



Legislation Passed August 3, 2021

The Tacoma City Council, at its regular City Council meeting of August 3, 2021, 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. 40818

A resolution authorizing the execution of a Memorandum of Understanding with Mayors for a Guaranteed Income and United Way of Pierce County, establishing the requirements and confirming acceptance of \$500,000 in additional funding for a Guaranteed Income Demonstration in the City.

[Council Member Walker]

Resolution No. 40819

A resolution authorizing the one-time use of \$5,500, budgeted from the Council Contingency Fund, for the purpose of supporting the general market operations of the Eastside Tacoma Farmers Market.

[Council Member Walker]

Ordinance No. 28772

An ordinance authorizing the extension of and amendments to the Electric System Subordinate Revenue Note, Series 2020 (Taxable); authorizing an amendment to the related Note Purchase Agreement; and delegating the authority to approve the final terms of the amendment.

[Bill Berry, Power Section Manager; Chris Robinson, Power Superintendent]

Amended Ordinance No. 28773

An ordinance providing for the issuance of one or more series of Electric System Revenue and Refunding Bonds, Series 2021, in the aggregate principal amount of not to exceed \$320,000,000 to provide funds to finance and refinance capital improvements to the Electric System, and delegating the authority to approve the final terms of the bonds.

[Bill Berry, Power Section Manager; Chris Robinson, Power Superintendent]

Ordinance No. 28774

An ordinance authorizing the issuance of an Electric System Subordinate Revenue Note, Series 2021, in the principal amount of not to exceed \$150,000,000 to evidence a revolving line of credit to provide funds to finance and refinance capital improvements to the Electric System; authorizing the execution and delivery of a Note Purchase Agreement with Wells Fargo Bank, National Association in connection with the issuance of the 2021 Note; and delegating the authority to approve the final terms of the 2021 Note.

[Bill Berry, Power Section Manager; Chris Robinson, Power Superintendent]



RESOLUTION NO. 40818

1 BY REQUEST OF DEPUTY MAYOR BLOCKER, AND COUNCIL MEMBERS
2 USHKA AND WALKER

3 A RESOLUTION relating to income disparity and inequality; authorizing the
4 execution of a Memorandum of Understanding with Mayors for a
5 Guaranteed Income and United Way of Pierce County, establishing the
6 requirements and confirming acceptance of \$500,000 in additional funding
7 for a Guaranteed Income Demonstration in the City.

8 WHEREAS in June 2020, the Mayor signed on to be a founding member of
9 Mayors for a Guaranteed Income ("MGI"), and noted at that time that her
10 participation was motivated by the potential to be connected to non-governmental
11 funding opportunities for local demonstration projects, and

12 WHEREAS in November 2020, the City Council approved an initial
13 Memorandum of Understanding ("MOU") accepting \$100,000 in funds from MGI for
14 exploration and/or design of a City Guaranteed Income Demonstration, and

15 WHEREAS in December 2020, with the Mayor as a founding member, MGI
16 offered the City's Guaranteed Income Demonstration an additional \$500,000 in
17 starter funds that could be distributed to participants selected for a Guaranteed
18 Income Demonstration in the City, and

19 WHEREAS in a Study Session presentation on June 29, 2021, United Way
20 of Pierce County, the City's key community partner in administering this work,
21 provided an update on the work done since the initial MOU, including information
22 on the design and implementation steps of a City Guaranteed Income
23 Demonstration, and
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WHEREAS a small group of community leaders have continued discussions and community outreach, including multiple focus groups, to determine what elements should be included in the design of the City’s Guaranteed Income Demonstration, and

WHEREAS partners in this work have included the Mayor, Council Member Walker, United Way of Pierce County, Sound Outreach (administrator of the Center for Strong Families), Tacoma Urban League, Greater Tacoma Community Foundation, and Tacoma Housing Authority, and a representative from the Washington State Department of Social and Health Services has also joined the work group to help inform how a guaranteed income might impact benefits received by participants, as well as align the demonstration efforts with the State’s 10-year plan to dismantle poverty, and

WHEREAS design of the City’s Guaranteed Income Demonstration, known as “Growing Resilience in Tacoma” (“GRIT”), is also being informed by feedback from researchers at University of Pennsylvania’s Center for Guaranteed Income Research (“Center”), and with assistance from the Center, the lessons learned from a local demonstration would be aggregated with data from other validated demonstrations across the nation and inform state and federal policy work going forward, and

WHEREAS among the community leaders who have been engaged, there remains a shared goal to identify additional private or philanthropic dollars for the guaranteed income payments provided to participants in a City demonstration, and



1 WHEREAS as defined by the national MGI initiative, guaranteed income is:
2 (1) monthly cash payments given directly to individuals; (2) unconditional payment,
3 with no strings attached and no work requirements; (3) additional income that is
4 meant to supplement, rather than replace, the existing social safety net; and
5 (4) guaranteed income that can be a tool for racial and gender equity, and

6 WHEREAS during this time of pandemics and climate disruptions, MGI
7 holds the position that everyone deserves an income floor through a guaranteed
8 income which empowers recipients to address their most urgent individual needs
9 and provides a cushion for unpredictable expenses, external shocks, and volatility,
10 which follows the foundational anti-poverty work pursued by Dr. Martin Luther King
11 Jr., whose speeches used the term “guaranteed income,” and are foundational to
12 MGI’s work, and

13
14 WHEREAS early data from the Stockton Economic Empowerment
15 Demonstration (“Stockton”), whereby \$500 per month is provided for 24 months,
16 showed that 40 percent of the funding was spent on food, a percentage that has
17 increased during the COVID-19 pandemic, and

18
19 WHEREAS initial qualitative data from Stockton reflects, among recipients
20 of guaranteed income, improved mental health, the ability to seek medical or
21 dental care, and the ability to better show up for and support their children; Now,
22 Therefore,

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

25 Section 1. That the proper officers of the City are hereby authorized to
26 execute a Memorandum of Understanding with Mayors for a Guaranteed



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Income ("MGI") and United Way of Pierce County, establishing the requirements and confirming acceptance of \$500,000 in additional funding from MGI, for the purpose of a Guaranteed Income Demonstration in the City.

Section 2. That the City Manager, or designee, is hereby authorized to take and execute any additional measures or documents that may be necessary to complete this transaction which are consistent with the approved form of documents referenced by this Resolution, and the intent of this Resolution.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



RESOLUTION NO. 40819

1 BY REQUEST OF MAYOR WOODARDS AND COUNCIL MEMBERS BEALE,
2 USHKA, AND WALKER

3 A RESOLUTION authorizing the one-time use \$5,500, budgeted from the Council
4 Contingency Fund, for the purpose of supporting the general market
5 operations of the Eastside Tacoma Farmers Market.

6 WHEREAS the Tacoma Farmers Market operates on a slim budget and is
7 dependent on thriving farmers markets to sustain the robust and quality markets
8 residents have come to expect, and

9 WHEREAS the Eastside Farmers Market spends \$30,000 to operate each
10 year, running from June through August, and typically earns approximately \$5,000
11 in revenue from vendor fees, and

12 WHEREAS the 2021 season has been particularly hard on the Eastside
13 Farmers Market; from June to mid-July of this year, the market lost more than
14 50 percent of its vendors, resulting in reduced shoppers and reduced revenue, and

15 WHEREAS the Eastside Farmers Market is in a Census-designated
16 Low-Income, Low-Supermarket Access neighborhood, and provides an important
17 option for shoppers with limited access to healthy and fresh food, and

18 WHEREAS, compounding the need for assistance, the Eastside Farmers
19 Market has historically been supplemented by the prosperous Broadway Farmers
20 Market, which serves downtown patrons and relies heavily on daytime shoppers
21 who stop by the market on lunch breaks from work, and
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WHEREAS, due to the COVID-19 pandemic, many downtown workers now telework from home, leading to reduced revenue at the Broadway Farmers Market and less supplemental revenue for the Eastside Farmers Market, and

WHEREAS, at the July 27, 2021, Study Session, Council Member Walker shared a Council Consideration Request to authorize the one-time use of \$5,500 from the Council Contingency Fund to support the general market operations of the Eastside Tacoma Farmers Market, and

WHEREAS this funding will ensure the Eastside Farmers Market will be able to sustain basic services through next year; without the funding, the Eastside Farmers Market will be less likely to provide activities at the market; provide fewer cooking demonstrations; provide fewer waived vendor fees, when necessary, to help struggling farmers; and would need to reduce the its outreach and marketing campaign, and

WHEREAS RCW 35.34.250 and 35.34.260 authorize a withdrawal from the Council Contingency fund for any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the budget, and

WHEREAS Ordinance No. 22569 requires an affirmative vote of not less than six members of the Council in order to withdraw moneys from this fund; Now, Therefore,



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

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That one-time funding in the amount of \$5,500, budgeted from the Council Contingency Fund, is hereby approved for the purpose of supporting the general market operations of the Eastside Tacoma Farmers Market.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



ORDINANCE NO. 28772

1 A SUPPLEMENTAL ORDINANCE of the City of Tacoma, Washington, relating to
2 Tacoma Power, authorizing the extension of and amendments to the City's
3 Electric System Subordinate Revenue Note, Series 2020 (Taxable);
4 authorizing an amendment to the related Note Purchase Agreement;
5 delegating the authority to approve the final terms of the amendment; and
6 approving certain other matters in connection therewith.

7 WHEREAS the City of Tacoma, Washington ("City"), by Ordinance
8 No. 23514, passed on November 20, 1985 (as amended and supplemented,
9 including as amended and restated by Ordinance No. 28146, passed on April 30,
10 2013, collectively, the "Senior Bond Ordinance"), authorized electric system
11 revenue bonds of the City ("Senior Bonds") to be issued in series having a parity of
12 lien and charge on the Revenues of the Electric System after the payment of
13 Operating Expenses (as those terms are defined therein), if certain conditions are
14 met, and made covenants in connection with the issuance of such Senior Bonds,
15 and

16 WHEREAS the Senior Bond Ordinance permits the City to issue obligations
17 that are junior and subordinate to the payment of the Senior Bonds and that are
18 payable out of Revenues of the Electric System, after payment of Operating
19 Expenses, only after the prior payment of all amounts required to be paid or set
20 aside under the Senior Bond Ordinance for the Senior Bonds, as the same shall
21 become due at the times and in the manner as required in the Senior Bond
22 Ordinance, and

23 WHEREAS on April 21, 2015, the City Council passed Ordinance No. 28295
24 (as amended, the "Master Subordinate Ordinance") to authorize a new issue of
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1 revenue bonds of the City, junior and subordinate to the Senior Bonds, to be known
2 as the City of Tacoma Electric System Subordinate Revenue Bonds (“Subordinate
3 Bonds”) in one or more series to finance costs of the Electric System, and

4 WHEREAS, pursuant to the Master Subordinate Ordinance and Ordinance
5 No. 28669, passed on May 5, 2020 (the “First Subordinate Ordinance”), the City,
6 acting through its Department of Public Utilities, Light Division (d.b.a. “Tacoma
7 Power”) issued its Electric System Subordinate Revenue Note, Series 2020
8 (Taxable), to evidence a revolving line of credit in the principal amount of not to
9 exceed \$100,000,000 outstanding at any time (the “2020 Note”), and

10 WHEREAS the 2020 Note was sold to and purchased by KeyBank National
11 Association (“Purchaser”) by private sale pursuant to the terms of the Note
12 Purchase Agreement dated May 21, 2020 (the “Original Note Purchase
13 Agreement”), between the Purchaser and the City, acting by and through its Public
14 Utilities Board (the “Board”), and

15 WHEREAS implementation of the 2020 Note and the Original Note
16 Purchase Agreement has provided liquidity and financial sustainability and
17 increased Tacoma Power’s fiscal position, all of which are consistent with City
18 policy and fundamental to sound long range planning and government
19 performance, and

20 WHEREAS the Board has initiated and has recommended to the City
21 Council for its approval the extension of the expiration date of the 2020 Note, the
22 option to convert a portion of the line of credit represented by the 2020 Note to a
23 letter of credit, and the decrease of the available principal amount of the credit



1 facility in all forms to \$50,000,000 outstanding at any time, to provide liquidity
2 financing for the Electric System, and

3 WHEREAS, to extend the expiration date, provide such optional credit
4 facility, and decrease the available principal amount of the 2020 Note, Tacoma
5 Power has requested and the Purchaser has agreed to enter into an amendment
6 to the Original Note Purchase Agreement (the "First Amendment," and the Original
7 Note Purchase Agreement, and as it may be further amended, is referred to as the
8 "Note Purchase Agreement"), and

10 WHEREAS, pursuant to RCW 39.46.040 the City Council wishes to
11 delegate authority to the Director of Public Utilities and the Tacoma Power
12 Superintendent (each, a "Designated Representative"), as provided herein, for a
13 limited time, to approve terms of the First Amendment and provisions relating to
14 the 2020 Note within the parameters set by this Supplemental Ordinance, and

16 WHEREAS the City Council now desires to authorize the execution of the
17 First Amendment and related documents subject to the terms and conditions set
18 forth in this Supplemental Ordinance; Now, Therefore,

20 BE IT ORDAINED BY THE CITY OF TACOMA:

21 ARTICLE I

22 DEFINITIONS

23 Section 1.1. Definitions and Interpretation of Terms. Unless otherwise
24 defined in the recitals and elsewhere in this Supplemental Ordinance, capitalized
25 terms used herein shall have the meanings set forth in the Master Subordinate
26 Ordinance, as previously amended.



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ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Parity Findings. In connection with the 2020 Note, the City hereby makes the following findings:

A. There is, and as of the effective date of the First Amendment there will be, no deficiency in the Bond Fund, and no Event of Default has occurred or shall have occurred and being continuing.

B. The principal of and interest on the 2020 Note shall continue to be paid out of the Bond Fund and subject to the terms of the Master Subordinate Ordinance, the First Supplemental Ordinance, and the Note Purchase Agreement.

C. On the effective date of the First Amendment, there will be on file with the City, if necessary, a certificate satisfying the conditions set forth in Section 6.1 of the Master Subordinate Ordinance.

