first, there will be credited to the
5 Reserve Fund an amount equal to the Reserve Fund Requirement.
6

7 Notwithstanding the foregoing provisions of this subparagraph (C), the proceedings
8 authorizing the issuance of Future Parity Bonds that are Covered Bonds, to the
9 extent permitted under the Code, may provide for payments into the Reserve Fund
10 from the proceeds of such Future Parity Bonds or from any other money lawfully
11 available therefor, or may provide for the City to obtain Qualified Insurance or a
12 Qualified Letter of Credit for amounts required by subparagraph (E) of this section
13 or parallel provisions in other Parity Bond Ordinances to be paid out of the Reserve
14 Fund. The face amount of any such Qualified Insurance or Qualified Letter of
15 Credit may be credited against the amounts required to be maintained in the
16 Reserve Fund by this section or parallel provisions in other Parity Bond Ordinances
17 to the extent that such payments and credits to be made are insured by an
18 insurance company or guaranteed by a letter of credit from a financial institution.
19

20
21 On receipt of a notice of cancellation of any Qualified Letter of Credit or
22 Qualified Insurance or upon notice that the entity providing the Qualified Letter of
23 Credit or Qualified Insurance no longer meets the requirements specified herein,
24 the City shall substitute a Qualified Letter of Credit or Qualified Insurance in the
25 amount required to make up the deficiency created in the Reserve Fund or in the
26 alternative shall create a special account in the Sewer Fund and deposit therein, on



1 or before the 25th day of each of the 36 succeeding calendar months (commencing
2 with the 25th day of the calendar month next following the date of the notice) one
3 thirty-sixth of the amount sufficient, together with other money and investments on
4 deposit in the Reserve Fund, to equal the Reserve Fund Requirement in effect as of
5 the date the cancellation or disqualification of the entity becomes effective. Those
6 amounts shall be deposited in the special account from money in the Sewer Fund
7 after making provision for payment of Costs of Maintenance and Operation and for
8 required payments into the Bond Fund. Amounts on deposit in that special account
9 shall not be available to pay debt service on Covered Bonds or for any other
10 purpose of the City, and shall be transferred to the Reserve Fund on the effective
11 date of any cancellation of a Qualified Letter of Credit or Qualified Insurance to
12 make up all or part of the deficiency caused thereby. Amounts in that special
13 account or in the Reserve Fund may be transferred to the Sewer Fund and used for
14 any purpose if and when qualifying Qualified Letter of Credit or Qualified Insurance
15 is obtained.

19 (D) If at any time the money and value of Permitted
20 Investments in the Reserve Fund shall exceed the amount of money and value of
21 Permitted Investments then required to be maintained therein, such excess may be
22 transferred to the Sewer Fund.

24 (E) In the event that there shall be a deficiency in the Interest
25 Account, Principal Account or Term Bond Retirement Account in the Bond Fund
26 with respect to Covered Bonds, the City shall promptly make up such deficiency
from the Reserve Fund by the withdrawal of cash therefrom for that purpose and by



1 the sale or redemption of obligations held in the Reserve Fund, if necessary, in
2 such amounts as will provide cash in the Reserve Fund sufficient to make up any
3 such deficiency, and if a deficiency still exists immediately prior to a Payment Date
4 and after the withdrawal of cash, the City shall then draw from any Qualified Letter
5 of Credit, Qualified Insurance, or other equivalent credit facility in sufficient amount
6 to make up the deficiency. Such draw shall be made at such times and under such
7 circumstances as the agreement for such Qualified Letter of Credit or Qualified
8 Insurance shall provide. The City covenants and agrees that any deficiency
9 created in the Reserve Fund by reason of any withdrawal therefrom for payment
10 into the Interest Account, Principal Account or Term Bond Retirement Account shall
11 be made up from money in the Sewer Fund first available after providing for the
12 required payments into such Interest, Principal and Term Bond Retirement
13 Accounts and after providing for payments under a reimbursement agreement
14 entered into by the City under Section 19; *provided, after the Outstanding Parity*
15 *Bonds are fully redeemed, refunded or defeased*, any such deficiency shall be
16 made up within 12 months of such deficiency.

20 (F) When a series of Covered Bonds is refunded in whole or in
21 part, money may be withdrawn from the Reserve Fund to pay or provide for the
22 payment of refunded Covered Bonds; provided that immediately after such
23 withdrawal there shall remain in or be credited to the Reserve Fund money and
24 Permitted Investments in an amount equal to the Reserve Fund Requirement or so
25 much thereof as is then required to be maintained.



1 (b) In making the payments and credits to the Principal Account, Interest
2 Account, Term Bond Retirement Account and Reserve Fund required by this
3 Section 11 and parallel provisions in other Parity Bond Ordinances, to the extent
4 that such payments are made from bond proceeds, from money in any Capitalized
5 Interest account, or from other money that may legally be available, such payments
6 are not required to be made from the Sewer Fund.
7

8 (c) Money in the Bond Fund shall be transmitted to the Bond Registrar in
9 amounts sufficient to meet the maturing installments of principal of, premium, if any,
10 and interest on all Parity Bonds when due. All money remaining in the Bond Fund
11 after provision for the payment in full of the principal of, premium, if any, and
12 interest on all Parity Bonds shall be returned to the Sewer Fund.
13

14 The Bond Fund shall be drawn upon solely for the purpose of paying the
15 principal of, premium, if any, and interest on Parity Bonds. Money set aside from
16 time to time with the Bond Registrar for such payment shall be held in trust for the
17 owners of Parity Bonds in respect of which the same shall have been so set aside.
18 Until so set aside, and except as otherwise provided herein, all money in the Bond
19 Fund shall be held in trust for the benefit of the owners of all Parity Bonds at the
20 time outstanding equally and ratably.
21

22 (d) Money in the Bond Fund may, at the option of the City, be invested
23 and reinvested as permitted by law in Permitted Investments maturing, or which are
24 redeemable at the option of the owner, prior to the date needed or prior to the
25 maturity date of the final installment of principal of the Parity Bonds payable out of
26 the Bond Fund. At the City's option, earnings on investments in the Bond Fund



1 may be retained in the Bond Fund or transferred to the Sewer Fund, except that
2 earnings on investments in the Reserve Fund shall first be applied to remedy any
3 deficiency in such fund.

4 (e) Money in each of the subaccounts and funds established in this
5 Section 11 may be used, if necessary, to pay Rebate Amounts to the extent that
6 such Rebate Amounts are directly attributable to earnings on such subaccount.

7
8 Section 12. Rate Stabilization Fund. A special fund of the City designated
9 the "Rate Stabilization Fund" has been established by the City in the Sewer Fund.
10 In accordance with the priorities set forth in this ordinance, the City may from time
11 to time deposit Net Revenues into the Rate Stabilization Fund and may from time to
12 time withdraw amounts therefrom to enhance rate stability or for other lawful
13 purposes of the City related to the System.

14
15 Section 13. Security for Parity Bonds. All Parity Bonds are special limited
16 obligations of the City payable from and secured solely by a charge and lien as set
17 forth in this paragraph. There are hereby pledged as security for the payment of
18 the principal of, premium, if any, and interest on all Parity Bonds in accordance with
19 the provisions of this ordinance, subject to the provisions of this ordinance
20 restricting or permitting the application thereof, (a) the proceeds of the sale of Parity
21 Bonds to the extent held in funds established or continued by this ordinance,
22 (b) Net Revenues and ULID Assessments and (c) the money and assets credited to
23 the Sewer Fund and the Bond Fund and the income therefrom. The pledge of Net
24 Revenues, money and assets credited to the Sewer Fund and Bond Fund and ULID
25
26



1 Assessments constitutes a lien and charge on the Net Revenues, the funds and
2 ULID Assessments superior to all other charges of any kind or nature.

3 All Parity Bonds hereafter outstanding shall be equally and ratably payable
4 and secured hereunder without priority by reason of date of adoption of the
5 ordinance providing for their issuance or by reason of their number or date of sale,
6 issuance, execution or delivery, or by the liens, pledges, charges, trusts,
7 assignments and covenants made herein, except as otherwise expressly provided
8 or permitted in this ordinance and except as to insurance which may be obtained by
9 the City to insure the repayment of one or more series or maturities within a series.
10

11 Parity Bonds shall not in any manner or to any extent constitute general
12 obligations of the City or of the State, or any political subdivision of the State, or a
13 charge upon any general fund or upon any money or other property of the City or of
14 the State, or of any political subdivision of the State, not specifically pledged thereto
15 by this ordinance.
16

17 Section 14. Adequacy of Revenue of System to Make Required Payments.
18 The Council declares, in fixing the amounts to be paid into the Bond Fund as
19 provided herein, that it has exercised due regard for Costs of Maintenance and
20 Operation and has not obligated the City to set aside and pay into the Bond Fund a
21 greater amount of the Gross Revenues than in its judgment will be available over
22 and above such Costs of Maintenance and Operation.
23

24 Section 15. Defeasance. In the event that the City, to effect the payment,
25 retirement or redemption of any Bond, sets aside in the Bond Fund or in another
26 special account, cash or noncallable Government Obligations, or any combination



1 of cash and/or noncallable Government Obligations, in amounts and maturities
2 which, together with the known earned income therefrom, are sufficient to redeem
3 or pay and retire such Bond in accordance with its terms and to pay when due the
4 interest and redemption premium, if any, thereon, and such cash and/or noncallable
5 Government Obligations are irrevocably set aside and pledged for such purpose,
6 then no further payments need be made into the Bond Fund for the payment of the
7 principal of and interest on such Bond. The owner of a Bond so provided for shall
8 cease to be entitled to any lien, benefit or security of this ordinance except the right
9 to receive payment of principal, premium, if any, and interest from the Bond Fund or
10 such special account, and such Bond shall be deemed to be not outstanding under
11 this ordinance.
12
13

14 The City shall give written notice of defeasance to the registered owners of
15 all Bonds so provided for within 20 days of the defeasance and to each party
16 entitled to receive notice in accordance with Section 23.
17

18 Section 16. Covenants. The City covenants and agrees with the owners of
19 the Bonds, from time to time for as long as any such Bonds are outstanding, as
20 follows:
21

22 (a) Rate Covenant – General. The City shall establish, maintain and
23 collect rates or charges in connection with the ownership and operation of the
24 System that shall be fair and nondiscriminatory and adequate to provide Gross
25 Revenues sufficient for the payment of the principal of and interest on all Parity
26 Bonds for which payment has not otherwise been provided and all amounts that the
City is obligated to set aside in the Bond Fund, for the proper operation and



1 maintenance of the System, and for the payment of all amounts that the City may
2 now or hereafter become obligated to pay from Gross Revenues.

3 (b) Rate Covenant – Coverage. The City shall establish, maintain and
4 collect rates or charges in connection with the ownership and operation of the
5 System sufficient to provide Net Revenues in any calendar year hereafter in an
6 amount equal to at least 1.30 times the Adjusted Annual Debt Service. *After all of*
7 *the Outstanding Parity Bonds are fully redeemed, refunded or defeased, this*
8 *requirement shall read as follows:* The City shall establish, maintain and collect
9 rates or charges in connection with the ownership and operation of the System
10 sufficient to provide Net Revenues in any calendar year hereafter in an amount
11 equal to at least 1.25 times the Adjusted Annual Debt Service.
12

14 Solely for purposes of calculating the coverage requirement set forth above,
15 there shall be added to Gross Revenues in any Fiscal Year any amount withdrawn
16 from the Rate Stabilization Fund in such Fiscal Year and deposited in the Sewer
17 Fund, and there shall be subtracted from Gross Revenues in any Fiscal Year any
18 amount withdrawn from the Sewer Fund and deposited in the Rate Stabilization
19 Fund. *After all of the Outstanding Parity Bonds are fully redeemed, refunded or*
20 *defeased, credits to or from the Rate Stabilization Fund that occur within 90 days*
21 *after the end of a Fiscal Year may be treated as occurring within such Fiscal Year.*
22

24 The calculation of the coverage requirement set forth above, and in
25 Section 18, and the City's compliance therewith, may be made solely with reference
26 to this ordinance without regard to future changes in generally accepted accounting
principles. If the City has changed one or more of the accounting principles used in



1 the preparation of its financial statements, because of a change in generally
2 accepted accounting principles or otherwise, then an event of default relating to this
3 coverage requirement shall not be considered an event of default if the coverage
4 requirement ratio would have been complied with had the City continued to use
5 those accounting principles employed at the date of the most recent audited
6 financial statements prior to the date of this ordinance.

8 (c) Maintenance and Operation Standards. The City will at all times keep
9 and maintain the System in good repair, working order and condition, and will at all
10 times operate the System and the business in connection therewith in an efficient
11 manner and at a reasonable cost.

13 (d) Disposal of Properties. The City shall not sell, mortgage, lease or
14 otherwise dispose of the properties constituting the System except as provided by
15 law and subject to such additional restrictions as are provided in this section and as
16 may be provided in a reimbursement agreement with respect to Qualified Insurance
17 or a Qualified Letter of Credit, as follows:

19 (1) The City will not sell, mortgage, lease or otherwise dispose of the
20 System in its entirety unless simultaneously with such sale or other disposition,
21 provision is made for the payment, redemption or other retirement of all Parity
22 Bonds then outstanding.

24 (2) Except as provided in paragraph (3) below, the City will not sell,
25 mortgage, lease or otherwise dispose of any part of the System in excess of
26 5 percent of the book value of the net utility plant of the System unless provision is



1 made for the payment, redemption or other retirement of a principal amount of
2 Parity Bonds equal to the greater of the following amounts:

3 (A) An amount that will be in the same proportion to the net
4 Bond Obligation of Parity Bonds then outstanding (defined as the total Bond
5 Obligation of such Parity Bonds outstanding less the amount of cash and
6 investments in the Principal Account and Term Bond Retirement Account in the
7 Bond Fund) that the revenues attributable to the part of the System sold or
8 disposed of for the 12 preceding months bears to the total revenues for such
9 period; or
10

11 (B) An amount that will be in the same proportion to the net
12 Bond Obligation of Parity Bonds then outstanding that the book value of the part of
13 the System sold or disposed of bears to the book value of the entire System
14 immediately prior to such sale or disposition.
15

16 (3) The City may sell, lease, mortgage or otherwise dispose of any
17 part of the System which shall have become unserviceable, inadequate, obsolete or
18 unfit to be used in the operation of the System, or no longer necessary, material to
19 or useful in such operation.
20

21 (4) The proceeds of the sale, lease or disposal of any part of the
22 System shall be deposited in the Sewer Fund.
23

24 (5) If the sale, lease, mortgage or other disposal of any part of the
25 System is valued in excess of 10 percent of the book value of the physical assets of
26 the System, an opinion of an Engineer, based on financial statements of the
System for the most recent Fiscal Year available, shall be delivered in connection



1 with such disposition demonstrating that such sale, mortgage, lease or other
2 disposal would not prevent the City from meeting the requirements of Section 16(b).

3 (e) No Free Service. Except as permitted by law for the support of the
4 poor and infirm and otherwise permitted by law in an amount per year not
5 exceeding 1/10 of 1 percent of annual Costs of Maintenance and Operation, the
6 City will not furnish sanitary and storm sewage collection and disposal service to
7 any customer whatsoever free of charge.
8

9 (f) Books and Accounts – Operating Statement. The City shall keep and
10 maintain proper books and accounts with respect to the operations, income and
11 expenditures of the System that are in accordance with proper and legal accounting
12 procedures. On or before 120 days after each Fiscal Year of the City's operation of
13 the System, it will prepare or cause to be prepared an operating statement of the
14 System for such preceding Fiscal Year. Each such statement shall contain a
15 statement in detail of the Gross Revenues, Costs of Maintenance and Operation,
16 and expenses for capital purposes of the System for such Fiscal Year, shall contain
17 a statement as of the end of such year showing the status of all the funds and
18 accounts created by the various ordinances pertaining to the operation of the
19 System and authorizing the issuance of outstanding bonds payable from the
20 revenue of the System, and shall contain a statement of the number of sanitary and
21 storm sewage collection and disposal customers per class of customer at the end of
22 such year. Copies of such statement shall be placed on file in the office of the
23 Department of Finance and shall be open to inspection at any reasonable time by
24 any owner of the Bonds or of any other outstanding bonds of the City payable out of
25
26



1 the Gross Revenues of the System. Upon the request of any owner of Parity
2 Bonds, the City shall provide a copy of such statement to such owner. All expenses
3 incurred in the maintenance of such books and accounts and the preparation of
4 such statement may be regarded and paid as an expense of operation of the
5 System.
6

7 (g) Insurance. The City will keep the System insured, and will carry such
8 other insurance, with responsible insurers, with policies payable to the City, against
9 risks, accidents or casualties, at least to the extent that insurance is usually carried
10 by municipal corporations operating like properties; provided, however, that the City
11 may, if deemed necessary and advisable by the Council, institute or continue a
12 self-insurance program with respect to any or all of the aforementioned risks. In the
13 event of any loss or damage, the City will promptly deposit the insurance proceeds
14 into any construction fund hereafter created for the System, and use such funds to
15 repair or replace the damaged portion of the insured property and apply the
16 proceeds of any insurance policy or self-insurance funding for that purpose; or in
17 the event the City should determine not to repair or reconstruct such damaged
18 portion of the properties of the City, the proceeds of such insurance or self-
19 insurance funding shall be transferred to the Reserve Fund to the extent that such
20 transfer shall be necessary to make up any deficiency in the Reserve Fund and the
21 balance, if any, shall, at the option of the City, be used for repairs, renewals,
22 replacements, or additions to or extension of the System or be used in the
23 retirement of Parity Bonds prior to maturity, either by purchase at prices not to
24 exceed the next applicable redemption price or by call for redemption.
25
26



1 (h) Tax Covenants. The City covenants that it will not take or permit to be
2 taken on its behalf any action that would adversely affect the exemption from
3 federal income taxation of the interest on the Bonds and will take or require to be
4 taken such acts as may reasonably be within its ability and as may from time to
5 time be required under applicable law to continue the exemption from federal
6 income taxation of the interest on the Bonds.
7

8 (1) Arbitrage Covenant. Without limiting the generality of the
9 foregoing, the City covenants that it will not take any action or fail to take any action
10 with respect to the proceeds of sale of the Bonds or any other funds of the City
11 which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the
12 Code and the regulations promulgated thereunder which, if such use had been
13 reasonably expected on the dates of delivery of the Bonds to the initial purchasers
14 thereof, would have caused the Bonds to be treated as "arbitrage bonds" within the
15 meaning of such term as used in Section 148 of the Code. The City will comply
16 with the requirements of Section 148 of the Code and the applicable regulations
17 thereunder throughout the term of the Bonds.
18

19 (2) Private Person Use Limitation for Bonds. The City covenants
20 that for as long as the Bonds are outstanding, it will not permit:
21

22 (A) More than 10 percent of the Net Proceeds of the Bonds
23 to be allocated to any Private Person Use; and
24

25 (B) More than 10 percent of the principal or interest
26 payments on the Bonds in a Bond Year to be directly or indirectly: (1) secured by
any interest in property used or to be used for any Private Person Use or secured



1 by payments in respect of property used or to be used for any Private Person Use,
2 or (2) derived from payments (whether or not made to the City) in respect of
3 property, or borrowed money, used or to be used for any Private Person Use.

