



Legislation Text

File #: RES 23-429, **Version:** 1

Granting approval to amend prior loan agreements entered into in connection with outstanding water revenue obligations of the City relating to improvements to the City's municipal water utility system operated by Saint Paul Regional Water Services; and authorizing City staff to take certain actions with respect thereto.

WHEREAS, pursuant to the authority granted under Special Laws of Minnesota 1881, Chapter 188, as amended by Special Laws of Minnesota 1883, Chapter 75 and Special Laws of Minnesota 1885, Chapter 110, as may be further amended in the future (the "SPRWS Law") the City was authorized by the Minnesota Legislature to purchase the franchise and property of the St. Paul Water Company, to own and operate a water utility and to create a Board of Water Commissioners (the "Water Board");

WHEREAS, under the authority granted by the SPRWS Law and the City's Home Rule Charter, the City owns the municipal water utility system (the "Water Utility") operated by Saint Paul Regional Water Services ("SPRWS") the governing body of which is the Water Board; and

WHEREAS, the City has previously issued the following water revenue obligations to finance certain improvements and capital costs of the Water Utility, which obligations are outstanding and payable from Net Revenues of the Water Utility, the City's: (a) Water Revenue Note, Series 2010A (the "2010A Note"), issued pursuant to a resolution adopted by the City Council of the City (the "City Council") on June 16, 2010, of which \$10,961,000 is currently Outstanding, (b) Water Revenue Note, Series 2010B (the "2010B Note" and together with the 2010A Note, the "2010 Notes"), issued pursuant to a resolution adopted by the City Council on June 16, 2010, of which \$2,829,000 is currently Outstanding, (c) Water Revenue Note, Series 2014 (the "2014 Note"), issued pursuant to a resolution adopted by the City Council on June 4, 2014 of which \$1,398,000 is currently Outstanding, (d) Water Revenue Note, Series 2016 (the "2016 Note"), issued pursuant to a resolution adopted by the City Council on November 9, 2016 of which \$5,466,000 is currently Outstanding, (e) Water Revenue Note, Series 2021 (the "2021 Note"), issued pursuant to a resolution adopted by the City Council on April 7, 2021, of which \$13,991,000 is currently Outstanding, and (f) Water Revenue Note, Series 2022, issued pursuant to a resolution adopted by the City Council on May 4, 2022 of which \$46,000,000 is currently Outstanding (the "2022 Note" and collectively with the 2010 Notes, the 2014 Note, the 2016 Note, and the 2021 Note, the "Outstanding Parity Notes"); and

WHEREAS, the Outstanding Parity Notes were issued pursuant to CF 10-641, RES 14-993, RES 16-1973, RES 21-460 and RES 22-662 adopted by the City Council on June 16, 2010, June 4, 2014, November 9, 2016, April 7, 2021 and May 4, 2022, respectively (the "Prior Resolutions"), to finance capital improvements to the Water Utility and have all been purchased by the Minnesota Public Facilities Authority (the "PFA") under the terms of various loan agreements, as amended, with the PFA (the "Prior PFA Loan Agreements"); and

WHEREAS, pursuant to Resolution No. 23-289 adopted by the City Council on March 8, 2023 (the "General Resolution") and in accordance with advice received from the Water Board, the City Council authorized the issuance of its Water Revenue Bonds, Series 2023A (the "Series 2023A Bonds"), to be issued in the original aggregate principal amount of \$93,415,000 on April 6, 2023; and

WHEREAS, pursuant to the Prior Resolutions and Prior PFA Loan Agreements, the 2010 Notes, the 2014 Note and the 2016 Note were previously secured by amounts in reserve accounts (the "Reserve Account") maintained in the Water Utility Enterprise Fund established by the Prior Resolutions for each of the

2010 Notes, 2014 Note and the 2016 Note; and

WHEREAS, the Prior PFA Loan Agreements entered into in connection with the 2010 Notes, the 2014 Note and the 2016 Note also included requirements for the issuance of additional parity bonds to be issued on a parity with the 2010 Notes, 2014 Note and the 2016 Note; and

WHEREAS, the General Resolution and the Prior PFA Loan Agreements entered into in connection with 2021 Note and the 2022 Note contain slightly different requirements for the issuance of additional party bonds; and

WHEREAS, for consistency amongst all outstanding Parity Bonds (including the Outstanding Parity Notes and the Series 2023A Bonds), the PFA has agreed to amend the Prior PFA Loan Agreements entered into in connection with the 2010 Notes, the 2014 Note and the 2016 Note to remove the reserve requirements, release the current reserves to the City, and modify the requirements to issue additional parity bonds to match the additional parity bond requirements set forth in the General Resolution and the Prior PFA Loan Agreements entered into in connection with the 2021 Note and the 2022 Note; and

WHEREAS, all capitalized terms used in this resolution and not defined herein shall have the meanings granted to them in the General Resolution and the Prior Resolutions, as applicable; and

WHEREAS, a form of amendment to the Prior PFA Loan Agreements entered into in connection with the 2010 Notes, the 2014 Note and the 2016 Note are on file with City (the "PFA Loan Agreement Amendments"), and the City Council intends to approve the PFA Loan Agreement Amendments to remove the reserve account requirement and revise the requirements for the issuance of additional parity bonds for consistency with all outstanding Parity Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PAUL, MINNESOTA, AS FOLLOWS:

- 1) The City hereby authorizes and approves the amendment of the Prior PFA Loan Agreements entered into in connection with the 2010 Notes, the 2014 Note and the 2016 Note to (a) remove the reserve account requirement and other related security provisions for each of the 2010 Notes, the 2014 Note and the 2016 Note, and (b) revise the requirements for issuing additional parity bonds for each of the 2010 Notes, the 2014 Note and the 2016 Note to match the requirements set forth in the General Resolution and the Prior PFA Loan Agreements entered into in connection with the existing 2021 Note and 2022 Note.
- 2) The City Council hereby authorizes the Mayor, Director, Office of Financial Services, Treasurer or their proper designees or any other person authorized or designated by the City in writing who may take actions with respect to the Outstanding Parity Notes, the Series 2023A Bonds or the provisions of the Prior Resolutions or General Resolution, as applicable (the "City Officials"), to execute the PFA Loan Agreement Amendments and any consents, and such other documents as are necessary or appropriate in carrying out this resolution.

The approval hereby given to the PFA Loan Agreement Amendments includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate as determined by the parties thereto, the appropriate City staff person or by the City Officials authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate City Official herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this resolution to be executed may be executed without further act or

authorization of the City Council by any member of the City Council or any duly designated acting official, or City staff as, in the opinion of the Saint Paul City Attorney, may act in their behalf.

- 3) The City Officials are hereby authorized to do all acts and things required of them by or in connection with this resolution and the aforementioned documents for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in this resolution, the PFA Loan Agreement Amendments, the Prior Resolutions and the Prior PFA Loan Agreements, as applicable. In the event that for any reason any of the City Officials are unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the City delegated the duties of any such City Official with the same force and effect as if such documents were executed and delivered by such City Official.
- 4) The City may execute documents, certificates, and instruments contemplated hereby by electronic signature. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).