Section 2.2. Findings as to Sufficiency of Gross Revenue. The City hereby confirms, finds, and determines that the Revenues of the Electric System at the rates to be charged for power and other services and commodities from the Electric System will be more than sufficient to meet all Operating Expenses, to make all required payments with respect to the Senior Bonds, and to permit the setting aside into the Bond Fund out of the Revenues of amounts sufficient to pay the principal of and interest on the 2020 Note as decreased and extended and when due at maturity and upon any mandatory sinking fund redemption thereof. The City further finds and determines that in creating the Bond Fund and in fixing the amounts to be paid into the Bond Fund, it has exercised due regard for



1 Operating Expenses, and the City has not bound and obligated itself to set aside
2 and pay into the Bond Fund a greater amount or proportion of the Revenues than
3 in the judgment of the City will be available over and above the Operating
4 Expenses.
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6 ARTICLE III

7 AUTHORIZATION

8 Section 3.1. Authorization.

9 A. The City Council has determined that it would be in the best interest of
10 the City to delegate to the Director of Public Utilities and the Tacoma Power
11 Superintendent (the "Designated Representatives"), for a limited time the authority
12 to extend the term of the 2020 Note, to approve the terms relating to the option to
13 convert a portion of the revolving line of credit represented by the 2020 Note to a
14 letter of credit, to decrease the available principal amount of the 2020 Note, and to
15 approve the terms of the First Amendment, as provided herein.
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18 Subject to the terms and conditions set forth in this Section 3.1, each
19 Designated Representative is hereby authorized to approve the final term of the
20 2020 Note, to approve the terms relating to the option to convert a portion of the
21 line of credit represented by the 2020 Note to a letter of credit, to decrease the
22 available principal amount of the 2020 Note, to approve the final terms of the
23 First Amendment and to agree to any additional terms and covenants that are in
24 the best interest of the City and consistent with this Supplemental Ordinance,
25 provided that:
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1 (a) The available principal amount of the 2020 Note that may be outstanding
2 at any time does not exceed \$50,000,000 (reduced from \$100,000,000);

3 (b) The final maturity of the 2020 Note is no later than December 1, 2024;
4 and

5 (c) The interest rate on draws on the line of credit represented by the
6 2020 Note does not exceed a variable rate equal to the one-month LIBOR rate
7 (subject to one-month LIBOR being a minimum of 0 basis points) plus 50 basis
8 points for funds used, and 20 basis points for funds not drawn under the Note
9 Purchase Agreement, as such terms may be adjusted under the Note Purchase
10 Agreement; provided, that the 2020 Note may be subject to a standby letter of
11 credit fee of not to exceed 125 basis points and an issuance fee of not to exceed
12 \$200 for the portion, if any, of the 2020 Note converted to a letter of credit in
13 accordance with the Note Purchase Agreement, and to a default rate upon the
14 occurrence and continuation of an Event of Default as provided for in the Note
15 Purchase Agreement.
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19 Subject to the terms and conditions set forth in this Section 3.1, each
20 Designated Representative is hereby authorized to approve the final terms and
21 conditions of the First Amendment in coordination with Bond Counsel, the
22 Financial Advisor and the City Attorney's Office, to agree to any additional
23 terms and covenants that are in the best interest of the City and consistent with
24 this Supplemental Ordinance, and to execute and implement the First
25 Amendment (including the payment of any financing costs associated with the
26



1 delivery of the First Amendment), and such approval shall be conclusively
2 evidenced by his or her execution thereof.

3 The authority granted to the Designated Representatives by this section
4 shall expire on December 31, 2021. If the First Amendment has not been
5 executed by such date, the authorization provided herein shall be rescinded,
6 and the First Amendment shall not be executed and the replacement 2020 Note
7 shall not be delivered to the Purchaser unless such authority has been re-
8 authorized by ordinance of the City Council at the request of the Board.

9
10 B. The terms of the 2020 Note shall otherwise be as set forth in the Note
11 Purchase Agreement. The principal of and interest on the 2020 Note shall be due
12 and payable at the rates, on the dates, and in the manner as set forth in the Note
13 Purchase Agreement. The 2020 Note shall be subject to mandatory and optional
14 redemption and to mandatory tender for purchase prior to maturity on the dates
15 and at the prices as set forth in the Note Purchase Agreement. The City
16 Treasurer, or in the absence of the City Treasurer, the Finance Director, shall be
17 designated as the Paying Agent and Note Registrar for the 2020 Note in
18 accordance with the Master Subordinate Ordinance.

19
20 C. The City Council hereby delegates to the Director of Utilities, the
21 Tacoma Power Superintendent, and the Tacoma Power Rates, Planning, and
22 Analysis Manager, or their designee (each, a "Borrower Representative") authority
23 to make written Requests for Advances, to submit Compliance Certificates, to
24 convert the form of the credit facility represented by the 2020 Note, to provide any
25 notice of reduction or termination of the 2020 Note, and to otherwise take all action
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1 necessary after delivery of the First Amendment to implement and administer the
2 2020 Note and the Note Purchase Agreement pursuant to the terms thereof. Each
3 Request for Advance and Compliance Certificate shall be signed by a Borrower
4 Representative and countersigned by the City Treasurer, the Finance Director, or
5 the Assistant Finance Director/Controller of the City.
6

7 Section 3.2. Form of 2020 Note; Purchaser. The definitive replacement
8 2020 Note shall be in substantially the form set forth in Exhibit "A" attached to the
9 First Supplemental Ordinance and made a part hereof, with appropriate variations,
10 omissions, and insertions as shall be required or appropriate consistent with the
11 Master Subordinate Ordinance, the First Supplemental Ordinance, and this
12 Supplemental Ordinance to reflect the terms as provided herein.
13

14 A replacement 2020 Note certificate reflecting the terms of the First
15 Amendment shall be delivered to the Purchaser pursuant to and in accordance
16 with the Note Purchase Agreement.
17

18 ARTICLE IV

19 MISCELLANEOUS

20 Section 4.1. Ratification of Prior Acts. Any action taken consistent with the
21 authority and prior to the effective date of this Supplemental Ordinance is ratified,
22 approved, and confirmed.
23

24 Section 4.2. General Authorization. Upon the passage and approval of this
25 Supplemental Ordinance, the proper officials of the City including the Designated
26 Representatives, the Borrower Representatives, the Mayor, the City Treasurer, the
Finance Director, the Assistant Finance Director/Controller and the City Clerk are



1 authorized and directed to undertake all action necessary for the prompt execution
2 and delivery of the replacement 2020 Note to the Purchaser and further to execute
3 all closing certificates, agreements, and other documents required to effect the
4 delivery of the amended 2020 Note in accordance with the terms of this
5 Supplemental Ordinance.
6

7 Notwithstanding anything herein or in the Master Subordinate Ordinance to
8 the contrary, the signature of one authorized official, including, but not limited to,
9 the Designated Representatives and the Borrower Representatives, shall be
10 sufficient to bind the City.
11

12 Section 4.3. Terms of 2020 Note Subject to the Master Subordinate
13 Ordinance and the First Supplemental Ordinance; Ratification. Except as
14 expressly provided herein, every term and condition contained in the Master
15 Subordinate Ordinance and the First Supplemental Ordinance shall apply to this
16 Supplemental Ordinance and the 2020 Note with the same force and effect as if
17 the same were herein set forth at length, with such omissions, variations and
18 modification as may be appropriate to make the same conform to this
19 Supplemental Ordinance.
20

21 In the event of any inconsistency between the terms and provisions
22 provided for in this Supplemental Ordinance and the Master Subordinate
23 Ordinance and/or the First Supplemental Ordinance, the terms and provisions of
24 this Supplemental Ordinance shall control.
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26 Except as supplemented and amended by this Supplemental Ordinance,
the Master Subordinate Ordinance and the First Supplemental Ordinance are



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hereby ratified, approved, and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented.

Section 4.4. Provisions of Note Purchase Agreement. The terms and provisions of the 2020 Note as set forth in the Note Purchase Agreement shall control over any inconsistent provision of this Supplemental Ordinance.

Section 4.5. Effective Date of Ordinance. This Supplemental 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

By _____



CLERK'S CERTIFICATE

1 I, the undersigned, City Clerk of the City of Tacoma, Washington, DO

2 HEREBY CERTIFY:

3 1. That the attached is a true and correct copy of Supplemental Ordinance
4 No. ____ (the "Ordinance") of the City, duly passed at a regular meeting of the City
5 Council (the "Council") of the City held on _____, 2021.

7 2. That said meeting was duly convened and held in all respects in
8 accordance with law, and to the extent required by law, including but not limited to
9 Washington State Governor Inslee's emergency proclamation No. 20-28 issued on
10 March 24, 2020, as amended and supplemented, suspending portions of the Open
11 Public Meetings Act (chapter 42.30 RCW), due and proper notice of such meeting
12 was given; that a legal quorum was present throughout the meeting and a legally
13 sufficient number of members of the Council voted in the proper manner for the
14 passage of said Ordinance; that all other requirements and proceedings incident to
15 the proper passage of said Ordinance have been fully fulfilled, carried out and
16 otherwise observed; and that I am authorized to execute this certificate.

19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
20 official seal of the City as of this ____ day of _____, 2021.

22 _____
23 City Clerk
24 City of Tacoma, Washington

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ORDINANCE NO. 28773

1 A SUPPLEMENTAL ORDINANCE relating to Tacoma Power; authorizing the
2 issuance of one or more series of Electric System Revenue and Refunding
3 Bonds, Series 2021 in the aggregate principal amount of not to exceed
4 \$320,000,000 to provide funds to finance and refinance capital
5 improvements to the Electric System, to redeem certain obligations of the
6 Electric System, and to pay costs of issuance for the bonds; providing the
7 form of the bonds; delegating the authority to approve the final terms of the
8 bonds; and authorizing other matters related thereto.

9 WHEREAS the City of Tacoma, Washington (“City”), by Ordinance
10 No. 23514, passed on November 20, 1985 (as amended and supplemented,
11 including as amended and restated by Ordinance No. 28146, passed on April 30,
12 2013, and as amended by Ordinance No. 28444, passed on August 1, 2017,
13 collectively, the “Master Ordinance”), authorized electric system revenue bonds of
14 the City (“Parity Bonds”) to be issued in series having a parity of lien and charge on
15 the Revenues of the Electric System after the payment of Operating Expenses (as
16 those terms are defined therein), if certain conditions are met, and made covenants
17 in connection with the issuance of such Parity Bonds, and
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1 WHEREAS the City, acting through its Department of Public Utilities, Light
 2 Division (d.b.a. "Tacoma Power"), has issued and currently has outstanding the
 3 following Parity Bonds:

| Bonds | Series Authorizing Ordinance | Original Principal Amount |
|---|------------------------------------|---------------------------------|
| Electric System Revenue Bonds, Series 2010B (Taxable Build America Bonds – Direct Payment) and Electric System Revenue Bonds, Series 2010C (Taxable Clean Renewable Energy Bonds – Direct Payment) (together, the "2010 Bonds") | 27889 | \$171,255,000 |
| Electric System Revenue and Refunding Bonds, Series 2013A and Electric System Revenue Refunding Bonds, Series 2013B (together, the "2013 Bonds") | 28146 | \$217,230,000 |
| Electric System Revenue Bonds, Series 2017 (the "2017 Bonds") | 28444 | \$70,575,000 |

15 and

16 WHEREAS the 2013 Bonds may be defeased and/or redeemed in whole or
 17 in part, on any day on or after July 1, 2023, at the option of the City at a savings to
 18 Tacoma Power and its ratepayers, and

19 WHEREAS the Master Ordinance permits the City to issue obligations that
 20 are junior and subordinate to the payment of the Parity Bonds subject to the
 21 conditions set forth in the Master Ordinance, and

22 WHEREAS, on April 21, 2015, the City Council passed Ordinance No. 28295
 23 (as amended, the "Master Subordinate Ordinance") to authorize revenue bonds of
 24 the City, junior and subordinate to the Parity Bonds, to be known as the City of
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1 Tacoma Electric System Subordinate Revenue Bonds (“Subordinate Bonds”) in one
2 or more series to finance costs of the Electric System, and

3 WHEREAS, pursuant to the Master Subordinate Ordinance and Ordinance
4 No. 28296, passed by the City Council on April 21, 2015, as amended, the City
5 issued its Electric System Subordinate Revenue Note, Series 2015A to evidence a
6 revolving line of credit in the principal amount of not to exceed \$150,000,000
7 outstanding at any time to finance and refinance such capital improvements to the
8 Electric System (as reissued, amended and extended, the “2015A Note”), and

9
10 WHEREAS the 2015A Note is currently scheduled to mature on
11 December 1, 2021, and may be redeemed prior to maturity, and

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13 WHEREAS it is deemed necessary and advisable to acquire and construct
14 certain additions and betterments to and extensions of the Electric System, and

15 WHEREAS the Public Utility Board of the City (the “Board”) has initiated and
16 has recommended to the City Council for its approval the issuance of one or more
17 series of Parity Bonds to provide funds to defease and/or redeem all or a portion of
18 the outstanding 2013 Bonds, to redeem the 2015A Note, to finance or refinance
19 costs of capital improvements to the Electric System, and to pay the costs of
20 issuance for the bonds, and

21
22 WHEREAS the City Council further finds that certain of the capital
23 improvements to be financed or refinanced with proceeds of the bonds authorized
24 herein, including those financed with proceeds of the 2015A Note, have
25 environmentally beneficial attributes consistent with the City’s Environmental
26 Action Plan and other environmental priorities and goals of Tacoma Power



1 designed to mitigate the impacts of climate change and promote sustainability and
2 conservation, and

3 WHEREAS the City Council desires to authorize the designation of all or a
4 portion of the bonds issued to finance or refinance such improvements, which have
5 environmentally beneficial attributes, as “Green Bonds” in accordance with the
6 voluntary, generally accepted Green Bond Principles promulgated by the
7 International Capital Market Association, and the City is permitted to make such a
8 voluntary designation based on the intended use of such proceeds, and
9

10 WHEREAS the City Council wishes to delegate authority to the individuals
11 authorized herein (each, a “Designated Representative”), for a limited time, the
12 authority to approve the final terms of the bonds authorized herein within the
13 parameters set by this Supplemental Ordinance, and
14

15 WHEREAS the City expects to receive a purchase contract from Citigroup
16 Global Markets, Inc., KeyBanc Capital Markets, Goldman, Sachs and Co., and
17 Siebert Williams Shank & Co., LLC (together, the “Underwriters”) to purchase the
18 bonds authorized herein, and now desires to issue and sell such bonds to the
19 Underwriters as set forth herein; Now, Therefore,
20

21 BE IT ORDAINED BY THE CITY OF TACOMA:

22 ARTICLE I

23 DEFINITIONS

24 Section 1.1. Definitions and Interpretation of Terms. Capitalized terms
25 used but not otherwise defined herein shall have the meanings set forth in the
26 Master Ordinance, including any amendments to such terms as provided herein.