4 The City further covenants that, if:

5 (C) More than 5 percent of the Net Proceeds of the Bonds
6 are allocable to any Private Person Use; and

7 (D) More than 5 percent of the principal or interest payments
8 on the Bonds in a Bond Year are (under the terms of this ordinance or any
9 underlying arrangement) directly or indirectly:

10 (i) secured by any interest in property used or to be
11 used for any Private Person Use or secured by payments in respect of property
12 used or to be used for any Private Person Use, or

13 (ii) derived from payments (whether or not made to
14 the City) in respect of property, or borrowed money, used or to be used for any
15 Private Person Use, then, (1) any Private Person Use of the projects described in
16 subsection (C) hereof or Private Person Use payments described in subsection (D)
17 hereof that is in excess of the 5 percent limitations described in such
18 subsections (C) or (D) will be for a Private Person Use that is related to the state or
19 local governmental use of the Projects financed and/or refinanced by the proceeds
20 of the Bonds; and (2) any Private Person Use will not exceed the amount of Net
21 Proceeds of the Bonds allocable to the state or local governmental use portion of
22 the Projects to which the Private Person Use of such portion of the Projects
23 financed and/or refinanced by the proceeds of the Bonds relate. The City further
24
25
26



1 covenants that it will comply with any limitations on the use of the Projects financed
2 and/or refinanced by the proceeds of the Bonds by other than state and local
3 governmental users that are necessary, in the opinion of its bond counsel, to
4 preserve the tax exemption of the interest on the Bonds.
5

6 (3) Modification of Tax Covenants. The covenants of this section
7 are specified solely to assure the continued exemption from regular income taxation
8 of the interest on the Bonds. To that end, the provisions of this section may be
9 modified or eliminated without any requirement for formal amendment thereof upon
10 receipt of an opinion of the City's bond counsel that such modification or elimination
11 will not adversely affect the tax exemption of interest on any Bonds.
12

13 (4) The City does not designate the Bonds as "qualified tax-
14 exempt obligations" under Section 265(b)(3) of the Code for investment by financial
15 institutions.
16

17 Section 17. Parity Derivative Products. For purposes of this Section 17, the
18 following words shall have the following definitions:

19 (a) "Payment" means any payment (designated as such by an ordinance
20 or resolution) required to be made by or on behalf of the City under a Payment
21 Agreement and which is determined according to a formula set forth in the Payment
22 Agreement.
23

24 (b) "Parity Payment Agreement" means a Payment Agreement under
25 which the City's payment obligations are expressly stated to be secured by a pledge
26 of and lien on Net Revenues on an equal and ratable basis with the Net Revenues



1 required to be paid into the Bond Fund to pay and secure the payment of the
2 principal of and interest on Parity Bonds.

3 (c) "Payment Agreement" means a written agreement, for the purpose of
4 managing or reducing the City's exposure to fluctuations or levels of interest rates,
5 currencies or commodities or for other interest rate, investment, asset or liability
6 management purposes, entered into on either a current or forward basis by the City
7 and a Qualified Counterparty, all as authorized by any applicable laws of the State.
8 Such agreement may or may not be characterized by a structure of reciprocity of
9 payment.
10

11
12 (d) "Payment Date" means any date specified in the Payment Agreement
13 on which a City Payment or Receipt is due and payable under the Payment
14 Agreement.

15 (e) "Receipt" means any payment (designated as such by an ordinance
16 or resolution) to be made to, or for the benefit of, the City under a Payment
17 Agreement by the Payor.
18

19 (f) "Payor" means a Qualified Counterparty to a Payment Agreement that
20 is obligated to make one or more payments thereunder.

21 (g) "Qualified Counterparty" means a party (other than the City or a party
22 related to the City) who is the other party to a Payment Agreement that has or
23 whose obligations are unconditionally guaranteed by a party that has at least an
24 investment grade rating from a rating agency (who, if the City's Parity Bonds are
25 rated by Moody's, must have a rating of at least "A") and who is otherwise qualified
26



1 to act as the other party to a Payment Agreement under any applicable laws of the
2 State.

3 A Payment made under a Payment Agreement may be on a parity with the
4 Bonds if the Payment Agreement satisfies the requirements for Future Parity Bonds
5 described in Section 18, taking into consideration regularly scheduled Payments
6 and Receipts (if any) under a Payment Agreement. The following shall be
7 conditions precedent to the use of any Payment Agreement on a parity with the
8 Bonds:
9

10 (1) The City shall obtain an opinion of Bond Counsel on the due
11 authorization and execution of such Payment Agreement, the validity and
12 enforceability thereof and opining that the action proposed to be taken is authorized
13 or permitted by this ordinance or the applicable provisions of any supplemental
14 ordinance and will not adversely affect the excludability for federal income tax
15 purposes of the interest on any outstanding Parity Bonds.
16

17 (2) Prior to entering into a Payment Agreement, the City shall
18 adopt an ordinance, which shall:
19

20 (A) set forth the manner in which the Payments and
21 Receipts are to be calculated and a schedule of Payment Dates;
22

23 (B) establish general provisions for the rights of parties to
24 Payment Agreements; and

25 (C) set forth such other matters as the City deems
26 necessary or desirable in connection with the management of Payment Agreements
as are not clearly inconsistent with the provisions of this ordinance.



1 The Payment Agreement may oblige the City to pay, on one or more
2 scheduled and specified Payment Dates, the Payments in exchange for the Payor's
3 obligation to pay or to cause to be paid to the City, on scheduled and specified
4 Payment Dates, the Receipts. The City may also enter into Payment Agreements
5 that are not reciprocated by the other party to the agreement.
6

7 If the City enters into a Parity Payment Agreement, Payments shall be made
8 from the Interest Account in the Bond Fund and Annual Debt Service shall include
9 any regularly scheduled City Payments adjusted by any regularly scheduled
10 Receipts during a Fiscal Year. Receipts shall be paid directly into the Bond Fund.
11 Obligations to make unscheduled payments, such as termination payments, may
12 not be entered into on a parity with the Parity Bonds.
13

14 Nothing in this section shall preclude the City from entering into Payment
15 Agreements with a claim on Net Revenues junior to that of the Bonds.
16 Furthermore, nothing in this section shall preclude the City from entering into
17 obligations on a parity with the Bonds in connection with the use of Payment
18 Agreements or similar instruments if the City obtains an opinion of Bond Counsel
19 that the obligations of the City thereunder are consistent with this ordinance.
20

21 Section 18. Future Parity Bonds.

22 (a) The City reserves the right to issue Future Parity Bonds from time to
23 time as may be required for any lawful purpose of the City relating to the System,
24 including but not limited to, acquiring, constructing and installing additions and
25 improvements to and extensions of, acquiring necessary equipment for, or making
26



1 necessary renewals, replacements or repairs and capital improvements to the
2 System and refunding any outstanding indebtedness.

3 (b) The City covenants that Future Parity Bonds shall be issued only
4 upon compliance with the following conditions:
5

6 (1) At the times of the issuance of such Future Parity Bonds there
7 is no deficiency in the Bond Fund or in any of the funds and accounts therein.

8 (2) With respect to Covered Bonds, the ordinances authorizing the
9 issuance of the Future Parity Bonds shall require that there shall be paid into the
10 Reserve Fund in the Bond Fund (A) from the proceeds of such Future Parity Bonds
11 an amount such that the amount on deposit in the Reserve Fund, allowing for any
12 amount covenanted in an ordinance authorizing the issuance of outstanding Parity
13 Bonds to be paid into such Fund over five years, is equal to the Reserve Fund
14 Requirement, or (B) from the Sewer Fund in approximately equal monthly
15 payments, such amounts and at such times so that by no later than five years from
16 the date of issuance of such Future Parity Bonds or by the final maturity established
17 for such series of Future Parity Bonds, whichever occurs first, there will be credited
18 to the Reserve Fund an amount equal to the Reserve Fund Requirement. Upon the
19 issuance of any series of Future Parity Bonds, the City shall recalculate the
20 Reserve Fund Requirement, which recalculated Reserve Fund Requirement shall
21 become effective as of such date of recalculation.
22
23
24

25 (3) If such Future Parity Bonds are being issued to pay costs
26 incurred or to be incurred for purposes other than refunding purposes as described
in subsection 18(c), there shall be on file with the City Clerk either:



1 (A) A certificate of the Finance Director of the City stating
2 that Net Revenues in any 12 consecutive months out of the most recent 24 months
3 preceding the delivery of the bonds then proposed to be issued, as determined from
4 the financial statements of the System, were not less than 1.30 times Maximum
5 Adjusted Annual Debt Service on all outstanding Parity Bonds and the bonds then
6 proposed to be issued; *provided, after all of the Outstanding Parity Bonds are fully*
7 *redeemed, refunded or defeased, this requirement shall read as follows: A*
8 *certificate of the Finance Director of the City stating that Net Revenues in any*
9 *12 consecutive months out of the most recent 24 months preceding the delivery of*
10 *the bonds then proposed to be issued, as determined from the financial statements*
11 *of the System, were not less than 1.25 times Maximum Adjusted Annual Debt*
12 *Service on all outstanding Parity Bonds and the bonds then proposed to be issued.*
13 *In issuing such certificate the Finance Director shall reflect in the certificate the Net*
14 *Revenues he or she estimates would have been collected in such 12-month period*
15 *if the Council at any time on or prior to the date of delivery of the bonds proposed to*
16 *be issued had adopted any adjustment in the rates, fees and charges collected by*
17 *the City for the services to the System if such new rates, fees and charges had*
18 *been in effect for the entire 12-month period, or*

22 (B) A certificate of an Engineer or a Certified Public
23 Accountant showing that the "Adjusted Net Revenues" (as determined herein) for
24 each calendar year during the life of the bonds proposed to be issued will equal not
25 less than 1.30 times Maximum Adjusted Annual Debt Service on all outstanding
26 Parity Bonds and the bonds then proposed to be issued; *provided, after all of the*



1 *Outstanding Parity Bonds are fully redeemed, refunded or defeased, this*
2 *requirement shall read as follows: A certificate of an Engineer or a Certified Public*
3 *Accountant showing that the "Adjusted Net Revenues" (as determined herein) for*
4 *each calendar year during the life of the bonds proposed to be issued will equal not*
5 *less than 1.25 times Maximum Adjusted Annual Debt Service on all outstanding*
6 *Parity Bonds and the bonds then proposed to be issued.*

8 The "Adjusted Net Revenues" shall be the Net Revenues for a period of any
9 12 consecutive months out of the 24 months immediately preceding the date of
10 delivery of such proposed Future Parity Bonds (the "Base Period") as adjusted by
11 such Engineer or Certified Public Accountant to take into consideration changes in
12 Net Revenues estimated to occur under the following conditions for each year after
13 such delivery for so long as any Parity Bonds, including the Future Parity Bonds
14 proposed to be issued, shall be outstanding:

16 (1) the additional Net Revenues that would have been
17 received if any change in rates and charges adopted prior to the date of such
18 certificate and subsequent to the beginning of the Base Period and effective within
19 12 months had been in force during the full Base Period;

21 (2) the additional Net Revenues that would have been
22 received if any facility of the System that became fully operational after the
23 beginning of the Base Period had been so operating for the entire Base Period;

25 (3) the additional Net Revenues estimated by such
26 Engineer or Certified Public Accountant to be received as a result of any additions
and improvements to and extensions of any facilities of the System which are



1 (a) under construction at the time of such certificate or (b) will be constructed or
2 acquired from the proceeds of the Future Parity Bonds to be issued;

3 (4) the additional Net Revenues that would have been
4 received if any customers added to the System during the Base Period or
5 subsequent thereto were customers for the entire Base Period, and
6

7 (5) ninety percent of the additional Net Revenues estimated
8 by such Engineer or Certified Public Accountant to be derived from the new
9 customers that will be added to the System in the first 12 months after the
10 completion of the construction of the improvements to be made thereto or from
11 acquisitions out of the proceeds of the sale of such Future Parity Bonds.
12

13 Such Certified Public Accountant or Engineer may rely upon, and the
14 Certified Public Accountant or Engineer's certificate shall have attached thereto,
15 financial statements of the System, certified by the Finance Director, showing
16 income and expenses for the period upon which the same is based.
17

18 (c) Refunding Bonds. In the event that any Future Parity Bonds provided
19 for in this section are issued for refunding purposes and the issuance of such
20 refunding Future Parity Bonds results in a present value monetary saving to the City
21 and such refunding Future Parity Bonds will not require an increase of greater than
22 \$5,000 in debt service payments to be paid in any fiscal or calendar year thereafter
23 than would have been required to be paid in the same fiscal or calendar year for
24 Annual Debt Service on the bonds being refunded, then paragraph (3) of
25 subsection 18(b) need not be complied with to permit such refunding Future Parity
26



1 Bonds to be issued, although the provisions of paragraphs (1) and (2) of
2 subsection 18(b) must still be complied with.

3 (d) Junior Lien Bonds. Nothing herein shall prevent the City from issuing
4 bonds, notes, warrants or other obligations payable from and secured by a lien and
5 charge junior to the lien and charge securing the payment of Parity Bonds.
6

7 Section 19. Reimbursement Obligations. In the event that the City elects to
8 meet the requirements of subsection 11(a)(3) with respect to the Reserve Fund as
9 to any issue of Parity Bonds through the use of a Qualified Letter of Credit,
10 Qualified Insurance or other equivalent credit enhancement, the City may contract
11 with the entity providing such Qualified Letter of Credit, Qualified Insurance or other
12 equivalent credit enhancement that the City's reimbursement obligation, if any, to
13 such entity ranks on a parity of lien with the Parity Bonds.
14

15 In the event that the City elects additionally to secure any issue of Variable
16 Interest Rate Bonds through the use of a letter of credit, insurance or other
17 equivalent credit enhancement, the City may contract with the entity providing such
18 letter of credit, insurance or other equivalent credit enhancement that the City's
19 reimbursement obligation, if any, to such entity ranks on a parity of lien with the
20 Parity Bonds; provided, that the payments due under such reimbursement
21 agreement are such that if such reimbursement obligation were a series of Future
22 Parity Bonds, such Future Parity Bonds could be issued in compliance with the
23 provisions of Section 18.
24
25
26



1 Section 20. Sale of Bonds.

2 (a) Bond Sale. The Bonds shall be sold by negotiated sale to the
3 Underwriter selected by the Designated Representative pursuant to the terms of
4 this ordinance and the Bond Purchase Contract. The Designated Representative is
5 hereby authorized to select the Underwriter that submits the proposal that is in the
6 best interest of the City.
7

8 Market conditions are fluctuating and, as a result, the most favorable market
9 conditions may occur on a day other than a regular meeting date of the Council.
10 The Council has determined that it would be in the best interest of the City to
11 delegate to the Designated Representative for a limited time the authority to select
12 the Underwriter, approve the selection of Refunded Bonds (if any) and approve the
13 final interest rates, aggregate principal amount, principal amounts of each maturity,
14 and redemption rights for the Bonds.
15

16 Subject to the terms and conditions set forth in this Section 20, the
17 Designated Representative is hereby authorized to enter into the Bond Purchase
18 Contract with the Underwriter to issue and sell the Bonds upon his or her approval
19 of the final interest rates, maturity dates, aggregate principal amounts, principal
20 maturities, and redemption rights set forth therein for the Bonds in accordance with
21 the authority granted by this section so long as:
22

23 (1) the aggregate principal amount of the Bonds does not exceed
24 \$125,000,000,
25

26 (2) the final maturity date for the Bonds is no later than
December 1, 2045,



1 (3) the Bonds are sold (in the aggregate) at a price not less than
2 97 percent and not greater than 130 percent,

3 (4) the Bonds are sold for a price that results in an aggregate
4 minimum net present value debt service savings over the Refunded Bonds of at
5 least 5 percent,
6

7 (5) the true interest cost for the Bonds (in the aggregate) does not
8 exceed 5.5 percent, and

9 (6) the Bonds conform to all other terms of this ordinance.
10

11 Subject to the terms and conditions set forth in this section, the Designated
12 Representative is hereby authorized to execute the Bond Purchase Contract. The
13 signature of one Designated Representative shall be sufficient to bind the City.

14 Following the execution of the Bond Purchase Contract, the Designated
15 Representative shall provide a report to the City Council describing the final terms
16 of the Bonds approved pursuant to the authority delegated in this section. The
17 authority granted to the Designated Representative by this Section 20 shall expire
18 120 days after the effective date of this ordinance. If a Bond Purchase Contract for
19 the Bonds has not been executed within 120 days after the effective date of this
20 ordinance, the authorization for the issuance of the Bonds shall be rescinded and
21 the Bonds shall not be issued nor their sale approved unless such Bonds shall have
22 been reauthorized by ordinance of the City Council. The ordinance reauthorizing
23 the issuance and sale of such Bonds may be in the form of a new ordinance
24 repealing this ordinance in whole or in part or may be in the form of an amendatory
25
26



1 ordinance approving a bond purchase contract or establishing terms and conditions
2 for the authority delegated under this Section 20.

3 (b) Delivery of Bonds; Documentation. Upon the passage and approval
4 of this ordinance, the proper officials of the City, including the Finance Director,
5 Treasurer, and City Manager, are authorized and directed to undertake all action
6 necessary for the prompt execution and delivery of the Bonds to the Underwriter
7 and further to execute all closing certificates and documents required to effect the
8 closing and delivery of the Bonds in accordance with the terms of this ordinance
9 and the Bond Purchase Contract.
10

11
12 Section 21. Approval of Official Statement. The Finance Director is hereby
13 authorized to ratify and to deem final the preliminary Official Statement relating to
14 the Bonds for the purposes of the Rule. The Finance Director is further authorized
15 to ratify and to approve for purposes of the Rule, on behalf of the City, the final
16 Official Statement relating to the issuance and sale of the Bonds and the
17 distribution of the final Official Statement pursuant thereto with such changes, if
18 any, as may be deemed by him or her to be appropriate.
19

20 Section 22. Supplemental Ordinances.

21 (a) The Council from time to time and at any time may pass an ordinance
22 or ordinances supplemental hereto, which ordinance or ordinances thereafter shall
23 become a part of this ordinance, for any one or more or all of the following
24 purposes:
25

26 (1) To add to the covenants and agreements of the City contained
in this ordinance other covenants and agreements thereafter to be observed which



1 shall not adversely affect the interests of the owners of any Parity Bonds or to
2 surrender any right or power reserved to or conferred upon the City.

