



Legislation Details (With Text)

File #: 2092-2007 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 12/5/2007 **In control:** Finance & Economic Development Committee

On agenda: 12/10/2007 **Final action:** 12/13/2007

Title: To authorize a Master Trust Agreement in connection with the issuance of Obligations, from time to time, the payment of which is secured by revenues derived from the operation of the municipal sewerage system; to authorize the issuance, in one or more series, of Sewerage System Revenue Bonds, Series 2008, in the aggregate principal amount of not to exceed \$515,000,000, to be issued pursuant to a First Supplemental Trust Agreement for the purpose of providing funds to improve and expand the municipal sewerage system and to refund bonds previously issued for such purpose; to authorize one or more Bond Purchase Contracts and one or more Official Statements appropriate for the offering and sale of the Series 2008 Bonds; providing for the defeasance of all of the City's outstanding Sewerage System Revenue Refunding Bonds, Series 2002; providing for the redemption of all of the City's outstanding Sewerage System Revenue Refunding Bonds, Series 1994; to authorize an Escrow Agreement and the retention of a verification agent in connection with the defeasance of the 2002 Bonds; to authorize the creation and, if necessary, the funding of a Bond Reserve Fund for the Series 2008 Bonds; to authorize additional credit enhancement or a liquidity facility for the Series 2008 Bonds; and to authorize the purchase of a municipal bond insurance policy for the Series 2008 Bonds. (\$515,000,000).

Section 55(B) of the City Charter.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/13/2007	1	ACTING CITY CLERK	Attest	
12/12/2007	1	MAYOR	Signed	
12/10/2007	1	Columbus City Council	Approved	Pass
12/10/2007	1	Columbus City Council	Waive the 2nd Reading	Pass
12/10/2007	1	COUNCIL PRESIDENT	Signed	
12/5/2007	1	Finance Drafter	Sent for Approval	
12/5/2007	1	FINANCE DIRECTOR	Reviewed and Approved	
12/5/2007	1	Finance Drafter	Sent for Approval	
12/5/2007	1	CITY AUDITOR	Reviewed and Approved	
12/5/2007	1	CITY AUDITOR	Reviewed and Approved	
12/5/2007	1	Finance Drafter	Sent for Approval	
12/5/2007	1	CITY ATTORNEY	Reviewed and Approved	
12/5/2007	1	Finance Drafter	Sent to Clerk's Office for Council	

To authorize a Master Trust Agreement in connection with the issuance of Obligations, from time to time, the payment of which is secured by revenues derived from the operation of the municipal sewerage system. This ordinance also authorizes the issuance of Sewerage System Revenue Bonds, in an amount not to exceed \$515,000,000 and all related legal documents required to complete this transaction. The bond sale will be conducted on a negotiated basis, with JP Morgan Securities Inc. performing as the lead underwriter. The sale will be conducted in mid-January, 2008. These sewer bonds will fund various capital improvements for the division. The recently authorized sanitary sewer rates increases will allow for the payment of the associated projected debt service payments.

To authorize a Master Trust Agreement in connection with the issuance of Obligations, from time to time, the payment of which is secured by revenues derived from the operation of the municipal sewerage system; to authorize the issuance, in one or more series, of Sewerage System Revenue Bonds, Series 2008, in the aggregate principal amount of not to exceed \$515,000,000, to be issued pursuant to a First Supplemental Trust Agreement for the purpose of providing funds to improve and expand the municipal sewerage system and to refund bonds previously issued for such purpose; to authorize one or more Bond Purchase Contracts and one or more Official Statements appropriate for the offering and sale of the Series 2008 Bonds; providing for the defeasance of all of the City's outstanding Sewerage System Revenue Refunding Bonds, Series 2002; providing for the redemption of all of the City's outstanding Sewerage System Revenue Refunding Bonds, Series 1994; to authorize an Escrow Agreement and the retention of a verification agent in connection with the defeasance of the 2002 Bonds; to authorize the creation and, if necessary, the funding of a Bond Reserve Fund for the Series 2008 Bonds; to authorize additional credit enhancement or a liquidity facility for the Series 2008 Bonds; and to authorize the purchase of a municipal bond insurance policy for the Series 2008 Bonds. (\$515,000,000).

Section 55(B) of the City Charter.

