



Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

October 14, 2016

Ordinance

Proposed No. 2016-0500.1

Sponsors Lambert

1 AN ORDINANCE amending Ordinance 18141, adopted by
2 the council on October 26, 2015, which authorized the
3 issuance and sale of junior lien sewer revenue bonds in the
4 aggregate principal amount of \$100,000,000, for the
5 purpose of removing the time restriction on remarketing
6 those bonds; and amending Ordinance 18141, Section 22.

7 **PREAMBLE:**

8 The county owns and operates facilities for the conveyance and treatment
9 of sewage and control of combined sewer overflows that include
10 wastewater treatment plants, interceptor and trunk sewers, pumping
11 stations, regulator stations, outfall sewers, storm sewers to divert
12 stormwater from sanitary sewers, lands for application of biosolids,
13 property rights, and buildings and other structures and equipment
14 (collectively "the System"), all in accordance with a comprehensive plan
15 for metropolitan water pollution abatement under the authority of chapters
16 36.56 and 35.58 of the Revised Code of Washington ("RCW").

17 Long-term service agreements with participating municipalities and other
18 entities ("the Participants") obligate the county to treat and dispose of
19 sewage collected by the Participants. The Participants must pay the costs

20 of these services, including debt service on bonds payable from sewer
21 revenues and other indebtedness payable from and secured by sewer
22 revenues. Comparable rates and charges have been established for
23 customers who deliver sewage to the System but are not subject to a
24 contract with the county for this service.

25 In accordance with RCW 35.58.200(3), the county has declared that the
26 health, safety and welfare of people within the metropolitan area require
27 that certain Participants discharge sewage collected by those Participants
28 into facilities of the System.

29 Pursuant to Ordinance 18141 ("the Original Ordinance"), the county has
30 issued and sold its junior lien sewer revenue bonds in the aggregate
31 principal amount of \$100,000,000 ("the Bonds").

32 Pursuant to the Original Ordinance, the authority of the county to remarket
33 the Bonds will terminate on December 31, 2016.

34 Pursuant to the Original Ordinance, the council may adopt an ordinance
35 supplemental to the Original Ordinance which supplemental ordinance
36 thereafter will become a part of the Original Ordinance, without the
37 consent of Registered Owners (as defined in the Original Ordinance) of
38 any of the Bonds, for any purpose, on any date all Bonds are subject to
39 mandatory tender for purchase, after written notice of such amendment
40 has been given by first class mail to each Registered Owner of the Bonds
41 not less than 30 days prior to such purchase date.

42 The Bonds are subject to mandatory tender for purchase on November 16, 2016.

43 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

44 SECTION 1. Definitions. Capitalized terms used in this ordinance have the
45 meaning given those terms in the Original Ordinance.

46 SECTION 2. Findings. The council finds that it is in the best interest of the
47 county and the ratepayers of the System to amend the Original Ordinance to remove the
48 time restriction on remarketing the Bonds.

49 SECTION 3. Amendment of Original Ordinance. Ordinance 18141, Section
50 22, is hereby amended to read as follows:

51 **Sale and Remarketing of Bonds.**

52 A. **Determination by Finance Director.** The Finance Director will
53 determine, in consultation with the county's financial advisors, the principal amount of
54 each series of the Bonds, whether each series of the Bonds will be structured as Tax
55 Exempt Bonds, Tax-Benefited Bonds or otherwise, and whether each series of Bonds will
56 be sold by negotiated sale or competitive bid and by current or future delivery. The
57 Finance Director is authorized to designate any or all of the Bonds as "green bonds" or
58 any similar designation indicating the purpose for which the proceeds of the Bonds are to
59 be used. (~~The authority to sell and the authority to remarket any of the Bonds authorized~~
60 ~~hereunder will terminate on December 31, 2016.~~)

61 B. **Satisfaction of Conditions.** The Finance Director will provide or cause to
62 be provided by a Professional Utility Consultant any certifications required to satisfy the
63 conditions established in the ordinances of the county for the issuance of the Bonds as
64 Junior Lien Obligations. In the Sale Motion for each series of Bonds, the council will
65 make findings regarding satisfaction of such conditions applicable to that series of Bonds.