3 (2) To make such provisions for the purpose of curing any
4 ambiguities or of curing, correcting or supplementing any defective provision
5 contained in this ordinance or any ordinance authorizing Parity Bonds in regard to
6 matters or questions arising under such ordinances as the Council may deem
7 necessary or desirable and not inconsistent with such ordinances and which shall
8 not adversely affect the interest of the owners of the Parity Bonds. Any such
9 supplemental ordinance of the City may be passed without the consent of the
10 owners of any Parity Bonds at any time outstanding, notwithstanding any of the
11 provisions of subsection (b) of this section, if the City obtains an opinion of Bond
12 Counsel to the effect that such supplemental ordinance is solely for one or more of
13 the purposes stated above and will not adversely affect the interests of the owners
14 of Parity Bonds.

15 (b) With the consent of the owners of not less than 51 percent in
16 aggregate Bond Obligations of the Parity Bonds at the time outstanding, the City
17 may pass an ordinance or ordinances supplemental hereto for the purpose of
18 adding any provisions to or changing in any manner or eliminating any of the
19 provisions of this ordinance or of any supplemental ordinance; provided, however,
20 that no such supplemental ordinance shall:

21 (1) Extend the fixed maturity of any Parity Bonds, or reduce the
22 rate of interest thereon, or extend the times of payment of interest thereon from
23 their due dates, or reduce the amount of the principal thereof, or reduce any
24



1 premium payable on the redemption thereof, without the consent of the owner of
2 each bond so affected; or

3 (2) Reduce the aforesaid percentage of bondowners required to
4 approve any such supplemental ordinance, without the consent of the owners of all
5 of the Parity Bonds then outstanding.
6

7 It shall not be necessary for the consent of bondowners under this
8 subsection (b) to approve the particular form of any proposed supplemental
9 ordinance, but it shall be sufficient if such consent shall approve the substance
10 thereof.
11

12 (c) Upon the passage of any supplemental ordinance pursuant to the
13 provisions of this section, this ordinance shall be deemed to be modified and
14 amended in accordance therewith, and the respective rights, duties and obligations
15 of the City under this ordinance and of all owners of Parity Bonds outstanding
16 hereunder shall thereafter be determined, exercised and enforced thereunder,
17 subject in all respects to such modification and amendments, and all the terms and
18 conditions of any such supplemental ordinance shall be deemed to be part of the
19 terms and conditions of this ordinance for any and all purposes.
20

21 Section 23. Ongoing Disclosure.

22 (a) Contract/Undertaking. This section constitutes the City's written
23 undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds
24 as required by Section (b)(5) of the Rule.
25

26 (b) Financial Statements/Operating Data. The City agrees to provide or
cause to be provided to the MSRB the following annual financial information and



1 operating data for the prior fiscal year (commencing in 2015 for the fiscal year
2 ended December 31, 2014):

3 (1) Annual financial statements, which statements may or may not
4 be audited, showing ending fund balances for the System prepared in accordance
5 with Generally Accepted Accounting Principles prescribed by the Washington State
6 Auditor pursuant to RCW 43.09.200 (or any successor statute);

7 (2) Principal amount of outstanding Parity Bonds and debt service
8 coverage;

9 (3) Rates for the System substantially as provided in the rate
10 ordinance approved by the Council; and

11 (4) Number of wastewater and surface water customers.

12 Items (2)–(4) shall be required only to the extent that such information is not
13 included in the annual financial statements.

14 The information and data described above shall be provided on or before the
15 last day of the ninth month after the end of the City's fiscal year. The City's current
16 fiscal year ends December 31. The City may adjust such fiscal year by providing
17 written notice of the change of fiscal year to the MSRB. In lieu of providing such
18 annual financial information and operating data, the City may cross-reference to
19 other documents available to the public on the MSRB's internet website or filed with
20 the Commission.

21 If not provided as part of the annual financial information discussed above,
22 the City shall provide the City's audited annual financial statement prepared in
23 accordance with Generally Accepted Accounting Principles prescribed by the
24



1 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute)
2 when and if available to the MSRB.

3 (c) Listed Events. The City agrees to provide or cause to be provided to
4 the MSRB, in a timely manner not in excess of 10 business days after the
5 occurrence of the event, notice of the occurrence of any of the following events with
6 respect to the Bonds:
7

- 8 • Principal and interest payment delinquencies;
- 9 • Non-payment related defaults, if material;
- 10 • Unscheduled draws on debt service reserves reflecting financial
- 11 difficulties;
- 12 • Unscheduled draws on credit enhancements reflecting financial
- 13 difficulties;
- 14 • Substitution of credit or liquidity providers, or their failure to perform;
- 15 • Adverse tax opinions, the issuance by the Internal Revenue Service of
- 16 proposed or final determinations of taxability, Notices of Proposed
- 17 Issue (IRS Form 5701-TEB) or other material notices or
- 18 determinations with respect to the tax status of the Bonds, or other
- 19 material events affecting the tax status of the Bonds;
- 20 • Modifications to the rights of Bondholders, if material;
- 21 • Optional, contingent or unscheduled Bond calls other than scheduled
- 22 sinking fund redemptions for which notice is given pursuant to
- 23 Exchange Act Release 34 23856, if material, and tender offers;
- 24
- 25
- 26



- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) Format for Filings with the MSRB. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) Notification Upon Failure to Provide Financial Data. The City agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.



1 (f) Termination/Modification. The City's obligations to provide annual
2 financial information and notices of certain listed events shall terminate upon the
3 legal defeasance, prior redemption or payment in full of all of the Bonds. Any
4 provision of this section shall be null and void if the City (i) obtains an opinion of
5 Bond Counsel to the effect that the portion of the Rule that requires that provision is
6 invalid, has been repealed retroactively or otherwise does not apply to the Bonds
7 and (ii) notifies the MSRB of such opinion and the cancellation of this section.
8

9 The City may amend this section with an opinion of Bond Counsel in
10 accordance with the Rule. In the event of any amendment of this section, the City
11 shall describe such amendment in the next annual report, and shall include a
12 narrative explanation of the reason for the amendment and its impact on the type
13 (or in the case of a change of accounting principles, on the presentation) of financial
14 information or operating data being presented by the City. In addition, if the
15 amendment relates to the accounting principles to be followed in preparing financial
16 statements, (A) notice of such change shall be given in the same manner as for a
17 listed event under subsection (c), and (B) the annual report for the year in which the
18 change is made shall present a comparison (in narrative form and also, if feasible,
19 in quantitative form) between the financial statements as prepared on the basis of
20 the new accounting principles and those prepared on the basis of the former
21 accounting principles.
22
23
24

25 (g) Bond Owner's Remedies Under This Section. The right of any
26 bondowner or Beneficial Owner of Bonds to enforce the provisions of this section
shall be limited to a right to obtain specific enforcement of the City's obligations



1 under this section, and any failure by the City to comply with the provisions of this
2 undertaking shall not be an event of default with respect to the Bonds.

3 (h) No Default. Except as otherwise disclosed in the City's Official
4 Statement relating to the Bonds, the City is not and has not been in default in the
5 performance of its obligations of any prior undertaking for ongoing disclosure with
6 respect to its obligations.
7

8 Section 24. Lost or Destroyed Bonds. In case any Bonds shall be lost,
9 stolen or destroyed, the Bond Registrar may authenticate and deliver a new
10 Bond(s) of like series, amount, date, tenor, and effect to the owner thereof upon the
11 owner paying the expenses and charges of the City in connection therewith and
12 upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that
13 such Bond(s) were actually lost, stolen or destroyed and of ownership thereof, and
14 upon furnishing the City with indemnity satisfactory to both.
15

16 Section 25. Severability. If any one or more of the covenants or agreements
17 provided in this ordinance to be performed on the part of the City shall be declared
18 by any court of competent jurisdiction to be contrary to law, then such covenant or
19 covenants, agreement or agreements, shall be null and void and shall be deemed
20 separable from the remaining covenants and agreements of this ordinance and
21 shall in no way affect the validity of the other provisions of this ordinance or of the
22 Bonds.
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Section 26. Effective Date. This ordinance shall take effect and be in force
10 days after its passage, approval and publication as required by law.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel to the City of Tacoma

By _____



CLERK'S CERTIFICATE

I, the undersigned, the duly chosen, qualified City Clerk of the City of Tacoma, Washington, and keeper of the records of the Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. ____ (herein called the "Ordinance") is a true and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the Council held on the 13th day of January, 2015, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City as of this 13th day of January, 2015.

City Clerk
City of Tacoma, Washington

**ORDINANCE NO. 28279**

AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance and sale of one or more series of solid waste revenue and refunding bonds of the City in the aggregate principal amount of not to exceed \$75,000,000 to refund certain outstanding solid waste revenue bonds, to finance the acquisition, construction, and installation of additions and improvements to and equipment for the solid waste system, to fund the debt service reserve fund, and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the final terms of the bonds.

WHEREAS the City of Tacoma, Washington (the "City") now owns, maintains and operates a garbage and refuse collection and disposal system (the "System"), and

WHEREAS the City has issued and has outstanding the following solid waste revenue bonds:

Designation	Authorizing Documents	Date of Ordinance	Principal Amount Outstanding as of December 1, 2014
Solid Waste Utility Revenue Bonds, 2006 Series A (the "2006A Bonds")	Ordinance No. 27489, as amended by Ordinance No. 27492, and Substitute Resolution No. 36905	5/16/2006, 6/13/2006, and 6/27/2006, respectively	\$ 28,455,000
Solid Waste Utility Revenue Refunding Bonds, 2006 Series B (the "2006B Bonds")	Ordinance No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance No. 27523	5/16/2006, 6/13/2006, and 9/12/2006, respectively	21,975,000
Solid Waste Utility Revenue Refunding Bonds, 2008 (the "2008 Bonds")	Ordinance No. 27736 and Substitute Resolution No. 37575	8/5/2008 and 8/19/2008, respectively	7,635,000



1 (The outstanding solid waste revenue bonds identified above are referred to as the
2 "Outstanding Parity Bonds" and the authorizing documents identified above are
3 referred to as the "Outstanding Parity Bond Ordinances"), and

4 WHEREAS the Outstanding Parity Bond Ordinances provide that additional
5 solid waste revenue bonds may be issued with a lien on the operating revenue of
6 the System on a parity with the lien of the Outstanding Parity Bonds if certain
7 conditions are met, and

9 WHEREAS the ordinances authorizing the issuance of the 2006A Bonds
10 and the 2006B Bonds (together, the "2006 Bonds") provide that the 2006 Bonds
11 may be defeased and/or refunded prior to their stated maturities at the option of
12 the City on or after December 1, 2016, at a price of par plus accrued interest to
13 their date of redemption, and

15 WHEREAS, after due consideration, it appears to the City Council (the
16 "Council") that defeasing and refunding all or a portion of the 2006 Bonds (the
17 "Refunding Candidates") to modify the debt service schedule and otherwise
18 restructure the 2006 Bonds is in the best interest of the City, and

20 WHEREAS the City has adopted a capital improvement program for the
21 System which includes certain additions and improvements to and the equipping of
22 the System as described therein (the "Projects"), and

24 WHEREAS the Projects include the acquisition and construction of
25 improvements that are intended to have environmental benefits, such as the
26



1 acquisition of diesel and/or compressed natural gas hybrids and hydraulic
2 transmission collection vehicles and the construction of related facilities, and

3 WHEREAS the Council deems it in the best interest of the City to issue one
4 or more series of solid waste revenue and refunding bonds in the aggregate
5 principal amount of not to exceed \$75,000,000 (the "Bonds") to redeem and
6 defease all or a portion of the Refunding Candidates, to finance and/or reimburse a
7 portion of the costs of the Projects, to fund the debt service reserve fund, and to
8 pay costs of issuing the Bonds, and
9

10 WHEREAS the Council wishes to delegate authority to the City Finance
11 Director and Treasurer, or their designee (each, a "Designated Representative") for
12 a limited time, to select the Refunding Candidates to be refunded, if any, and to
13 approve the interest rates, maturity dates, redemption terms, principal maturities
14 and other terms for the Bonds within the parameters set by this ordinance, and
15

16 WHEREAS the Bonds shall be sold by negotiated sale as set forth herein;
17

18 Now, Therefore,

19 BE IT ORDAINED BY THE CITY OF TACOMA:
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* This Table of Contents is provided for convenience only and is not a part of this ordinance.



1 Section 1. Definitions and Interpretation of Terms.

2 (a) Definitions. As used in this ordinance, the following words shall
3 have the following meanings:

4 "Accreted Value" means, with respect to any Capital Appreciation Bond, as
5 of the time of calculation, the sum of the amount representing the initial principal
6 amount of such bond plus interest accrued, compounded thereon as of the most
7 recent compounding date. With respect to any particular Payment Date, the
8 Accreted Value is the amount set forth on the Accreted Value Table included as
9 part of the form of Capital Appreciation Bond. In the event the Accreted Value of
10 any Capital Appreciation Bond is required to be determined as of a date other than
11 the Payment Date, the Accreted Value shall be determined by adding to the
12 Accreted Value for the next preceding Payment Date the product obtained by
13 multiplying (a) the difference between the Accreted Value for the next Payment
14 Date and the Accreted Value for the next preceding Payment Date, by (b) the ratio
15 obtained by dividing by 180 the number of days elapsed since the next preceding
16 Payment Date (calculated on the basis of a 360-day year of twelve 30-day
17 months).

18 "Accreted Value Table" means the Accreted Value Table printed on the
19 Capital Appreciation Bonds reflecting the Accreted Value of such Capital
20 Appreciation Bonds as of any Payment Date.



1 “Acquired Obligations” means noncallable direct obligations of, or
2 obligations the principal of and interest on which are unconditionally guaranteed
3 by, the United States Government.

4 “Adjusted Net Revenues” has the meaning set forth in Section 16 of this
5 ordinance.
6

7 “Annual Debt Service” means the amount required in any calendar year to
8 be paid for the principal of and interest on all Parity Bonds that are Serial Bonds
9 then outstanding together with the amount required in such calendar year to make
10 the annual required payments into any Sinking Fund Account heretofore or
11 hereafter created to amortize Term Bonds, excluding interest to be paid from the
12 proceeds of the sale of Parity Bonds.
13

14 In the case of Variable Interest Rate Bonds, for the purpose of calculating
15 Annual Debt Service for purposes of the Future Parity Bond tests outlined in
16 Section 16 and the Reserve Fund Requirement, the interest rate thereon shall be
17 calculated on the assumption that such bonds will bear interest during such period
18 at a rate equal to the lesser of (a) the Maximum Interest Rate or (b) the rate most
19 recently reported by The Bond Buyer as the Bond Buyer Municipal Bond Index for
20 long-term revenue bonds; provided, that if on such date of calculation the interest
21 rate on such bonds shall then be fixed for a specified period, including, pursuant to
22 a Payment Agreement as provided in Section 15, the interest rate used for such
23 specified period for the purpose of the foregoing calculation shall be such actual
24 interest rate. *After all of the Outstanding Parity Bonds are fully redeemed,*
25
26



1 *refunded or defeased, this paragraph shall read as follows:* In the case of Variable
2 Interest Rate Bonds, for the purpose of calculating Annual Debt Service for
3 purposes of the Future Parity Bond tests outlined in Section 16 and the Reserve
4 Fund Requirement, the interest rate thereon shall be equal to the higher of (i) the
5 average of the SIFMA Municipal Swap Index over the 60-month period
6 immediately preceding the date of computation, or (ii) the average of the SIFMA
7 Municipal Swap Index over the 12-month period immediately preceding the date of
8 computation, in each case as determined within ten days prior to the date of
9 computation, with the principal thereof amortized to provide for essentially level
10 annual debt service of principal and interest over such period; provided, that if on
11 such date of calculation the interest rate on any Variable Interest Rate Bonds shall
12 then be fixed for a specified period, including pursuant to a Payment Agreement,
13 the interest rate used for such specified period shall be such fixed interest rate.

14
15
16 For purposes of computing Annual Debt Service on any Parity Bonds which
17 constitute Balloon Indebtedness, it shall be assumed that the principal of such
18 Balloon Indebtedness, together with interest thereon at the rate applicable to such
19 Balloon Indebtedness, shall be amortized in equal annual installments over a term
20 equal to the lesser of (a) 25 years or (b) the average weighted useful life
21 (expressed in years and rounded to the next highest integer) of the properties and
22 assets constituting the project (if any) financed out of the proceeds of such Balloon
23 Indebtedness.
24
25
26



1 *After all of the Outstanding Parity Bonds are fully redeemed, refunded or*
2 *defeased, for purposes of satisfying the coverage test pursuant to Section 14 or*
3 *the requirements for the issuance of Future Parity Bonds pursuant to Section 16,*
4 *Annual Debt Service for any Fiscal Year or calendar year shall exclude any Debt*
5 *Service Offsets received or expected to be received in such Fiscal Year or*
6 *calendar year.*

8 “Balloon Indebtedness” means any series of Parity Bonds more than
9 25 percent of the principal of which, in accordance with the terms of such Parity
10 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
11 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
12 provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
13 shall only be treated as Balloon Indebtedness if more than 25 percent of the
14 principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
15 Fund Requirement or upon the stated maturity date thereof (assuming that the only
16 principal due on the stated maturity date thereof will be the principal remaining
17 outstanding after all redemptions have been made pursuant to the applicable
18 Sinking Fund Requirement).

21 “Bond Counsel” means an attorney at law or a firm of attorneys, selected by
22 the City, of nationally recognized standing in matters pertaining to the tax-exempt
23 nature of interest on bonds issued by states and their political subdivisions.

25 “Bond Fund” means the Solid Waste Revenue Bond Fund created by the
26 City for the purpose of paying and securing the payment of Parity Bonds.



1 “Bond Purchase Contract” means the contract for the purchase of the Bonds
2 between the Underwriter and the City, executed pursuant to Section 17.