1 In addition, as used in this Supplemental Ordinance and with respect to the Bonds,
2 the following words shall have the following meanings:

3 "Acquired Obligations" means the Governmental Obligations acquired by the
4 City under the terms of this Supplemental Ordinance and the Escrow Agreement to
5 effect the refunding of the Refunded Bonds, but only to the extent that the same are
6 acquired at Fair Market Value.

8 "Assistant Finance Director/Controller" means the duly appointed and acting
9 Assistant Finance Director/Controller of the City, including anyone acting in an
10 interim or other capacity for the position, or the successor to the duties of that
11 office.

13 "Beneficial Owner" means any person that has or shares the power, directly
14 or indirectly, to make investment decisions concerning ownership of any Bonds
15 (including persons holding Bonds through nominees, depositories or other
16 intermediaries).

18 "Board" means the Public Utility Board of the City, as the same shall be duly
19 and regularly constituted from time to time.

20 "Bond Purchase Contract" means one or more contracts between the
21 Underwriters and the City for the purchase of Bonds, executed pursuant to this
22 Supplemental Ordinance and setting forth the final terms of the applicable series of
23 Bonds.

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 agent of the State, whose duties
2 include registering and authenticating the Bonds, maintaining the Bond Register,
3 effecting transfer of ownership of the Bonds and paying interest on and principal of
4 the Bonds.

5
6 "Bonds" mean the Electric System Revenue and Refunding Bonds
7 authorized to be issued from time to time in one or more series under the Master
8 Ordinance and this Supplemental Ordinance.

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

11
12 "City Attorney" means the duly appointed and acting City Attorney of the City,
13 including anyone acting in an interim or other capacity for the position, or the
14 successor to the duties of that office.

15 "City Clerk" means the duly appointed and acting City Clerk of the City,
16 including anyone acting in an interim or other capacity for the position, or the
17 successor to the duties of that office.

18
19 "City Council" means the Council of the City, as the same shall be duly and
20 regularly constituted from time to time.

21 "City Manager" means the duly appointed and acting City Manager of the
22 City, including anyone acting in an interim or other capacity for the position, or the
23 successor to the duties of that office.

24
25 "Code" means the Internal Revenue Code of 1986 as in effect on the date of
26 issuance of the Bonds or (except as otherwise referenced herein) as it may be
amended to apply to obligations issued on the date of issuance of the Bonds,



1 together with applicable proposed, temporary and final regulations promulgated,
2 and applicable official public guidance published, under the Code.

3 "Continuing Disclosure Certificate" means one or more written undertakings
4 for the benefit of the owners and Beneficial Owners of the Bonds as required by
5 Section (b)(5) of the Rule.
6

7 "Designated Representative" means the Director of Utilities and the Tacoma
8 Power Superintendent, or their designee. The signature of one Designated
9 Representative shall be sufficient to bind the City.

10 "Director of Utilities" means the duly appointed and acting Director of the City
11 Department of Public Utilities, including anyone acting in an interim or other
12 capacity for the position, or the successor to the duties of that office.
13

14 "Escrow Agent" means the escrow agent selected by a Designated
15 Representative pursuant to the terms of this Supplemental Ordinance.

16 "Escrow Agreement" means the Escrow Deposit Agreement between the
17 City and the Escrow Agent relating to the refunding of the Refunded Bonds.
18

19 "Fair Market Value" means the price at which a willing buyer would purchase
20 an investment from a willing seller in a bona fide, arm's-length transaction, except
21 for specified investments as described in Treasury Regulation §1.148-5(d)(6),
22 including United States Treasury obligations, certificates of deposit, guaranteed
23 investment contracts, and investments for yield restricted defeasance escrows.
24 Fair Market Value is generally determined on the date on which a contract to
25 purchase or sell an investment becomes binding, and, to the extent required by the
26 applicable regulations under the Code, the term "investment" will include a hedge.



1 "Federal Tax Certificate" means one or more certificates executed by a
2 Designated Representative or the Finance Director setting forth the requirements of
3 the Code for maintaining the tax exemption of interest on the Tax-Exempt Bonds,
4 and attachments thereto.

5
6 "Finance Director" means the Director of the Department of Finance of the
7 City, or the City official who succeeds to substantially all of the responsibilities of
8 that office.

9 "Fiscal Agent" for purposes of the Bonds means the Bond Registrar.

10 "Government Obligations" means those obligations now or hereafter defined
11 as such in chapter 39.53 RCW constituting direct obligations of, or obligations the
12 principal of and interest on which are unconditionally guaranteed by the United
13 States of America, as such chapter may be hereafter amended or restated.

14 "Letter of Representations" means the blanket issuer letter of representations
15 from the City to DTC.

16 "Master Ordinance" means Ordinance No. 28146, passed on April 30, 2013,
17 and as amended by Ordinance No. 28444, passed on August 1, 2017, as it may be
18 further amended from time to time.

19 "Mayor" means the duly elected Mayor of the City or the successor to such
20 officer.

21 "Official Statement" means the disclosure documents prepared and delivered
22 in connection with the issuance of each series of Bonds.

23 "Record Date" means the close of business for the Bond Registrar that is
24 15 days preceding any interest and/or principal payment or redemption date.



1 “Outstanding Parity Bonds” means the outstanding 2010 Bonds, 2013
2 Bonds, and 2017 Bonds.

3 “Parity Bonds” means the Outstanding Parity Bonds, the Bonds and any
4 Future Parity Bonds. “Parity Bonds” may include bonds, notes, warrants,
5 certificates of indebtedness or any other evidence of indebtedness issued pursuant
6 to the Parity Conditions.
7

8 “Paying Agent” for purposes of the Bonds means the Bond Registrar.

9 “Plan of Additions” means the system or plan of additions to and betterments
10 and extensions of the Electric System described in Section 2.4, as such Plan may
11 be amended, supplemented, or revised from time to time consistent with the City’s
12 Electric System Comprehensive Plan.
13

14 “Project” or “Projects” mean the capital improvements to the Electric System
15 to be financed or refinanced with proceeds of the Bonds, as provided in Section 2.4.

16 “Refunded Bonds” mean all or a portion of the 2013 Bonds designated by a
17 Designated Representative for refunding pursuant to this Supplemental Ordinance.
18

19 “Registered Owner” means the person named as the registered owner of a
20 Bond in the Bond Register. For so long as the Bonds are held in book-entry only
21 form, DTC or its nominee shall be deemed to be the sole Registered Owner.
22

23 “Rule” means the Security and Exchange Commission’s Rule 15c2-12 under
24 the Securities and Exchange Act of 1934, as the same may be amended from time
25 to time.

26 “Subordinate Bonds” means the City of Tacoma Electric System Subordinate
Revenue Bonds, issued in one or more series to finance costs of the Electric



1 System, and junior and subordinate to the Parity Bonds, as authorized by the
2 Master Subordinate Ordinance.

3 "Tacoma Power Superintendent" means the duly appointed and acting
4 Superintendent/Chief Operating Officer, Department of Public Utilities, Light
5 Division, including anyone acting in an interim or other capacity for the position, or
6 the successor to the duties of that office.
7

8 "Taxable Bonds" means any Bonds of a series determined to be issued on a
9 taxable basis pursuant to this Supplemental Ordinance.

10 "Tax-Exempt Bonds" has the meaning set forth in the Master Ordinance.

11 "Treasurer" means the duly appointed and acting Treasurer of the City,
12 including anyone acting in an interim or other capacity for the position, or the
13 successor to the duties of that office.
14

15 "Underwriters" means Citigroup Global Markets, Inc., KeyBanc Capital
16 Markets, Goldman, Sachs and Co., and Siebert Williams Shank & Co., LLC, and
17 their successors.
18

19 "2010 Bonds" has the meaning set forth in the recitals hereto.

20 "2013 Bonds" has the meaning set forth in the recitals hereto.

21 "2017 Bonds" has the meaning set forth in the recitals hereto.

22 "2015A Note" means the outstanding City of Tacoma Electric System
23 Subordinate Revenue Note, Series 2015A, as reissued, amended and extended.
24

25 "2021 Bonds Bond Retirement Account" means the account created in
26 Section 5.1 of this Supplemental Ordinance.



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“2021 Bonds Construction Account” means the account created in Section 5.1 of this Supplemental Ordinance.

“2021 Bonds Interest Subaccount” means the account created in Section 5.1 of this Supplemental Ordinance.

“2021 Bonds Principal Subaccount” means the account created in Section 5.1 of this Supplemental Ordinance.

“2021 Bonds Refunding Account” means the account created in Section 5.1 of this Supplemental Ordinance.

ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Findings; Authority for Supplemental Ordinance; Intent.

Pursuant to the terms of the Master Ordinance, the City has authorized a revenue bond borrowing program, which authorizes the City to issue, from time to time, one or more series of Parity Bonds to finance costs of the Electric System. City Council approval is necessary prior to the issuance of debt under the Tacoma City Charter and State law. This Supplemental Ordinance is adopted pursuant to the laws of the State, the Tacoma City Charter and the Master Ordinance.

The City Council intends that the terms and conditions set forth in this Supplemental Ordinance shall apply to the each series of Bonds issued hereunder. In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Ordinance, the terms and provisions of this Supplemental Ordinance shall control. For instance, the City intends that



1 certain definitions and the following sections shall supersede the corresponding
2 sections of the Master Ordinance as they apply to the Bonds:

- 3 A. Section 3.2 Registration, Exchange and Payments;
4 B. Section 3.3 Redemption Terms;
5 C. Section 3.4 Form of Bonds;
6 D. Section 3.5 Lost or Destroyed Bonds;
7 E. Section 4.2 General Authorization; Documents;
8 F. Section 4.3 Preliminary and Final Official Statements;
9 G. Section 4.4 Ongoing Disclosure; Continuing Disclosure Certificate; and
10 H. Section 7.1 Tax Covenants.

11
12
13 Except as otherwise provided herein, the terms of the Master Ordinance are
14 incorporated herein for the benefit of the Owners of the Bonds.

15 Section 2.2. Parity Conditions. In connection with the issuance of the
16 Bonds, the City hereby makes the following findings:

17 A. There is, and as of the Issue Date for each series of Bonds there will be,
18 no deficiency in the Bond Fund and no Event of Default has occurred or shall have
19 occurred and be continuing as of such Issue Date.

20 B. This Supplemental Ordinance provides that the payment of the principal
21 of and interest on the Bonds shall be paid out of the Bond Fund.

22 C. On the Issue Date for each series of Bonds there will be on file with the
23 City a certificate satisfying the Parity Conditions in Section 9.2 of Ordinance
24 No. 28146, amending the Master Ordinance.
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Section 2.3. Findings Related to Revenues of the Electric System. The City hereby finds and determines that the Revenues of the Electric System at the rates to be charged for power and other services and commodities from the Electric System will be more than sufficient to meet all Operating Expenses, to make all required payments with respect to the Outstanding Parity Bonds, the Bonds, and the outstanding Subordinate Bonds, and to permit the setting aside into the Bond Fund out of the Revenues of amounts sufficient to pay the principal of and interest on the Bonds as increased and extended and when due at maturity and upon any mandatory sinking fund redemption thereof.

The City further finds and determines that in creating the subaccounts in the Bond Fund and in fixing the amounts to be paid into such subaccounts in the Bond Fund, it has exercised due regard for Operating Expenses, and the City has not bound and obligated itself to set aside and pay into such subaccounts in the Bond Fund a greater amount or proportion of the Revenues than in the judgment of the City will be available over and above the Operating Expenses and the amount and proportion of the Revenues so previously pledged.

Section 2.4. Plan of Additions. The City specifies, adopts, and orders to be carried out the system or plan of additions to and betterments and extensions of the Electric System (the "Plan of Additions") as generally provided for in the capital portions of the Tacoma Power Biennial Budget, as supplemented and amended, and in any subsequent budget, and in the Electric System Comprehensive Plan.

The portion of the Plan of Additions financed and refinanced with proceeds of the Bonds is referred to herein as the "Project." The estimated cost of the Plan of



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C. The Bonds shall be in the aggregate principal amount of not to exceed \$320,000,000, shall be dated as of the Issue Date for such Bonds, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof within a series and maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control, shall bear interest from their applicable Issue Date payable on the dates and at the rates set forth in the applicable Bond Purchase Contract, and shall be subject to optional and/or mandatory redemption, and mature on the dates and in the principal amounts set forth in the applicable Bond Purchase Contract.

Section 3.2. Registration, Exchange and Payments.

