

BOARD BILL NO. 101

INTRODUCED BY ALDERMAN MATT VILLA

1 An ordinance authorizing and directing the issuance in the name of The City of St. Louis (the
2 “City”) of its Water Revenue Tax-Exempt Refunding Bonds, Series 2010 and/or its Water
3 Revenue Tax Exempt Bonds and/or Taxable Build America Bonds (together with the Water
4 Revenue Tax-Exempt Refunding Bonds, the “Series 2010 Bonds”), in an aggregate principal
5 amount not to exceed \$50,000,000 for the purpose of refunding the City’s Water Revenue
6 Refunding Bonds, Series 1998 and/or purchasing, constructing, extending and improving the
7 waterworks system owned by the City; setting forth certain terms and conditions for said Bonds;
8 granting authority to the Treasurer of the City to employ a trustee, paying agent, and/or escrow
9 agent in connection with such bonds; approving the form and authorizing the execution and
10 delivery of the Third Supplemental Indenture of Trust (the “Indenture”); authorizing the
11 negotiated sale of the Bonds and the execution and delivery of a Bond Purchase Agreement;
12 authorizing the taking of other action, approval and execution of other documents as necessary or
13 desirable to carry out and comply with the intent hereof and to comply with the duties of the City
14 under any agreement for credit enhancement, if any; authorizing the transfer of waterworks
15 system revenues to the accounts and sub-accounts established under the Indenture; authorizing
16 the taking of other actions and the execution other documents as necessary or desirable in
17 furtherance of the purpose hereof; and containing severability and emergency clauses.

18 **WHEREAS**, the City owns and operates a municipal waterworks system (the "Waterworks
19 System");

20 **WHEREAS**, pursuant to Article VI, Section 27 of the Constitution of the State of Missouri, as
21 amended, Chapter 108 of the Missouri Revised Statues, as amended, and the First Supplemental
22 Indenture of Trust, the City financed the purchase, construction, extension and improvement of

1 the Waterworks System and unified its outstanding indebtedness by the issuance of \$51,570,000
2 of its negotiable interest-bearing Water Refunding and Improvement Bonds, Series 1994 (the
3 "Series 1994 Bonds");

4 **WHEREAS**, pursuant to a Second Supplemental Indenture of Trust dated as of December 1,
5 1998 between the City and BNY Mellon Trust Company, formerly known as BNY Trust
6 Company of Missouri, the City issued its \$29,225,000 Water Revenue Refunding Bonds, Series
7 1998 (the "Series 1998 Bonds"), which Series 1998 Bonds financed the prepayment and
8 redemption in advance of their maturity of a portion of the Series 1994 Bonds.

9 **WHEREAS**, the City has determined that additional funds are needed to provide for the
10 prepayment and redemption in advance of their maturity of the Series 1998 Bonds and/or the
11 purchase, construction, extension and improvement of the Waterworks System, all as described
12 in the Third Supplemental Indenture referred to below (collectively, the "Project") and the City
13 finds it necessary and desirable to provide such funds;

14 **WHEREAS**, the City is now prepared to issue and sell its Series 2010 Bonds, in one or more
15 series in an aggregate principal amount not to exceed \$50,000,000, the proceeds of which will be
16 used to finance the prepayment and redemption in advance of their maturity the Series 1998
17 Bonds and/or the purchase, construction, extension and improvement of the Waterworks System,
18 including the funding of a debt service reserve account and other funds established pursuant to
19 the Indenture and the payment of the expenses of the City associated therewith, including but not
20 limited to the cost of obtaining credit enhancement, if any;

1 **WHEREAS**, it is necessary and appropriate for the City to issue the Series 2010 Bonds and to
2 secure the Series 2010 Bonds solely from the revenues derived by the City from the operation of
3 the Waterworks System pursuant to the terms of the Indenture;

4 **WHEREAS**, it is necessary and desirable that the City enter into certain documents, including
5 the Indenture, authorize preparation and execution of an official statement and a bond purchase
6 agreement, and other agreements, certificates, and instruments in furtherance of the issuance of
7 the series 2010 Bonds;

8 **WHEREAS**, the Series 2010 Bonds issued pursuant to the Indenture shall state that such bonds
9 do not constitute an indebtedness of the City within the meaning of any constitutional or
10 statutory limitation and the taxing power of the City is not pledged to the payment of the
11 principal of, premium, if any, or interest on the Series 2010 Bonds.

12 **NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

13 **Section 1. Authorization of the Series 2010 Bonds; Findings.**

14 The City does hereby authorize and direct the issuance of the Series 2010 Bonds to finance a
15 portion of the cost of the Project, and does hereby find and determine that this Ordinance is being
16 enacted pursuant to Article VI, Section 27 of the Constitution of the State of Missouri and that
17 the issuance of the Series 2010 Bonds is for the public purpose set forth in the recitals to this
18 Ordinance.