WHEREAS, the City of Columbus, Ohio (hereinafter called the "Issuer") now owns and operates as a public utility a municipal sewerage system (hereinafter sometimes called the "Utility"), the services of which are, and are to be, supplied to persons and corporations within and without the corporate limits of the Issuer; and

WHEREAS, the Issuer is authorized and empowered by virtue of the Constitution and the laws of the State of Ohio, particularly Article XVIII of the Constitution of Ohio, and its Charter, among other things: (i) to improve and expand the Utility; (ii) to issue its revenue bonds for the purpose of (a) paying the costs of improving and expanding the Utility, (b) refunding bonds previously issued for such purpose, (c) paying all other necessary or incidental expenses thereto and to the issuance of such revenue bonds; (iii) to secure those revenue bonds by a trust agreement, by a pledge and lien on the Pledged Revenues (as hereinafter defined) and by an absolute and irrevocable assignment of certain funds to be held by the trustee under such trust agreement; and (v) to enact this ordinance, to enter into the Master Trust Agreement, the First Supplemental Trust Agreement, the Bond Purchase Agreement, and the Tax Compliance Agreement (all as hereinafter defined and collectively referred to herein as the "Issuer Documents"), and to execute and deliver certain other documents and instruments upon the terms and conditions provided herein and therein; and

WHEREAS, in order to provide funds for the improvement and expansion of the Utility (or to refund bonds of the Issuer previously issued for such purpose), the Issuer has heretofore issued, sold and delivered (a) \$51,600,000 of its Sewerage System Revenue Refunding Bonds, Series 1994 (the "1994 Bonds"), the full principal amount of which is presently outstanding, and (b) \$71,640,000 Sewerage System Revenue Refunding Bonds, Series 2002 (the "2002 Bonds"), of which \$13,140,000 remains presently outstanding, which 1994 Bonds and 2002 Bonds were both issued pursuant to a Trust Agreement, dated as of June 1, 1986, as supplemented and amended by a First Supplement to Trust Agreement, dated as of March 1, 1992, a Second Supplement to Trust Agreement, dated as of April 1, 1994, and a Third Supplement to Trust Agreement, dated as of March 1, 2002 (collectively, the "1986 Trust Agreement"), each by and between the Issuer and The Bank of New York Company, N.A., as successor trustee to J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, N.A., formerly known as Bank One, Columbus, N.A., (the "1986 Trustee"); and

WHEREAS, the Issuer has determined to issue revenue bonds for the purpose of providing additional funds, which funds, together with other funds of the Issuer, are sufficient to finance the costs of improving and expanding the Utility (the "Series 2008 Project" as more specifically described in the First Supplemental Trust Agreement), to refund, on a current basis, the 1994 Bonds, and to pay certain expenses incurred in connection with the issuance of such revenue bonds; and

WHEREAS, the Issuer has determined that the issuance of revenue bonds under the circumstances and upon the terms hereinafter set forth, will further the public purpose of better providing for the health and welfare of the residents of the Issuer by improving and expanding the Utility; and

WHEREAS, it may be appropriate for the Issuer to defease the 1986 Trust Agreement by providing for the defeasance, payment and discharge of the outstanding 2002 Bonds using Available Moneys (as such term is defined in the 1986 Trust Agreement); and

WHEREAS, capitalized terms used herein as defined terms and not otherwise defined herein shall have the meanings set forth in the Definitions List attached as *Exhibit A* to the Master Trust Agreement;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Columbus, Ohio:

SECTION 1. Determination of Legislative Authority. It is hereby found and determined that:

- (a) the Utility, including all extensions thereof and improvements thereto, has been, and shall hereafter be, operated as a public utility; and
- (b) the issuance of the Obligations will be for a proper municipal purpose and in the best interests of the Issuer, in accordance with its general plan contemplating the financing of the Project by the issuance and sale of revenue bonds pursuant to Article XVIII of the Constitution of Ohio.

SECTION 2. Authorization of Master Trust Agreement. In order to facilitate the issuance, from time to time of, and secure the payment of the Debt Service Charges on, Obligations to finance the improvement and expansion of the Utility, or refinance Obligations previously issued for such purpose, the Issuer, the Director of Finance and Management and the Fiscal Officer and either of them, acting alone, are hereby authorized and directed, for and in the name of the Issuer and on its behalf, to execute and deliver to the Trustee a Master Trust Agreement (the "Master Trust Agreement"), which shall be substantially in the form heretofore filed with the Clerk with such changes not inconsistent with this ordinance and permitted by applicable law as shall be approved by the official executing the same. The approval of such changes shall be conclusively evidenced by the execution of the Master Trust Agreement by that official. Each Series of Obligations shall be issued pursuant to a Supplemental Trust Agreement.