A. Bond Registrar/Bond Register. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agent. The City shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate



1 and deliver Bonds transferred or exchanged in accordance with the provisions of
2 such Bonds and this Supplemental Ordinance, and to carry out all of the Bond
3 Registrar's powers and duties under this Supplemental Ordinance. The Bond
4 Registrar shall be responsible for its representations contained in the Certificate of
5 Authentication of the Bonds.
6

7 B. Registered Ownership. The City and the Bond Registrar, each in its
8 discretion, may deem and treat the Registered Owner of each Bond as the absolute
9 owner thereof for all purposes (except as provided in the Continuing Disclosure
10 Certificate), and neither the City nor the Bond Registrar shall be affected by any
11 notice to the contrary. Payment of any such Bond shall be made only as described
12 in subsection G, but such Bond may be transferred as herein provided. All such
13 payments made as described in subsection G shall be valid and shall satisfy and
14 discharge the liability of the City upon such Bond to the extent of the amount or
15 amounts so paid.
16

17
18 C. DTC Acceptance/Letters of Representations. The Bonds initially shall be
19 held by DTC acting as depository. The City has executed and delivered to DTC a
20 Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar
21 shall have any responsibility or obligation to DTC participants or the persons for
22 whom they act as nominees (or any successor depository) with respect to the
23 Bonds in respect of the accuracy of any records maintained by DTC (or any
24 successor depository) or any DTC participant, the payment by DTC (or any
25 successor depository) or any DTC participant of any amount in respect of the
26 principal of or interest on Bonds, any notice which is permitted or required to be



1 given to Registered Owners under this Supplemental Ordinance (except such
2 notices as shall be required to be given by the City to the Bond Registrar or to DTC
3 (or any successor depository)), or any consent given or other action taken by DTC
4 (or any successor depository) as the Registered Owner. For so long as any Bonds
5 are held by a depository, DTC or its successor depository or its nominee shall be
6 deemed to be the Registered Owner for all purposes hereunder, and all references
7 herein to the Registered Owners shall mean DTC (or any successor depository) or
8 its nominee and shall not mean the owners of any beneficial interest in such Bonds.
9

10 D. Use of Depository.

11 (1) The Bonds of each series shall be registered initially in the name
12 of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the
13 maturity dates for the Bonds in a denomination corresponding to the total principal
14 therein designated to mature on such date. Registered ownership of such Bonds,
15 or any portions thereof, may not thereafter be transferred except (i) to any
16 successor of DTC or its nominee, provided that any such successor shall be
17 qualified under any applicable laws to provide the service proposed to be provided
18 by it; (ii) to any substitute depository appointed by the Finance Director pursuant to
19 subsection (2) below or such substitute depository's successor; or (iii) to any person
20 as provided in subsection (4) below.
21
22

23 (2) Upon the resignation of DTC or its successor (or any substitute
24 depository or its successor) from its functions as depository or a determination by
25 the Finance Director to discontinue the system of book entry transfers through
26 DTC or its successor (or any substitute depository or its successor), the Finance



1 Director may appoint a substitute depository. Any such substitute depository shall
2 be qualified under any applicable laws to provide the services proposed to be
3 provided by it.

4 (3) In the case of any transfer pursuant to clause (i) or (ii) of
5 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
6 Bonds, together with a written request on behalf of the Finance Director, issue a
7 single new Bond for such series for each maturity then outstanding, registered in
8 the name of such successor or such substitute depository, or their nominees, as the
9 case may be, all as specified in such written request of the Finance Director.
10

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

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



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

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

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



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Section 3.3. Redemption Terms.

A. Mandatory Redemption of Term Bonds and Optional Redemption, if any.

Each series of Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the applicable Bond Purchase Contract.

Each series of Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the applicable Bond Purchase Contract.

B. Purchase of Bonds. The City reserves the right to purchase any or all of the Bonds in the open market at any time at any price acceptable to the City plus accrued interest to the date of purchase.

C. Selection of Bonds for Redemption. For as long as the Bonds of a series are held in book entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds of a series are no longer held by a depository, the selection of such Bonds of such series to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection C or in the Official Statement. If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that



1 only a portion of the principal sum of a Bond is redeemed, upon surrender of such
2 Bond at the designated office of the Bond Registrar there shall be issued to the
3 Registered Owner, without charge therefor, for the then unredeemed balance of the
4 principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of
5 like series, maturity and interest rate in any of the denominations herein authorized.
6 Notwithstanding the foregoing or anything else to the contrary in this Supplemental
7 Ordinance, the selection of any Bonds for redemption may be as provided in the
8 applicable Bond Purchase Contract or Official Statement for such Bonds.
9

10 D. Notice of Redemption.

11 (1) Official Notice. For so long as the Bonds of a series are held by a
12 depository, notice of redemption shall be given in accordance with the operational
13 arrangements of DTC as then in effect, and neither the City nor the Bond Registrar
14 shall provide any notice of redemption to any Beneficial Owners. The notice of
15 redemption may be conditional. Unless waived by any owner of Bonds to be
16 redeemed, official notice of any such redemption (which redemption may be
17 conditioned by the Bond Registrar on the receipt of sufficient funds for redemption
18 or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a
19 copy of an official redemption notice by first class mail at least 20 days and not
20 more than 60 days prior to the date fixed for redemption to the Registered Owner of
21 the Bond or Bonds to be redeemed at the address shown on the Bond Register or
22 at such other address as is furnished in writing by such Registered Owner to the
23 Bond Registrar.
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All official notices of redemption shall be dated and shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) if fewer than all outstanding Bonds are to be redeemed,

the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

- (iv) any conditions to redemption, and

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

On or prior to any optional redemption date, unless any condition to such redemption has not been satisfied or waived, or notice of such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any optional redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

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



1 to be redeemed shall, on the redemption date, become due and payable at the
2 redemption price therein specified, and if the Bond Registrar then holds sufficient
3 funds to pay such Bonds at the redemption price, then from and after such date
4 such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of
5 such Bonds for redemption in accordance with said notice, such Bonds shall be
6 paid by the Bond Registrar at the redemption price. Installments of interest due on
7 or prior to the redemption date shall be payable as herein provided for payment of
8 interest. All Bonds which have been redeemed shall be canceled by the Bond
9 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 (i) the
18 CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as
19 originally issued; (iii) the rate of interest borne by each Bond being redeemed;
20 (iv) the maturity date of each Bond being redeemed; and (v) 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 the Continuing Disclosure
24 Certificate and with such additional information as the City shall deem appropriate,
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1 but such mailings shall not be a condition precedent to the redemption of such
2 Bonds.

3 (4) Amendment of Notice Provisions. The foregoing notice provisions
4 of this Section 3.3, including, but not limited to, the information to be included in
5 redemption notices and the persons designated to receive notices, may be
6 amended by additions, deletions and changes in order to maintain compliance with
7 duly promulgated regulations and recommendations regarding notices of
8 redemption of municipal securities.
9

10 Section 3.4. Form of Bonds; Execution. The Bonds shall be in substantially
11 the form set forth in Exhibit "A," which is incorporated herein by this reference, with
12 such changes thereto as may be approved by a Designated Representative,
13 consistent with this Supplemental Ordinance.
14

15 The Bonds shall be executed on behalf of the City with the manual or
16 facsimile signatures of the Mayor and City Clerk and the seal of the City shall be
17 impressed, imprinted, or otherwise reproduced thereon.
18

19 Only such Bonds as shall bear thereon a Certificate of Authentication in the
20 form provided herein, manually executed by the Bond Registrar, shall be valid or
21 obligatory for any purpose or entitled to the benefits of this Supplemental
22 Ordinance. Such Certificate of Authentication shall be conclusive evidence that the
23 Bonds so authenticated have been duly executed, authenticated and delivered
24 hereunder and are entitled to the benefits of this Supplemental Ordinance and the
25 Master Ordinance.
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In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered, and issued and upon such authentication, delivery, and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 3.5. Lost or Destroyed Bonds. In case any Bonds shall be lost, stolen, or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date, tenor, and effect to the owner thereof upon the owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond(s) were actually lost, stolen, or destroyed and of ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

ARTICLE IV
SALE OF BONDS

Section 4.1. Bond Sale.

A. Bond Sale. The Bonds shall be sold by negotiated public sale to the Underwriters pursuant to the terms of one or more Bond Purchase Contracts. The City Council has determined that it would be in the best interest of the City to



1 delegate to the Designated Representatives, for a limited time, the authority to
2 select the Refunded Bonds, to designate each series of Bonds as Tax-Exempt
3 Bonds or Taxable Bonds, and to approve the Final Terms for each series of Bonds,
4 including but not limited to final interest rates, final maturity date, redemption terms,
5 principal maturities, and any other terms for each series of Bonds.
6

7 Each Designated Representative is further authorized to designate all or a
8 portion of a series of Bonds allocated to finance the portion of the Project, which
9 have environmentally beneficial attributes, as “Green Bonds,” and to engage with
10 such consultants and to undertake such action, execute such certificates, and
11 agree to such terms as necessary to accomplish such designation.
12

13 B. Sale Parameters. Subject to the terms and conditions set forth in this
14 Section, each Designated Representative is hereby authorized to select the
15 Refunded Bonds, to designate the Bonds of a series as Tax-Exempt Bonds or
16 Taxable Bonds, and to approve the final interest rates, final maturity date,
17 redemption terms and principal maturities for each series of Bonds, and to agree to
18 any other Final Terms for each series of Bonds that are in the best interest of the
19 City and necessary to facilitate this Supplemental Ordinance so long as:
20

21 1. the aggregate principal (face) amount of all Bonds issued under
22 this Supplemental Ordinance does not exceed \$320,000,000,
23

24 2. the final maturity date for each series of Bonds is no later than
25 January 1, 2051,
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3. the aggregate purchase price for the Bonds of a series shall not be less than 95 percent of the aggregate stated principal amount of such Bonds, excluding any original issue discount, and not greater than 140 percent,

4. the Bonds of each series shall bear interest at fixed rates per annum and the true interest cost for the Bonds of such series (in the aggregate) does not exceed 4.00 percent,

5. any series of Bonds or portion of a series of Bonds that are sold for the purpose of defeasing and/or refunding the Refunded Bonds are sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded Bonds to be refunded with the proceeds of such series of at least 3.00 percent; and

6. the Bonds of each series conform to all other terms of this Supplemental Ordinance.

The final terms of each series of Bonds shall be set forth in the applicable Bond Purchase Contract. With respect to the Bonds, each Bond Purchase Contract shall serve as the "Pricing Certificate" as defined in the Master Ordinance. Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute one or more Bond Purchase Contracts for the Bonds.

The authority granted to the Designated Representatives by this Section shall expire on December 31, 2021. If a Bond Purchase Contract for the Bonds has not been executed by December 31, 2021, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale



1 approved unless such Bonds are re-authorized by ordinance of the City Council at
2 the request of the Board. The ordinance re-authorizing the issuance and sale of
3 such Bonds may be in the form of a new ordinance repealing this Supplemental
4 Ordinance in whole or in part or may be in the form of an amendatory ordinance
5 approving a Bond Purchase Contract or establishing terms and conditions for the
6 authority delegated under this Section.
7

8 Section 4.2. General Authorization; Documents. Following the passage and
9 approval of this Supplemental Ordinance, the proper officials of the City, including
10 the Designated Representatives, the Mayor, the Finance Director, the Treasurer,
11 the City Manager, the Assistant Finance Director/Controller, and the City Clerk, are
12 authorized and directed to undertake all action necessary for the prompt execution
13 and delivery of the Bonds to the Underwriters and further to execute all closing
14 certificates and documents required to effect the closing and delivery of the Bonds
15 in accordance with the terms of this Supplemental Ordinance and the Bond
16 Purchase Contract. Such documents may include, but are not limited to,
17 documents related to a municipal bond insurance policy delivered by an insurer to
18 insure the payment when due of the principal of and interest on all or a portion of
19 the Bonds as provided therein, if such insurance is determined by a Designated
20 Representative to be in the best interest of the City.
21
22

23 Notwithstanding anything herein or in the Master Ordinance to the contrary,
24 the signature of one authorized official, including, but not limited to, the Designated
25 Representatives, shall be sufficient to bind the City.
26



1 Section 4.3. Preliminary and Final Official Statements. The Designated
2 Representatives and the City Finance Director are each hereby authorized to deem
3 final the preliminary Official Statement relating to the Bonds for the purposes of the
4 Rule. The Designated Representatives and the City Finance Director are each
5 further authorized to approve for purposes of the Rule, on behalf of the City, the
6 final Official Statement relating to the issuance and sale of the Bonds and the
7 distribution of the final Official Statement pursuant thereto with such changes, if
8 any, as may be deemed by such individual to be appropriate.
9

10 Section 4.4. Ongoing Disclosure; Continuing Disclosure Certificate. The
11 City covenants to execute and deliver on each Issue Date a Continuing Disclosure
12 Certificate consistent with the Rule. The Finance Director is hereby authorized to
13 execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery,
14 and sale of the Bonds with such terms and provisions as such officer shall deem
15 appropriate and in the best interests of the City.
16

17 ARTICLE V

18 CREATION OF ACCOUNTS; APPLICATION OF BOND PROCEEDS

19 Section 5.1. Establishment and Designation of Accounts.

20 A. There is hereby created in the Construction Fund an account to be
21 known as the 2021 Bonds Construction Account.
22

23 B. There is hereby created in the Bond Fund the following accounts:
24 2021 Bonds Interest Subaccount, the 2021 Bonds Principal Subaccount, and the
25 2021 Bonds Bond Retirement Account.
26

C. There is hereby created the 2021 Bonds Refunding Account.



1 Section 5.2. No Reserve for the Bonds. The City hereby determines that
2 the Bonds shall not be secured by the Reserve Account or any debt service
3 reserve account. The reserve account requirement for the Bonds shall be zero.

4 Section 5.3. Deposit of Proceeds of the Bonds; Refunding Plan.
5 Immediately upon receipt thereof, the City shall deposit proceeds of each series of
6 Bonds (net of the Underwriters' discount and any associated fees and costs) as
7 follows:
8

9 A. The amount necessary to finance and refinance the Project, including
10 the amount necessary to redeem the 2015A Note, shall be deposited into the 2021
11 Bonds Construction Account. Any amount deposited therein to redeem the 2015A
12 Note shall be transferred, together with other available funds of the City, if any,
13 within 30 days of the Issue Date for such Bonds, to the owner of the 2015A Note.
14 After the 2015A Note has been fully redeemed, the 2015A Note shall be cancelled.
15 The proper City officials are authorized and directed to give or cause to be given
16 notice of redemption of the 2015A Note in order to carry out the terms of this
17 Supplemental Ordinance.
18

19 The remaining proceeds of any Bonds deposited into the 2021 Bonds
20 Construction Account shall be used to pay or reimburse the City for costs of the
21 Project and to pay costs of issuance for such Bonds.
22

23 B. For the purpose of realizing a debt service savings, the City proposes to
24 apply a portion of the proceeds of any Bonds issued for such purpose to defease
25 and/or redeem the Refunded Bonds as set forth herein. If a Designated
26 Representative determines that it is in the best interest of the City to proceed with



1 the refunding authorized herein, a Designated Representative shall designate all or
2 a portion of the 2013 Bonds as Refunded Bonds and such designation shall be set
3 forth in the applicable Bond Purchase Contract.