3 “Bond Register” means the registration books maintained by the Bond
4 Registrar for purposes of identifying ownership of the Bonds or the nominee of
5 each owner, and such other information as the Bond Registrar shall determine.
6

7 “Bond Registrar” means, initially, the fiscal agency of the state of
8 Washington, for the purposes of registering and authenticating the Bonds,
9 maintaining the Bond Register, effecting transfer of ownership of the Bonds and
10 paying interest on and principal of the Bonds.
11

12 “Bond Year” means each one-year period that ends on the date selected by
13 the City. The first and last Bond Years may be short periods. If no date is selected
14 by the City before the earlier of the final maturity date of the Tax-Exempt Bonds or
15 the date that is five years after the date of issuance of the Tax-Exempt Bonds,
16 Bond Years end on each anniversary of the date of issue and on the final maturity
17 date of such Tax-Exempt Bonds.
18

19 “Bonds” mean the not to exceed \$75,000,000 aggregate principal amount of
20 solid waste revenue and refunding bonds of the City authorized to be issued in one
21 or more series pursuant to the terms of this ordinance.
22

23 “Call Date” means the date(s) set forth in the Escrow Deposit Agreement for
24 the refunding of the Refunded Bonds.

25 “Capital Appreciation Bonds” mean Parity Bonds, the interest on which
26 accrues and compounds, payable at maturity or earlier redemption.



1 “Certified Public Accountant” means an independent licensed certified public
2 accountant (or firm of certified public accountants) selected by the City.

3 “City” means the City of Tacoma, Washington, a municipal corporation duly
4 organized and existing under and by virtue of the laws of the State.

5 “City Clerk” means the duly appointed and acting City Clerk of the City or
6 the successor to the duties of that office.

7 “City Manager” means the duly appointed and acting City Manager of the
8 City or the successor to the duties of that office.

9 “Closing” means the date of delivery of the Bonds to the Underwriter.

10 “Code” means the Internal Revenue Code of 1986, as amended, and shall
11 include all applicable regulations and rulings relating thereto.

12 “Commission” means the Securities and Exchange Commission.

13 “Construction Fund” means the 2015 Solid Waste Bond Construction Fund
14 created pursuant to Section 9 of this ordinance.

15 “Costs of Maintenance and Operation” means all necessary expenses of
16 operating the System, current maintenance expenses, expenses of reasonable
17 upkeep and repairs, insurance and administrative expenses, reasonable pro rata
18 charges for services provided to the System by City departments and payments
19 pursuant to leases for landfill capacity and hauling disposal, but excludes
20 depreciation, payments for debt service or into reserve accounts or funds, costs of
21 capital additions to or replacements of the System, money necessary to pay
22 extraordinary legal claims and judgments against the System, amortized payments
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1 to the City's self-insurance fund with respect to extraordinary claims and
2 judgments, municipal taxes and payments to the City in lieu of taxes, any Rebate
3 Amount, and closure and post-closure costs associated with the System's landfill.

4 "Council" means the Council of the City as the same shall be duly and
5 regularly constituted from time to time.
6

7 "Covered Bonds" mean the Outstanding Parity Bonds, the Bonds and those
8 Future Parity Bonds designated in the Parity Bond Ordinance authorizing their
9 issuance as Covered Bonds secured by the Reserve Fund.

10 "Current Interest Bonds" means Parity Bonds, the interest on which is paid
11 periodically.
12

13 "Debt Service Account" means the account of that name created in the
14 Bond Fund.

15 "Debt Service Offset" means receipts of the City that are not included in
16 Gross Revenues and that are legally available to pay debt service on Parity Bonds,
17 including without limitation federal interest subsidy payments, designated as such
18 by the City.
19

20 "Designated Representative" means the City Finance Director and
21 Treasurer, or his or her designee. The signature of one Designated Representative
22 shall be sufficient to bind the City.
23

24 "DTC" means The Depository Trust Company, New York, New York.

25 "Engineer" means an independent licensed professional engineer (or firm of
26 licensed professional engineers) selected by the City and experienced and



1 knowledgeable in the operation of solid waste utilities of comparable size and
2 character to the System.

3 "Escrow Deposit Agreement" means the Escrow Deposit Agreement
4 between the City and the Refunding Trustee to be dated as of the date of Closing.
5

6 "Event of Default" has the meaning set forth in Section 19 of this ordinance.

7 "Finance Director" means the duly appointed and acting Finance Director of
8 the City or the successor to the duties of that office.

9 "Fiscal Year" means the fiscal year used by the City at any time. At the time
10 of the adoption of this ordinance, the Fiscal Year is the 12-month period beginning
11 January 1 of each year.
12

13 "Fitch" means Fitch, Inc., a corporation duly organized and existing under
14 and by virtue of the laws of the State of Delaware, and its successors and assigns.

15 "Future Parity Bonds" means any revenue bonds of the City issued after the
16 date of issuance of the Bonds having a charge or lien upon the Net Revenues for
17 payment of the principal thereof and interest thereon equal in priority to the charge
18 or lien upon the Net Revenues for the payment of the principal of and interest on
19 the Outstanding Parity Bonds and the Bonds.
20

21 "Government Obligations" mean those obligations now or hereafter defined
22 as such in chapter 39.53 RCW.
23

24 "Gross Revenues" mean (a) revenues received for the use of the System or
25 from services rendered by the System, (b) the proceeds received by the City from
26 the sale or other disposition of any of the properties of the System, (c) investment



1 income earned on money held in any fund or account of the City in connection with
2 the ownership and operation of the System, including any bond redemption funds,
3 and (d) federal or state reimbursement of operating expenses to the extent that
4 such expenses are included as Costs of Maintenance and Operation, but excluding
5 (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment
6 of any solid waste revenue bonds of the City refunded or defeased pursuant to a
7 plan of refunding heretofore or hereafter adopted by the City, (iii) investment
8 income earned on money in any rebate fund, and (iv) grants, gifts or donations.
9

10 "Letter of Representations" means the blanket issuer letter of
11 representations from the City to DTC.
12

13 "Maximum Annual Debt Service" means at the time of calculation, the
14 maximum amount of Annual Debt Service that will mature or come due in the
15 current Fiscal Year or any future Fiscal Year on the Parity Bonds.
16

17 "Maximum Interest Rate" means, with respect to any particular Variable
18 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any
19 Parity Bond Ordinance authorizing such Bond, which shall be the maximum rate of
20 interest such Bond may at any time bear.
21

22 "Maximum Reserve Requirement" means the maximum dollar amount
23 permitted by the Code to be allocated to a reserve fund from tax-exempt bond
24 proceeds without requiring a balance to be invested at a restricted yield.
25

26 "Moody's" means Moody's Investors Service, Inc. or its comparable
recognized business successor.



1 "MSRB" means the Municipal Securities Rulemaking Board or any
2 successor to its functions.

3 "Net Proceeds," when used with reference to any Tax-Exempt Bonds,
4 means the principal amount of such Tax-Exempt Bonds, plus accrued interest and
5 original issue premium, if any, and less original issue discount, if any.
6

7 "Net Revenues" means Gross Revenues less the Costs of Maintenance and
8 Operation, excluding from the computation of Gross Revenues any proceeds
9 derived from the sale or other disposition, not in the ordinary course of business, of
10 properties, rights or facilities of the System or gains or losses resulting from the
11 early extinguishment of debt.
12

13 "Outstanding Parity Bond Ordinances" mean the ordinances and resolutions
14 authorizing the issuance of the Outstanding Parity Bonds as described in the
15 recitals to this ordinance.
16

17 "Outstanding Parity Bonds" means the outstanding 2006 Bonds and
18 2008 Bonds.

19 "Parity Bond Ordinances" mean the Outstanding Parity Bond Ordinances,
20 this ordinance, and any ordinance hereafter passed for the purpose of authorizing
21 Future Parity Bonds.

22 "Parity Bonds" mean the Outstanding Parity Bonds, the Bonds and any
23 Future Parity Bonds.
24

25 "Payment Date" means the dates on which principal and/or interest on the
26 Parity Bonds is due and payable.



1 "Permitted Investments" means any investments that are now or may
2 hereafter be permitted to the City by the laws of the State.

3 "Private Person" means any natural person engaged in a trade or business
4 or any trust, estate, partnership, association, company, or corporation.
5

6 "Private Person Use" means the use of property in a trade or business by a
7 Private Person if such use is other than as a member of the general public. Private
8 Person Use includes ownership of the property by the Private Person as well as
9 other arrangements that transfer to the Private Person the actual or beneficial use
10 of the property (such as a lease, management or incentive payment contract or
11 other special arrangement) in such a manner as to set the Private Person apart
12 from the general public. Use of property as a member of the general public
13 includes attendance by the Private Person at municipal meetings or business
14 rental of property to the Private Person on a short-term basis in accordance with
15 regulations under the Code if the rental paid by such Private Person is the same as
16 the rental paid by any Private Person who desires to rent the property. Use of
17 property by nonprofit community groups or community recreational groups is not
18 treated as Private Person Use if such use is incidental to the governmental uses of
19 property, the property is made available for such use by all such community groups
20 on an equal basis and such community groups are charged only a *de minimis* fee
21 to cover custodial expenses.
22
23
24

25 "Projects" mean the acquisition, construction, and installation of additions
26 and improvements to and equipment for the System as described in the capital



1 improvement program for the System approved by the City, as such program may
2 be amended from time to time, as further described in Section 3 of this ordinance.

3 "Qualified Insurance" means any municipal bond insurance policy or surety
4 bond issued by any insurance company licensed to conduct an insurance business
5 in any state of the United States (or by a service corporation acting on behalf of
6 one or more such insurance companies), which insurance company or companies,
7 as of the time of issuance of such policy or surety bond, are currently rated in one
8 of the two highest rating categories by Moody's and S&P; *provided, after all of the*
9 *Outstanding Parity Bonds are fully redeemed, refunded or defeased, this definition*
10 *shall be amended to read as follows:* "Qualified Insurance" means any non-
11 cancellable municipal bond insurance policy or surety bond issued by any
12 insurance company licensed to conduct an insurance business in any state of the
13 United States (or by a service corporation acting on behalf of one or more such
14 insurance companies), which insurance company or companies, as of the time of
15 issuance of such policy or surety bond, are currently rated in one of the two highest
16 rating categories by Moody's, S&P or Fitch, or any other rating agency then
17 maintaining a rating on the Bonds.
18

19 "Qualified Letter of Credit" means any letter of credit issued by a financial
20 institution for the account of the City on behalf of the owners of the Bonds, which
21 institution maintains an office, agency or branch in the United States and as of the
22 time of issuance of such letter of credit is currently rated in one of the two highest
23 rating categories by Moody's and S&P; *provided, after all of the Outstanding Parity*
24
25
26



1 Bonds are fully redeemed, refunded or defeased, this definition shall be amended
2 to read as follows: "Qualified Letter of Credit" means any irrevocable letter of
3 credit issued by a financial institution for the account of the City on behalf of the
4 owners of one or more series of Parity Bonds, which institution maintains an office,
5 agency or branch in the United States and as of the time of issuance of such letter
6 of credit is currently rated in one of the two highest rating categories by Moody's,
7 S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.
8

9 "Rate Stabilization Fund" means the fund of that name in the Solid Waste
10 Operating Fund.
11

12 "Rebate Amount" means the amount, if any, determined to be payable with
13 respect to the Bonds by the City to the United States of America in accordance
14 with Section 148(f) of the Code.
15

16 "Refunded Bonds" mean all or a portion of the Refunding Candidates
17 designated by the Designated Representative for defeasance and/or refunding
18 pursuant to Section 9 and Section 17 of this ordinance.

19 "Refunding Account" means the account by that name established pursuant
20 to Section 9 of this ordinance.

21 "Refunding Candidates" means any or all of the 2006 Bonds.

22 "Refunding Trustee" means U.S. Bank National Association.

23 "Registered Owner" means the person named as the registered owner of a
24 Bond in the Bond Register. For so long as the Bonds are held in book-entry only
25 form, DTC or its nominee shall be deemed to be the sole Registered Owner.
26



1 "Reserve Fund" means the Reserve Fund created in the Bond Fund.

2 "Reserve Fund Requirement" is the dollar amount to be calculated with
3 respect to all Covered Bonds and, *after the Outstanding Parity Bonds are fully*
4 *redeemed, refunded or defeased*, separately with respect to other Parity Bonds.
5

6 (a) With respect to Covered Bonds, the Reserve Fund Requirement
7 means as of any date an amount equal to the lesser of (1) the Maximum Annual
8 Debt Service for Covered Bonds then outstanding, (2) 125 percent of average
9 Annual Debt Service for Covered Bonds then outstanding, or (3) 10 percent of the
10 initial face amount of the Covered Bonds then outstanding; provided, however, that
11 the dollar amount required to be contributed, if any, as a result of the issuance of a
12 series of Future Parity Bonds shall not be greater than the Maximum Reserve
13 Requirement. If the dollar amount required to be contributed at the time of
14 issuance of a series of Future Parity Bonds exceeds the Maximum Reserve
15 Requirement, then the amount required to be contributed shall be equal to the
16 Maximum Reserve Requirement.
17
18

19 (b) *After the Outstanding Parity Bonds are fully redeemed, refunded or*
20 *defeased*, with respect to other series of Parity Bonds, the Reserve Fund
21 Requirement shall be equal to the amount, if any, specified in the Parity Bond
22 Ordinance authorizing the issuance of such Parity Bonds.
23

24 "Rule" means the Commission's Rule 15c2-12 under the Securities and
25 Exchange Act of 1934, as the same may be amended from time to time.
26



1 "S&P" means Standard & Poor's Ratings Services, or its comparable
2 recognized business successor.

3 "Serial Bonds" means Parity Bonds other than Term Bonds.

4 "Sinking Fund Requirement" means, for any year, the principal amount of
5 Term Bonds required to be purchased, redeemed or paid in such year pursuant to
6 the mandatory amortization provisions of the ordinance or resolution of the City
7 authorizing the issuance of such Term Bonds.
8

9 "Solid Waste Operating Fund" means the Solid Waste Operating Fund
10 maintained by the City.
11

12 "State" means the state of Washington.

13 "System" means the garbage and refuse collection and disposal system of
14 the City as defined in Section 1 of Ordinance No. 21312, as the same has
15 heretofore been added to, improved and extended and as the same will be added
16 to, improved and extended for so long as any of the Parity Bonds are outstanding.
17

18 "Taxable Bonds" means any Bonds determined to be issued on a taxable
19 basis pursuant to Section 17.

20 "Tax-Exempt Bonds" mean any Bonds determined to be issued on a tax-
21 exempt basis under the Code pursuant to Section 17.

22 "Term Bond Maturity Year" means any year in which any Parity Bonds that
23 are Term Bonds mature.
24

25 "Term Bonds" means Parity Bonds designated by the City as term bonds.
26



1 “Treasurer” means the duly appointed and acting Treasurer of the City or
2 the successor to the duties of that office.

3 “2006 Bond Ordinances” mean, collectively, the ordinances and resolution
4 authorizing the issuance of the 2006 Bonds as described in the recitals of this
5 ordinance.
6

7 “2006 Bonds” mean the 2006A Bonds and the 2006B Bonds.

8 “2006A Bonds” mean the City of Tacoma, Washington Solid Waste Utility
9 Revenue Bonds, 2006 Series A, issued pursuant to Ordinance No. 27489, as
10 amended by Ordinance No. 27492 and by Substitute Resolution No. 36905.
11

12 “2006B Bonds” mean the City of Tacoma, Washington Solid Waste Utility
13 Revenue Refunding Bonds, 2006 Series B, issued pursuant to Ordinance
14 No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance
15 No. 27523.
16

17 “2008 Bonds” mean the City of Tacoma, Washington Solid Waste Utility
18 Revenue Refunding Bonds, 2008, issued pursuant to Ordinance No. 27736 and
19 Substitute Resolution No. 37575.

20 “Underwriter” means, collectively, the initial purchaser or purchasers of the
21 Bonds, as selected by the Designated Representative.
22

23 “Variable Interest Rate” means a variable interest rate or rates to be borne
24 by a series of Parity Bonds or any one or more maturities within a series of Parity
25 Bonds. The method of computing such variable interest rate shall be specified in
26 the bond ordinance authorizing such series of Parity Bonds. Such variable interest



1 rate shall be subject to a Maximum Interest Rate and there may be an initial rate
2 specified, in each case as provided in such bond ordinance, or a stated interest
3 rate that may be changed from time to time as provided in the bond ordinance
4 authorizing such Parity Bonds. Such bond ordinance shall also specify either
5 (a) the particular period or periods of time or manner of determining such period or
6 periods of time for which each value of such variable interest rate shall remain in
7 effect or (b) the time or times upon which any change in such variable interest rate
8 shall become effective.
9

10 "Variable Interest Rate Bonds" for any period of time means Parity Bonds
11 that during such period bear a Variable Interest Rate, provided that Parity Bonds
12 the interest rate on which shall have been fixed for the remainder of the term
13 thereof shall no longer be Variable Interest Rate Bonds.
14

15 (b) Interpretation. In this ordinance, unless the context otherwise
16 requires:
17

18 (1) The terms "hereby," "hereof," "hereto," "herein," "hereunder"
19 and any similar terms, as used in this ordinance, refer to this ordinance as a whole
20 and not to any particular article, section, subdivision or clause hereof, and the term
21 "hereafter" shall mean after, and the term "heretofore" shall mean before, the date
22 of this ordinance;
23

24 (2) Words of the masculine gender shall mean and include
25 correlative words of the feminine and neuter genders and words importing the
26 singular number shall mean and include the plural number and vice versa;



1 (3) Words importing persons shall include firms, associations,
2 partnerships (including limited partnerships), trusts, corporations and other legal
3 entities, including public bodies, as well as natural persons;

4 (4) Any headings preceding the text of the several articles and
5 sections of this ordinance, and any table of contents or marginal notes appended
6 to copies hereof, shall be solely for convenience of reference and shall not
7 constitute a part of this ordinance, nor shall they affect its meaning, construction or
8 effect; and
9

10 (5) All references herein to "articles," "sections" and other
11 subdivisions or clauses are to the corresponding articles, sections, subdivisions or
12 clauses hereof.
13

14 Section 2. Compliance with Parity Conditions. In accordance with the
15 Outstanding Parity Bond Ordinances, which permit the issuance of additional
16 Parity Bonds upon compliance with the conditions set forth therein, the City hereby
17 finds and determines, as follows:
18

19 (a) The Bonds are being issued for lawful purposes of the City related to
20 the System.

21 (b) There is not now and at the time of Closing of the Bonds there shall
22 not be any deficiency in the Bond Fund.
23

24 (c) The Bonds shall be issued as Covered Bonds, and this ordinance
25 provides for payments into the Reserve Fund of amounts and at the times required
26 by the Outstanding Parity Bond Ordinances.



1 (d) At the time of issuance of the Bonds, the City shall have on file a
2 certificate satisfying the parity requirements of the Outstanding Parity Bond
3 Ordinances.

