

City of Philadelphia



(Bill No. 980793)

AN ORDINANCE

Constituting the Sixth Supplemental Ordinance to the Restated General Water and Wastewater Revenue Bond Ordinance of 1989, as supplemented; authorizing the Bond Committee, or a majority of them, to issue and sell at private sale to the Pennsylvania Infrastructure Investment Authority in one series, Water and Wastewater Revenue Bonds of the City of Philadelphia; authorizing approval of the form or forms of Bonds; providing that the Bonds shall bear interest at prescribed fixed rates; authorizing the Director of Finance of the City to take certain actions with regard to the sale of such Water and Wastewater Revenue Bonds, designating the projects to be financed and setting forth the use of proceeds; determining the sufficiency of the Project Revenues; covenanting the payment of interest and principal; and supplementing the Restated General Water and Wastewater Revenue Bond Ordinance of 1989.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Authorization, Scope and Purpose. This Supplemental 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), as amended

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(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 Amended and Restated General Water and Wastewater Revenue Bond Ordinance of 1989 (Bill No. 544) approved June 24, 1993 (the "General Ordinance"), as supplemented by a Supplemental Ordinance (Bill No. 558) approved June 24, 1993, a Second Supplemental Ordinance (Bill No. 771) approved May 9, 1994, a Third Supplemental Ordinance (Bill No. 970515) approved October 27, 1997, and a proposed Fourth Supplemental Ordinance and a proposed Fifth Supplemental Ordinance to be approved contemporaneously with this Supplemental Ordinance.

The Bond Committee, or a majority of them, is hereby authorized on behalf of the City to borrow, by the issuance and private sale to the Pennsylvania Infrastructure Investment Authority ("Pennvest") of one series of Water and Wastewater Revenue Bonds of the City (the "Bonds"), a sum or sums which in the aggregate shall not exceed the principal amount of the Bonds authorized to be issued hereunder, to be expended as provided in Section 4 of this Supplemental Ordinance. In accordance with the General Ordinance, the Bond Committee, or a majority of them, shall approve final terms of the Bonds in its Determination prior to, and as a condition of, the issuance of the Bonds. Such Determination shall be deemed a supplement to this Supplemental Ordinance.

The aggregate principal amount of the Bonds shall not exceed six million seven hundred thousand dollars (\$6,700,000.00).

The Fiscal Agent (as defined in the General Ordinance) is hereby designated to act as Bond Registrar pursuant to Section 3.05 of the General Ordinance. The Fiscal Agent is authorized to enter into agreements with Pennvest with respect to

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redemption notices in addition to those provided by this Supplemental Ordinance to the extent approved by the Director of Finance.

The Bond Committee, or a majority of them, or the Director of Finance, as appropriate, is authorized to make all such covenants and to take any and all such other actions on behalf of the City as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein.

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. Terms of Bonds. The Bonds shall be sold at a private sale to Pennvest, pursuant to the Pennvest commitment letter to the City of Philadelphia Water Department dated April 13, 1998, as amended and as the Bond Committee, or a majority of them, shall determine to be in the best interest of the City.

The Bonds may be sold in a single Series and shall be designated by letter as Series 1999 Bonds as specified in the Determination. The Bonds shall bear interest from the dated date thereof, or the date of delivery, to maturity or prior redemption, if any, at prescribed fixed rates (not exceeding any limitation prescribed by law). The interest on the Bonds shall be payable as provided in the Determination. The Bonds shall contain terms and provisions (including without limitation, interest payment dates, record dates, redemption provisions, denominations, provisions for payments by wire transfer and provisions for issuance of the Bonds in book-entry form) as the Bond Committee, or a majority of them, shall determine to be

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in the best interest of the City and which are not inconsistent with the provisions hereof, or with the Act or the General Ordinance.

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

SECTION 4. Purposes for the Bonds. Proceeds from the Bonds shall be used to pay capital costs of the water and wastewater system incurred or to be incurred by the City of Philadelphia Water Department and approved by Pennvest.

SECTION 5. Deposit of Bond Proceeds. As provided in Section 5.04(f) of the General Ordinance, accrued interest, if any, on the Bonds shall be deposited in the Sinking Fund. Remaining 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 Bond proceeds and other monies currently on deposit under the General Ordinance, including current reserves and construction funds, shall be deposited or transferred as provided in a certificate of the Director of Finance.

SECTION 6. Requirements of the Act. Based on a report of the Director of Finance of the City filed with the City Council pursuant to Section 8 of the Act, it is hereby determined that the pledged Project Revenues, as defined in the General Ordinance, will be sufficient to (a) comply with the Rate Covenant contained in Section 5.01 of the General Ordinance; and (b) pay all costs, expenses and payments

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required to be paid from pledged Project Revenues in the order and priority stated in Section 4.06 of the General Ordinance.

An opinion of the City Solicitor shall be filed with the City Council prior to enactment of this Supplemental Ordinance pursuant to Section 8 of the Act.

SECTION 7. Payments from Sinking Fund. The City covenants that, so long as any Bonds shall remain outstanding, it will make payments or cause payments to be made out of the Sinking Fund established pursuant to the General Ordinance or any of the Water and Wastewater funds available therefor, at such times and in such amounts as shall be sufficient for the payment of the interest on the Bonds and the principal thereof when due.

SECTION 8. Tax Covenants; Bonds Not to Become Arbitrage Bonds. 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 Bonds as may be necessary or advisable in order that the Bonds shall not be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), that the City will comply with the requirements of Section 148 of the Code throughout the term of the Bonds as more fully described in the Determination of the Bond Committee and in order to otherwise effect or maintain the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes, and further to establish such sub-accounts within the Sinking Fund and terms or restrictions relating thereto as may be necessary or advisable to permit issuance of the Bonds. For purposes of Section 4.14 of the General Ordinance, the Rebate Bond Year with respect to the Bonds shall be the twelve-month period ending on each August 1,

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commencing with the period ending August 1, 1999.

SECTION 9. Effect of Ordinance. This Ordinance is supplementary to the General Ordinance and all sections of the General Ordinance and the Act not inconsistent herewith are applicable to the Bonds authorized hereunder.

SECTION 10. Effective Date. This Ordinance shall take effect immediately.

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EXHIBIT A

FORM OF REPORT OF THE DIRECTOR OF FINANCE

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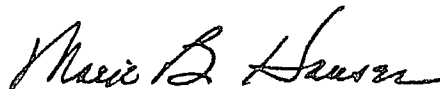
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EXHIBIT B

FORM OF OPINION OF THE CITY SOLICITOR

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 10, 1998 The Bill was Signed by the Mayor on December 11, 1998



Marie B. Hauser
Chief Clerk of the City Council