

CERTIFICATION: This is a true and correct copy of the  
original Ordinance approved by the Mayor on

JUNE 24, 1993

*Maria B. Hansen*

Chief Clerk of the Council



(Bill No. 558)

**AN ORDINANCE**

Constituting a Supplemental Ordinance to the General Water and Wastewater Revenue Bond Ordinance of 1989; authorizing the Bond Committee to sell either at public or private sale in one or more series or subseries Water and Wastewater Revenue Bonds of the City of Philadelphia in an aggregate principal amount not exceeding one billion eight hundred million (1,800,000,000) dollars; authorizing approval of the form or forms of Bonds; providing that the Bonds shall bear interest at a prescribed fixed rate or rates or at variable rates which may be payable in different modes, and authorizing agreements to provide credit enhancement or payment or liquidity sources or swap payments for the Bonds and certain other actions; designating the projects to be financed and obligations to be refunded from the proceeds of the Bonds and setting forth the use of proceeds and providing for the application of interest and income earned on such proceeds; determining the sufficiency of the Project Revenues; and covenanting the payment of interest and principal.

*The Council of the City of Philadelphia hereby ordains:*

SECTION 1. *Authorization, Scope and Purpose.* This Ordinance is enacted pursuant to the provisions of The First Class City Revenue Bond Act approved October 18, 1972 (Act No. 234, 53 P.S. §15901 to 15924) (the "Act") and constitutes a Supplemental Ordinance enacted for the purpose of authorizing one or more Series of Bonds within

the meaning of the City's General Water and Wastewater Revenue Bond Ordinance of 1989 (Bill No. 399), approved May 18, 1989 (the "1989 Ordinance"), and the amended and Restated General Water and Wastewater Revenue Bond Ordinance of 1989 (Bill No. \_\_\_\_ ) (the "1993 Ordinance"). Unless the context otherwise clearly provides, all references herein to the "General Ordinance" (i) before full compliance with the amendment provisions of Section 10.01(f) of the 1989 Ordinance with respect to the 1993 Ordinance by written consent of the owners of not less than sixty-seven percent (67%) in principal amount of all bonds then outstanding, shall mean the 1989 Ordinance, and (ii) after full compliance with such provisions shall mean the 1993 Ordinance. This Ordinance is supplementary to the General Ordinance and all sections of the General Ordinance not inconsistent herewith and the Act are applicable to the Bonds authorized hereunder. Except as specifically supplemented by this Supplemental Ordinance, the General Ordinance is ratified and confirmed in all respects.

SECTION 2. *Definitions.* All defined terms contained in the Act shall apply to this Supplemental Ordinance. Unless expressly given different meanings hereunder or the context clearly otherwise requires, all terms used herein shall have the same meanings assigned to them in the General Ordinance.

SECTION 3. *Approval of 1993 Bonds and Terms of 1993 Bonds.* The Bond Committee is hereby authorized on behalf of the City to borrow, by the issuance and sale of one or more series or subseries of Water and Wastewater Revenue Bonds of the City (the "1993 Bonds") a sum or sums which in the aggregate shall not exceed the principal amount of the 1993 Bonds authorized to be issued hereunder, to be expended as provided in Section 4 of this Ordinance. In accordance with the General Ordinance, the Bond Committee shall approve final terms of the Bonds in

its determination prior to, and as a condition of, the issuance of the 1993 Bonds. Such determination shall be deemed a further amendment and supplement to the General Ordinance.

The 1993 Bonds are to be issued under and pursuant to the Act and the General Ordinance and shall be sold either at public competitive sale to the highest bidder or bidders or at private negotiated sale, as the Bond Committee shall determine to be in the best interest of the City.

The aggregate principal amount of the 1993 Bonds which is authorized to be issued hereunder shall not be more than one billion eight hundred million (1,800,000,000) dollars. The 1993 Bonds may be sold in a single Series or, as authorized by the General Ordinance and as specified by the determination in one or more subseries, each of which shall be deemed a Series for purposes of the General Ordinance and shall be designated by letter as Series 1993 \_\_\_\_ Bonds and may include serial bonds, term bonds and Capital Appreciation Bonds as specified in the determination. The 1993 Bonds shall bear interest from the date thereof to maturity or prior redemption, if any, at prescribed fixed rates or variable rates (not exceeding any limitation prescribed by law) as specified in the determination. The interest on the 1993 Bonds at variable rates, if any, may accrue on a daily, weekly, monthly, quarterly or semiannual basis or on the basis of commercial paper periods, and may be payable weekly, monthly or quarterly or semi-annually or annually or at the end of each commercial paper period or may accrue to a specific date (including, but not limited to, the maturity date) and may thereafter accrue and be payable on such basis as shall be specified in the determination. The interest on fixed rate 1993 Bonds, if any, shall be payable as provided in the determination. The 1993 Bonds shall contain terms and provisions (including without limitation, interest payment dates, redemption provisions, provisions for optional or

mandatory tender of Variable Rate Bonds, denominations, provisions for payments by wire transfer and provision for issuance of the 1993 Bonds in book-entry only form) as the Bond Committee in its determination shall deem to be in the best interest of the City and which are not inconsistent with the provisions hereof, of the Act or the General Ordinance.