19 **Section 2. Principal Amount and Terms and Provisions of the Series 2010 Bonds.**

20 The Board of Aldermen does hereby authorize the issuance of the Series 2010 Bonds in an
21 aggregate principal amount not to exceed \$50,000,000, the proceeds of which will be used to
22 finance the purchase, construction, extension and improvement of the Waterworks System,

Date: June 4, 2010

Page: 3 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 which may include in connection therewith, the prepayment and redemption of the Series 1998
2 Bonds, including the funding of a bond reserve account and other funds, accounts and sub-
3 accounts established pursuant to the Indenture, and the payment of the costs of issuance
4 associated therewith, including, but not limited to the costs of credit enhancement, if any. The
5 Board of Aldermen hereby authorizes and directs the Mayor and the Comptroller of the City in
6 the exercise of their sole discretion to determine and establish the aggregate principal amount not
7 to exceed \$50,000,000 and other terms and conditions of the Series 2010 Bonds.

8 **Section 3. Source of Repayment; Security; Pledge.**

9 The Series 2010 Bonds shall be secured and payable, both as to principal and interest, and,
10 except to the extent secured and payable from Bond proceeds and certain funds established
11 pursuant to the Indenture, solely from revenues from the Waterworks System. The rights of the
12 owners of the Series 2010 Bonds to the revenues of the Waterworks System shall be on parity
13 with the rights of the holders of certain outstanding obligations (the "Outstanding Obligations")
14 under Ordinances 64510 pursuant to which the Outstanding Obligations were issued and the
15 application of the revenues of the Waterworks System to the purposes and on the terms and
16 conditions set forth by the Indenture. Additionally, the City may, in the future, issue additional
17 bonds. The rights of owners of these additional bonds may be on parity with the rights of owners
18 of the Series 2010 Bonds and the rights of holders of the Outstanding Obligations. The Series
19 2010 Bonds shall be limited obligations of the City, payable solely from revenues derived by the
20 City from the operation of the Waterworks System, and shall not be deemed to be an
21 indebtedness of the State of Missouri or of any political subdivision thereof within the meaning
22 of any constitutional or statutory limitation upon the incurring of indebtedness. The Series 2010

Date: June 4, 2010

Page: 4 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 Bonds shall bear such date or dates, mature at such times or times (not exceeding thirty (30)
2 years from their date of issuance), bear interest at such rate or rates, be sold at a premium or at a
3 discount with such discount not to exceed the maximum discount allowable under Missouri law,
4 and be subject to redemption on such conditions and at such time or times as shall be approved
5 by the Mayor and the Comptroller and provided for in the as executed and delivered by the City.
6 The Series 2010 Bonds shall be issuable in such series and denominations, be in fully registered
7 form without coupons and carry such medium of payment at such place or places as the
8 Indenture may provide. To the extent that all or a portion of the Series 2010 Bonds are issued as
9 Build America Bonds, such bonds shall also be secured by and payable from any direct subsidy
10 payment received from the Federal government in connection with those Build America Bonds.

11 **Section 4. Authority to Execute and Deliver the Indenture.** The Board of Aldermen of
12 the City hereby specifically authorizes and directs the Mayor and the Comptroller to execute and
13 deliver the Indenture and to therein enter into such covenants with the future owner or owners of
14 the Series 2010 Bonds and the credit enhancer, if any, as to the operation and maintenance of
15 funds, including a debt service reserve account, the application of funds, and other pertinent
16 matters as may be deemed by the Mayor and the Comptroller to assure the marketability of the
17 Series 2010 Bonds. Such Indenture shall also include remedies in case of default, and such
18 additional covenants, agreements and provisions as are judged advisable or necessary by the
19 Mayor and the Comptroller for the security of the owners of the Series 2010 Bonds.

20 **Section 5. Execution of Series 2010 Bonds.**

21 The Series 2010 Bonds shall be executed on behalf of the City in the manner provided in the
22 Indenture. If any of the officers who shall have signed or sealed any of the Series 2010 Bonds

Date: June 4, 2010

Page: 5 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 shall cease to be such officers of the City before the Series 2010 Bonds so signed and sealed
2 shall have been actually authenticated by the Trustee specified in the Indenture, or delivered by
3 the City, such Series 2010 Bonds nevertheless may be authenticated, issued and delivered with
4 the same force and effect as though the person or persons who signed or sealed such Series 2010
5 Bonds had not ceased to be such officer or officers of the City; and any such Series 2010 Bonds
6 also may be signed and sealed on behalf of the City by those persons who, at the actual date of
7 the execution of such Series 2010 Bonds, shall be the proper officers of the City, although at the
8 date of such Series 2010 Bonds any such person shall not have been such officer of the City.

9 **Section 6. Manner of Sale of the Series 2010 Bonds; Application of Proceeds.**

10 The City declares that it is in the best interest of the City to sell the Series 2010 Bonds at a
11 negotiated sale in order to obtain the necessary investment banking expertise in the desired time
12 frame and to obtain greater flexibility in the structuring and marketing of the Series 2010 Bonds.
13 The Series 2010 Bonds may be sold at the best price obtainable at a negotiated sale as the Mayor
14 and the Comptroller shall determine in their sole discretion, subject to the interest rate and par
15 value limitations set forth in Chapter 108.170, Missouri Revised Statutes, as amended. The
16 proceeds from the sale of the Series 2010 Bonds shall be applied by the City simultaneously with
17 the delivery of the Series 2010 Bonds in accordance with the provisions of the Indenture.