SECTION 3. Terms of All Obligations. Each Series of Obligations shall bear such designations as may be necessary to distinguish it from other Series of Obligations. All Obligations shall be payable as to principal, premium, if any, and interest in lawful money of the United States of America, shall be in such form as provided in the Series Ordinance authorizing them, shall be negotiable instruments, subject to provisions for registration, shall express on their face the purpose for which they are issued and such other statements or legends as may be required by law, and shall be issued pursuant to Article XVIII of the Constitution of Ohio.

All Obligations shall be executed and authenticated in the manner provided in the Series Ordinance authorizing their issuance or in the manner provided by the applicable law in effect at the time of their issuance. In case any officer whose signature or a facsimile of whose signature shall appear on any Obligations shall cease to be such officer before the issuance, authentication or delivery of such Obligations such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until that time.

The Obligations shall be equally and ratably payable by the Issuer solely from the Pledged Revenues and shall be secured by the Trust Agreement constituting a lien upon the Pledged Revenues and the Special Funds, except that, with respect to any Series of Obligations secured by an amount deposited into the Bond Reserve Fund, a separate account in the Bond Reserve Fund shall be created with respect to such Obligations and the moneys and investments credited to each such separate account shall secure only the Obligations for which such account was created. The pledge of the Pledged Revenues and the Special Funds made by the Issuer pursuant to the Trust Agreement shall be valid and binding from the time of execution and delivery of the Trust Agreement. The Issuer intends that the Pledged Revenues and Special Funds so pledged and thereafter received by the Issuer shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of the aforesaid pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice of such pledge; provided, however, that no representation is made by the Issuer as to the enforceability or priority of such pledge. Anything in this Ordinance, a Series Ordinance, the Obligations or the Trust Agreement to the contrary notwithstanding, neither this Ordinance, the Series Ordinance, the Obligations, nor the Trust Agreement shall constitute a debt or a pledge of the faith and credit of the Issuer, and the Obligations shall contain on the face thereof a statement to the effect that the Obligations are not general obligations of the Issuer but are payable by the Issuer solely from the aforesaid sources pledged to their payment; provided, however, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using, to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the applicable ordinance, the Obligations or the Trust Agreement.

SECTION 4. Series 2008 Bonds and Additional Obligations; Findings and Determinations. The Issuer hereby finds and determines that it is necessary to, and the Issuer shall, issue, sell and deliver, as provided and authorized herein and in the First Supplemental Trust Agreement (as defined herein), to be designated "City of Columbus, Ohio Sewerage System Revenue Bonds,

Series 2008" (the "Series 2008 Bonds") in an aggregate principal amount not to exceed \$515,000,000, as shall be determined in the Certificate of Award provided for in Section 6 of this Ordinance. The Series 2008 Bonds may be issued in one or more series (with the allocation of the aggregate principal amount of such Series 2008 Bonds allocated between each series as set forth in such Certificate of Award). The Series 2008 Bonds shall be issued for the purpose of providing funds, together with other available funds, (i) to finance costs of Series 2008 Project (including the reimbursement of moneys advanced or applied by the Issuer for the payment of costs of improving and expanding the Utility, which reimbursement constitutes a cost of the Series 2008 Project), (ii) to currently refund the outstanding principal amount of the 1994 Bonds, (iii) to fund the Bond Reserve Fund in the amount of the Reserve Requirement, if any; and (iv) to pay costs and expenses incurred in connection with the issuance of the Series 2008 Bonds and any credit enhancement fees. The Issuer further determines that the Issuer may issue, sell and deliver Additional Obligations for the purposes, upon satisfaction of the conditions and in the manner provided in the Master Trust Agreement.

The Issuer further finds, determines and confirms that (a) the issuance of the Series 2008 Bonds will promote the public purpose of better providing for the health and welfare of the residents of the Issuer by enhancing the availability, efficiency and economy of the Utility; (b) where proceeds of the Series 2008 Bonds are used to currently refund the 1994 Bonds, such refunding further promotes the purposes of the Issuer and the Utility; (c) the Issuer will be duly benefited by the issuance of the Series 2008 Bonds and by the Series 2008 Project; and (d) it is in the best interests of the residents of the Issuer that the Series 2008 Bonds be issued under the terms set forth herein.

SECTION 5. Terms and Provisions of Series 2008 Bonds.

(a) Generally. The Series 2008 Bonds shall be issued and secured under the terms of the Master Trust Agreement, as supplemented and amended by a First Supplemental Trust Agreement (the "First Supplemental Trust Agreement") between the Issuer and the Trustee as authorized in Section 9 hereof.

(b) Bond Terms. The Series 2008 Bonds (i) shall consist of one or more series as set forth in the Certificate of Award, to be designated "City of Columbus, Ohio Sewerage System Revenue Bonds, Series 2008" (the "Series 2008 Bonds"); (ii) shall be issuable only in fully registered form and substantially as set forth in Exhibit B to the First Supplemental Trust Agreement; (iii) shall be exchangeable only for Series 2008 Bonds of the same series, and only in Authorized Denominations, as provided in the Trust Agreement; (iv) shall be numbered in a manner determined by the Trustee which will distinguish each Series 2008 Bond from each other Series 2008 Bond; (v) shall be dated as set forth in the Certificate of Award for the Series 2008 Bonds; (vi) shall bear interest at fixed or variable rates of interest, as set forth in the Certificate of Award, from the most recent date to which interest has been paid or duly provided for, or if no interest has been paid or duly provided for, from their date, at the fixed or variable rates per annum determined in the manner, and payable on the Interest Payment Dates, all as set forth in the Certificate of Award and the Trust Agreement; (vii) shall be subject to optional redemption, extraordinary optional redemption and mandatory redemption, including mandatory sinking fund redemption, and to optional and mandatory tenders, all in accordance with the Certificate of Award and the Trust Agreement; and (viii) shall mature, subject to prior redemption as set forth above, on the dates set forth in the Certificate of Award, the final maturity date of which shall not exceed December 1, 2035.

(c) Method of Payment; Paying Agents. The Debt Service Charges on the Series 2008 Bonds shall be payable as provided in the Trust Agreement and the Series 2008 Bonds without deduction for the services of any paying agent. The Trustee shall be paying agent for the Series 2008 Bonds and may designate additional paying agents as provided in the Trust Agreement.

(d) Execution. The Series 2008 Bonds shall be signed by the Mayor and the Fiscal Officer (provided that any or both of such signatures may be facsimiles). In case any officer whose signature or a facsimile thereof shall appear on the Series 2008 Bonds shall cease to be such officer before the issuance or delivery of the Series 2008 Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until after that time.

(e) Credit or Liquidity Enhancement. The Series 2008 Bonds are permitted, but not required, to be secured by a letter of credit, bond insurance or other credit facility and the proceeds therefrom, on such terms to be set forth in the Issuer Documents as the official or officials executing and delivering the Issuer Documents shall approve in the manner described in and under authority of Section 9 hereof.

(f) Remarketing Agents; Tender Agents; Auction Agents. In connection with Series 2008 Bonds bearing interest at a variable rate, the Issuer is permitted, but not required, to appoint such remarketing agents, tender agents, auction agents or other agents which may be necessary or appropriate, and on such terms to be set forth in the Issuer Documents as the official or officials executing and delivering the Issuer Documents shall approve in the manner described in and under authority of Section 9 hereof.

(g) Book-Entry System. The Series 2008 Bonds are permitted, but not required, to be issued to the Depository Trust Company (the "Depository") for holding in a book-entry system as provided in the Issuer Documents, as the official or officials

executing and delivering the Issuer Documents shall approve in the manner described in and under authority of Section 9 hereof.

SECTION 6. Sale of the Series 2008 Bonds; Official Statement. The sale and award of the Series 2008 Bonds shall be evidenced by one or more Certificates of Award (the "Certificate of Award") signed by the Director of Finance and Management or the Fiscal Officer. The Certificate of Award shall identify the original purchasers of the applicable Series 2008 Bonds (the "Original Purchaser"), which entities shall purchase such Series 2008 Bonds in accordance with the terms of this Ordinance, the Trust Agreement and a Bond Purchase Agreement described below at a purchase price to be set forth in such Certificate of Award (not less than 95% of the aggregate principal amount of the Series 2008 Bonds), plus accrued interest, if any, from their date to the date of their delivery to, and payment for, by the Original Purchaser. It is hereby determined that the purchase price and the manner of sale and the terms of the Series 2008 Bonds, as provided in this Series Ordinance, each Bond Purchase Agreement between the Issuer and the Original Purchaser (the "Bond Purchase Agreement") and the Trust Agreement, are consistent with all legal requirements.

