

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE  
ISSUANCE BY THE CITY OF NOT TO EXCEED \$90,000,000 AGGREGATE  
PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC  
REVENUE/REFUNDING BONDS, 1998 SERIES, PAYABLE OUT OF THE LIGHT AND  
POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF AN  
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, A FIRST  
SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT,  
VARIOUS ESCROW AGREEMENTS AND A CONTINUING DISCLOSURE  
AGREEMENT IN CONNECTION THEREWITH.**

WHEREAS, 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, extensions, improvements, or repairs of the electric works of the City by ordinance authorizing the issuance of such revenue bonds; and

WHEREAS, pursuant to Ordinance No. 6391 of the City, adopted on July 24, 1990, the City has heretofore issued \$20,900,000 principal amount of its City of Pasadena Electric Works Revenue Bonds, 1990 Series (the "1990 Bonds"), of which \$15,960,000 principal amount will be outstanding and unpaid as of August 2, 1998; and

WHEREAS, pursuant to Ordinance No. 6499 of the City, adopted on July 14, 1992, the City has heretofore issued \$37,750,000 principal amount of its City of Pasadena Electric Works Revenue Bonds, 1992 Series (the "1992 Bonds"), of which \$30,820,000 principal amount will be outstanding and unpaid as of August 2, 1998; and

WHEREAS, pursuant to Ordinance 6559 of the City, adopted on October 12, 1993, the City has heretofore issued \$ 16,955,000 principal amount of its City of Pasadena Electric Works Revenue Refunding Bonds, 1993 Series (the "1993 Bonds"), of which \$10,905,000 principal amount will be outstanding and unpaid as of August 2, 1998; and

WHEREAS, the City has heretofore executed and delivered a Resource Efficiency Program Agreement, dated as of July 1, 1994 (the "1994 Contract"), between the Financing Authority for Resource Efficiency of California ("FARECal") under its Resource Efficiency Program and the City - Power Division, as Participant, under which 1994 Contract the City was obligated to make installment payments in the original aggregate principal amount of \$3,265,000; and

WHEREAS, in connection with the execution and delivery of the 1994 Contract, the City, pursuant to Resolution No. 94R-7138 adopted by the City Council on June 27, 1994, authorized and approved the issuance of \$19,470,000 principal amount of the Financing Authority for Resource Efficiency of California Revenue Bonds, 1994 Series (First Resource Efficiency Program) (the "FARECal Bonds"), \$3,265,000 principal amount of which FARECal Bonds were secured by the installment payments to be made by the City under the 1994

Contract, of which \$2,865,000 principal amount will be outstanding and unpaid as of August 2, 1998; and

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds") pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and BNY Western Company, as fiscal agent (the "Fiscal Agent") (the "Master Fiscal Agent Agreement"), as supplemented by a First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent (the "First Supplement," and together with the Master Fiscal Agent Agreement, the "Fiscal Agent Agreement"), to provide moneys (i) for the acquisition and construction of additions to, and extensions and improvements of, the Electric System and (ii) to refund in their entirety the outstanding 1990 Bonds, the 1992 Bonds, the 1993 Bonds and the 1994 Contract (collectively, the "Refunded Obligations"), said 1998 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 Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement; and this Ordinance is for the purpose of authorizing the issuance of such 1998 Bonds.

NOW, THEREFORE, the People of the City of Pasadena ordain as follows:

Section 1. Authorization to Issues 1998 Bonds; Purpose; Principal Amount.

(a) Pursuant to Article XIV of the Charter, the City Council does hereby authorize to be issued, upon the terms and conditions as hereinafter set forth, the 1998 Bonds in the aggregate principal amount of not to exceed \$90,000,000 for the (i) acquisition and construction of additions to, and extensions and improvements of, the Electric System and, (ii) refunding of the Refunded Obligations, including the payment of costs and expenses incidental thereto.

(b) This Ordinance shall constitute complete authority to issue the Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of Bonds. The 1998 Bonds shall be issued pursuant to and in accordance with the terms and conditions set forth in this Ordinance, and more specifically in the Master Fiscal Agent Agreement and the First Supplement.

Section 3. Date of Issuance; Maximum Interest Rates. The 1998 Bonds shall be dated as of August 1, 1998. The maximum interest rate to be payable on the 1998 Bonds shall not exceed six percent (6%) per annum.

Section 4. Maturity Dates. The maximum term for the 1998 Bonds shall be 30 years. Subject to the preceding sentence, the 1998 Bonds shall mature and be payable on such dates as specifically set forth in the First Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 1998 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 Light and Power 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 Fiscal Agent Agreement.

Section 6. Approval of Master Fiscal Agent Agreement and First Supplement. In order to prescribe the terms and conditions upon which the 1998 Bonds are to be issued, secured, executed, authenticated and held, the Master Fiscal Agent Agreement and the First Supplement proposed to be executed and entered into by the City and the Fiscal Agent, in substantially the forms attached hereto as Exhibits A and B, respectively, are hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute, and the City Clerk is authorized to affix the official seal of the City to, and deliver the Master Fiscal Agent Agreement and the First Supplement to the Fiscal Agent in substantially such forms, with such changes (including, without limitation, such changes as may be necessary to provide for the issuance of a municipal bond insurance policy and/or a surety bond for the reserve fund if so determined or such changes as may be requested by rating agencies providing a rating on the 1998 Bonds) as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the forms of the Master Fiscal Agent Agreement and the First Supplement presented to this meeting.

Section 7. Escrow Agreements. The Escrow Agreements relating to the Refunded Obligations, proposed to be executed and entered into by and between the City and the Escrow Agent, in substantially the forms attached hereto as Exhibit C, are hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Escrow Agreements to the Escrow Agent in substantially said forms, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the forms of the Escrow Agreements presented to this meeting.

Section 8. Continuing Disclosure Agreement. The Continuing Disclosure Agreement, proposed to be executed and entered into by and between the City and the Fiscal Agent, in substantially the form attached hereto as Exhibit D is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the trustee the Continuing Disclosure Agreement in substantially said form, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Continuing Disclosure Agreement presented to this meeting.

Section 9. Official Action. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the 1998 Bonds and the negotiation and execution of said agreements are hereby approved, confirmed and ratified. The City Manager, the Director of Finance, the City Treasurer, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all actions, including, without limitation, the negotiation of a municipal bond insurance policy for all or any of the 1998 Bonds and a surety bond in lieu of cash for any reserve fund, and including execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 1998 Bonds pursuant to the agreements described herein.

Section 10. Provisions Necessary and Desirable. The provisions of this Ordinance are deemed necessary and desirable to facilitate the issuance and sale of the 1998 Bonds authorized by this Ordinance.

Section 11. Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance, excepting the exhibits attached hereto, to be published once in the PASADENA STAR-NEWS, a daily newspaper of general circulation published in said City.

Section 12. Effective Date. This Ordinance shall take effect on the date of publication pursuant to Section 11, subject only to the right of referendum provided in Section 1413 of the City Charter.

Signed and approved this \_\_\_\_ day of \_\_\_\_\_, 1998.

\_\_\_\_\_  
Mayor of the City of Pasadena, California

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held \_\_\_\_\_, 1998, by the following vote:

Ayes:  
Noes:  
Absent:  
Published:

APPROVED AS TO FORM:

  
MICHELE BEAL BAGNERIS

\_\_\_\_\_  
Jane Rodriguez  
City Clerk