18 **Section 7. Execution and Delivery of a Bond Purchase Agreement.**

19 In connection with a negotiated sale of the Series 2010 Bonds, the Board of Aldermen hereby
20 authorizes and directs the Mayor and Comptroller to enter into a Bond Purchase Agreement with
21 the purchaser or purchasers of the Series 2010 Bonds, such Bond Purchase Agreement to set
22 forth the terms of sale and to contain such other customary terms and provisions as the Mayor

Date: June 4, 2010

Page: 6 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 and the Comptroller shall approve, their execution to constitute conclusive evidence of such
2 approval. The sale of the Series 2010 Bonds pursuant to the Bond Purchase Agreement is hereby
3 authorized.

4 **Section 8. Acquisition of Credit Enhancement.**

5 Upon the recommendation of the managing underwriter and/or the financial advisor to the City
6 with respect to the Series 2010 Bonds, based upon a cost-benefit analysis, the Comptroller is
7 hereby authorized to approve the terms of any agreement for credit enhancement with respect to
8 the Series 2010 Bonds, and to purchase credit enhancement with respect to all or a portion of the
9 Series 2010 Bonds and to execute any agreement for credit enhancement with respect to the
10 Series 2010 Bonds and other documents in connection therewith as necessary to obtain credit
11 enhancement with respect to the Series 2010 Bonds. The premium and/or costs payable with
12 respect to any credit enhancement acquired for the Series 2010 Bonds shall be payable out of the
13 proceeds thereof as a cost of issuance.

14 Upon the recommendation of the managing underwriter and/or the financial advisor to the City
15 with respect to the Series 2010 Bonds, based upon a cost-benefit analysis, the Comptroller is
16 hereby authorized to negotiate and approve the terms of any agreement for a surety bond, a letter
17 of credit, or other credit facility for any reserve fund with respect to the Series 2010 Bonds and
18 to purchase a surety bond, a letter of credit, or other credit facility for any reserve fund with
19 respect to the Series 2010 Bonds from one or more recognized providers of such credit facilities
20 and to execute any agreement for such a credit facility and other documents therewith as
21 necessary to obtain such a credit facility for any reserve fund with respect to the Series 2010
22 Bonds. The premium and/or costs payable with respect to a surety bond, letter of credit, or other

Date: June 4, 2010

Page: 7 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 credit facility for any reserve fund with respect to the Series 2010 Bonds shall be payable out of
2 the proceeds thereof as a cost of issuance.

3 **Section 9. Authorized Officials; Further Authority.**

4 The Authorized Officials of the City are hereby empowered to execute and deliver the Series
5 2010 Bonds and all documents and other instruments which may be required under the terms of
6 the Indenture, the Bond Purchase Agreement, and this Ordinance, or which may be required by
7 bond counsel to the City, including, without limitation, a non arbitrage certificate and any
8 applications, notices and other forms required to qualify the Series 2010 Bonds for sale under
9 state securities or "Blue Sky" laws. The City shall, and the Authorized Officials of the City are
10 hereby authorized to take such further actions, including, but not limited to the transfer of certain
11 Waterworks System Revenues to the accounts and sub-accounts established under the Indenture,
12 as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and
13 to carry out, comply with and perform the duties of the City with respect to the Indenture, the
14 Bond Purchase Agreement, and any agreement with respect to credit enhancement.

15 **Section 10. Severability.**

16 The sections of this Ordinance shall be severable. In the event that any section of this Ordinance
17 is found by a court of competent jurisdiction to be unconstitutional, the remaining sections of this
18 Ordinance are valid unless the court finds the valid sections of this Ordinance are so essentially
19 and inseparably connected with, and so dependent upon, the void section that it cannot be
20 presumed that the Board of Aldermen would have enacted the valid section without the void
21 ones; or unless the court finds the valid sections, standing alone, are incomplete and incapable of
22 being executed in accordance with legislative intent.

Date: June 4, 2010

Page: 8 of 9

Board Bill No.

Sponsored by Alderman Matt Villa

1 **Section 11. Emergency Clause.**

2 The passage of this Ordinance and the purchase, construction, extension and improvement of the
3 Waterworks System, which may include, in connection therewith, the prepayment and
4 redemption in advance of their maturity of the Series 1998 Bonds to be financed with the
5 proceeds of the Series 2010 Bonds being deemed necessary to the immediate preservation of the
6 public peace, health and safety, an emergency is hereby declared to exist under the terms and
7 provisions of Article IV, Sections 19 and 20 of the Charter of the City of St. Louis and this
8 Ordinance shall take effect immediately upon its passage and approval by the Mayor.