The 1993 Bonds shall not pledge the credit or taxing power, create any debt or charge against the tax or general revenues or create any lien against any property of the City other than the revenues and funds and accounts pledged by the General Ordinance.

The Bond Committee is authorized on behalf of the City to enter into agreements specified in the determination (the "Enhancement Agreements") with any bank, insurance company or other appropriate entity providing credit enhancement or payment or liquidity sources (collectively, a "Provider") for the account of the City for the 1993 Bonds, including, without limitation, letters of credit, lines of credit and insurance. Such Enhancement Agreements may provide for payment of the principal or purchase price of, or interest on, the 1993 Bonds if the City does not pay the 1993 Bonds when due and may provide for repayment with interest to the Provider from the date of such payment.

The Bond Committee is further authorized on behalf of the City, to the extent otherwise permitted by law, to enter into a Qualified Swap or Swaps with respect to all or a portion or portions of the 1993 Bonds if, in its determination, the Bond Committee certifies that such Qualified Swap or Swaps will assist the City in more effectively managing its interest costs and that the implementation of such Qualified Swap or Swaps will not impair the financial viability of the System.

The Bond Committee and the Director of Finance are authorized to take any and all other actions as may be

necessary or appropriate in connection with the consummation of the transactions contemplated herein. The Fiscal Agent may enter into agreements with Bondholders with respect to redemption notices in addition to those provided by the Ordinance to the extent approved by the Director of Finance.

**SECTION 4. *Purposes for 1993 Bonds.*** The 1993 Bonds shall be issued to refund and redeem all prior Bonds, as defined in the General Ordinance. Existing Bonds scheduled to remain outstanding after the effective date shall be listed in a certificate of the Bond Committee, which is further authorized to approve the redemption, as applicable, of all prior Bonds and to enter into an Escrow Agreement ("Escrow Agreement") providing for the deposit and investment of 1993 Bond proceeds and other available funds of the City in amounts sufficient to defease such prior Bonds and providing for payment of all prior Bonds at maturity or redemption, as applicable, including all interest payable on such prior Bonds to such maturity or redemption dates, as applicable.

In addition, the 1993 Bonds shall also be issued to pay capital costs of the System in an amount not to exceed three hundred million (300,000,000) dollars incurred or to be incurred for the purposes of (a) constructing, acquiring, reconstructing and renovating wastewater treatment plants and related facilities and equipment for the sewer system; (b) constructing, acquiring, reconstructing and renovating water treatment plants and related facilities and equipment for the water system; (c) constructing, acquiring, reconstructing and replacing water and wastewater pipes, pumping stations and related facilities; (d) purchasing equipment and apparatus of a capital nature for the water and wastewater systems, all as included in the capital budgets of the City; (e) purchasing vehicles; (f) if applicable, paying the costs of Enhancement Agreements and/or costs related to any Qualified Swap;



(g) paying any other "project costs" as such term is defined in the Act; (h) making the deposits referred to in Section 5 hereof; and (i) paying the issuance costs of the Bonds.

SECTION 5. *Deposit of 1993 Bond Proceeds.* As provided in Section 5.04(f) of the General Ordinance, accrued interest, if any, on the 1993 Bonds shall be deposited in the Sinking Fund and Bond proceeds required for the defeasance of obligations to be refunded or otherwise defeased, as specified in Section 4 hereof, shall be deposited in an escrow fund or account to be established by the Escrow Agreement. Remaining 1993 Bond proceeds shall be deposited first in the Debt Reserve Account in an amount equal to the Debt Reserve Requirement to the extent that such requirement is not satisfied in whole or in part by available funds of the City or by a surety bond, insurance policy or letter of credit in accordance with Section 4.09 of the General Ordinance; all other 1993 Bond proceeds and other moneys currently on deposit under the prior Ordinance including current reserves and construction funds, shall be deposited or transferred as provided in a certificate of the Director of Finance.

SECTION 6. *Finding Required by Act.* Based on the report of the Director of Finance of the City filed with the City Council pursuant to Section 8 of the Act and attached hereto as Exhibit A, it is hereby determined that the pledged Project Revenues will be sufficient (a) to comply with the Rate Covenant contained in Section 5.01 of the General Ordinance; and (b) to pay all costs, expenses and payments required to be paid from pledged Project Revenues in the order and priority stated in Section 4.06 of the General Ordinance.

SECTION 7. *Payments from Sinking Fund.* The City covenants that, so long as any 1993 Bonds shall remain unpaid, it will make payments or cause payments to be made out of the Sinking Fund established pursuant to the

General Ordinance, at such times and in such amounts as shall be sufficient for the payment of the interest on the 1993 Bonds and the principal thereof when due.

SECTION 8. *Additional Tax Covenants.* The Director of Finance and any other applicable City officer are authorized to make such additional covenants and to take such other action on behalf of the City with respect to the use and investment of the proceeds of the 1993 Bonds as may be necessary or advisable in order that the 1993 Bonds shall not be "arbitrage bonds" as defined in the Code, and in order to otherwise effect or maintain the exclusion of interest on the 1993 Bonds from gross income for federal income tax purposes.

SECTION 9. *Effective Date.* This Ordinance shall take effect immediately.