4 A portion of the proceeds of such series of Bonds, together with other
5 available funds of the City, if any, shall be deposited with the Escrow Agent on
6 behalf of the City in the 2021 Bonds Refunding Account pursuant to an Escrow
7 Agreement to be used immediately upon receipt thereof to defease or redeem, as
8 applicable, the Refunded Bonds as authorized by the bond ordinance authorizing
9 the Refunded Bonds, and to pay costs of issuance of such series of Bonds. The
10 net proceeds deposited with the Escrow Agent shall be used to defease the
11 Refunded Bonds and discharge the obligations thereon by the purchase of certain
12 Acquired Obligations bearing such interest and maturing as to principal and
13 interest in such amounts and at such times which, together with any necessary
14 beginning cash balance, will provide for the payment of interest on the Refunded
15 Bonds as the same becomes due on and prior to the call date for the Refunded
16 Bonds, and the redemption price (100 percent of the principal amount) of the
17 Refunded Bonds on the call date. Such Acquired Obligations shall be purchased
18 at a yield not greater than the yield permitted by the Code and regulations relating
19 to acquired obligations in connection with refunding bond issues.

20 The Designated Representatives and the Finance Director are each hereby
21 authorized to appoint an escrow agent for the Refunded Bonds (the "Escrow
22 Agent"). A cash balance and the Acquired Obligations shall be deposited
23 irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded



1 Bonds. In order to carry out the purposes of this Section, each Designated
2 Representative and the Finance Director are authorized and directed to execute
3 and deliver to the Escrow Agent an Escrow Agreement.

4 The City hereby irrevocably sets aside sufficient funds out of the purchase
5 of Acquired Obligations from proceeds of one or more series of Bonds to make the
6 payments described above. In the Escrow Agreement the City shall irrevocably
7 call the Refunded Bonds for redemption on the applicable call date in accordance
8 with the provisions of the bond ordinance authorizing the redemption and
9 retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance
10 and call for redemption of the Refunded Bonds shall be irrevocable after the
11 delivery of the cash and Acquired Obligations to the Escrow Agent.

12 The Escrow Agent is hereby authorized and directed to provide for the
13 giving of notices of the redemption of the Refunded Bonds in accordance with the
14 applicable provisions of the bond ordinances authorizing the issuance of the
15 Refunded Bonds. The costs of publication of such notices shall be an expense of
16 the City.

17 Section 5.4. Deposits Into and Uses of the 2021 Subaccounts in the Bond
18 Fund; Pledge of Revenues. The City hereby obligates and binds itself irrevocably
19 to set aside and to pay into the 2021 Bonds Interest Subaccount, the 2021 Bonds
20 Principal Subaccount, and the 2021 Bonds Bond Retirement Subaccount,
21 respectively, out of the Revenues of the Electric System the amounts necessary
22 (together with other available moneys on hand therein) to pay the principal of,
23 interest on and any mandatory sinking fund redemptions for the Bonds as and
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1 when the same respectively become due and payable in accordance with the
2 terms hereof. The 2021 Bonds Interest Subaccount, the 2021 Bonds Principal
3 Subaccount, and the 2021 Bonds Bond Retirement Subaccount, respectively, shall
4 be drawn upon solely for the purpose of paying the principal of, interest on and
5 mandatory sinking fund redemptions for the Bonds.
6

7 Section 5.5. Investment of Funds. Money in the funds and accounts
8 contained herein and in the Master Ordinance may be invested in Permitted
9 Investments as provided in the Master Ordinance, but only to the extent that the
10 same are acquired, valued and disposed of at Fair Market Value.
11

12 ARTICLE VI

13 DEFEASANCE

14 In the event that the City, to effect the payment, retirement, or redemption of
15 any Bond, sets aside in the Bond Fund or in another special account, cash or
16 noncallable Government Obligations, or any combination of cash and/or noncallable
17 Government Obligations, in amounts and maturities which, together with the known
18 earned income therefrom, are sufficient to redeem and retire such Bond in
19 accordance with its terms and to pay when due the interest and redemption
20 premium, if any, thereon, and such cash and/or noncallable Government
21 Obligations are irrevocably set aside and pledged for such purpose, then no further
22 payments need be made into the Bond Fund for the payment of the principal of and
23 interest on such Bond. The owner of a Bond so provided for shall cease to be
24 entitled to any benefit or security of this Supplemental Ordinance except the right to
25 receive payment of principal, premium, if any, and interest from the Bond Fund or
26



1 such special account, and such Bond shall be deemed to be not outstanding under
2 this Supplemental Ordinance.

3 The City shall give written notice of defeasance to the Registered Owners of
4 the Bonds and to each party entitled to receive notice in accordance with the
5 Continuing Disclosure Certificate.
6

7 ARTICLE VII

8 TAX COVENANTS

9 Section 7.1. Tax Covenants. The Bonds may be issued as "Tax-Exempt
10 Bonds" within the meaning of the Master Ordinance. The City hereby
11 covenants that it will take all actions necessary to assure the exclusion of
12 interest on the Tax-Exempt Bonds from the gross income of the Owners of the
13 Tax-Exempt Bonds, to the same extent as such interest is permitted to be
14 excluded from gross income under the Code as in effect on the Issue Date of
15 the Tax-Exempt Bonds, including, but not limited to, the following:
16

17
18 A. Private Activity Bond Limitation. The City will assure that the proceeds of
19 the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to
20 satisfy the private business tests of Section 141(b) of the Code or the private loan
21 financing test of Section 141(c) of the Code.

22
23 B. Limitations on Disposition of Project. The City will not sell or otherwise
24 transfer or dispose of (i) any personal property components of the Project finance or
25 refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary
26 course of an established government program under Treasury Regulation
Section 1.141-2(d)(4) or (ii) any real property components of such projects, unless it



1 has received an opinion of nationally recognized bond counsel to the effect that
2 such disposition will not adversely affect the treatment of interest on the Tax-
3 Exempt Bonds as excludable from gross income for federal income tax purposes.

4 C. Federal Guarantee Prohibition. The City will not take any action or permit
5 to suffer any action to be taken if the result of such action would be to cause any of
6 the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of
7 Section 149(b) of the Code.
8

9 D. Rebate Requirement. The City will take any and all actions necessary to
10 assure compliance with Section 148(f) of the Code, relating to the rebate of excess
11 investment earnings, if any, to the federal government, to the extent that such
12 section is applicable to the Tax-Exempt Bonds.
13

14 E. No Arbitrage. The City will not take, or permit or suffer to be taken, any
15 action with respect to the proceeds of the Tax-Exempt Bonds which, if such action
16 had been reasonably expected to have been taken, or had been deliberately and
17 intentionally taken, on the Issue Date of the Tax-Exempt Bonds would have caused
18 the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of
19 the Code.
20

21 F. System of Registration. The City will maintain a system for recording the
22 ownership of the Tax-Exempt Bonds that complies with the provisions of
23 Section 149 of the Code until the Tax-Exempt Bonds have been surrendered and
24 canceled.
25

26 G. Record Retention. The City will retain its records of all accounting and
monitoring it carries out with respect to the Tax-Exempt Bonds for at least three



1 years after the Tax-Exempt Bonds mature or are prepaid (whichever is earlier);
2 however, if the Tax-Exempt Bonds are redeemed prior to maturity, the City will
3 retain its records of accounting and monitoring at least three years after the earlier
4 of the maturity or redemption of the obligations that refunded the Tax-Exempt
5 Bonds.
6

7 H. Compliance with Federal Tax Certificate. The City will comply with the
8 provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds,
9 which are incorporated herein as if fully set forth herein.
10

11 The covenants of this section will survive payment in full or defeasance of
12 the Tax-Exempt Bonds.

13 ARTICLE VIII

14 AMENDMENTS TO MASTER ORDINANCE

15 Section 8.1 Amendments to the Master Ordinance. The City Council
16 hereby amends the Master Ordinance to read as follows, which amendments shall
17 be immediately effective, without the need for further action of the Council, upon
18 receipt of (a) consent of not less than 51 percent in aggregate principal amount of
19 the Parity Bonds at the time outstanding, and (b) the consent of Assured Guaranty
20 Municipal Corp., so long as the surety policy related to the 2010 Bonds and the
21 2013 Bonds (as applicable) remains in effect or such bonds are no longer
22 outstanding. Owners of the Bonds, by taking and owning the same, shall be
23 deemed to have consented to the amendments provided for in this Supplemental
24 Ordinance.
25
26



1 A. Amendment to Section 2.2 Definitions. The definition of “Annual
2 Debt Service” as provided in Section 2.2 (Definitions) of the Master Ordinance is
3 hereby amended and replaced in its entirety with the following:

4 “Annual Debt Service” for any Fiscal Year means the amount equal to:

5 (A) the interest accruing during such Fiscal Year on all outstanding Parity
6 Bonds, excluding interest to be paid from the proceeds of sale of Parity Bonds and
7 less any federal credit for a portion of interest on Parity Bonds if permitted to be
8 deducted as provided in Section 11.2; and
9

10 (B) the principal of all outstanding Serial Bonds due in such Fiscal Year;
11 and
12

13 (C) the Sinking Fund Requirement, if any, for such Fiscal Year.

14 For purposes of this definition, the principal and interest portions of the
15 Accreted Value of Capital Appreciation Bonds and the Appreciated Value of
16 Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund
17 Requirement shall be included in the calculations of accrued and unpaid and
18 accruing interest or principal in such manner and during such period of time as is
19 specified in any Parity Bond Ordinance authorizing such Capital Appreciation
20 Bonds or Deferred Income Bonds.
21

22 For the purpose of calculating the principal and interest on Option Bonds in
23 any Fiscal Year, such Option Bonds shall be assumed to mature on the stated
24 maturity date or mandatory redemption date thereof.
25

26 For purposes of computing Annual Debt Service on any Parity Bonds which
constitute Balloon Indebtedness (as defined below), it shall be assumed that the



1 principal of such Balloon Indebtedness, together with interest thereon at the then-
2 current rate applicable to such Balloon Indebtedness or, at the option of the City,
3 on a fixed rate equal to the rate at which the City could borrow for such period, as
4 certified by the Financial Advisor, shall be amortized for a period specified by the
5 City at the time of issuance of the Balloon Indebtedness (but no longer than
6 thirty (30) years from the Issue Date of the Parity Bonds to which such Balloon
7 Indebtedness relates) on a substantially level debt service basis or other
8 amortization basis designated by the City.
9

10 “Balloon Indebtedness” shall mean any series of Parity Bonds (a) more than
11 25 percent of the principal of which, in accordance with the terms of such Parity
12 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
13 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement,
14 and (b) are designated by the City as “Balloon Indebtedness” at or prior to the
15 Issue Date of such bonds; provided, that with respect to any Parity Bonds issued
16 as Term Bonds, such Bonds shall only be treated as Balloon Indebtedness if more
17 than 25 percent of the principal thereof is due in any one Fiscal Year pursuant to
18 the applicable Sinking Fund Requirement or upon the stated maturity date thereof
19 (assuming that the only principal due on the stated maturity date thereof will be the
20 principal remaining outstanding after all redemptions have been made pursuant to
21 the applicable Sinking Fund Requirement).
22
23
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25 B. Amendments to Section 13.3 Rate Covenant – Debt Service Coverage.
26 Section 13.3 (Rate Covenant – Debt Service Coverage) of the Master Ordinance is
hereby amended and replaced in its entirety with the following:



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Section 13.3. Rate Covenant – Debt Service Coverage.

The City shall also establish, fix and prescribe rates and charges which are reasonably expected to be at least sufficient to provide, in each Fiscal Year, Net Revenues in an amount equal to at least 1.25 times the actual Annual Debt Service for such year.

In connection with establishing, fixing and prescribing rates and charges for the upcoming Fiscal Year, the City shall take into account the collection experience in the then-current Fiscal Year.

So long as the City has complied with its rate covenants set forth in Section 13.2 and Section 13.3 of this Master Ordinance, failure to collect Net Revenues in an amount equal to at least 1.25 times actual Annual Debt Service at the end of a Fiscal Year shall not constitute a default or an Event of Default under this Master Ordinance so long as the City has complied with this Section 13.3 as of the commencement of such Fiscal Year.

Solely for purposes of calculating the coverage requirement set forth above, there shall be added to Revenues in any Fiscal Year any amount withdrawn from the Rate Stabilization Fund in such Fiscal Year and deposited in the Revenue Fund, and there shall be subtracted from Revenues in any Fiscal Year any amount withdrawn from the General Account in the Revenue Fund and deposited in the Rate Stabilization Fund.

The calculation of the coverage requirement set forth above, and in Section 9.2 hereof, and the City's compliance therewith, may be made solely with reference to this Master Ordinance without regard to future changes in generally



1 accepted accounting principles. If the City has changed one or more of the
2 accounting principles used in the preparation of its financial statements, because of
3 a change in generally accepted accounting principles or otherwise, then an event of
4 default relating to this coverage requirement shall not be considered an Event of
5 Default if the coverage requirement ratio would have been complied with had the
6 City continued to use those accounting principles employed at the date of the most
7 recent audited financial statements prior to the date of this Master Ordinance.
8

9 SECTION IX

10 MISCELLANEOUS

11
12 Section 9.1. Ratification of Prior Acts. Any action taken consistent with the
13 authority and prior to the effective date of this Supplemental Ordinance is ratified,
14 approved and confirmed.

15 Section 9.2. Terms of Bonds Subject to the Master Ordinance. Except for
16 matters otherwise provided for herein, every term and condition contained in the
17 Master Ordinance shall apply to this Supplemental Ordinance and the Bonds with
18 the same force and effect as if the same were herein set forth at length, with such
19 omissions, variations, and modification as may be appropriate to make the same
20 conform to this Supplemental Ordinance.
21

22 In the event of any inconsistency between the terms and provisions
23 provided for in this Supplemental Ordinance and the Master Ordinance, the terms
24 and provisions of this Supplemental Ordinance shall control.
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Section 9.3. Ratification of Master Ordinance. Except as supplemented and amended by this Supplemental Ordinance, the Master Ordinance is hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with its terms and provisions thereof, as amended and supplemented.

Section 9.4. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this Supplemental Ordinance, including, but not limited to, the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 9.5. Severability. If any one or more of the provisions of this Supplemental Ordinance is or are held by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions and shall in no way affect the validity of the other provisions of this Supplemental Ordinance.



