

070762
February 28, 2007

WHEREAS, the adopted Capital Improvement Program, currently underway and scheduled, requires issuance of an amount not to exceed \$197,576,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2007 ("the Series 2007 Bonds") for the purposes of retiring commercial paper notes issued for interim financing of improvements to the water and wastewater system and advance refunding a portion of outstanding Series 1998, 2000, 2001 and 2003 obligations; and

WHEREAS, the City Council hereby finds and determines that it is in the best interest of the residents of the City and customers of the City's Water Utilities Department that certain of the currently outstanding Waterworks and Sewer System Revenue Bonds be refunded to mitigate the need for future water rate increases; and

WHEREAS, the Waterworks and Sewer System Revenue Bonds anticipated to be refunded were issued in 1998, 2000, 2001 and 2003 for various water and wastewater improvement purposes; and

WHEREAS, this refunding of bonds currently is expected to require bond proceeds in an amount not to exceed \$302,424,000; and

WHEREAS, the City Council hereby finds and determines that in order to accomplish such refunding in a timely and cost efficient manner, the City Manager, the City's co-financial advisors, and the City's bond counsel should be authorized and directed to take such action and prepare documents as necessary in order to accomplish such refunding.

WHEREAS, it is desired to proceed with the preparatory work necessary to issue these refunding and improvement Bonds, Series 2007, through a negotiated sale before May 5, 2007; **Now, Therefore,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager be and is hereby authorized to proceed with the necessary preparations for the sale of Waterworks and Sewer System Revenue Refunding Bonds, Series 2007 in an aggregate principal amount not to exceed \$500,000,000 (the "Series 2007 Bonds") with such sale to occur before May 5, 2007 using previously contracted professional services of First Southwest Company and Estrada Hinojosa & Company, Inc., co-Financial Advisors, for the proposed refunding bond sale. If the bonds are issued, payment for such services shall not exceed \$240,700 for First Southwest (Vendor #193056) and shall not exceed \$137,800 for Estrada Hinojosa & Company Inc. (Vendor #259910) and shall be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017 Object 3803.

Section 2. That the City Manager be and is hereby authorized to obtain necessary professional legal services in connection with the sale and delivery of the Series 2007 bonds, under contracts with McCall, Parkhurst & Horton L.L.P., and Escamilla & Poneck Inc. as co-bond counsel. If the bonds are issued payment for such services shall not exceed \$185,000 for McCall Parkhurst & Horton L.L.P. (Vendor# 193173) and shall not exceed \$100,000 for Escamilla & Poneck Inc. (Vendor# 518903) and shall be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

Section 3. That the City Manager, the City's co-financial advisors, and the City's bond counsel are hereby authorized to prepare an Official Statement with respect to such bonds and to take such other action and prepare such other documents as are necessary and incidental to the issuance, sale and delivery of the Series 2007 Bonds.

Section 4. That the City Manager be and is hereby authorized to obtain bond ratings from Moody's Investor Service (Vendor # 951236) and from Standard & Poor's Inc. (Vendor #954974) in connection with the sale of the bonds. Payments for the bond ratings will be \$123,000 and will be made from the Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

Section 5. That the City Manager be and is hereby authorized to use the previously contracted professional services of KPMG L.L.P to obtain an independent auditors consent letter in connection with the sale and delivery of the bonds. If the bonds are issued, payment for the services of KPMG L.L.P (Vendor #092122) shall not exceed \$8,000 and will be made from Water Utilities Operating Fund 0100 Department DWU Unit 7017 Object 3803.

Section 6. That the City Manager be and is hereby authorized to use Munoz Printing Co. to print and mail official statements. If the bonds are issued, payment for the services of Munoz Printing Co (Vendor #954974) shall not exceed \$8,000 and will be made from the Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803 .

Section 7. That the City Manager be and is hereby authorized and directed to file an Official Statement with respect to such bonds and prepare such other documents as are necessary and incidental to the issuance, sale and delivery of the bonds with Attorney's General (Vendor #344989). If the bonds are issued payment for the filing fee is estimated to be \$9,500 and shall be made from the Water Utilities Operating Fund 0100, Agency DWU, Unit 7017, Object 3803.

Section 8. That the City Controller is hereby authorized to use U.S. Bank, N.A. (Vendor #355655) for services provided as paying agent/registrar and escrow agent with respect to the series 2007 at an annual cost of \$200 for paying agent fees and \$500 for escrow agent fees plus payment processing expenses from Water Utilities Operating Fund 0100, Agency DWU, Unit 7017, Object 3803.

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Section 9. That the amount of bond sale applicable to commercial paper refunding shall be remitted directly to the commercial paper issuing and paying agent U.S. Bank Trust National Association. Any variation in proceeds due to accrued interest arising from this issue of bonds shall be deposited in Water Utilities Debt Service Fund 0109, Department DWU, Revenue Source 8438.

Section 10. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

DISTRIBUTION:

Office of Financial Services/Administration, 4FN
Office of Financial Services/Capital, 4FS

APPROVED BY
CITY COUNCIL

FEB 28 2007

Richard Williams
City Secretary

APPROVED *[Signature]*
for HEAD OF DEPARTMENT

APPROVED *[Signature]*
for CITY CONTROLLER

APPROVED *[Signature]*
CITY MANAGER

STATE OF TEXAS
COUNTIES OF DALLAS, COLLIN, DENTON AND ROCKWALL
CITY OF DALLAS

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The City Council convened in Regular meeting on this the 28th day of February, 2007, with the following present:

Miller, Hill, Garcia, Medrano, Oakley, Thornton-Reese, Salazar, Chaney, Griffith, Blaydes, Koop, Natinsky, Rasansky, Hunt

And with the following absent: Fantroy

Constituting a quorum, at which time the following among other business was transacted:

Councilmember Oakley moved to authorize the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2007, in an aggregate principal amount not to exceed \$500,000,000; establishing parameters regarding the sale of the bonds; approving the execution of a bond purchase agreement and an escrow agreement; and enacting other provisions in connection therewith.

The motion was seconded by Councilmember Medrano and unanimously adopted.

ROLL CALL ON MOTION:

AYE: Hill, Garcia, Medrano, Oakley, Thornton-Reese, Salazar, Chaney, Blaydes, Koop, Rasansky, Hunt

NO: None

Abstaining: Miller, Griffith, Natinsky

Absent when vote taken:

Absent: Fantroy

The Ordinance as passed is as follows: