

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2018-9

ADOPTED ON SEPTEMBER 25, 2018

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A COLLATERAL AGENCY, ACCOUNT AND ASSIGNMENT AGREEMENT AND (B) CERTAIN OTHER AGREEMENTS AND ACTIONS IN CONNECTION WITH A LOAN TO THE CITY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$614,000,000 TO FINANCE A PORTION OF THE WATER SYSTEM'S COSTS OF THE PURE WATER PHASE I PROJECTS THROUGH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY UNDER AUTHORITY OF THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT.

WHEREAS, the City of San Diego, California (City), the City solely in its capacity as the designated successor agency (Successor Agency) to the former Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego, are parties to a Joint Exercise of Powers Agreement establishing the Public Facilities Financing Authority of the City of San Diego (Authority), a California joint exercise of powers authority duly organized and established to finance, acquire, construct, maintain, repair, operate, and control certain capital facilities improvements for the City; and

WHEREAS, the San Diego Facilities and Equipment Leasing Corporation (Corporation) is a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (State) that was incorporated to acquire and lease and/or sell to the City real and personal property to be used in the municipal operations of the City; and

WHEREAS, the City has applied to the United States Environmental Protection Agency (EPA) for a loan (WIFIA Loan) of up to \$614 million under the Water Infrastructure Finance and Innovation Act (WIFIA), the proceeds of which will be utilized to assist in financing a portion of the costs of certain capital improvements to the City's water system (Water System) comprising several Pure Water Phase I Projects (Projects); and

WHEREAS, the City has requested the Authority's assistance in effecting the financing of improvements to the Water System via the WIFIA Loan; and

WHEREAS, in order to facilitate the financing of improvements to the Water System (including but not limited to, the Projects), the City and the Authority propose to enter into a collateral agency, account and assignment agreement (Collateral Agency Agreement), by and between US Bank National Association, as Collateral Agent (Collateral Agent), the City, the Corporation, the Authority, US Bank National Association, as Trustee (Trustee), the California State Water Resources Control Board and the EPA, among others, under which Collateral Agency Agreement the Collateral Agent will, among other things, administer the application of Net System Revenues for the benefit of holders of various obligations of the City payable therefrom and enforce remedies against the Net System Revenues on behalf of such holders; and

WHEREAS, the Authority is authorized to undertake the actions described in this Resolution pursuant to its Joint Exercise of Powers Agreement and the Constitution and applicable laws of the State; NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of the Public Facilities Financing Authority of the City of San Diego (Board of Commissioners), as follows:

Section 1. The Board of Commissioners hereby finds and determines that the statements set forth above in the recitals to this Resolution are true and correct.

Section 2. The form and content of the form of Collateral Agency Agreement submitted to this meeting, a copy of which Collateral Agency Agreement is on file in the office of the Office of the Secretary of the Authority (Secretary) and submitted to this meeting, is hereby approved. The Chair and Vice-Chair of the Board of Commissioners of the Authority (each, an Authorized Officer) and each of them, acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Collateral Agency Agreement in substantially the form submitted to this meeting, with such additions, changes and amendments thereto as any Authorized Signatory shall determine are necessary or desirable and approve as being in the best interests of the Authority, and as approved as to form by the City Attorney of the City of San Diego (City Attorney), as counsel to the Authority, or her specified designee, and with such other changes that may be required or requested by outside loan counsel related to the WIFIA Loan (Loan Counsel), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Authorized Officers, and each of them, acting alone, are hereby authorized and directed to take all actions and execute any and all documents necessary or advisable to in order to order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed, and approved.

Section 4. The Authorized Officers, and each of them, acting alone, are hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all

things and take any and all actions, from time to time, consistent with this Resolution and the documents approved herein and other documents authorized by this Resolution, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with this Resolution.

Section 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 25th day of September, 2018, by the following vote:

AYES:	<u>Bry, Ward, Cole, Kersey, Cate, Sherman</u>
NAYS:	_____
ABSENT:	<u>Zapf, Alvarez, Gomez</u>
VACANT:	_____
ABSTAIN:	_____

PUBLIC FACILITIES FINANCING
AUTHORITY OF THE CITY OF SAN
DIEGO

Myrtle Cole
Myrtle Cole, Council President
Chair, Board of Commissioners

Attest:

Elizabeth M. Reed
Secretary to Board of Commissioners