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Section 9.6. Effective Date. This Supplemental 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

By _____



EXHIBIT "A"

Form of Bonds

[DTC Language]

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA
ELECTRIC SYSTEM REVENUE [AND REFUNDING] BONDS,
SERIES 2021[_____]

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

The City of Tacoma (the "City"), a municipal corporation duly organized and existing under and pursuant to the Charter of the City and the Constitution and laws of the State of Washington (the "State"), 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 _____ and _____. 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. Interest on this bond shall be calculated on the basis of actual days elapsed in a 360 day year consisting of twelve 30-day months.

This bond is one of an authorized issue of bonds of like series, date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of \$_____ (the "Bonds") pursuant to Ordinance No. 28146 of the City, passed on April 30, 2013, as amended and supplemented (the "Master Ordinance"), including as supplemented by Supplemental Ordinance No. ____ of the City, passed on



1 _____, 2021 (the “Supplemental Ordinance,” and together with the
2 Master Ordinance, the “Bond Ordinance”). The Bonds are issued for the
3 purpose of financing and refinancing certain capital improvements of the electric
4 system (as defined in the Bond Ordinance, the “Electric System”), to redeem
5 certain Subordinate Bonds of the Electric System, [to defease and redeem
6 certain outstanding Parity Bonds], and to pay costs of issuance for the Bonds.
7 Capitalized terms not otherwise defined herein shall have the meanings set
8 forth in the Bond Ordinance.

9
10 Payments on this bond shall be made solely from Revenues of the
11 Electric System, after payment of Operating Expenses, to the registered owner
12 by the Bond Registrar without the necessity of presentation and surrender of
13 this bond. Reference is made to the Bond Ordinance and the provisions of the
14 Charter of the City and all laws of the State (referred to as the “Act”) for a
15 description of the terms on which the Bonds are issued and may be issued, the
16 provisions with regard to the nature and extent of the Revenues, and the rights
17 of the registered owners of the Bonds; and all the terms of the Bond Ordinance
18 and the Act are hereby incorporated herein and made a contract between the
19 City and the registered owner from time to time of this bond, and to all the
20 provisions thereof the registered owner of this bond, by its acceptance hereof,
21 consents and agrees. The Bonds are being issued on a parity of lien on
22 Revenues of the Electric System with the City’s Outstanding Parity Bonds. The
23 City has reserved the right in the Bond Ordinance to issue additional bonds
24 (“Future Parity Bonds”) on a parity with the Bonds and the Outstanding Parity
25 Bonds. The Outstanding Parity Bonds, the Bonds and any Future Parity Bonds
26 are referred to herein as the “Parity Bonds.”

17 Under the Master Ordinance, the City is obligated to set aside and pay
18 into the Bond Fund and the accounts held therein out of the Revenue of the
19 Electric System, certain fixed amounts sufficient to pay the principal of and
20 interest and premium, if any, on all Parity Bonds as the same become due and
21 payable, all as is more fully provided in the Master Ordinance.

22 The Bonds are special limited obligations of the City payable from and
23 secured solely by Net Revenues of the Electric System and by other money and
24 assets specifically pledged under the Master Ordinance for the payment
25 thereof. Pursuant to the Master Ordinance, the City has pledged as security for
26 the payment of the principal of, premium, if any, and interest on the Parity
Bonds in accordance with the provisions of the Master Ordinance, subject only
to the provisions of the Master Ordinance restricting or permitting the
application thereof for the purposes and on the terms and conditions set forth in
the Master Ordinance: (i) the proceeds of the sale of the Parity Bonds to the
extent held in funds established by the Master Ordinance, (ii) Net Revenues,
and (iii) the money and investments, if any, credited to the Revenue Fund and
the Bond Fund, and the income therefrom.



1 THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, OR
2 THE STATE, OR A CHARGE UPON ANY GENERAL FUND OR OTHER
3 PROPERTY OF THE CITY OR THE STATE NOT SPECIFICALLY PLEDGED
4 THERETO BY THE MASTER ORDINANCE, AND NEITHER THE FULL FAITH
5 AND CREDIT NOR THE TAXING POWER OF THE CITY OR OF THE STATE,
6 NOR ANY REVENUES OF THE CITY DERIVED FROM SOURCES OTHER
7 THAN THE ELECTRIC SYSTEM, ARE PLEDGED TO THE PAYMENT
8 HEREOF. NO HOLDER OF THIS BOND SHALL EVER HAVE THE RIGHT TO
9 COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY
10 THIS BOND OR THE INTEREST HEREON.

11 Copies of the Bond Ordinance are on file at the office of the City, and
12 reference thereto, and to any and all modifications and amendments thereof, is
13 hereby made for a more complete description of the Revenue available for the
14 payment of the principal of, premium, if any, and interest on the Bonds and the
15 rights and remedies of the registered owners of the Bonds with respect thereto,
16 the terms and conditions upon which the Bonds have been issued, and the
17 terms and conditions upon which this bond shall no longer be secured by the
18 Bond Ordinance or deemed to be outstanding thereunder if money or certain
19 specified securities sufficient for the payment of this bond shall have been set
20 aside in a special account and held in trust for the payment thereof.

21 In and by the Bond Ordinance, the City covenants to establish, maintain
22 and collect rates or charges for electric energy sold through the ownership or
23 operation of the Electric System and all other services, facilities and
24 commodities sold, furnished or supplied by the City in connection with the
25 ownership or operation of the Electric System that shall be fair and
26 nondiscriminatory and reasonably anticipated to provide Revenue sufficient for
the payment of the Parity Bonds, and any other indebtedness of the Electric
System, and all payments that the City is obligated to set aside in the Bond
Fund and for the proper operation and maintenance of the Electric System, all
necessary repairs thereto and replacements and renewals thereof and all other
costs of the Electric System.

This bond is subject to redemption prior to maturity as provided in the
Bond Resolution and Bond Purchase Contract.

This bond is transferable by the registered owner hereof, but only in the
manner and subject to the limitations provided in the Bond Ordinance. Upon
such transfer a new fully registered bond for the same aggregate principal
amount will be issued to the transferee in exchange herefor.

It is hereby certified and recited that any and all acts, conditions and
things required to exist, to happen and to be performed, precedent to and in the
incurring of the indebtedness evidenced by this bond, and in the issuing of this
bond, do exist, have happened and have been performed in due time, form and



1 manner, as required by the Constitution and statutes of the State and the
2 Charter of the City, and that this bond, together with all other indebtedness of
3 the City pertaining to the Electric System, is within every debt limitation and
4 other limit prescribed by the Constitution and statutes of the State and said
5 Charter, and is not in excess of the amount of Bonds permitted to be issued
6 under the Master Ordinance.

7 This bond shall not be entitled to any benefit under the Bond Ordinance,
8 or become valid or obligatory for any purpose, until the certificate of
9 authentication hereon endorsed shall have been signed by the Bond Registrar.
10 This bond is a valid and binding obligation of City.

11 In the event of any inconsistency between the terms and provisions of
12 the Bond Ordinance and this bond, the terms and provisions of the Bond
13 Ordinance shall control.

14 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond
15 to be signed with the manual or facsimile signature of the Mayor and attested by
16 the manual or facsimile signature of the City Clerk, and the seal of the City to be
17 impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of
18 _____, 2021.

19 [SEAL]

20 CITY OF TACOMA, WASHINGTON

21 By _____
22 /s/ manual or facsimile
23 Mayor

24 ATTEST:

25 _____
26 /s/ manual or facsimile

City Clerk



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

3 CERTIFICATE OF AUTHENTICATION

4 This bond is one of the bonds described in the within-mentioned Bond Ordinance
5 and is one of the Electric System Revenue [and Refunding] Bonds, Series
6 2021[] of the City of Tacoma, Washington, dated _____, 2021.

7 WASHINGTON STATE FISCAL AGENT, as
8 Bond Registrar

9 By _____

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CLERK'S CERTIFICATE

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I, the undersigned, City Clerk of the City of Tacoma, Washington, DO

HEREBY CERTIFY:

1. That the attached is a true and correct copy of Supplemental Ordinance No. ____ (the "Ordinance") of the City, duly passed at a regular meeting of the City Council (the "Council") of the City held on _____, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), 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 passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2021.

City Clerk
City of Tacoma, Washington



ORDINANCE NO. 28774

1 A SUPPLEMENTAL ORDINANCE relating to Tacoma Power; authorizing the
2 issuance of an Electric System Subordinate Revenue Note, Series 2021 in
3 the principal amount of not to exceed \$150,000,000 to evidence a revolving
4 line of credit to provide funds to finance and refinance capital improvements
5 to the Electric System; authorizing the execution and delivery of a Note
6 Purchase Agreement with Wells Fargo Bank, National Association in
7 connection with the issuance of the 2021 Note; delegating the authority to
8 approve the final terms of the 2021 Note; and authorizing other matters
9 related thereto.

10 WHEREAS the City of Tacoma, Washington ("City"), by Ordinance
11 No. 23514, passed on November 20, 1985 (as amended and supplemented,
12 including as amended and restated by Ordinance No. 28146, passed on April 30,
13 2013, collectively, the "Senior Bond Ordinance"), authorized electric system
14 revenue bonds of the City ("Senior Bonds") to be issued in series having a parity of
15 lien and charge on the Revenues of the Electric System after the payment of
16 Operating Expenses (as those terms are defined therein), if certain conditions are
17 met, and made covenants in connection with the issuance of such Senior Bonds,
18 and

19 WHEREAS the Senior Bond Ordinance permits the City to issue obligations
20 that are junior and subordinate to the payment of the Senior Bonds and that are
21 payable out of Revenues of the Electric System, after payment of Operating
22 Expenses, only after the prior payment of all amounts required to be paid or set
23 aside under the Senior Bond Ordinance for the Senior Bonds, as the same shall
24 become due at the times, in the manner and subject to the conditions set forth in
25 the Senior Bond Ordinance, and
26



1 WHEREAS, on April 21, 2015, the City Council passed Ordinance No. 28295
2 (as amended, the "Master Subordinate Ordinance") to authorize a new issue of
3 revenue bonds of the City, junior and subordinate to the Senior Bonds, to be known
4 as the City of Tacoma Electric System Subordinate Revenue Bonds ("Subordinate
5 Bonds") in one or more series to finance costs of the Electric System, and
6

7 WHEREAS, pursuant to the Master Subordinate Ordinance and Ordinance
8 No. 28296, passed by the City Council on April 21, 2015, as amended (the "First
9 Supplemental Ordinance"), the City, acting through its Department of Public Utilities,
10 Light Division (d.b.a. "Tacoma Power"), issued its Electric System Subordinate
11 Revenue Note, Series 2015A to evidence a revolving line of credit in the principal
12 amount of not to exceed \$150,000,000 outstanding at any time to finance and
13 refinance capital improvements to the Electric System (the "2015A Note"), and
14

15 WHEREAS Tacoma Power expects to redeem the 2015A Note prior to its
16 stated maturity of December 1, 2021, with proceeds of Senior Bonds, and after
17 such date of redemption the 2015A Note will no longer available to Tacoma Power
18 for advances, and
19

20 WHEREAS it is deemed necessary and advisable to acquire and construct
21 certain additions and betterments to and extensions of the Electric System, and
22

23 WHEREAS the Public Utility Board of the City (the "Board") has initiated and
24 has recommended to the City Council for its approval the issuance of Subordinate
25 Bonds in the form of a note (the "2021 Note") to replace the 2015A Note and to
26 finance and refinance capital improvements to the Electric System and to pay costs
of issuance, and



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WHEREAS the City Council has determined that it is in the best interests of the City and its ratepayers to issue the 2021 Note to provide funds to finance or refinance costs of capital improvements to the Electric System and pay the costs of issuance and sale of the 2021 Note, and

WHEREAS, the City deems it in the best interests of the City and its ratepayers that the 2021 Note be sold to and purchased by Wells Fargo Bank, National Association or its affiliate (the "Purchaser") by private sale pursuant to a Note Purchase Agreement to be entered into between the City and the Purchaser (the "Note Purchase Agreement"), and

WHEREAS, the City Council hereby finds and determines that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness to be evidenced by the 2021 Note, and in the issuing of the 2021 Note, as of the date of issuance thereof, shall exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State and the Charter of the City, and that the 2021 Note is within every debt limitation and other limit prescribed by the Constitution and statutes of the State and the Charter, and is not in excess of the amount of Subordinate Bonds permitted to be issued under the Master Subordinate Ordinance, Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:



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ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Interpretation of Terms. Unless otherwise defined in the recitals and elsewhere in this Supplemental Ordinance, capitalized terms used herein shall have the meanings set forth in the Master Subordinate Ordinance, as it may be amended. In addition, as used in this Supplemental Ordinance the following words shall have the following meanings:

“Assistant Finance Director/Controller” means the duly appointed and acting Assistant Finance Director/Controller of the City, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“Borrower Representative” means the Director of Utilities, the Tacoma Power Superintendent, and the Tacoma Power Rates, Planning, and Analysis Manager, or their designee. The signature of one Borrower Representative shall be sufficient to bind the City.

“City Clerk” means the duly appointed and acting City Clerk of the City, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2021 Note or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2021 Note, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.



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“Designated Representative” means the Director of Utilities and the Tacoma Power Superintendent, or their designee. The signature of one Designated Representative shall be sufficient to bind the City.

“Director of Utilities” means the duly appointed and acting Director of the City Department of Public Utilities, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“Federal Tax Certificate” means one or more certificates executed by a Designated Representative or the Finance Director setting forth the requirements of the Code for maintaining the tax exemption of interest on the 2021 Note, and attachments thereto.

“Interest Rate” means the variable rate of interest on the 2021 Note as approved by a Designated Representative and set forth in the 2021 Note and in the Note Purchase Agreement.



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“Maturity Date” means the date specified in the 2021 Note and in the Note Purchase Agreement, which shall be no later than three years from the date of issuance of the 2021 Note.

“Note Registrar” means Bond Registrar as defined in the Master Subordinate Ordinance. The Note Registrar(s) for the 2021 Note shall be those individuals appointed pursuant to Section 3.3 of this Supplemental Ordinance.

“Note Purchase Agreement” means the note purchase agreement or other agreement between the City and the Purchaser and approved by a Designated Representative pursuant to this Supplemental Ordinance, as it may be supplemented and amended.

“Plan of Additions” means the system or plan of additions to and betterments and extensions of the Electric System described in Section 2.4, as such Plan may be amended, supplemented or revised from time to time consistent with the City’s Electric System Comprehensive Plan.