Each Certificate of Award shall further provide, determine and state the aggregate principal amount of the applicable series of Series 2008 Bonds to be issued (provided that the aggregate principal amount of Series 2008 Bonds shall not exceed \$515,000,000), the series designation, the purchase price of the applicable Series 2008 Bonds, and the information relating to interest rates, maturities and redemption provisions as provided herein. The Fiscal Officer and the Director of Finance and Management, or either of them individually, are hereby authorized and directed to execute and deliver to the Original Purchaser the Bond Purchase Agreement, which is hereby approved in all respects with such changes therein not inconsistent with this Ordinance and not substantially adverse to the Issuer as may be permitted by law and approved by the officer executing the same. The approval of such changes by such officer, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such officer.

The Fiscal Officer and the Director of Finance and Management are authorized and directed, alone or together, to make the necessary arrangements with the Original Purchaser to establish the date, location, procedures and conditions for the delivery of the Series 2008 Bonds to the Original Purchaser and to take all steps necessary to effect due execution, authentication and delivery of the Series 2008 Bonds to the Original Purchaser under the terms of this Ordinance.

The distribution of one or more Official Statements of the Issuer, in preliminary and final form, relating to the original issuance of the applicable series of Series 2008 Bonds is hereby authorized, and the Director of Finance and Management and the Fiscal Officer, and each of them acting alone, is hereby authorized and directed (i) to negotiate, prepare and execute, on behalf of the Issuer and in his official capacity, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Series 2008 Bonds, and he is authorized and directed to advise the Original Purchaser in writing regarding limitations on the use of the Official Statement and any supplements thereto for purposes of marketing or reoffering the Series 2008 Bonds as he deems necessary or appropriate to protect the interests of the Issuer, and (ii) to determine, and to certify or otherwise represent, a draft of the Official Statement as a "deemed final" official statement for purposes of SEC Rule 15c2-12(b)(1), (3) and (4).

This Council hereby declares that the Series 2008 Bonds are "obligations" within the meaning of Section 323.07(a)(7) of the Columbus City Codes. The Certificate of Award shall identify the annual financial information and operating data that will constitute the "annual information" for purposes of said Section 323.07.

SECTION 7. Allocation of Proceeds of Series 2008 Bonds. The proceeds of sale of the Series 2008 Bonds (including without limitation, premium, if any, and interest accrued thereon) shall be allocated and deposited in accordance with the Trust Agreement and the Certificate of Award and are hereby appropriated for the purposes specified therein. All funds, accounts and subaccounts contemplated in the Trust Agreement to be created are authorized and directed hereby to be created and shall be used without further legislative action for the purposes specified in the Trust Agreement.

To provide for the payment of the costs of issuance of the Series 2008 Bonds, which shall include, but shall not be limited to, the fees and expenses of the Issuer's bond counsel, the fees and expenses of the Issuer's financial advisor, rating agency fees, municipal bond insurance premiums, and printing fees, the Issuer is hereby authorized to expend a sum not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), and such amount is hereby deemed appropriated, which amount shall be allocated to, and paid from, the benefiting funds as determined by the Fiscal Officer.

The proceeds from the sale of the Series 2008 Bonds that are to be used to pay costs of the Project (to wit: \$399,760,000) shall be deposited in the Project Fund (Fund 665) and allocated to the following project numbers and descriptions in the amounts set forth below:

Project #	Amount	Description
650033	\$ 2,500,000	Big Walnut Sanitary Trunk Extension