4 The applicable conditions of the Outstanding Parity Bond Ordinances
5 having been or to be complied with in connection with the issuance of the Bonds,
6 the pledge contained herein of Net Revenues to pay and secure the payment of
7 the Bonds shall constitute a lien and charge upon such Net Revenues equal in
8 rank with the lien and charge upon the Net Revenues to pay and secure the
9 payment of the Outstanding Parity Bonds.
10

11 Section 3. Adoption of Plan of Additions. The City specifies, adopts and
12 orders the carrying out of improvements to the System, including, but not limited to,
13 the acquisition, construction, and installation of additions and improvements to and
14 equipment for the System, including the acquisition and construction of
15 improvements that are intended to have environmental benefits, such as the
16 acquisition of diesel and/or compressed natural gas hybrids and hydraulic
17 transmission collection vehicles and the construction of related facilities, as
18 specified in the capital improvement program for the System approved by the City,
19 as it may be amended from time to time (together, the "Projects"). The City
20 Council may modify the details of the Projects where, in its judgment, it appears
21 advisable if such modifications do not substantially alter the purposes of that
22 system or plan. The estimated cost of carrying out the Projects, including the costs
23 of issuance and sale of the Bonds, is expected to be at least \$25,000,000, which
24
25
26



1 cost shall be paid from the proceeds of the Bonds and from other money available
2 to the City for such purpose.

3 Section 4. Authorization and Description of Bonds. For the purposes of
4 defeasing and refunding the Refunded Bonds, financing and/or reimbursing costs
5 of the Projects, funding the Reserve Fund, and paying costs of issuance of the
6 Bonds, the City is hereby authorized to issue and sell one or more series of solid
7 waste revenue and refunding bonds in the aggregate principal amount of not to
8 exceed \$75,000,000 (the "Bonds").
9

10 The Bonds shall be designated as the "City of Tacoma, Washington, Solid
11 Waste Revenue [and] [Refunding] Bonds, 2015[___]" with additional series
12 designation or other designation as set forth in the Bond Purchase Contract and
13 approved by the Designated Representative.
14

15 The Bonds of each series shall be dated as of their date of initial delivery,
16 shall be fully registered as to both principal and interest, shall be in the
17 denomination of \$5,000 each or any integral multiple thereof within a series and
18 maturity, shall be numbered separately in the manner and with any additional
19 designation as the Bond Registrar deems necessary for purposes of identification
20 and control, and shall bear interest payable on the dates set forth in the Bond
21 Purchase Contract. The Bonds shall bear interest at the rates set forth in the Bond
22 Purchase Contract; and shall mature on the dates and in the principal amounts set
23 forth in the Bond Purchase Contract and as approved by a Designated
24 Representative pursuant to Section 17.
25
26



1 The Bonds shall be special obligations of the City payable only from the
2 Bond Fund and shall be payable and secured as provided herein. The Bonds shall
3 not be general obligations of the City, the State or any political subdivision thereof.

4 Section 5. Registration, Exchange and Payments.

5
6 (a) Bond Registrar/Bond Register. The City hereby specifies and adopts
7 the system of registration approved by the Washington State Finance Committee
8 from time to time through the appointment of state fiscal agencies. The City shall
9 cause a Bond Register to be maintained by the Bond Registrar. So long as any
10 Bonds remain outstanding, the Bond Registrar shall make all necessary provisions
11 to permit the exchange or registration or transfer of Bonds at its principal corporate
12 trust office. The Bond Registrar may be removed at any time at the option of the
13 Finance Director upon prior notice to the Bond Registrar and a successor Bond
14 Registrar appointed by the Finance Director. No resignation or removal of the
15 Bond Registrar shall be effective until a successor shall have been appointed and
16 until the successor Bond Registrar shall have accepted the duties of the Bond
17 Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to
18 authenticate and deliver Bonds transferred or exchanged in accordance with the
19 provisions of such Bonds and this ordinance and to carry out all of the Bond
20 Registrar's powers and duties under this ordinance. The Bond Registrar shall be
21 responsible for its representations contained in the Certificate of Authentication of
22 the Bonds.
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1 (b) Registered Ownership. The City and the Bond Registrar, each in its
2 discretion, may deem and treat the Registered Owner of each Bond as the
3 absolute owner thereof for all purposes (except as provided in Section 21 of this
4 ordinance), and neither the City nor the Bond Registrar shall be affected by any
5 notice to the contrary. Payment of any such Bond shall be made only as described
6 in Section 5(h), but such Bond may be transferred as herein provided. All such
7 payments made as described in Section 5(h) shall be valid and shall satisfy and
8 discharge the liability of the City upon such Bond to the extent of the amount or
9 amounts so paid.
10

11 (c) DTC Acceptance/Letters of Representations. The Bonds initially
12 shall be held in fully immobilized form by DTC acting as depository. To induce
13 DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and
14 delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor
15 the Bond Registrar will have any responsibility or obligation to DTC participants or
16 the persons for whom they act as nominees (or any successor depository) with
17 respect to the Bonds in respect of the accuracy of any records maintained by DTC
18 (or any successor depository) or any DTC participant, the payment by DTC (or any
19 successor depository) or any DTC participant of any amount in respect of the
20 principal of or interest on Bonds, any notice which is permitted or required to be
21 given to Registered Owners under this ordinance (except such notices as shall be
22 required to be given by the City to the Bond Registrar or to DTC (or any successor
23 depository))), or any consent given or other action taken by DTC (or any successor
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1 depository) as the Registered Owner. For so long as any Bonds are held in fully
2 immobilized form by a depository, DTC or its successor depository shall be
3 deemed to be the Registered Owner for all purposes hereunder, and all references
4 herein to the Registered Owners shall mean DTC (or any successor depository) or
5 its nominee and shall not mean the owners of any beneficial interest in such
6 Bonds.
7

8 (d) Use of Depository.

9 (1) The Bonds shall be registered initially in the name of
10 "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity
11 dates for the Bonds in a denomination corresponding to the total principal therein
12 designated to mature on such date. Registered ownership of such Bonds, or any
13 portions thereof, may not thereafter be transferred except (A) to any successor of
14 DTC or its nominee, provided that any such successor shall be qualified under any
15 applicable laws to provide the service proposed to be provided by it; (B) to any
16 substitute depository appointed by the Finance Director pursuant to subsection (2)
17 below or such substitute depository's successor; or (C) to any person as provided
18 in subsection (4) below.
19
20

21 (2) Upon the resignation of DTC or its successor (or any substitute
22 depository or its successor) from its functions as depository or a determination by
23 the Finance Director to discontinue the system of book entry transfers through DTC
24 or its successor (or any substitute depository or its successor), the Finance Director
25 may hereafter appoint a substitute depository. Any such substitute depository shall
26



1 be qualified under any applicable laws to provide the services proposed to be
2 provided by it.

3 (3) In the case of any transfer pursuant to clause (A) or (B) of
4 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
5 Bonds of a series, together with a written request on behalf of the Finance Director,
6 issue a single new Bond for each maturity then outstanding, registered in the name
7 of such successor or such substitute depository, or their nominees, as the case
8 may be, all as specified in such written request of the Finance Director.

10 (4) In the event that (A) DTC or its successor (or substitute
11 depository or its successor) resigns from its functions as depository and no
12 substitute depository can be obtained, or (B) the Finance Director determines that
13 it is in the best interest of the beneficial owners of the Bonds that such owners be
14 able to obtain physical Bond certificates, the ownership of such Bonds may then be
15 transferred to any person or entity as herein provided, and such Bonds shall no
16 longer be held by a depository. The Finance Director shall deliver a written
17 request to the Bond Registrar, together with a supply of physical Bonds, to issue
18 Bonds as herein provided in any authorized denomination. Upon receipt by the
19 Bond Registrar of all then outstanding Bonds of a series together with a written
20 request on behalf of the Finance Director to the Bond Registrar, new Bonds shall
21 be issued in the appropriate denominations and registered in the names of such
22 persons as are requested in such written request.
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1 (e) Registration of Transfer of Ownership or Exchange; Change in
2 Denominations. The transfer of any Bond may be registered and Bonds may be
3 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
4 to the Bond Registrar with the assignment form appearing on such Bond duly
5 executed by the Registered Owner or such Registered Owner's duly authorized
6 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
7 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
8 deliver, without charge to the Registered Owner or transferee therefor, a new Bond
9 (or Bonds at the option of the new Registered Owner) of the same date, maturity
10 and interest rate and for the same aggregate principal amount in any authorized
11 denomination, naming as Registered Owner the person or persons listed as the
12 assignee on the assignment form appearing on the surrendered Bond, in exchange
13 for such surrendered and canceled Bond. Any Bond may be surrendered to the
14 Bond Registrar and exchanged, without charge, for an equal aggregate principal
15 amount of Bonds of the same date, maturity and interest rate, in any authorized
16 denomination. The Bond Registrar shall not be obligated to register the transfer or
17 to exchange any Bond during the 15 days preceding any principal payment date
18 any such Bond is to be redeemed.

22 (f) Bond Registrar's Ownership of Bonds. The Bond Registrar may
23 become the Registered Owner of any Bond with the same rights it would have if it
24 were not the Bond Registrar, and to the extent permitted by law, may act as
25 depository for and permit any of its officers or directors to act as a member of, or in
26



1 any other capacity with respect to, any committee formed to protect the right of the
2 Registered Owners of Bonds.

3 (g) Registration Covenant. The City covenants that, until all Bonds have
4 been surrendered and canceled, it will maintain a system for recording the
5 ownership of each Bond that complies with the provisions of Section 149 of the
6 Code.
7

8 (h) Place and Medium of Payment. Both principal of and interest on the
9 Bonds shall be payable in lawful money of the United States of America. Interest
10 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
11 30-day months. For so long as all Bonds are held by a depository, payments of
12 principal and interest thereon shall be made as provided in accordance with the
13 operational arrangements of DTC referred to in the Letter of Representations. In
14 the event that the Bonds are no longer held by a depository, interest on the Bonds
15 shall be paid by check or draft mailed to the Registered Owners at the addresses
16 for such Registered Owners appearing on the Bond Register on the 15th day of the
17 month preceding the interest payment date, or upon the written request of a
18 Registered Owner of more than \$1,000,000 of Bonds (received by the Bond
19 Registrar at least 15 days prior to the applicable payment date), such payment
20 shall be made by the Bond Registrar by wire transfer to the account within the
21 United States designated by the Registered Owner. Principal of the Bonds shall
22 be payable upon presentation and surrender of such Bonds by the Registered
23 Owners at the principal office of the Bond Registrar.
24
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1 If any Bond shall be duly presented for payment and funds have not been
2 duly provided by the City on such applicable date, then interest shall continue to
3 accrue thereafter on the unpaid principal thereof at the rate stated on such Bond
4 until it is paid.

5
6 Section 6. Redemption Prior to Maturity and Purchase of Bonds.

7 (a) Mandatory Redemption of Term Bonds and Optional Redemption, if
8 any. The Bonds of a series shall be subject to optional redemption on the dates, at
9 the prices and under the terms set forth in the Bond Purchase Contract approved
10 by the Designated Representative pursuant to Section 17. The Bonds of a series
11 shall be subject to mandatory redemption to the extent, if any, set forth in the Bond
12 Purchase Contract approved by the Designated Representative pursuant to
13 Section 17.

14
15 (b) Purchase of Bonds. The City hereby reserves the right at any time to
16 purchase any of the Bonds from amounts available for such purchase.

17
18 (c) Selection of Bonds for Redemption. For as long as the Bonds are
19 held in book-entry only form, the selection of particular Bonds within a series and
20 maturity to be redeemed shall be made in accordance with the operational
21 arrangements then in effect at DTC. If the Bonds are no longer held in
22 uncertificated form, the selection of such Bonds to be redeemed and the surrender
23 and reissuance thereof, as applicable, shall be made as provided in the following
24 provisions of this subsection (c). If the City redeems at any one time fewer than all
25 of the Bonds having the same series and maturity date, the particular Bonds or
26



1 portions of Bonds of such series and maturity to be redeemed shall be selected by
2 lot (or in such manner determined by the Bond Registrar) in increments of \$5,000.
3 In the case of a Bond of a denomination greater than \$5,000, the City and the
4 Bond Registrar shall treat each Bond as representing such number of separate
5 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual
6 principal amount of Bonds by \$5,000. In the event that only a portion of the
7 principal sum of a Bond is redeemed, upon surrender of such Bond at the principal
8 office of the Bond Registrar there shall be issued to the Registered Owner, without
9 charge therefor, for the then unredeemed balance of the principal sum thereof, at
10 the option of the Registered Owner, a Bond or Bonds of like maturity and interest
11 rate in any of the denominations herein authorized.
12

14 (d) Notice of Redemption.

15 (1) Official Notice. For so long as the Bonds are held in
16 uncertificated form, notice of redemption (which notice may be conditional) shall be
17 given in accordance with the operational arrangements of DTC as then in effect,
18 and neither the City nor the Bond Registrar will provide any notice of redemption to
19 any Beneficial Owners. Thereafter (if the Bonds are no longer held in
20 uncertificated form), notice of redemption shall be given in the manner hereinafter
21 provided. Unless waived by any owner of Bonds to be redeemed, official notice of
22 any such redemption (which redemption may be conditioned by the Bond Registrar
23 on the receipt of sufficient funds for redemption or otherwise) shall be given by the
24 Bond Registrar on behalf of the City by mailing a copy of an official redemption
25
26



1 notice by first-class mail at least 20 days and not more than 60 days prior to the
2 date fixed for redemption to the Registered Owner of the Bond or Bonds to be
3 redeemed at the address shown on the Bond Register or at such other address as
4 is furnished in writing by such Registered Owner to the Bond Registrar.
5

6 All official notices of redemption shall be dated and shall state:

7 (A) the redemption date,
8 (B) the redemption price,
9 (C) if fewer than all outstanding Bonds are to be redeemed,
10 the identification by maturity (and, in the case of partial redemption, the respective
11 principal amounts) of the Bonds to be redeemed,
12

13 (D) that unless conditional notice of redemption has been
14 given and such conditions have not been satisfied or waived or such notice has
15 been rescinded, on the redemption date the redemption price will become due and
16 payable upon each such Bond or portion thereof called for redemption, and if the
17 Bond Registrar then holds sufficient funds to pay such Bonds at the redemption
18 price, interest thereon shall cease to accrue from and after said date,
19

20 (E) any conditions to redemption, and
21 (F) the place where such Bonds are to be surrendered for
22 payment of the redemption price, which place of payment shall be the principal
23 office of the Bond Registrar.
24

25 On or prior to any redemption date, unless any condition to such redemption
26 has not been satisfied or waived or notice of such redemption has been rescinded,



1 the City shall deposit with the Bond Registrar an amount of money sufficient to pay
2 the redemption price of all the Bonds or portions of Bonds which are to be
3 redeemed on that date. The City retains the right to rescind any redemption notice
4 and the related optional redemption of Bonds by giving notice of rescission to the
5 affected registered owners at any time on or prior to the scheduled redemption
6 date. Any notice of optional redemption that is so rescinded shall be of no effect,
7 and the Bonds for which the notice of optional redemption has been rescinded
8 shall remain outstanding.

10 (2) Effect of Notice; Bonds Due. If an unconditional notice of
11 redemption has been given and not rescinded, or if the conditions set forth in a
12 conditional notice of redemption have been satisfied or waived, the Bonds or
13 portions of Bonds to be redeemed shall, on the redemption date, become due and
14 payable at the redemption price therein specified, and, if the Bond Registrar then
15 holds sufficient funds to pay such Bonds at the redemption price, then from and
16 after such date such Bonds or portions of Bonds shall cease to bear interest.
17 Upon surrender of such Bonds for redemption in accordance with said notice, such
18 Bonds shall be paid by the Bond Registrar at the redemption price. Installments of
19 interest due on or prior to the redemption date shall be payable as herein provided
20 for payment of interest. All Bonds which have been redeemed shall be canceled
21 by the Bond Registrar and shall not be reissued.

25 (3) Additional Notice. In addition to the foregoing notice, further
26 notice shall be given by the City as set out below, but no defect in said further



1 notice nor any failure to give all or any portion of such further notice shall in any
2 manner defeat the effectiveness of a call for redemption if notice thereof is given
3 as above prescribed. Each further notice of redemption given hereunder shall
4 contain the information required above for an official notice of redemption plus
5 (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the
6 Bonds as originally issued; (C) the rate of interest borne by each Bond being
7 redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other
8 descriptive information needed to identify accurately the Bonds being redeemed.
9 Each further notice of redemption may be sent at least 20 days before the
10 redemption date to each party entitled to receive notice pursuant to Section 21 and
11 with such additional information as the City shall deem appropriate, but such
12 mailings shall not be a condition precedent to the redemption of such Bonds.
13

14
15 (4) Amendment of Notice Provisions. The foregoing notice provisions of
16 this Section 6, including, but not limited to, the information to be included in
17 redemption notices and the persons designated to receive notices, may be
18 amended by additions, deletions and changes in order to maintain compliance with
19 duly promulgated regulations and recommendations regarding notices of
20 redemption of municipal securities.
21

22
23 Section 7. Form of Bonds and Certificate of Authentication. The Bonds
24 shall be in substantially the following form with appropriate or necessary insertions,
25 depending upon the omissions and variations as permitted or required hereby:
26



UNITED STATES OF AMERICA

No. _____

\$ _____

STATE OF WASHINGTON
CITY OF TACOMA
SOLID WASTE REVENUE [AND] [REFUNDING] BOND, 2015[____]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The City of Tacoma, Washington, a municipal corporation of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from _____, 20____, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, 20____, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of \$_____, and is issued pursuant to Ordinance No. _____ passed by the Council on _____, 2015 (the "Bond Ordinance") to provide the funds necessary to defease and refund certain outstanding solid waste revenue bonds of the City, to finance and/or reimburse costs related to the acquisition, construction, and installation of additions and improvements to and equipment for the solid waste system (the "System"), to fund the debt service reserve fund, and to pay costs of issuance of the bonds. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Ordinance. Simultaneously with the issuance of this bond, the City is issuing its _____ pursuant to the terms of the Bond Ordinance.

The bonds of this issue are subject to redemption at the option of the City as provided in the Bond Ordinance.



1 The bonds of this issue are payable solely from the special fund of the City
2 known as the "Solid Waste Bond Fund" (the "Bond Fund"). The City has
3 irrevocably obligated and bound itself to pay into the Bond Fund out of Gross
4 Revenues or from such other money as may be provided for such purpose certain
amounts necessary to pay and secure the payment of the principal and interest on
such bonds.

5 The City has pledged to set aside from the Solid Waste Operating Fund out
6 of Gross Revenues and to pay into the Bond Fund the various amounts required
7 by the Bond Ordinance to be paid into and maintained in such Fund within the
times provided by the Bond Ordinance.