66 C. **Procedure for Negotiated Sale.** If the Finance Director determines that
67 any series of the Bonds will be sold by negotiated sale, the Finance Director will, in
68 accordance with applicable county procurement procedures, solicit one or more
69 underwriting firms or other financial institutions with which to negotiate the sale of the
70 Bonds. Unless otherwise set forth pursuant to the Sale Motion, the purchase contract for
71 each series of the Bonds will establish the year and series designation, date, principal
72 amount, interest payment dates, interest rates, price, maturity schedule and redemption
73 and bond insurance provisions of the Bonds. The purchase contract may not be executed
74 and delivered unless and until the council by a Sale Motion approves the purchase
75 contract and ratifies and confirms the terms for the series of Bonds established therein.

76 D. **Procedure for Sale by Competitive Bid.** If the Finance Director
77 determines that any series of the Bonds will be sold by competitive bid, bids for the
78 purchase of such Bonds will be received at such time or place and by such means as the
79 Finance Director directs. The Finance Director is authorized to prepare an official notice
80 of sale for such Bonds, establishing in such notice the year and series designation, date,
81 principal amount, interest payment dates, maturity schedule and optional redemption and
82 bond insurance provisions of the Bonds. The official notice of sale or an abridged form
83 thereof may be published in such newspapers or financial journals as the county's
84 financial advisors deem desirable or appropriate.

85 Upon the date and time established for the receipt of bids for a series of the
86 Bonds, the Finance Director or his designee will review the bids, cause the bids to be
87 mathematically verified and report to the council regarding the bids received. Such bids
88 will then be considered and acted upon by the council in an open public meeting. The

89 council reserves the right to reject any and all bids for such Bonds. The council by a Sale
90 Motion will approve the sale of such Bonds and ratify and confirm the year and series
91 designation, date, principal amount, interest payment dates, interest rates, price, maturity
92 schedule, redemption and bond insurance provisions and any other terms of such Bonds.

93 E. **Multimodal Bonds.** The Finance Director is authorized to determine that
94 any series of the Bonds will be issued as multimodal bonds, with interest to be borne in a
95 daily rate mode, weekly rate mode, index rate mode, flexible rate mode, term rate mode
96 or fixed rate mode, payable on the dates and at the rates, subject to (i) a minimum rate,
97 maximum rate, alternate rate and default rate, (ii) conversion between modes, (iii)
98 optional and mandatory tender for purchase on dates and at prices and (iv) additional
99 provisions relating to defaults and remedies, all as set forth pursuant to the Sale Motion.
100 In connection with the remarketing of multimodal Bonds, the Finance Director is
101 authorized, in his or her discretion and without further action by the council, (i) to issue
102 requests for proposals for purchasers, remarketing agents, tender agents, paying agents,
103 calculation agents and providers of Credit Enhancement and Liquidity Facilities and to
104 execute and deliver agreements based on responses received to such requests, including
105 continuing covenant or purchase agreements, remarketing agent agreements, tender agent
106 agreements, paying agent agreements, calculation agent agreements, Credit Enhancement
107 and extensions, replacements and terminations thereof, Liquidity Facilities and
108 extensions, replacements and terminations thereof, reimbursement agreements and other
109 agreements evidencing the county's obligations under any such agreements and any
110 certifications or documentation in connection therewith, (ii) to remarket the Bonds
111 pursuant to an official notice of remarketing and receipt of competitive bids, (iii) to

112 replace the Registrar or Securities Depository, (iv) to cause the interest rate mode of any
113 series of the Bonds to be converted in accordance with the provisions set forth in the Sale
114 Motion and (v) to establish such funds and accounts as are necessary and desirable in
115 connection with such remarketing in such interest rate mode.

116 SECTION 4. Original Ordinance Remains in Effect. The Original Ordinance,
117 as amended by this ordinance, is and remains in full force and effect.

118 **SECTION 5. Effective Date.** This ordinance takes effect November 16, 2016,
119 in accordance with Article II of the King County Charter.
120

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Melani Pedroza, Acting Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None