650046	2,000,000	Alum Creek Subtrunk
650100	150,000	Sanitary Sewer Contingencies
650245	59,520,252	JPWWTP B Plant Final Clarifier
650246	1,287,057	JPWWTP Sludge Handling/Dewatering
650247	26,783,000	JPWWTP A - Plant Wet Weather Hydraulic
650250	6,700,000	JPWWTP Digester Cover Rehabilitation
650252	2,847,000	JPWWTP, New Headworks
650253	3,525,800	JPWWTP Disinfection Chemical Handling
650255	1,079,993	JPWWTP Skimming Concentrator
650344	1,292,000	SWWTP Support Facilities
650350	1,560,500	WWTP Contingencies
650352	2,034,000	SWWTP
650359	65,270,000	SWWTP Sludge Thickening Improvements
650360	2,194,528	Wastewater Treatment Facilities Upgrade
650363	33,310,408	SWWTP New Effluent Pump Station
650364	27,180,000	SWWTP New Headworks, Part 2
650366	55,342,095	SWWTP Final Clarifier Add. & Improvements
650367	46,556,000	SWWTP, Primary and Aeration Tank Improvements
650390	14,500,000	WWMP Professional Program Management
650404	5,315,709	Sanitary System Rehabilitation
650405	4,450,000	Sewer System Remediation I/I
650460	2,000,000	Franklin/OSIS/Interconnector
650489	1,800,000	Big Run Subtrunk - Big Run South Road
650491	3,094,000	Big Walnut/Rickenbacker Sanitary
650497	4,000,000	Upper Scioto West, Hayden Run Area
650510	150,000	Sewer Maintenance Facility (SMOC Improvements)
650600	1,525,000	Franklin Main Interceptor Rehabilitation
650604	2,175,000	Big Run Trunk Sewer - Hellbranch
650618	994,000	Chestnut Street Combined Sewer Rehab
650620	1,000,000	Lockbourne Road Area Assessment
650672	20,000	Bill Moose Run Sanitary
650676	1,260,000	Stanton Area Sanitary Improvements
650681	63,000	Clintonville Main Rehabilitation
650682	530,000	Chase/High Area Sanitary
650685	125,000	Como/Milton Area Sanitary Improvements
650688	50,000	Skyline Drive Sanitary Sewer Assessment
650691	50,000	OSIS - Downtown Odor Control
650695	133,000	Fulton/Mound/Noble Sewer Rehab
650699	87,000	Merwin Hill Area Assessment Sewer
650700	150,000	Portage Grove Area Assessment
650701	50,000	Franklin #1 Sewer Rehabilitation
650703	1,000,000	San Pump Stations Instrum and Flow Verification
650704	9,225,510	OSIS -Aug.Sewer and Relief
650708	950,000	First Avenue Inflow Redirection
650719	963,712	Downtown Comb Area System Renovation 1
650720	14,972	Downtown Comb Area System Renovation 2
650721	27,382	Downtown Comb Area System Renovation 3

650723	39,971	Downtown Comb Area System Renovation 4
650725	484,111	Large Diameter Pipe Cleaning
650728	1,000,000	Asset Program Development
650732	1,400,000	Town Street SSI
<hr/>		
\$399,760,000		
<hr/>		

While the Issuer anticipates spending the moneys allocated to the Project Fund and to the project descriptions set forth in the table above, the Issuer may determine, upon the approval of this Council, to reallocate proceeds of the Series 2008 Bonds to another project purpose consistent with the Trust Agreement.

SECTION 8. Covenants and Agreements of Issuer. In addition to the other covenants of the Issuer herein and in the Issuer Documents, the Issuer further covenants and agrees as follows:

(a) Authority and Actions. The Issuer is, and upon delivery of the Series 2008 Bonds will be, duly authorized by the Constitution and the laws of the State of Ohio, particularly Article XVIII of the Constitution of Ohio, and by its Charter, to issue the Series 2008 Bonds, to execute and deliver the Issuer Documents, and other instruments and documents to which it is a party, to provide the security for payment of the Debt Service Charges on the Series 2008 Bonds in the manner and to the extent set forth herein and in the Trust Agreement, all as authorized by the Legislative Authority. All actions on the part of the Issuer for the issuance of the Series 2008 Bonds, and the execution and delivery of the Issuer Documents and such other instruments and documents, have been or will be duly and effectively taken. The Series 2008 Bonds will be valid and enforceable special obligations of the Issuer according to the terms thereof.

(b) Payment of Debt Service Charges. The Issuer will, solely from the sources herein or in the Trust Agreement provided, pay or cause to be paid the Debt Service Charges on each and all Series 2008 Bonds on the dates, at the places and in the manner provided herein and the Certificate of Award, in the Trust Agreement and in the Series 2008 Bonds.