8 To the extent more particularly provided by the Bond Ordinance, the
9 amounts so pledged to be paid from the Solid Waste Operating Fund out of Gross
10 Revenues into the Bond Fund shall be a lien and charge thereon equal in rank to
11 the lien and charge upon such Revenue of the amounts required to pay and secure
12 the payment of the Outstanding Parity Bonds and any revenue bonds hereafter
13 issued on a parity with the bonds of this issue and superior to all other liens and
14 charges of any kind or nature, except the Costs of Maintenance and Operation of
15 the System.

16 The City hereby irrevocably covenants and agrees with the registered owner
17 of this bond that it will keep and perform all the covenants of this bond and of the
18 Bond Ordinance to be by it kept and performed. Reference is hereby made to the
Bond Ordinance for a complete statement of such covenants.

19 Bonds are interchangeable for bonds of any authorized denomination of
20 equal aggregate principal amount and of the same interest rate and maturity upon
21 presentation and surrender to the Bond Registrar.

22 This bond shall not be valid or become obligatory for any purpose or be
23 entitled to any security or benefit under the Bond Ordinance until the Certificate of
24 Authentication hereon shall have been manually signed by the Bond Registrar.

25 It is hereby certified that all acts, conditions and things required by the
26 Constitution and statutes of the State of Washington and the charter and
ordinances of the City to exist and to have happened, been done and performed
precedent to and in the issuance of this bond do exist and have happened, been
done and performed and that the issuance of this bond and the bonds of this series
does not violate any constitutional, statutory or other limitation upon the amount of
bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this
bond to be signed with the manual or facsimile signature of the Mayor and attested



1 by the manual or facsimile signature of the City Clerk, and the seal of the City to be
2 impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of
3 _____, 2015.

4 [SEAL]

CITY OF TACOMA, WASHINGTON

6 By _____/s/ manual or facsimile
7 Mayor

8 ATTEST:

9 _____/s/ manual or facsimile
10 City Clerk

11 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
12 substantially the following form:

14 CERTIFICATE OF AUTHENTICATION

15 This bond is one of the bonds described in the within-mentioned Bond Ordinance
16 and is one of the Solid Waste Revenue [and] [Refunding] Bonds, 2015[___] of the
17 City of Tacoma, Washington, dated _____, 2015.

18 WASHINGTON STATE FISCAL AGENCY, as
19 Bond Registrar

20 By _____

21 Section 8. Execution of Bonds. The Bonds shall be executed on behalf of
22 the City with the manual or facsimile signatures of the Mayor and City Clerk of the
23 City and the seal of the City shall be impressed, imprinted or otherwise reproduced
24 thereon.
25
26



1 Only such Bonds as shall bear thereon a Certificate of Authentication in the
2 form provided herein, manually executed by the Bond Registrar, shall be valid or
3 obligatory for any purpose or entitled to the benefits of this ordinance. Such
4 Certificate of Authentication shall be conclusive evidence that the Bonds so
5 authenticated have been duly executed, authenticated and delivered hereunder
6 and are entitled to the benefits of this ordinance.

8 In case either of the officers who shall have executed the Bonds shall cease
9 to be an officer or officers of the City before the Bonds so signed shall have been
10 authenticated or delivered by the Bond Registrar, or issued by the City, such
11 Bonds may nevertheless be authenticated, delivered and issued and upon such
12 authentication, delivery and issuance, shall be as binding upon the City as though
13 those who signed the same had continued to be such officers of the City. Any
14 Bond may be signed and attested on behalf of the City by such persons who at the
15 date of the actual execution of such Bond, are the proper officers of the City,
16 although at the original date of such Bond any such person shall not have been
17 such officer of the City.

20 Section 9. Application of Bond Proceeds; Refunding Plan.

21 (a) Construction Fund. There is hereby created and established a
22 separate fund to be known as the "2015 Solid Waste Bond Construction Fund" (the
23 "Construction Fund"). A portion of the proceeds of the Bonds shall be deposited
24 into the Construction Fund for application to the payment of the costs of the
25
26



1 Projects and to pay costs of issuance for the Bonds (if not provided for under
2 subsection (b) below) as set forth in the closing memorandum for the Bonds.

3 Except as provided by the Code, the income from the investment of Bond
4 proceeds in the Construction Fund shall be deposited in the Construction Fund and
5 applied to the payment of the costs of the Projects.
6

7 Except as provided by the Code, if any money allocable to the Bond
8 proceeds remains in the Construction Fund after payment of all the costs of the
9 Projects or after termination of the Projects by the City, such money shall be
10 transferred to the Bond Fund and applied after consultation with Bond Counsel to
11 the payment of the principal of or interest on the Bonds.
12

13 Pending application as described in this Section 9 and subject to the
14 requirements of the Code, money allocable to the Bond proceeds in the
15 Construction Fund may be temporarily invested in Permitted Investments.
16

17 (b) Refunding Plan. For the purpose of modifying debt service and
18 restructuring the 2006 Bonds, the City proposes to defease and/or refund the
19 Refunded Bonds as set forth herein. If the Designated Representative determines
20 that it is in the best interest of the City to proceed with the refunding authorized
21 herein, the Designated Representative shall designate all or a portion of each
22 series of the Refunding Candidates as Refunded Bonds and such designation shall
23 be set forth in the Bond Purchase Contract.
24

25 A portion of the proceeds of the Bonds shall be deposited with the
26 Refunding Trustee pursuant to the Escrow Deposit Agreement to be used



1 immediately upon receipt thereof to defease the Refunded Bonds as authorized by
2 the applicable 2006 Bond Ordinances and to pay costs of issuance of the Bonds.

3 The net proceeds deposited with the Refunding Trustee shall be used to defease
4 the Refunded Bonds and discharge the obligations thereon by the purchase of
5 certain Acquired Obligations bearing such interest and maturing as to principal and
6 interest in such amounts and at such times which, together with any necessary
7 beginning cash balance, will provide for the payment of:
8

9 (1) interest on each series of Refunded Bonds as such becomes
10 due on and prior to the Call Date; and
11

12 (2) the redemption price (100 percent of the principal amount) of
13 each series of Refunded Bonds on the Call Date.

14 Such Acquired Obligations shall be purchased at a yield not greater than the
15 yield permitted by the Code and regulations relating to acquired obligations in
16 connection with refunding bond issues.
17

18 A beginning cash balance, if any, and the Acquired Obligations shall be
19 deposited irrevocably with the Refunding Trustee in an amount sufficient to
20 defease the Refunded Bonds. In order to carry out the purposes of this Section 9,
21 the Finance Director is authorized and directed to execute and deliver to the
22 Refunding Trustee, an Escrow Deposit Agreement.
23

24 The City hereby sets aside sufficient funds out of the purchase of Acquired
25 Obligations from proceeds of the Bonds to make the payments described above.
26



1 The City hereby calls the Refunded Bonds for redemption on their respective
2 Call Date in accordance with the provisions of the 2006 Bond Ordinances
3 authorizing the redemption and retirement of the applicable 2006 Bonds prior to
4 their fixed maturities.

5
6 Said defeasance and call for redemption of the Refunded Bonds shall be
7 irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations
8 to the Refunding Trustee.

9 The Refunding Trustee is hereby authorized and directed to provide for the
10 giving of notices of the defeasance and/or redemption of the Refunded Bonds in
11 accordance with the applicable provisions of the 2006 Bond Ordinances. The
12 costs of publication of such notices shall be an expense of the City.

13
14 The Refunding Trustee is hereby authorized and directed to pay to the
15 Finance Director, or, at the direction of the Finance Director, to the paying agent
16 for the Refunded Bonds, sums sufficient to pay, when due, the payments specified
17 in this Section 9. All such sums shall be paid from the moneys and Acquired
18 Obligations deposited with the Refunding Trustee, and the income therefrom and
19 proceeds thereof. All such sums so paid to or to the order of the Finance Director
20 shall be credited to the Refunding Account. All moneys and Acquired Obligations
21 deposited with the Refunding Trustee and any income therefrom shall be held,
22 invested (but only at the direction of the Finance Director) and applied in
23 accordance with the provisions of this ordinance and with the laws of the State for
24 the benefit of the City and owners of the Refunded Bonds.
25
26



1 The City will take such actions as are found necessary to see that all
2 necessary and proper fees, compensation and expenses of the Refunding Trustee
3 for the Refunded Bonds shall be paid when due.

4 Section 10. Solid Waste Operating Fund; Pledge of Revenues. A special
5 fund of the City has been created and designated the "Solid Waste Operating
6 Fund". The City covenants and agrees that so long as any of the Parity Bonds are
7 outstanding, it will pay or cause to be paid into the Solid Waste Operating Fund all
8 Gross Revenues, except income from the investment of money in any construction
9 funds and any rebate fund, as collected and the Solid Waste Operating Fund shall
10 be held separate and apart from all other funds and accounts of the City. The
11 money in the Solid Waste Operating Fund shall be used only for the following
12 purposes and in the following order of priority:

13 First, to pay the Costs of Maintenance and Operation;

14 Second, to make all payments required to be made for the Parity Bonds in
15 the following order:

16 (a) into the Debt Service Account to pay the interest due on any
17 Parity Bonds for which money shall not have been provided by income from the
18 investment of money in the Bond Fund;

19 (b) to make all payments required to be made into the Debt
20 Service Account to pay the principal of any Parity Bonds due at maturity for which
21 money shall not have been provided by income from the investment of money in
22 the Bond Fund, and to make all payments heretofore or hereafter required to be
23
24
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26



1 made into the Debt Service Account under any schedule for the amortization of
2 Term Bonds;

3 (c) to make all payments required to be made pursuant to a
4 reimbursement obligation in connection with a Qualified Letter of Credit or
5 Qualified Insurance with respect to the Reserve Fund, *and after the Outstanding*
6 *Parity Bonds are fully redeemed, refunded or defeased*, into any other reserve fund
7 created in the future for the payment of debt service on Parity Bonds, provided that
8 if there is not sufficient money to make all payments under reimbursement
9 agreements the payments will be made on a pro rata basis;
10

11 (d) to make all payments required to be made into the Reserve
12 Fund to secure the payment of any Covered Bonds, *and after the Outstanding*
13 *Parity Bonds are fully redeemed, refunded or defeased*, into any other reserve fund
14 created in the future for the payment of debt service on Parity Bonds;
15

16 Third, to make all payments required to be made into any other revenue
17 bond redemption fund, revenue warrant redemption fund, debt service account,
18 reserve account or sinking fund account created to pay and secure the payment of
19 the principal of and interest on any revenue bonds or revenue warrants of the City
20 having a lien upon Gross Revenues and the money in the Solid Waste Operating
21 Fund junior and inferior to the lien thereon for the payment of the principal of and
22 interest on Parity Bonds;
23

24 Fourth, to pay municipal taxes and payments to the City in lieu of taxes; and
25
26



1 Fifth, to retire by redemption or purchase in the open market any
2 outstanding solid waste revenue bonds, notes or revenue warrants of the City or to
3 make necessary additions, improvements, extraordinary repairs, extensions and
4 replacements of the System, to make payments into the Rate Stabilization Fund, or
5 any other lawful City purposes, including the payment of legal claims and
6 judgments against the System.
7

8 The City hereby pledges Gross Revenues, after payment of the Costs of
9 Maintenance and Operation, to the repayment of the Parity Bonds.
10

11 Section 11. Bond Fund. There has been created the "Tacoma Solid Waste
12 Revenue Bond Fund" (the "Bond Fund") for the sole purpose of paying and
13 securing the payment of Parity Bonds. The Bond Fund contains the Debt Service
14 Account and the Reserve Fund. At the option of the City, separate funds and
15 accounts may be created in the Bond Fund for the purpose of paying or securing
16 the payment of principal, premium, if any, and interest on any series of Parity
17 Bonds.
18

19 (a) A Debt Service Account has been created in the Bond Fund for the
20 purpose of paying the interest on any Parity Bonds and the principal or Sinking
21 Fund Requirement for and premium, if any, on any Parity Bonds. As long as any
22 Parity Bonds remain outstanding, the City hereby irrevocably obligates and binds
23 itself to set aside and pay from the Solid Waste Operating Fund into the Debt
24 Service Account those amounts necessary, with such other funds as are then on
25 hand and available in the Debt Service Account, to pay the interest on all
26



1 outstanding Parity Bonds, the principal of all outstanding Parity Bonds and the
2 Sinking Fund Requirements as such interest, principal and Sinking Fund
3 Requirements, respectively, become due and payable at maturity or by mandatory
4 redemption. Payments on account of the Parity Bonds shall be made on or before
5 the day on which an installment of interest, principal or Sinking Fund Requirement
6 becomes due.

8 (b) A Reserve Fund has been created in the Bond Fund for the purpose
9 of securing the payment of the principal of and interest on the Covered Bonds.
10 *After the Outstanding Parity Bonds are fully redeemed, refunded or defeased, the*
11 *City may create separate reserve funds and establish separate Reserve Fund*
12 *Requirements, if any, to secure the payment of the principal of and interest on*
13 *Parity Bonds.*

15 The City hereby covenants that at the time of the issuance of the Bonds it
16 will deposit a portion of the proceeds of the Bonds, acquire Qualified Insurance or
17 Qualified Letter of Credit, or use other available funds to satisfy the Reserve Fund
18 Requirement for the Bonds and the Outstanding Parity Bonds as of the date of
19 Closing.

21 The City further covenants that in the event it issues any Future Parity
22 Bonds that are Covered Bonds it will provide in each Parity Bond Ordinance
23 authorizing the issuance of the same that it will deposit proceeds from the Future
24 Parity Bonds or approximately equal monthly payments will be made into the
25 Reserve Fund out of the Solid Waste Operating Fund so that within 36 months or
26



1 less from the date of the issuance of such Future Parity Bonds the total amount of
2 such payments, with the amount already in the Reserve Fund, will be at least equal
3 to the Reserve Fund Requirement; provided, *after the Outstanding Parity Bonds*
4 *are fully redeemed, refunded or defeased, this covenant shall read as follows:* The
5 City further covenants that in the event it issues any Future Parity Bonds that are
6 Covered Bonds it will provide in each Parity Bond Ordinance authorizing the
7 issuance of the same that it will deposit proceeds from the Future Parity Bonds or
8 approximately equal monthly payments will be made into the Reserve Fund out of
9 the Solid Waste Operating Fund so that within five years or less from the date of
10 the issuance of such Future Parity Bonds the total amount of such payments, with
11 the amount already in the Reserve Fund, will be at least equal to the Reserve Fund
12 Requirement.

15 The City may elect to fund part or all the Reserve Fund with respect to the
16 Bonds and any Future Parity Bonds that are Covered Bonds through the use of a
17 Qualified Letter of Credit or Qualified Insurance. In making the payments and
18 credits to the Reserve Fund required by this Section 11(b), to the extent that the
19 City has obtained Qualified Insurance or a Qualified Letter of Credit for specific
20 amounts required pursuant to this section, such amounts so covered by Qualified
21 Insurance or a Qualified Letter of Credit shall be credited against the amounts
22 required to be maintained in the Reserve Fund by Section 11(b) to the extent that
23 such payments and credits to be made are insured by an insurance company or
24 guaranteed by a letter of credit from a financial institution. In the event of any
25
26



1 cancellation, the Reserve Fund shall be funded in accordance with the first three
2 paragraphs of this Section 11(b), as if the Covered Bonds that remain outstanding
3 had been issued on the date of such notice of cancellation.

4 The City further covenants that when the deposits required by this
5 Section 11(b) have been made into the Reserve Fund, it will at all times maintain
6 therein an amount at least equal to such maximum amount as the same may be
7 recalculated and determined from time to time. The investments in the Reserve
8 Fund shall be valued on each December 31 and may be valued on any other date.
9 Such valuation shall be at the market value of the obligations in such fund
10 including accrued interest; provided that investments which mature within one year
11 shall be valued at their maturity value. Whenever there is a sufficient amount in
12 the Debt Service Account and the Reserve Fund to pay the principal of, premium, if
13 any, and interest on all Covered Bonds then outstanding, the money in the
14 Reserve Fund may be used to pay such principal, premium, if any, or Sinking Fund
15 Requirements or interest. Money in the Reserve Fund may be withdrawn to
16 redeem and retire outstanding Covered Bonds, and to pay the interest due to such
17 date of redemption and premium, if any, or Sinking Fund Requirements on such
18 outstanding Covered Bonds, so long as the money remaining on deposit in the
19 Reserve Fund is at least equal to the Reserve Fund Requirement. When a series
20 of Covered Bonds is refunded in whole or in part, money may be withdrawn from
21 the Reserve Fund to pay or provide for the payment of refunded Covered Bonds;
22 provided that immediately after such withdrawal there shall remain in or be credited
23
24
25
26



1 to the Reserve Fund money and Permitted Investments in an amount equal to the
2 Reserve Fund Requirement or so much thereof as is then required to be
3 maintained.

4 In the event there shall be a deficiency in the Debt Service Account to meet
5 maturing installments of either interest on or principal of or Sinking Fund
6 Requirements on any Covered Bonds, such deficiency shall be made up from the
7 Reserve Fund by the withdrawal of money therefrom and by the sale or redemption
8 of obligations held in the Reserve Fund, if necessary, in such amounts as will
9 provide cash in the Reserve Fund sufficient to make up any such deficiency, and if
10 a deficiency still exists immediately prior to an interest payment date and after the
11 withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or
12 Qualified Insurance in sufficient amount to make up the deficiency. Such draw
13 shall be made at such times and under such conditions as the agreement for such
14 Qualified Letter of Credit or such Qualified Insurance shall provide. The City
15 covenants that any deficiency created in the Reserve Fund by reason of any
16 withdrawal therefrom for payment into the Debt Service Account shall be made up
17 from money in the Solid Waste Operating Fund first available after providing for the
18 required payments into the Debt Service Account and after providing for any
19 required payments pursuant to a reimbursement obligation; *provided, that once the*
20 *2006 Bonds are no longer outstanding*, any such deficiency shall be made up
21 within 12 months of such deficiency.
22
23
24
25
26



1 (c) Said amounts so pledged to be paid into the Debt Service Account
2 and the Reserve Fund from the Solid Waste Operating Fund are hereby declared
3 to be a prior lien and charge upon Gross Revenues superior to all other charges of
4 any kind or nature whatsoever except the Costs of Maintenance and Operation of
5 the System and except that the amounts so pledged are of equal lien to the
6 charges upon such Revenue which may hereafter be made to pay and secure the
7 payment of the principal of and interest on any Future Parity Bonds, and, provided
8 further, if the City elects to meet the requirements of Section 11(b) with respect to
9 the Reserve Fund as to any issue of Parity Bonds through the use of a Qualified
10 Letter of Credit or Qualified Insurance, then the City's reimbursement obligation
11 with respect thereto, if any, may rank on a parity of lien with the Parity Bonds.
12

14 (d) Money held in all of the accounts in the Bond Fund shall, to the fullest
15 extent practicable and reasonable, be invested and reinvested at the direction of
16 the Treasurer of the City solely in, and obligations deposited in such accounts shall
17 consist of, Permitted Investments which shall mature on or prior to the respective
18 dates when the money held for the credit of such accounts will be required for the
19 purposes intended. Money in the Reserve Fund not required for immediate
20 disbursement for the purposes for which such fund is created shall, to the fullest
21 extent practicable and reasonable, be invested and reinvested at the direction of
22 the City solely in, and obligations deposited in the Reserve Fund shall consist of,
23 Permitted Investments maturing prior to the final maturity date of the Parity Bonds
24 then outstanding. All interest earned and income derived by virtue of investments
25
26



1 of money in the Debt Service Account or the Reserve Fund may remain in the
2 Bond Fund or be deposited into the Solid Waste Operating Fund and all such
3 investment income may be used to meet the required deposits into any account in
4 the Bond Fund.