“Purchaser” means Wells Fargo Bank, National Association, or its affiliate, and its successors and assigns.

“Rule” means the Securities and Exchange Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of Washington.

“Tacoma Power Rates, Planning, and Analysis Manager” means the duly appointed and acting Rates, Planning and Analysis Manager, Department of Public



1 Utilities, Light Division, including anyone acting in an interim or other capacity for
2 the position, or the successor to the duties of that office.

3 "Tacoma Power Superintendent" means the duly appointed and acting
4 Superintendent/Chief Operating Officer, Department of Public Utilities,
5 Light Division, including anyone acting in an interim or other capacity for the
6 position, or the successor to the duties of that office.

8 "2021 Note" means the City of Tacoma Electric System Subordinate
9 Revenue Note, Series 2021, authorized to be issued under the Master Subordinate
10 Ordinance and this Supplemental Ordinance, as supplemented and amended.

12 "2021 Note Proceeds" means proceeds of the sale of the 2021 Note.

13 "2021 Note Projects" means the facilities and projects to be financed or
14 refinanced in whole or in part from 2021 Note Proceeds, as provided in Section 2.4.

15 ARTICLE II

16 PARITY AND OTHER FINDINGS

17
18 Section 2.1. Findings. Pursuant to the terms of the Master Subordinate
19 Ordinance, the City has authorized a subordinate lien revenue bond borrowing
20 program, which authorizes the City to issue, from time to time, one or more series
21 of Subordinate Bonds to finance costs of the Electric System. Due to increasing
22 capital and operating costs, anticipated fluctuations in Revenues of the Electric
23 System, and other economic conditions, Tacoma Power has determined that it is
24 necessary and advisable to obtain a general credit facility in the form of a
25 drawdown revolving line of credit to finance capital costs of the Electric System and
26 help maintain the financial stability of the Electric System. The use of short-term



1 debt agreements to maintain financial stability is consistent with Tacoma Power
2 financial policies and planning, as is the use of short-term debt to finance capital
3 costs. A general credit facility will assist Tacoma Power in maintaining financial
4 stability which will help support the current and future needs of the Electric System.
5
6 City Council approval is necessary prior to the issuance of debt under the Tacoma
7 City Charter and State law.

8 The City Council hereby finds (1) it is in the best interest of Tacoma Power
9 and its ratepayers that it issue a short-term note as a Subordinate Bond under the
10 Master Subordinate Ordinance to provide funding for Tacoma Power for its capital
11 projects; (2) Tacoma Power has or expects to receive a proposal from the
12 Purchaser to purchase the 2021 Note; and (3) the 2021 Note and the Note
13 Purchase Agreement authorized herein will be issued without further City Council
14 approval only if the parameters provided for herein are satisfied.
15

16 Section 2.2. In connection with the issuance of the 2021 Note, the City
17 hereby makes the following findings:
18

19 A. There is, and as of the date of the issuance of the 2021 Note there will
20 be, no deficiency in the Bond Fund, and no Event of Default, as defined in the
21 Master Subordinate Ordinance, has occurred or shall have occurred and be
22 continuing.
23

24 B. This Supplemental Ordinance provides that the payment of the principal
25 of and interest on the 2021 Note shall be paid out of the Bond Fund and subject to
26 the terms of the Master Subordinate Ordinance and the Note Purchase Agreement.



1 C. On the effective date of the 2021 Note, there will be on file with the City a
2 certificate satisfying the conditions set forth in Section 6.1 of the Master
3 Subordinate Ordinance.

4 Section 2.3. Findings Related to Revenues of the Electric System. The City
5 hereby finds and determines that the Revenues of the Electric System at the rates
6 to be charged for power and other services and commodities from the Electric
7 System will be more than sufficient to meet all Operating Expenses, to make all
8 required payments with respect to the Senior Bonds, the outstanding Subordinate
9 Bonds and the 2021 Note, and to permit the setting aside into the Bond Fund out of
10 the Revenues of amounts sufficient to pay the principal of and interest on the
11 2021 Note when due at maturity and upon any mandatory sinking fund redemption
12 thereof.

13 The City further finds and determines that in creating the Bond Fund and in
14 fixing the amounts to be paid into the Bond Fund, it has exercised due regard for
15 Operating Expenses, and the City has not bound and obligated itself to set aside
16 and pay into the Bond Fund a greater amount or proportion of the Revenues than in
17 the judgment of the City will be available over and above the Operating Expenses.

18 Section 2.4. Plan of Additions. The City specifies, adopts, and orders to be
19 carried out the system or plan of additions to and betterments and extensions of the
20 Electric System (the "Plan of Additions") as generally provided for in the capital
21 portions of the Tacoma Power Biennial Budget, as supplemented and amended,
22 and in any subsequent budget, and in the Electric System Comprehensive Plan.
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The portion of the Plan of Additions financed and refinanced with 2021 Note Proceeds is referred to herein as the “2021 Note Projects.” The estimated cost of the Plan of Additions to be financed and refinanced with 2021 Note Proceeds is at least \$150,000,000.

The Plan of Additions includes the purchase and installation of all materials, supplies, appliances, equipment (including, but not limited to, data processing hardware and software and conservation equipment) and facilities; the acquisition of all permits, franchises, property and property rights; other capital assets; and all engineering, consulting, and other professional services and studies (whether performed by the City or by other public or private entities) necessary or convenient to carry out the Plan of Additions.

ARTICLE III

AUTHORIZATION AND TERMS OF NOTE

Section 3.1. Authorization of 2021 Note: Terms and Description of 2021 Note.

A. The City hereby authorizes the issuance of its “City of Tacoma, Washington, Electric System Subordinate Revenue Note, Series 2021” or other such designation as set forth in the 2021 Note and approved by a Designated Representative. The 2021 Note shall constitute a Subordinate Bond within the meaning of the Master Subordinate Ordinance. The 2021 Note shall be issued to finance and refinance the costs of the 2021 Note Projects and to pay costs of issuance for the 2021 Note.



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B. The 2021 Note shall be issued as a draw-down obligation to evidence a revolving line of credit established with the Purchaser. The draw features including process for draws on the 2021 Note shall be as set forth in the Note Purchase Agreement and/or the 2021 Note. The City shall maintain, or cause to be maintained, records of amounts drawn on the 2021 Note. Draw requests shall be executed on behalf of the City as provided in (D) below.

C. The 2021 Note shall be dated as of its date of delivery to the Purchaser, shall be fully registered as to both principal and interest, shall be in one denomination, shall be in the principal amount of not to exceed \$150,000,000 outstanding at any one time, and shall mature on the Maturity Date. The 2021 Note shall bear interest on the outstanding principal balance drawn on the 2021 Note at the Interest Rate, subject to any default rate or other interest rate changes provided for in the 2021 Note and in the Note Purchase Agreement.

Interest on the outstanding principal balance on the 2021 Note shall be calculated as provided in the 2021 Note and in the Note Purchase Agreement. Principal of and interest on the 2021 Note shall be payable at the times and in the amounts as set forth in the 2021 Note and in the Note Purchase Agreement. The 2021 Note shall be subject to mandatory and optional redemption and to mandatory tender for purchase prior to maturity on the dates and at the prices, and the terms of the 2021 Note shall be as set forth in the Note Purchase Agreement.

D. The City Council hereby delegates to each Borrower Representative authority to make written Requests for Advances, to submit Compliance Certificates, to provide any notice of reduction or termination of the 2021 Note, and



1 to otherwise take all action necessary after closing of the 2021 Note to implement
2 and administer the 2021 Note and the Note Purchase Agreement pursuant to the
3 terms of this Supplemental Ordinance. Each Request for Advance and Compliance
4 Certificate shall be signed by a Borrower Representative and countersigned by the
5 City Treasurer, the Finance Director, or the Assistant Finance Director/Controller as
6 provided in the Note Purchase Agreement.
7

8 Section 3.2. Form of 2021 Note. The 2021 Note shall be in substantially
9 the form set forth in Exhibit "A" attached hereto and made a part hereof, with
10 appropriate variations, omissions, and insertions as shall be required or
11 appropriate consistent with the Master Subordinate Ordinance and this
12 Supplemental Ordinance to reflect the terms as provided herein.
13

14 The 2021 Note shall contain a legend to the effect that the transferability of
15 such 2021 Note is subject to the restrictions set forth in the Note Purchase
16 Agreement. Registered ownership of the 2021 Note, or any portion thereof or
17 interest thereon, may not thereafter be transferred except as set forth in the Note
18 Purchase Agreement.
19

20 Section 3.3. Registered Note; No Book-Entry System.

21 A. Not Book-Entry Bond. The 2021 Note shall be issued in the form of a
22 separate single fully-registered 2021 Note but not as a Book-Entry Bond. The 2021
23 Note shall be registered in the name of the Purchaser as the original registered
24 owner. The terms and provisions set forth in Sections 4.3(d), 4.3(e), and 4.4 of the
25 Master Subordinate Ordinance shall not apply to the 2021 Note, and to the extent
26 that the registration, transfer and exchange, place and medium of payment for the



1 2021 Note is not set forth herein, such provisions shall be as set forth in the 2021
2 Note and the Note Purchase Agreement.

3 B. No Offering Document. No official statement, prospectus, offering
4 circular or other offering statement containing material information with respect to
5 the City or the 2021 Note will be provided in connection with the issuance of the
6 2021 Note.

8 C. Paying Agent and Note Registrar. The City Treasurer, the Finance
9 Director, and the Assistant Finance Director/Controller are each hereby designated
10 as the Paying Agent and Note Registrar for the 2021 Note in accordance with the
11 Master Subordinate Ordinance.

13 The Note Registrar is authorized, on behalf of the City, to authenticate and
14 deliver the 2021 Note if transferred or exchanged in accordance with the provisions
15 of the 2021 Note and this Supplemental Ordinance and to carry out all of the Note
16 Registrar's powers and duties under this Supplemental Ordinance.

18 D. Owner of the 2021 Note. The City and the Note Registrar may deem and
19 treat the Owner of the 2021 Note as the absolute owner for all purposes, and
20 neither the City nor the Note Registrar shall be affected by any notice to the
21 contrary. Payment of the 2021 Note shall be made only as described in
22 Subsection E below. All such payments made as described in Subsection E below
23 shall be valid and shall satisfy the liability of the City upon the 2021 Note to the
24 extent of the amount so paid.

26 E. Payment of Principal of and Interest on the 2021 Note. Both principal of
and interest on the 2021 Note shall be payable in lawful money of the United States



1 of America. Principal and interest on the 2021 Note shall be payable by check,
2 warrant, ACH transfer, Federal Reserve wire, or by other means mutually
3 acceptable to the Owner and the City. Upon final payment of principal and interest
4 of the 2021 Note, the Owner shall surrender the 2021 Note for cancellation at the
5 office of the Note Registrar.
6

7 ARTICLE IV

8 CREATION OF ACCOUNTS; APPLICATION OF 2021 NOTE PROCEEDS

9 Section 4.1. Creation of Accounts.

10 A. There is created in the Subordinate Construction Fund an account to be
11 known as the 2021 Note Subordinate Draw Account.
12

13 B. There is hereby created in the Bond Fund the following subaccounts with
14 respect to the 2021 Note:

- 15 1. the 2021 Note Interest Subaccount in the Interest Account;
- 16 2. the 2021 Note Principal Subaccount in the Principal Account; and
- 17 3. the 2021 Note Bond Retirement Subaccount in the Bond

18 Retirement Account.
19

20 C. The City hereby determines that the 2021 Note shall not be secured by
21 the Reserve Account or any other debt service reserve account.
22

23 Section 4.2. Deposit of Proceeds of the 2021 Note. Immediately upon
24 receipt thereof, the Paying Agent shall deposit the proceeds of all advances drawn
25 by a Designated Representative under the 2021 Note into the 2021 Note
26 Subordinate Draw Account, which amounts shall be used for 2021 Note Projects



1 any lawful purposes for which such advances were made and the costs of issuance
2 of the 2021 Note.

3 Section 4.3. Deposits Into and Uses of the 2021 Subaccounts in the Bond
4 Fund; Pledge of Revenues. The City hereby obligates and binds itself irrevocably
5 to set aside and to pay into the 2021 Note Interest Subaccount, the 2021 Note
6 Principal Subaccount, and the 2021 Note Bond Retirement Subaccount,
7 respectively, out of the Revenues of the Electric System the amounts necessary
8 (together with other available moneys on hand therein) to pay the principal of,
9 interest on and any mandatory sinking fund redemptions for the 2021 Note as and
10 when the same respectively become due and payable in accordance with the terms
11 hereof and of the Note Purchase Agreement. The 2021 Note Interest Subaccount,
12 the 2021 Note Principal Subaccount, and the 2021 Note Bond Retirement
13 Subaccount, respectively, shall be drawn upon solely for the purpose of paying the
14 principal of, interest on and mandatory sinking fund redemptions for the 2021 Note.

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18 ARTICLE V

19 ADDITIONAL COVENANTS; ADDITIONAL EVENTS OF DEFAULT

20 Section 5.1. Covenants. The City covenants and agrees with the Owner of
21 the 2021 Note that it will comply with the covenants set forth in the Master
22 Subordinate Ordinance.

23
24 Section 5.2. Tax Covenants. The 2021 Note will be issued as a "Tax-
25 Exempt Bond" as defined in the Master Subordinate Ordinance. The City hereby
26 covenants that it will take all actions necessary to assure the exclusion of interest
on the 2021 Note from the gross income of the Owners of the 2021 Note, to the



1 same extent as such interest is permitted to be excluded from gross income under
2 the Code as in effect on the date of issuance of the 2021 Note, including, but not
3 limited to, the following:

4 A. Private Activity Bond Limitation. The City will assure that the 2021 Note
5 Proceeds are not so used as to cause the 2021 Note to satisfy the private
6 business tests of Section 141(b) of the Code or the private loan financing test of
7 Section 141(c) of the Code.

9 B. Limitations on Disposition of Project. The City will not sell or otherwise
10 transfer or dispose of (1) any personal property components of the 2021 Note
11 Projects finance or refinanced with 2021 Note Proceeds other than in the ordinary
12 course of an established government program under Treasury Regulation
13 Section 1.141-2(d)(4) or (2) any real property components of such projects, unless
14 it has received an opinion of nationally recognized bond counsel to the effect that
15 such disposition will not adversely affect the treatment of interest on the 2021 Note
16 as excludable from gross income for federal income tax purposes.