(c) Performance of Covenants. The Issuer will faithfully observe and perform at all times all agreements, covenants, undertakings, stipulations and provisions contained in this Ordinance, the Trust Agreement and the Obligations, and in all proceedings of the Legislative Authority pertaining to the Obligations or the Utility. The Issuer represents and warrants that it is duly authorized by the Constitution and the laws of the State of Ohio, particularly Article XVIII of the Constitution of Ohio, to issue the Obligations authorized hereby, to execute the Trust Agreement and to pledge the Pledged Revenues and the Special Funds in the manner and to the extent herein and in the Trust Agreement set forth; that all actions on its part for the issuance of the 2008 Bonds and the execution and delivery of the Trust Agreement have been duly and effectively taken and, if Additional Bonds are issued pursuant hereto, will be duly taken as provided herein and in the Trust Agreement, and that the Obligations in the hands of the holders thereof are and will be legal, valid, and binding special obligations of the Issuer enforceable according to the terms thereof. Each provision of this Ordinance, each Series 2008 Bond, the Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Series 2008 Bonds, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision. Each duty of the Issuer and of its officers and employees undertaken pursuant to the Series 2008 Bonds and the Issuer Documents is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty, specifically enjoined by law, upon the Issuer and each of those officers and employees having authority thereunder or by provision of law to perform the duty, resulting from an office, trust or station, within the meaning of Section 2731.01, Ohio Revised Code, providing for enforcement by writ of mandamus.

(d) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Series 2008 Bonds in the manner and to the extent, if any, which may be necessary so that the Series 2008 Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), after taking into account reasonable expectations at the time of the delivery of and payment for the Series 2008 Bonds. To that end, the Fiscal Officer, the Deputy Auditor, and the Director of Finance and Management, or any other officer, including the City Clerk, and each of them acting alone, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or agent of, or consultant to, the Issuer, (i) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Issuer with respect to the Series 2008 Bonds as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Series 2008 Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments; and (ii) to enter into a federal income tax compliance agreement (the "Tax Compliance Agreement"), which shall include the appropriate certifications on behalf of the Issuer setting forth the reasonable expectations of the Issuer

regarding the amount and use of the proceeds of the Series 2008 Bonds and the facts, estimates and circumstances on which those expectations are based, all as of the date of delivery and payment for the Series 2008 Bonds.

The Issuer hereby covenants and represents that it will take all actions that may be required of it for the interest on the Series 2008 Bonds to be and remain excludable from gross income for federal income tax purposes and exempt from the Ohio personal income tax and the net income base of the Ohio corporate franchise tax, and that it has not knowingly taken or permitted to be taken on its behalf, and covenants that it shall not take or omit to take, or permit to be taken on its behalf, any actions which, if taken or omitted, would adversely affect such exclusion from gross income for federal income tax purposes on such exemption from Ohio taxation, under the provisions of the Code or Ohio law.

(e) Transcript. The Fiscal Officer, the Deputy Auditor, and the Director of Finance and Management, or any other officer, including the City Clerk, and each of them acting alone, or any other officer of the Issuer shall furnish to the Original Purchaser a true transcript of proceedings, certified by such officer, of all proceedings had with reference to the issuance of the Series 2008 Bonds, together with such information from the records as is necessary to determine the regularity and validity of the issuance of the Series 2008 Bonds.

(f) Further Assurances. The Issuer shall do all things and take all actions on its part necessary to comply with obligations, duties and responsibilities on its part under the Issuer Documents. Nothing herein or in the Issuer Documents shall be construed as requiring the Issuer to use any moneys from any source other than Pledged Revenues.

SECTION 9. Trust Agreement; Other Documents. In order to secure the payment of the principal of and premium, if any, and interest on the Obligations and the performance of the Issuer as provided in this Ordinance, the Obligations and the Trust Agreement, the Director of Finance and Management and the Fiscal Officer, and either of them alone, are authorized and directed to execute, acknowledge and deliver, as may be appropriate, in the name and on behalf of the Issuer, the Master Trust Agreement and the First Supplemental Trust Agreement, substantially in the form on file with the City Clerk and containing such terms, covenants and conditions not inconsistent with this Ordinance as shall be approved by the City Attorney. The Mayor, the Director of Finance and Management, and the Fiscal Officer, and any of them, are hereby authorized to execute on behalf of the Issuer such other documents as shall be in their judgment necessary or appropriate in connection with issuance of the Series 2008 Bonds.

The Trust Agreement shall contain the usual covenants and provisions as to remedies of the Trustee and Bondholders, and shall provide for the appointment of a receiver with powers customary in general equity cases to operate the Utility and to apply the revenues thereof to the payment of the Obligations and interest thereon, in accordance with this Ordinance and the provisions of the Trust Agreement, in event of litigation involving the operation or administration of the Utility by the Issuer or default by the Issuer in performance of the terms and conditions of this Ordinance or of the Trust Agreement or the Obligations.