5
6 (e) The Council hereby finds that in fixing the amounts to be paid into the
7 Bond Fund out of Gross Revenues, it has exercised due regard for the Costs of
8 Maintenance and Operation and has not obligated the City to set aside and pay
9 into such Fund a greater amount of such Revenue than in its judgment will be
10 available over and above the Costs of Maintenance and Operation.

11
12 (f) Money in the Bond Fund may be used, if necessary, to pay Rebate
13 Amounts to the extent that such Rebate Amounts are directly attributable to
14 earnings on such subaccount.

15 Section 12. Rate Stabilization Fund. A special fund of the City designated
16 the "Rate Stabilization Fund" has been established in the Solid Waste Operating
17 Fund. In accordance with the priorities set forth in this ordinance, the City may
18 from time to time deposit Net Revenues into the Rate Stabilization Fund and may
19 from time to time withdraw amounts therefrom to enhance rate stability or for other
20 lawful purposes of the City related to the System.

21
22 Section 13. Defeasance. In the event that the City, to effect the payment,
23 retirement or redemption of any Bond, sets aside in the Bond Fund or in another
24 special account, cash or noncallable Government Obligations, or any combination
25 of cash and/or noncallable Government Obligations, in amounts and maturities
26



1 which, together with the known earned income therefrom, are sufficient to redeem
2 or pay and retire such Bond in accordance with its terms and to pay when due the
3 interest and redemption premium, if any, thereon, and such cash and/or
4 noncallable Government Obligations are irrevocably set aside and pledged for
5 such purpose, then no further payments need be made into the Bond Fund for the
6 payment of the principal of and interest on such Bond. The owner of a Bond so
7 provided for shall cease to be entitled to any lien, benefit or security of this
8 ordinance except the right to receive payment of principal, premium, if any, and
9 interest from the Bond Fund or such special account, and such Bond shall be
10 deemed to be not outstanding under this ordinance.
11
12

13 The City shall give written notice of defeasance to the registered owners of
14 all Bonds so provided for within 20 days of the defeasance and to each party
15 entitled to receive notice in accordance with Section 21.
16

17 Section 14. Covenants. The City hereby covenants and agrees with the
18 owners of the Bonds for as long as any of the same remain outstanding as follows:

19 (a) Establishment and Collection of Rates and Charges. The City shall
20 establish, maintain and collect lawful rates and charges for the use of the services
21 and facilities of the System and all commodities sold, furnished or supplied by the
22 System, and shall adjust such rates and charges from time to time so that:
23

24 (1) Gross Revenues will at all times be sufficient (A) to pay all
25 costs of and charges and expenses in connection with the proper operation and
26 maintenance of the System, (B) to pay the principal of, interest on and any Sinking



1 Fund Requirements for the outstanding Parity Bonds, as and when the same shall
2 become due and payable, (C) to make when due all payments which the City is
3 obligated to make into the Reserve Fund, (D) to make all other payments which the
4 City is obligated to make pursuant to this ordinance or any Parity Bond Ordinance
5 and (E) to pay all taxes, assessments or other governmental charges lawfully
6 imposed on the System or the revenue therefrom or payments in lieu thereof and
7 any and all other amounts which the City may now and hereafter become obligated
8 to pay from Gross Revenues by law or contract; and
9

10 (2) the Net Revenues in each calendar year will equal at least
11
12 1.25 times the Annual Debt Service for such calendar year.

13 Solely for purposes of calculating the coverage requirement set forth above,
14 there shall be added to Gross Revenues in any calendar year any amount
15 withdrawn from the Rate Stabilization Fund in such calendar year and deposited in
16 the Solid Waste Operating Fund, and there shall be subtracted from Gross
17 Revenues in any calendar year any amount withdrawn from the Solid Waste
18 Operating Fund and deposited in the Rate Stabilization Fund. *After all of the*
19 *Outstanding Parity Bonds are fully redeemed, refunded or defeased*, credits to or
20 from the Rate Stabilization Fund that occur within 90 days after the end of a Fiscal
21 Year may be treated as occurring within such Fiscal Year.
22
23

24 The calculation of the coverage requirement set forth above, and in
25 Section 16, and the City's compliance therewith, may be made solely with
26 reference to this ordinance without regard to future changes in generally accepted



1 accounting principles. If the City has changed one or more of the accounting
2 principles used in the preparation of its financial statements, because of a change
3 in generally accepted accounting principles or otherwise, then an event of default
4 relating to this coverage requirement shall not be considered an event of default if
5 the coverage requirement ratio would have been complied with had the City
6 continued to use those accounting principles employed at the date of the most
7 recent audited financial statements prior to the date of this ordinance.

9 (b) Maintenance and Operations Standards. The City will at all times
10 keep and maintain the System in good repair, working order and condition and will
11 at all times operate the System and the business in connection therewith in an
12 efficient manner and at a reasonable cost.

14 (c) Sale or Disposition of System. The City will not sell or otherwise
15 dispose of the System in its entirety unless simultaneously with such sale or
16 disposition provision is made for payment into the Bond Fund of cash or
17 Government Obligations sufficient to pay the principal of and interest on all then
18 outstanding Parity Bonds in accordance with the terms thereof. The City will not
19 sell or otherwise dispose of any part of the useful operating properties of the
20 System in excess of 5 percent of the book value of the System (original acquisition
21 cost of the System less accumulated depreciation) unless (1) there has been filed
22 with the City Clerk a certificate of an Engineer stating that such disposition will not
23 impair the ability of the City to comply with the rate covenants previously set forth
24 under this section or (2) the proceeds from such disposition are used to acquire
25
26



1 new useful operating properties of the System or to retire System debt. No sale,
2 lease, mortgage or other disposal of any part of the System valued in excess of
3 10 percent of the book value of the System shall be made if, in the opinion of an
4 Engineer, taking into consideration the use of such proceeds to acquire new
5 property or retire debt and based on financial statements of the System for the
6 most recent Fiscal Year available, such sale, mortgage, lease or other disposal
7 would prevent the City from meeting the requirements hereunder and with respect
8 to any other obligations of the System.
9

10 (d) No Free Service. The City will not furnish any service of the System
11 free of charge in an aggregate amount per year exceeding 1/10 of 1 percent of
12 annual Gross Revenues.
13

14 (e) Books and Accounts – Operating Statement. The City will keep and
15 maintain proper books and accounts with respect to the operations, income and
16 expenditures of the System that are in accordance with proper and legal
17 accounting procedures. All expenses incurred in the maintenance of such books
18 and accounts and the preparation of such statement may be regarded and paid as
19 an expense of operation of the System.
20

21 (f) Tax Covenants. The City covenants that it will not take or permit to
22 be taken on its behalf any action that would adversely affect the exemption from
23 federal income taxation of the interest on the Tax-Exempt Bonds and will take or
24 require to be taken such acts as may reasonably be within its ability and as may
25
26



1 from time to time be required under applicable law to continue the exemption from
2 federal income taxation of the interest on the Tax-Exempt Bonds.

3 (1) Arbitrage Covenant. Without limiting the generality of the
4 foregoing, the City covenants that it will not take any action or fail to take any
5 action with respect to the proceeds of sale of the Tax-Exempt Bonds or any other
6 funds of the City which may be deemed to be proceeds of the Tax-Exempt Bonds
7 pursuant to Section 148 of the Code and the regulations promulgated thereunder
8 which, if such use had been reasonably expected on the dates of delivery of the
9 Tax-Exempt Bonds to the initial purchasers thereof, would have caused the Tax-
10 Exempt Bonds to be treated as "arbitrage bonds" within the meaning of such term
11 as used in Section 148 of the Code. The City will comply with the requirements of
12 Section 148 of the Code and the applicable regulations thereunder throughout the
13 term of the Tax-Exempt Bonds.

14 (2) Private Person Use Limitation for Tax-Exempt Bonds. The
15 City covenants that for as long as the Tax-Exempt Bonds are outstanding, it will
16 not permit:

17 (A) More than 10 percent of the Net Proceeds of the Tax-
18 Exempt Bonds to be allocated to any Private Person Use; and

19 (B) More than 10 percent of the principal or interest
20 payments on the Tax-Exempt Bonds in a Bond Year to be directly or indirectly:

21 (1) secured by any interest in property used or to be used for any Private Person
22 Use or secured by payments in respect of property used or to be used for any
23
24
25
26



1 Private Person Use, or (2) derived from payments (whether or not made to the
2 City) in respect of property, or borrowed money, used or to be used for any Private
3 Person Use.

4 The City further covenants that, if:

5 (C) More than 5 percent of the Net Proceeds of the Tax-
6 Exempt Bonds are allocable to any Private Person Use; and
7

8 (D) More than 5 percent of the principal or interest
9 payments on the Tax-Exempt Bonds in a Bond Year are (under the terms of this
10 ordinance or any underlying arrangement) directly or indirectly:

11 (i) secured by any interest in property used or to be
12 used for any Private Person Use or secured by payments in respect of property
13 used or to be used for any Private Person Use, or
14

15 (ii) derived from payments (whether or not made to
16 the City) in respect of property, or borrowed money, used or to be used for any
17 Private Person Use, then, (1) any Private Person Use of the projects described in
18 subsection (C) hereof or Private Person Use payments described in subsection (D)
19 hereof that is in excess of the 5 percent limitations described in such
20 subsections (C) or (D) will be for a Private Person Use that is related to the state or
21 local governmental use of the Projects financed and/or refinanced by the proceeds
22 of the Tax-Exempt Bonds; and (2) any Private Person Use will not exceed the
23 amount of Net Proceeds of the Tax-Exempt Bonds allocable to the state or local
24 governmental use portion of the Projects to which the Private Person Use of such
25
26



1 portion of the Projects financed and/or refinanced by the proceeds of the Tax-
2 Exempt Bonds relate. The City further covenants that it will comply with any
3 limitations on the use of the Projects financed and/or refinanced by the proceeds of
4 the Tax-Exempt Bonds by other than state and local governmental users that are
5 necessary, in the opinion of its bond counsel, to preserve the tax exemption of the
6 interest on the Tax-Exempt Bonds.
7

8 (3) Modification of Tax Covenants. The covenants of this section
9 are specified solely to assure the continued exemption from regular income
10 taxation of the interest on the Tax-Exempt Bonds. To that end, the provisions of
11 this section may be modified or eliminated without any requirement for formal
12 amendment thereof upon receipt of an opinion of the City's bond counsel that such
13 modification or elimination will not adversely affect the tax exemption of interest on
14 any Tax-Exempt Bonds.
15

16 (4) The City does not designate the Tax-Exempt Bonds as
17 "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for
18 investment by financial institutions.
19

20 (g) Junior Lien Bonds. In the event the City issues revenue bonds or
21 other revenue obligations having a lien upon the Gross Revenues junior and
22 inferior to the lien on the Parity Bonds ("Junior Lien Bonds"), the City covenants
23 that a default on such Junior Lien Bonds will not constitute a default on the Parity
24 Bonds and that the City will not permit, to the extent legally practicable, an
25 acceleration of such Junior Lien Bonds in the event of a default on such bonds.
26



1 Section 15. Parity Derivative Products. For purposes of this Section 15, the
2 following words shall have the following definitions:

3 (a) "Payment" means any payment (designated as such by an ordinance
4 or resolution) required to be made by or on behalf of the City under a Payment
5 Agreement and which is determined according to a formula set forth in the
6 Payment Agreement.
7

8 (b) "Parity Payment Agreement" means a Payment Agreement under
9 which the City's payment obligations are expressly stated to be secured by a
10 pledge of and lien on Net Revenues on an equal and ratable basis with the Net
11 Revenues required to be paid into the Bond Fund to pay and secure the payment
12 of the principal of and interest on Parity Bonds.
13

14 (c) "Payment Agreement" means a written agreement, for the purpose of
15 managing or reducing the City's exposure to fluctuations or levels of interest rates,
16 currencies or commodities or for other interest rate, investment, asset or liability
17 management purposes, entered into on either a current or forward basis by the
18 City and a Qualified Counterparty, all as authorized by any applicable laws of the
19 State. Such agreement may or may not be characterized by a structure of
20 reciprocity of payment.
21

22 (d) "Payment Date" means any date specified in the Payment Agreement
23 on which a City Payment or Receipt is due and payable under the Payment
24 Agreement.
25
26



1 (e) "Receipt" means any payment (designated as such by an ordinance
2 or resolution) to be made to, or for the benefit of, the City under a Payment
3 Agreement by the Payor.

4 (f) "Payor" means a Qualified Counterparty to a Payment Agreement
5 that is obligated to make one or more payments thereunder.
6

7 (g) "Qualified Counterparty" means a party (other than the City or a party
8 related to the City) who is the other party to a Payment Agreement that has or
9 whose obligations are unconditionally guaranteed by a party that has at least an
10 investment grade rating from a rating agency (who, if the City's Parity Bonds are
11 rated by Moody's, must have a rating of at least "A") and who is otherwise qualified
12 to act as the other party to a Payment Agreement under any applicable laws of the
13 State.
14

15 A Payment made under a Payment Agreement may be on a parity with the
16 Bonds if the Payment Agreement satisfies the requirements for Future Parity
17 Bonds described in Section 16, taking into consideration regularly scheduled
18 Payments and Receipts (if any) under the Payment Agreement. The following
19 shall be conditions precedent to the use of any Payment Agreement on a parity
20 with the Bonds:
21

22 (1) The City shall obtain an opinion of Bond Counsel on the due
23 authorization and execution of such Payment Agreement, the validity and
24 enforceability thereof and opining that the action proposed to be taken is
25 authorized or permitted by this ordinance or the applicable provisions of any
26



1 supplemental ordinance and will not adversely affect the excludability for federal
2 income tax purposes of the interest on any outstanding Parity Bonds.

3 (2) Prior to entering into a Payment Agreement, the City shall
4 adopt an ordinance, which shall:

5 (A) set forth the manner in which the Payments and
6 Receipts are to be calculated and a schedule of Payment Dates;

7 (B) establish general provisions for the rights of parties to
8 Payment Agreements; and

9 (C) set forth such other matters as the City deems
10 necessary or desirable in connection with the management of Payment
11 Agreements as are not clearly inconsistent with the provisions of this ordinance.

12 The Payment Agreement may oblige the City to pay, on one or more
13 scheduled and specified Payment Dates, the Payments in exchange for the
14 Payor's obligation to pay or to cause to be paid to the City, on scheduled and
15 specified Payment Dates, the Receipts. The City may also enter into Payment
16 Agreements that are not reciprocated by the other party to the agreement.

17 If the City enters into a Parity Payment Agreement, Payments shall be made
18 from the Debt Service Account in the Bond Fund and Annual Debt Service shall
19 include any regularly scheduled City Payments adjusted by any regularly
20 scheduled Receipts during a Fiscal Year. Receipts shall be paid directly into the
21 Bond Fund. Obligations to make unscheduled payments, such as termination
22 payments, may not be entered into on a parity with the Parity Bonds.



1 Nothing in this section shall preclude the City from entering into Payment
2 Agreements with a claim on Net Revenues junior to that of the Bonds.

3 Furthermore, nothing in this section shall preclude the City from entering into
4 obligations on a parity with the Bonds in connection with the use of Payment
5 Agreements or similar instruments if the City obtains an opinion of Bond Counsel
6 that the obligations of the City thereunder are consistent with this ordinance.
7

8 Section 16. Future Parity Bonds. The City reserves the right to issue
9 Future Parity Bonds for the purposes of (a) providing funds to acquire, construct,
10 reconstruct, install, or replace any equipment, facilities, additions, or other capital
11 improvements to the System for which it is authorized by law to issue revenue
12 bonds; (b) any lawful purpose of the System, including the payment of a judgment
13 or settlement of a claim; or (c) refunding at or prior to their maturity, any revenue
14 bond anticipation notes or outstanding revenue bonds or other obligations payable
15 out of Gross Revenues. The City may pledge that payments will be made out of
16 money in the Solid Waste Operating Fund into the Bond Fund and the funds and
17 accounts therein to pay and secure the payment of the principal of and interest on
18 such Future Parity Bonds on a parity with the payments required herein to be
19 made out of such money into such fund and accounts to pay and secure the
20 payment of the principal of and interest on any Parity Bonds then outstanding,
21 upon compliance with the following conditions:
22
23
24

25 (a) At the time of the issuance of any Future Parity Bonds there is no
26 deficiency in the Bond Fund.



1 (b) The principal of and interest on any Future Parity Bonds shall be
2 payable out of the Bond Fund and the requirements for Sinking Fund
3 Requirements and Reserve Fund payments (with respect to Covered Bonds) in
4 Section 11 shall be met.

5
6 (c) Prior to the delivery of any Future Parity Bonds, the City shall have
7 on file in the office of the City Clerk either:

8 (1) A certificate of the Finance Director of the City stating that Net
9 Revenues in any 12 consecutive months out of the most recent 24 months
10 preceding the delivery of the bonds then proposed to be issued, as determined
11 from the financial statements of the System, were not less than 1.25 times
12 Maximum Annual Debt Service for any year on all outstanding Parity Bonds and
13 the bonds proposed to be issued, provided that in the event that any adjustment in
14 the rates, fees and charges collected by the City for the services of the System
15 shall have been adopted by the City Council at any time on or prior to the date of
16 delivery of the bonds then proposed to be issued, the Finance Director shall reflect
17 in his or her certificate the Net Revenues he or she estimates would have been
18 collected in such 12-month period if such new rates, fees and charges had been in
19 effect for the entire 12-month period, or

20
21
22 (2) A certificate of an Engineer or a Certified Public Accountant
23 showing that the "Adjusted Net Revenues" (as determined as provided below) for
24 each calendar year during the life of the bonds proposed to be issued will equal not
25
26



1 less than 1.25 times Maximum Annual Debt Service for any year on all outstanding
2 Parity Bonds and the bonds proposed to be issued.