17 C. Federal Guarantee Prohibition. The City will not take any action or permit
18 to suffer any action to be taken if the result of such action would be to cause the
19 2021 Note to be "federally guaranteed" within the meaning of Section 149(b) of the
20 Code.

21 D. Rebate Requirement. The City will take any and all actions necessary to
22 assure compliance with Section 148(f) of the Code, relating to the rebate of excess
23 investment earnings, if any, to the federal government, to the extent that such
24 section is applicable to the 2021 Note.



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E. No Arbitrage. The City will not take, or permit or suffer to be taken, any action with respect to the 2021 Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issue of the 2021 Note would have caused the 2021 Note to be an “arbitrage bond” within the meaning of Section 148 of the Code.

F. System of Registration. The City will maintain a system for recording the ownership of the 2021 Note that complies with the provisions of Section 149 of the Code until the 2021 Note has been surrendered and canceled.

G. Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to the 2021 Note for at least three years after the 2021 Note matures or is prepaid (whichever is earlier); however, if the 2021 Note is redeemed prior to maturity, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the 2021 Note.

H. Compliance with Federal Tax Certificate. The City will comply with the provisions of the Federal Tax Certificate with respect to the 2021 Note, which are incorporated herein as if fully set forth herein.

The covenants of this section will survive payment in full or defeasance of the 2021 Note.

Section 5.3. Additional Event of Default. An Event of Default under the Note Purchase Agreement shall constitute an Event of Default under this Supplemental Ordinance. Nothing herein shall limit the remedies of the Purchaser under the Note Purchase Agreement.



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ARTICLE VI

SALE OF THE 2021 NOTE;

ONGOING DISCLOSURE; ADDITIONAL COVENANTS

Section 6.1. Sale of the 2021 Note.

A. The City Council has determined that it would be in the best interest of the City to delegate to the Designated Representatives, for a limited time, the authority to approve the final terms of the 2021 Note and Note Purchase Agreement subject to the provisions of this Supplemental Ordinance.

B. Subject to the terms and conditions set forth in this Article VI, each Designated Representative is hereby authorized (1) to approve the principal amount, dated date, principal payment dates, interest payment dates, mandatory and/or optional redemption, mandatory and/or optional tender for purchase, the Maturity Date, and Interest Rate for the 2021 Note, (2) to negotiate and approve any unused line of credit fee in the Note Purchase Agreement, a structuring agent fee letter and fee with the Purchaser, and any additional terms and covenants with the Purchaser that are in the best interest of the City and consistent with this Supplemental Ordinance, (3) to approve and execute the 2021 Note and Note Purchase Agreement, and (4) to execute the sale of the 2021 Note to the Purchaser; provided that:

1. The principal amount of the 2021 Note shall be in the amount of not to exceed \$150,000,000 outstanding at any time;

2. The final maturity of the 2021 Note is no later than the Maturity Date;



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3. The Interest Rate on the 2021 Note shall be a variable rate based initially on the SIFMA rate and calculated as provided in the Note Purchase Agreement; provided, that the 2021 Note may be subject to a default rate and/or a taxable rate upon the occurrence and continuation of an Event of Default or Determination of Taxability, respectively, as provided for in the Note Purchase Agreement; and

4. The terms of the 2021 Note otherwise conform to the terms of the Master Subordinate Ordinance and this Supplemental Ordinance.

Subject to the terms and conditions set forth in this Section, each Designated Representative is hereby authorized to negotiate and approve the terms of the Note Purchase Agreement in coordination with Bond Counsel, the Municipal Advisor and the City Attorney's Office, to agree to any additional terms and covenants that are in the best interest of the City and consistent with this Supplemental Ordinance, and to execute and implement the Note Purchase Agreement (including the payment of any financing costs associated with the delivery of the Note Purchase Agreement from 2021 Note Proceeds or available funds of the Electric System), and such approval shall be conclusively evidenced by his or her execution thereof.

The authority granted to the Designated Representatives to initially approve the 2021 Note and Note Purchase Agreement by this section shall expire on December 31, 2021. If the 2021 Note has not been issued and the Note Purchase Agreement has not been executed by such date, the authorization provided herein shall be rescinded, and the 2021 Note shall not be executed and the 2021 Note



1 shall not be delivered to the Purchaser unless such authority has been re-
2 authorized by ordinance of the City Council at the request of the Board.

3 C. Upon the passage and approval of this Supplemental Ordinance, the
4 proper officials of the City including the Designated Representatives, the Borrower
5 Representatives, the Mayor, the City Treasurer, the Finance Director, the Assistant
6 Finance Director/Controller and the City Clerk are authorized and directed to
7 undertake all action necessary for the prompt execution and delivery of the 2021
8 Note to the Purchaser and further to execute all closing certificates, agreements,
9 rate lock agreement, term sheet, structuring agent fee letter and other documents
10 required to effect the closing and delivery of the 2021 Note in accordance with the
11 terms of this Supplemental Ordinance.
12

14 Notwithstanding anything herein or in the Master Subordinate Ordinance to
15 the contrary, the signature of one authorized official, including but not limited to the
16 Designated Representatives and the Borrower Representatives, shall be sufficient
17 to bind the City.
18

19 Section 6.2. No Ongoing Disclosure; Additional Covenants. The 2021 Note
20 is exempt from ongoing disclosure requirements of the Rule. The City may agree
21 to provide the Purchaser certain financial or other information and agree to such
22 covenants as determined to be necessary by a Designated Representative and as
23 set forth in the Note Purchase Agreement and approved by a Designated
24 Representative pursuant to this Article.
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ARTICLE VII

MISCELLANEOUS

Section 7.1. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date is ratified, approved and confirmed.

Section 7.2. Terms of 2021 Note Subject to the Master Subordinate Ordinance. Except as expressly provided herein, every term and condition contained in the Master Subordinate Ordinance shall apply to this Supplemental Ordinance and the 2021 Note with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modification as may be appropriate to make the same conform to this Supplemental Ordinance.

In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Subordinate Ordinance, the terms and provisions of this Supplemental Ordinance shall control.

Except as supplemented and amended by this Supplemental Ordinance, the Master Subordinate Ordinance is hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with its terms and provisions thereof, as amended and supplemented.

Section 7.3. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of clerical errors;



1 references to other local, state or federal laws, codes, rules, or regulations;
2 ordinance numbering and section/subsection numbering; and other similar
3 necessary corrections.

4 Section 7.4. Effective Date. This Supplemental Ordinance shall take effect
5 and be in force 10 days after its passage, approval and publication as required by
6 law.
7

8
9 Passed _____

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Mayor

12

Attest:

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14

City Clerk

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16

Approved as to form and legality:

17

Pacifica Law Group LLP

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Bond Counsel

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By _____

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EXHIBIT "A"

Form of 2021 Note

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UNITED STATES OF AMERICA

R-1

Not to Exceed
\$ _____

TRANSFER RESTRICTED

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION, THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE NOTE PURCHASE AGREEMENT DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PROVIDED IN THE NOTE PURCHASE AGREEMENT.

STATE OF WASHINGTON

CITY OF TACOMA

ELECTRIC SYSTEM SUBORDINATE REVENUE NOTE,
SERIES 2021

DATE OF ISSUANCE: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: NOT TO EXCEED _____ AND
NO 100/DOLLARS

The City of Tacoma, a municipal corporation duly organized and existing under and pursuant to the Charter of the City of Tacoma and the Constitution and laws of the State of Washington (hereinafter called the "City"), for value received, hereby promises to pay (but only out of the Revenues referred to below) to the Registered Owner named above or its registered successors and assigns, the principal amount hereof, together with unpaid accrued interest thereon, on the dates, at the rates and in the amounts as provided in the Note Ordinance (as hereinafter defined) and the Note Purchase Agreement dated as of _____, 20__, (as it may be amended, supplemented, restated and/or replaced from time to time, the "Purchase Agreement"). The terms of the Note Purchase Agreement are hereby incorporated into this note as if fully set forth herein.



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This note evidences a revolving line of credit and is issued pursuant to Ordinance No. 28295 adopted on April 21, 2015 (the "Master Subordinate Ordinance"), as amended and supplemented from time to time, including as supplemented by Supplemental Ordinance No. _____ adopted on _____, 2021 (collectively, the "Note Ordinance"), providing for the issuance of the Bonds (as defined herein), including this note. Interest on this note shall be calculated on the basis of actual days elapsed in a 360 day year consisting of 12 30-day months. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Note Ordinance and the Note Purchase Agreement, as applicable.

Payments shall be made solely from Revenues, after payment of Operating Expenses and required payments with respect to the Senior Bonds, to the Registered Owner stated above by the Paying Agent without the necessity of presentation and surrender of this note. This note is one of a duly authorized issue of Electric System Subordinate Revenue Bonds of the City (hereinafter called the "Bonds") of the series and designation indicated on the face hereof. The authorized issue of Bonds is not limited in aggregate principal amount and consists of multiple series and subseries of varying denominations, dates, maturities, interest rates and other provisions, as provided in the Master Subordinate Ordinance, all issued and to be issued pursuant to the provisions of the Charter of the City and all laws of the State of Washington (the "State") (referred to as the "Act").

Reference is hereby made to the Master Subordinate Ordinance and to the Act for a description of the terms on which the Bonds are issued and may be issued, the provisions with regard to the nature and extent of the Revenues, and the rights of the registered owners of the Bonds.

All the terms of the Note Ordinance and the Act are hereby incorporated herein and made a contract between the City and the Registered Owner from time to time of this note, and to all the provisions thereof the Registered Owner of this note, by its acceptance hereof, consents and agrees. Additional series and subseries of Bonds may be issued on a parity with this note, but only subject to the conditions and limitations contained in the Master Subordinate Ordinance.

This note is subject to mandatory redemption and mandatory tender as provided in the Note Ordinance and the Note Purchase Agreement.

This note, including the interest hereon, together with all other Bonds, and the interest thereon, issued under the Master Subordinate Ordinance (and to the extent set forth in the Master Subordinate Ordinance), is payable from, and is secured by a charge and lien on, the Revenues, after payment of Operating Expenses and required payments with respect to the Senior Bonds, derived by the City from the Electric System.



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The Bonds are special obligations of the City, and are payable, both as to principal and interest, out of the Revenues, after payment of Operating Expenses and required payments with respect to the Senior Bonds, pertaining to the Electric System and the moneys in the Funds and Accounts provided in the Master Subordinate Ordinance, subject to the prior payment of principal of and interest on the Senior Bonds, and not out of any other fund or moneys of the City. No holder of this note shall ever have the right to compel any exercise of the taxing power of the City to pay this note or the interest hereon.

This note is transferable by the Registered Owner hereof, but only in the manner and subject to the limitations provided in the Note Ordinance and the Note Purchase Agreement, as applicable. Upon such transfer a new fully registered note for the same aggregate principal amount will be issued to the transferee in exchange therefor.

THIS NOTE IS A SPECIAL AND LIMITED OBLIGATION OF THE CITY PAYABLE ONLY FROM THE SOURCES IDENTIFIED HEREIN, IN THE NOTE PURCHASE AGREEMENT AND IN THE NOTE ORDINANCE AND IS NOT A GENERAL OBLIGATION OF THE CITY, PIERCE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THIS NOTE DOES NOT CONSTITUTE A CHARGE UPON ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, PIERCE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF NOT SPECIFICALLY PLEDGED THERETO BY THE NOTE ORDINANCE.

The rights and obligations of the City and of the registered owners from time to time of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Master Subordinate Ordinance.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this note, and in the issuing of this note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State and the Charter of the City, and that this note, together with all other indebtedness of the City pertaining to the Electric System, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State and said Charter, and is not in excess of the amount of Bonds permitted to be issued under the Master Subordinate Ordinance.

This note shall not be entitled to any benefit under the Note Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Paying Agent and Note Registrar. This note is a valid and binding obligation of City.



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In the event of any inconsistency between the terms and provisions of the Note Ordinance and this note, the terms and provisions of the Note Ordinance shall control.

IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this note to be executed by the manual or facsimile signature of the Mayor of the City Council and attested by the manual or facsimile signature of the Clerk, as of the date of this note, _____, 2021.

CITY OF TACOMA, WASHINGTON

By _____
Mayor

ATTEST:

Clerk of the City

CERTIFICATE OF AUTHENTICATION

This is the note described in the within-mentioned Note Ordinance.

Date of Authentication: _____, 2021.

[Finance Director,] City of Tacoma

CERTIFICATE OF REGISTRATION

This note is registered in the name of the Registered Owner on the books of the City, in the office of the [Finance Director] of the City, as Note Registrar and Paying Agent, as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this note shall be made by the City as provided in the Note Ordinance.

| | |
|-------------------------|---|
| Date of Registration | Name and Address of Registered Owner |
| _____ | _____ |



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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ (Name, address, and Taxpayer Identification Number of Assignee) this note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said note on the books of the City with full power of substitution in the premises.

Dated: _____

Signature(s) Guaranteed

(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this note, in every particular, without alteration or enlargement or any change whatsoever.



CLERK'S CERTIFICATE

1 I, the undersigned, City Clerk of the City of Tacoma, Washington, DO

2 HEREBY CERTIFY:

3 1. That the attached is a true and correct copy of Supplemental Ordinance
4 No. ____ (the "Ordinance") of the City, duly passed at a regular meeting of the City
5 Council (the "Council") of the City held on _____, 2021.
6

7 2. That said meeting was duly convened and held in all respects in
8 accordance with law, and to the extent required by law, including but not limited to
9 Washington State Governor Inslee's emergency proclamation No. 20-28 issued on
10 March 24, 2020, as amended and supplemented, suspending portions of the Open
11 Public Meetings Act (chapter 42.30 RCW), due and proper notice of such meeting
12 was given; that a legal quorum was present throughout the meeting and a legally
13 sufficient number of members of the Council voted in the proper manner for the
14 passage of said Ordinance; that all other requirements and proceedings incident to
15 the proper passage of said Ordinance have been fully fulfilled, carried out and
16 otherwise observed; and that I am authorized to execute this certificate.
17

18 IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of
19 _____, 2021.
20

21
22
23 _____
24 City Clerk
25 City of Tacoma, Washington
26