The Indenture shall also contain covenants as to prompt and efficient construction of the Project, proper maintenance of the Utility and efficient operation thereof, maintenance of title to the Utility, compliance with applicable requirements of law, and such other covenants as may be necessary or appropriate for the due protection of the rights and security of the holders of the Obligations.

The Director of Finance and Management and the Fiscal Officer, and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized to execute, deliver and, if applicable, file, for and in the name and on behalf of the Issuer, any certifications, financing statements, assignments and other instruments and documents which are necessary or appropriate to perfect the assignments contemplated in the Trust Agreement and to consummate the transactions contemplated in the Issuer Documents and the Series 2008 Bonds. Those certifications and other instruments and documents include, without limitation, the Tax Compliance Agreement (which shall include the appropriate certifications under Section 148 of the Code), a report on IRS Form 8038, any other certifications and forms necessary or advisable under the Code and a certification by the City Clerk of the transcript of proceedings relating to the issuance of the Series 2008 Bonds.

SECTION 10. Lien of Pledge Hereunder. The Pledged Revenues are subject to the lien of the pledge hereunder and under the Trust Agreement without any physical delivery of the Pledged Revenues or further act, and the lien of that pledge is valid and binding against all parties having claims of any kind against the Issuer (irrespective of whether those parties have notice of such pledge), and creates a perfected security interest for all purposes of Chapter 1309, Ohio Revised Code, without the necessity for separation or delivery of the Pledged Revenues or for the filing or recording of the Trust Agreement or any other ordinance, resolution or instrument by which that pledge is created or any certificate, statement or other document with respect to that pledge. The pledge of and lien on the Pledged Revenues under the Trust Agreement shall be effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any further act of appropriation.

SECTION 11. Defeasance of the 2002 Bonds and the 1986 Trust Agreement. This Legislative Authority hereby

authorizes and directs the Director of Finance and Management and the Fiscal Officer, and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, if such officers determine that it is appropriate, to take all necessary and appropriate steps to cause the defeasance of the 2002 Bonds by depositing with the 1986 Trustee or, if necessary, with another financial institution serving as escrow trustee for the 2002 Bonds (the "Escrow Trustee") Available Moneys (as such term is defined in the 1986 Trust Agreement) in an amount sufficient to cause the defeasance of the 2002 Bonds. In the event of such defeasance, the 1986 Trustee (or the Escrow Trustee) shall apply the moneys deposited by the Issuer for this purpose to purchase direct obligations of the United States of America of such maturities and interest payment dates and bearing interest at such rates as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to pay the principal of and interest on the 2002 Bonds that is due and payable on June 1, 2008, which is the final maturity of the 2002 Bonds and to establish such funds, purchase such investments, enter into such escrow deposit agreements and retain such accounting verification agents as shall be necessary to effect the defeasance of the 2002 Bonds in accordance with the 1986 Trust Agreement.

It is the intent of the Issuer that, upon (a) the deposit with the 1986 Trustee of amounts sufficient to provide for the payment, in full, of the principal of and redemption premium, if any, and interest on the 1994 Bonds, and (b) the defeasance of the 2002 Bonds, the 1986 Trust Agreement shall cease, determine and become null and void and be released by the 1986 Trustee, including the cancellation and discharge of the lien thereof. The Director of Finance and Management and the Fiscal Officer, and any other appropriate officer of the Issuer, alone or in conjunction with any of the foregoing, are authorized to take any and all actions necessary and appropriate to cause the defeasance of the 1986 Trust Agreement in accordance with its terms.

SECTION 12. Appropriation of Monies in System Reserve Fund; Transfer Authorizations. Monies in the System Reserve Fund are hereby deemed continually appropriated for the purposes set forth in the Trust Agreement and this Ordinance.

The Fiscal Officer is authorized, and the Master Trust Agreement shall provide, that the Fiscal Officer is authorized to make transfers, as necessary, from the System Reserve Fund to the Sewer Operating Fund for the purposes of the Trust Agreement and the Proceedings for the Obligations.

SECTION 13. Compliance with Open Meeting Requirements. The Legislative Authority hereby finds and determines that all formal actions of the Legislative Authority concerning and relating to the adoption of this Ordinance were adopted in an open meeting of the Legislative Authority, and that all deliberations of the Legislative Authority that resulted in those formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

SECTION 14. Effective Date. In accordance with Section 55(b) of the Charter of the City of Columbus, Ohio, this Ordinance shall take effect and be in force from and immediately after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.