3
4 The Adjusted Net Revenues shall be the Net Revenues for a period of any
5 12 consecutive months out of the 24 months immediately preceding the date of
6 delivery of such proposed Future Parity Bonds as adjusted by such Engineer or
7 Certified Public Accountant to take into consideration changes in Net Revenues
8 estimated to occur under the following conditions for each year after such delivery
9 for so long as any Parity Bonds, including the Future Parity Bonds proposed to be
10 issued, shall be outstanding:

11
12 (i) the additional Net Revenues which would have been
13 received if any change in rates and charges adopted prior to the date of such
14 certificate and subsequent to the beginning of such 24 month period, had been in
15 force during the full 24 month period;

16
17 (ii) the additional Net Revenues which would have been
18 received if any customers added to the System during such 24-month period were
19 customers for the entire period. For these purposes, customers shall mean only
20 customers for collection and disposal of solid waste; and

21
22 (iii) the additional Net Revenues estimated by such
23 Engineer or Certified Public Accountant to be received as a result of any additions
24 and improvements to and extensions of any facilities of the System which are
25 (a) under construction at the time of such certificate or (b) will be constructed or
26 acquired from the proceeds of the Future Parity Bonds to be issued.



1 Such Engineer or Certified Public Accountant may rely upon, and such
2 certificate shall have attached thereto, financial statements of the System, certified
3 by the City Finance Director, showing income and expenses for the period upon
4 which the same is based. The certificate of such Engineer or Certified Public
5 Accountant shall be conclusive and the only evidence required to show compliance
6 with the provisions and requirements of this subsection.
7

8 (d) Refunding Bonds. Notwithstanding the foregoing requirement, if
9 Future Parity Bonds are to be issued for the purpose of refunding at or prior to their
10 maturity any part or all of the then outstanding Parity Bonds and the issuance of
11 such refunding Future Parity Bonds will result in a debt service savings and does
12 not require an increase of more than \$5,000 in any fiscal or calendar year for
13 principal of and interest on such refunding Future Parity Bonds over and above the
14 amount required in such year for the principal of and interest on the bonds being
15 refunded thereby, it is not necessary to obtain a certificate of the Finance Director
16 or an Engineer or Certified Public Accountant prior to issuing such bonds.
17

18 (e) Junior Lien Bonds. Nothing herein contained shall prevent the City
19 from issuing revenue bonds or other obligations which are a charge upon Gross
20 Revenues junior or inferior to the payments required by this ordinance to be made
21 out of such Revenue into the Bond Fund and accounts therein to pay and secure
22 the payment of any outstanding Parity Bonds.
23
24
25
26



1 (f) Nothing herein contained shall prevent the City from issuing revenue
2 bonds to refund maturing Parity Bonds for the payment of which money is not
3 otherwise available.

4 (g) In the event that the City elects additionally to secure any issue of
5 Variable Interest Rate Bonds through the use of a letter of credit, insurance or
6 other equivalent credit enhancement, the City may contract with the entity
7 providing such letter of credit, insurance or other equivalent credit enhancement
8 that the City's reimbursement obligation, if any, to such entity ranks on a parity of
9 lien with the Parity Bonds; provided, that the payments due under such
10 reimbursement agreement are such that if such reimbursement obligation were a
11 series of Future Parity Bonds, such Future Parity Bonds could be issued in
12 compliance with the provisions of this Section 16.

15 Section 17. Sale of Bonds.

16 (a) Bond Sale. The Bonds shall be sold by negotiated sale to the
17 Underwriter selected by the Designated Representative pursuant to the terms of
18 this ordinance and the Bond Purchase Contract. The Designated Representative
19 is hereby authorized to select the Underwriter that submits the proposal that is in
20 the best interest of the City.

22 Market conditions are fluctuating and, as a result, the most favorable market
23 conditions may occur on a day other than a regular meeting date of the Council.
24 The Council has determined that it would be in the best interest of the City to
25 delegate to the Designated Representative for a limited time the authority to select
26



1 the Underwriter, approve the selection of Refunded Bonds (if any), determine
2 whether the Bonds shall be issued in one or more series, determine whether the
3 Bonds (or the Bonds of a series) shall be issued as Tax-Exempt Bonds or Taxable
4 Bonds, and approve the final interest rates, aggregate principal amount, principal
5 amounts of each maturity, and redemption rights for the Bonds.
6

7 The Designated Representative is further authorized to designate all or a
8 portion of the Bonds allocated to finance Projects with environmental benefits as
9 "green bonds," and to undertake such action, execute such certificates, and agree
10 to such terms as necessary to accomplish such designation.
11

12 Subject to the terms and conditions set forth in this Section 17, the
13 Designated Representative is hereby authorized to enter into the Bond Purchase
14 Contract with the Underwriter to issue and sell the Bonds in one or more series
15 upon his or her approval of the final interest rates, maturity dates, aggregate
16 principal amounts, principal maturities, and redemption rights set forth therein for
17 the Bonds in accordance with the authority granted by this section so long as:
18

19 (1) the aggregate principal amount of the Bonds does not exceed
20 \$75,000,000,

21 (2) the final maturity date for the Bonds is no later than
22 December 1, 2040,

23 (3) the Bonds are sold (in the aggregate) at a price not less than
24 97 percent and not greater than 130 percent,
25
26



1 (4) the true interest cost for the Bonds (in the aggregate) does not
2 exceed 5.50 percent, and

3 (5) the Bonds conform to all other terms of this ordinance.

4 Subject to the terms and conditions set forth in this section, the Designated
5 Representative is hereby authorized to execute the Bond Purchase Contract. The
6 signature of one Designated Representative shall be sufficient to bind the City.

7 Following the execution of the Bond Purchase Contract, the Designated
8 Representative shall provide a report to the City Council describing the final terms
9 of the Bonds approved pursuant to the authority delegated in this section. The
10 authority granted to the Designated Representative by this Section 17 shall expire
11 120 days after the effective date of this ordinance. If a Bond Purchase Contract for
12 the Bonds has not been executed within 120 days after the effective date of this
13 ordinance, the authorization for the issuance of the Bonds shall be rescinded and
14 the Bonds shall not be issued nor their sale approved unless such Bonds shall
15 have been reauthorized by ordinance of the City Council. The ordinance
16 reauthorizing the issuance and sale of such Bonds may be in the form of a new
17 ordinance repealing this ordinance in whole or in part or may be in the form of an
18 amendatory ordinance approving a bond purchase contract or establishing terms
19 and conditions for the authority delegated under this Section 17.

20 (b) Delivery of Bonds; Documentation. Upon the passage and approval
21 of this ordinance, the proper officials of the City, including the Finance Director,
22 Treasurer, and City Manager, are authorized and directed to undertake all action
23



1 necessary for the prompt execution and delivery of the Bonds to the Underwriter
2 and further to execute all closing certificates and documents required to effect the
3 closing and delivery of the Bonds in accordance with the terms of this ordinance
4 and the Bond Purchase Contract.

5
6 Section 18. Approval of Official Statement. The Finance Director is hereby
7 authorized to ratify and to deem final the preliminary Official Statement relating to
8 the Bonds for the purposes of the Rule. The Finance Director is further authorized
9 to ratify and to approve for purposes of the Rule, on behalf of the City, the final
10 Official Statement relating to the issuance and sale of the Bonds and the
11 distribution of the final Official Statement pursuant thereto with such changes, if
12 any, as may be deemed by him or her to be appropriate.

13
14 Section 19. Defaults and Remedies. The following constitute "Events of
15 Default" under this ordinance:

16 (a) If default shall be made in the due and punctual payment of the
17 principal of and premium, if any, on any of the Parity Bonds when the same shall
18 become due and payable, either at maturity or by mandatory redemption;

19
20 (b) If default shall be made in the due and punctual payment of any
21 installment of interest on any Parity Bond;

22 (c) If the City shall default in the observance and performance of any
23 other of the covenants, conditions and agreements on the part of the City
24 contained in this ordinance or any covenants, conditions or agreements on the part
25 of the City contained in any ordinance of the City authorizing Future Parity Bonds
26



1 and such default or defaults shall have continued for a period of 90 days after the
2 City shall have received from the owners of not less than 20 percent in principal
3 amount of the Parity Bonds outstanding a written notice specifying and demanding
4 the cure of such default.

5
6 The failure to collect Net Revenues in any calendar year sufficient to comply
7 with the covenant contained in Section 14(a)(2) shall not constitute an Event of
8 Default if the City, before the 100th day of the following calendar year:

9 (a) Employs an Engineer to recommend changes in the System's rates
10 which are estimated to produce Net Revenues sufficient (once the rates
11 recommended by the Engineer have been imposed by the City) to meet the
12 requirements of Section 14(a)(2); and

13
14 (b) Promptly imposes rates at least as high as those recommended by
15 such Engineer.

16
17 So long as such Event of Default shall not have been remedied, a
18 bondowners' trustee may be appointed by the Registered Owners of 25 percent in
19 principal amount of the Parity Bonds.

20 The bondowners' trustee may upon the happening of an Event of Default,
21 and during the continuance thereof, take such steps and institute such suits,
22 actions or other proceedings in its own name, or as trustee, all as it may deem
23 appropriate for the protection and enforcement of the rights of bondowners to
24 collect any amounts due and owing the City, or to obtain other appropriate relief,
25 and may enforce the specific performance of any covenant, agreement or condition
26



1 contained in this ordinance or in any of the Parity Bonds. The Registered Owners
2 of the Parity Bonds, by taking and holding the same, shall be deemed irrevocably
3 to appoint the bondowners' trustee the true and lawful trustee of the respective
4 owners of said Parity Bonds.

5
6 No owner of any one or more of the Parity Bonds shall have any right to
7 institute any action, suit or proceeding at law or in equity for the enforcement of
8 same unless an Event of Default shall have happened and be continuing, and
9 unless no bondowners' trustee has been appointed. In the event no bondowners'
10 trustee has been appointed, or with the consent of the bondowners' trustee if such
11 bondowners' trustee has been appointed, a bondowner may exercise any remedy
12 given the bondowner's trustee.

13
14 Section 20. Supplemental Ordinances.

15 (a) The Council from time to time and at any time may adopt an
16 ordinance or ordinances supplemental to this ordinance which supplemental
17 ordinance or ordinances thereafter shall become a part of this ordinance, for any
18 one or more or all of the following purposes:

19
20 (1) To add to the covenants and agreements of the City in this
21 ordinance other covenants and agreements thereafter to be observed, which shall
22 not adversely affect the interests of the owners of any Parity Bonds, or to surrender
23 any right or power herein reserved to or conferred upon the City.

24
25 (2) To make such provisions for the purpose of curing any
26 ambiguities or of curing, correcting or supplementing any defective provision



1 contained in this ordinance or any ordinance authorizing future Parity Bonds in
2 regard to matters or questions arising under such ordinances as the Council may
3 deem necessary or desirable and not inconsistent with such ordinances and which
4 shall not adversely affect the interest of the owners of Parity Bonds.
5

6 Any such supplemental ordinance of the City may be adopted without the
7 consent of the Registered Owners of any Parity Bonds at any time outstanding,
8 notwithstanding any of the provisions of subsection (b) of this section.

9 (b) With the consent of the Registered Owners of not less than
10 65 percent in aggregate principal amount of the Parity Bonds at the time
11 outstanding, the Council may adopt an ordinance or ordinances supplemental
12 hereto for the purpose of adding any provisions to or changing in any manner or
13 eliminating any of the provisions of this ordinance or of any supplemental
14 ordinance; provided, however, that no such supplemental ordinance shall:
15

16 (1) Extend the fixed maturity of any Parity Bonds, or reduce the
17 rate of interest thereon, or extend the time of payment of interest from their due
18 date, or reduce the amount of the principal thereof, or reduce any premium
19 payable on the redemption thereof, without the consent of the Registered Owner of
20 each bond so affected; or
21

22 (2) Reduce the aforesaid percentage of bondowners required to
23 approve any such supplemental ordinance, without the consent of the Registered
24 Owners of all of the Parity Bonds then outstanding.
25
26



1 It shall not be necessary for the consent of Registered Owners under this
2 subsection (b) to approve the particular form of any proposed supplemental
3 ordinance, but it shall be sufficient if such consent shall approve the substance
4 thereof.

5
6 Section 21. Ongoing Disclosure.

7 (a) Contract/Undertaking. This section constitutes the City's written
8 undertaking for the benefit of the owners, including Beneficial Owners, of the
9 Bonds as required by Section (b)(5) of the Rule.

10 (b) Financial Statements/Operating Data. The City agrees to provide or
11 cause to be provided to the MSRB the following annual financial information and
12 operating data for the prior fiscal year (commencing in 2015 for the fiscal year
13 ended December 31, 2014):

14
15 (1) Annual financial statements, which statements may or may not
16 be audited, showing ending fund balances for the System prepared in accordance
17 with Generally Accepted Accounting Principles prescribed by the Washington State
18 Auditor pursuant to RCW 43.09.200 (or any successor statute);

19
20 (2) Principal amount of outstanding Parity Bonds;

21 (3) Debt service coverage for outstanding Parity Bonds;

22 (4) Total number of residential and commercial customers;

23 (5) Aggregate percent of total revenue received from the System's
24 ten largest customers;

25 (6) Tonnage and percentage for each disposal method;



1 (7) Rates for the System substantially as provided in the rate
2 ordinance approved by the Council; and

3 (8) Gross Revenues by service.

4 Items (2)-(8) shall be required only to the extent that such information is not
5 included in the annual financial statements.
6

7 The information and data described above shall be provided on or before
8 the last day of the ninth month after the end of the City's fiscal year. The City's
9 current fiscal year ends December 31. The City may adjust such fiscal year by
10 providing written notice of the change of fiscal year to the MSRB. In lieu of
11 providing such annual financial information and operating data, the City may
12 cross-reference to other documents available to the public on the MSRB's internet
13 website or filed with the Commission.
14

15 If not provided as part of the annual financial information discussed above,
16 the City shall provide the City's audited annual financial statement prepared in
17 accordance with Generally Accepted Accounting Principles prescribed by the
18 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute)
19 when and if available to the MSRB.
20

21 (c) Listed Events. The City agrees to provide or cause to be provided to
22 the MSRB, in a timely manner not in excess of ten business days after the
23 occurrence of the event, notice of the occurrence of any of the following events
24 with respect to the Bonds:
25

- 26
- Principal and interest payment delinquencies;



- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34 23856, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of



1 the City, other than in the ordinary course of business, the entry into
2 a definitive agreement to undertake such an action or the termination
3 of a definitive agreement relating to any such actions, other than
4 pursuant to its terms, if material; and

- 5 • Appointment of a successor or additional trustee or the change of
6 name of a trustee, if material.

7
8 (d) Format for Filings with the MSRB. All notices, financial information
9 and operating data required by this undertaking to be provided to the MSRB must
10 be in an electronic format as prescribed by the MSRB. All documents provided to
11 the MSRB pursuant to this undertaking must be accompanied by identifying
12 information as prescribed by the MSRB.

13
14 (e) Notification Upon Failure to Provide Financial Data. The City agrees
15 to provide or cause to be provided, in a timely manner, to the MSRB notice of its
16 failure to provide the annual financial information described in subsection (b) above
17 on or prior to the date set forth in subsection (b) above.

18
19 (f) Termination/Modification. The City's obligations to provide annual
20 financial information and notices of certain listed events shall terminate upon the
21 legal defeasance, prior redemption or payment in full of all of the Bonds. Any
22 provision of this section shall be null and void if the City (i) obtains an opinion of
23 Bond Counsel to the effect that the portion of the Rule that requires that provision
24 is invalid, has been repealed retroactively or otherwise does not apply to the Bonds
25 and (ii) notifies the MSRB of such opinion and the cancellation of this section.
26



1 The City may amend this section with an opinion of Bond Counsel in
2 accordance with the Rule. In the event of any amendment of this section, the City
3 shall describe such amendment in the next annual report, and shall include a
4 narrative explanation of the reason for the amendment and its impact on the type
5 (or in the case of a change of accounting principles, on the presentation) of
6 financial information or operating data being presented by the City. In addition, if
7 the amendment relates to the accounting principles to be followed in preparing
8 financial statements, (A) notice of such change shall be given in the same manner
9 as for a listed event under subsection (c), and (B) the annual report for the year in
10 which the change is made shall present a comparison (in narrative form and also, if
11 feasible, in quantitative form) between the financial statements as prepared on the
12 basis of the new accounting principles and those prepared on the basis of the
13 former accounting principles.
14

15
16 (g) Bond Owner's Remedies Under This Section. The right of any
17 bondowner or Beneficial Owner of Bonds to enforce the provisions of this section
18 shall be limited to a right to obtain specific enforcement of the City's obligations
19 under this section, and any failure by the City to comply with the provisions of this
20 undertaking shall not be an Event of Default with respect to the Bonds.
21

22 (h) No Default. Except as otherwise disclosed in the City's Official
23 Statement relating to the Bonds, the City is not and has not been in default in the
24 performance of its obligations of any prior undertaking for ongoing disclosure with
25 respect to its obligations.
26



1 Section 22. Lost or Destroyed Bonds. In case any Bonds shall be lost,
2 stolen or destroyed, the Bond Registrar may authenticate and deliver a new
3 Bond(s) of like series, amount, date, tenor, and effect to the owner thereof upon
4 the owner paying the expenses and charges of the City in connection therewith
5 and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar
6 that such Bond(s) were actually lost, stolen or destroyed and of ownership thereof,
7 and upon furnishing the City with indemnity satisfactory to both.

9 Section 23. Severability. If any one or more of the covenants or
10 agreements provided in this ordinance to be performed on the part of the City shall
11 be declared by any court of competent jurisdiction to be contrary to law, then such
12 covenant or covenants, agreement or agreements, shall be null and void and shall
13 be deemed separable from the remaining covenants and agreements of this
14 ordinance and shall in no way affect the validity of the other provisions of this
15 ordinance or of the Bonds.
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Section 24. Effective Date. This ordinance shall take effect and be in force
10 days after its passage, approval and publication as required by law.

Passed: _____

Mayor

Attest:

City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel to the City of Tacoma

By _____



CLERK'S CERTIFICATE

I, the undersigned, the duly chosen, qualified City Clerk of the City of Tacoma, Washington, and keeper of the records of the Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. ____ (herein called the "Ordinance") is a true and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the Council held on the 13th day of January, 2015, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City as of this 13th day of January, 2015.

City Clerk
City of Tacoma, Washington