

Ordinance Fact Sheet

September 13, 2021

TO: Honorable Mayor and City Council

FROM: City Attorney

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$27,645,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA WATER REVENUE/REFUNDING BONDS, 2021A SERIES, PAYABLE OUT OF THE WATER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A SEVENTH SUPPLEMENT TO WATER REVENUE BOND INDENTURE AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$27,645,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA WATER REVENUE/REFUNDING BONDS, 2021A SERIES, PAYABLE OUT OF THE WATER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A SEVENTH SUPPLEMENT TO WATER REVENUE BOND INDENTURE AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH

PURPOSE OF THE ORDINANCE:

The City has previously issued its \$29,770,000 Water Revenue Refunding Bonds, 2011A Series (the "2011A Bonds") pursuant to Article XIV of the Charter, and a Water Revenue Bond Indenture, dated as of August 1, 2003, by and between the City and The Bank of New York Mellon Trust Company, N.A. (formerly known as BNY Western Trust Company), as trustee (the "Trustee") (the "Master Indenture"), as supplemented by a Fourth Supplement to Water Revenue Bond Indenture, dated as of December 1, 2011, by and between the City and the Trustee.

MEETING OF 09/13/2021
AGENDA ITEM NO. 17

The purpose of this ordinance is to authorize the issuance of Water Revenue/Refunding Bonds, 2021A Series (with such further designation as may be determined to identify such bonds, the "2021A Bonds") pursuant to the Master Indenture, as amended and supplemented, including as amended and supplemented by a Seventh Supplement to Water Revenue Bond Indenture, by and between the City and the Trustee (the "Seventh Supplement," and collectively with the Master Indenture as amended and supplemented, the "Indenture"), to provide moneys to refund the 2011A Bonds maturing on and after June 1, 2023 and to finance the costs of acquisition and construction of certain capital improvements to the Water System, including the payment of costs and expenses incidental thereto, said 2021A Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Water Fund of the City and certain other funds as provided in the Indenture; and this Ordinance is for the purpose of additionally authorizing the issuance of such 2021A Bonds.

REASONS WHY LEGISLATION IS NEEDED:

Pursuant to Article XIV of the Charter (the "Charter") of the City of Pasadena (the "City"), the City Council of the City (the "City Council") is authorized to provide for the issuance of revenue bonds for the purpose of providing moneys for the acquisition and construction of additions to, and extensions and improvements of, the water system of the City, and of refunding bonds for the purposes of refunding any revenue bonds issued pursuant to such Article, by ordinance authorizing the issuance of such revenue bonds.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

The 2021A Bonds shall not constitute an indebtedness of the City but shall constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Water Fund of the City, as provided in Article XIV of the Charter, and certain other funds as authorized by Article XIV and provided in the Indenture. The Water and Power Department and Finance Department will be responsible for the administrative implementation of the 2021A Bonds.


ENVIRONMENTAL DETERMINATION:

Also on September 13, 2021, through the agenda item on these bonds, the City Council is being asked to determine that the proposed actions are governmental fiscal activities that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project to CEQA, no environmental document is required.

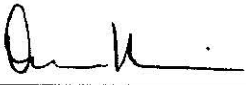
FISCAL IMPACT:

The 2021A Bonds will be sold on a competitive basis with a maximum term of 30 years and will bear fixed interest rates. It is estimated that the bonds will have an average life of 13.46 years with final maturity in fiscal year 2051. The true interest cost is currently estimated at 2.33% based on current market rates, which is subject to change until the actual bidding is complete on the scheduled November 15, 2021 date. Debt service payments will be made from the Water Fund and will be addressed by utilization of existing budgeted appropriations in Account #42008300-867700. Funds for the debt service payments are available from currently approved water rates.

Respectfully submitted,


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