

**WHEREAS**, the adopted Capital Improvement Program, currently underway and scheduled, requires issuance of an amount not to exceed \$435,000,000 of Waterworks and Sewer System Revenue Refunding Bonds, Series 2012A/B (the "Series 2012A/B Bonds") for the purposes of refunding a portion of outstanding bonds and for the retirement of commercial paper notes issued for interim financing of improvements to the water and wastewater system; and

**WHEREAS**, the issuance of the Series 2012A/B Bonds is anticipated to refund up to \$250,000,000 in current outstanding bonds, which were issued for various water and wastewater improvement purposes; and

**WHEREAS**, this retirement of outstanding commercial paper notes is expected to require bond proceeds in an amount not to exceed \$185,000,000; and

**WHEREAS**, the City Council hereby finds and determines that in order to accomplish such issuance 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 issuance; and

**WHEREAS**, it is desired to proceed with the preparatory work necessary to issue the Series 2012A/B, through a negotiated sale scheduled to occur on August 21, 2012;

**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 2012A/B, (the "Series 2012A/B Bonds"), in an aggregate principal amount not to exceed \$435,000,000 with such sale scheduled to occur on August 21, 2012, and

**Section 2.** That the City Manager, the City's Co-Financial Advisors, and the City's Co-Bond Counsel are hereby authorized and directed 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 Waterworks and Sewer System Revenue Refunding Bonds, Series 2012A/B, and

**Section 3.** That the City Manager be and is hereby authorized to use the 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 \$180,820 for First Southwest (Vendor #193056) and shall not exceed \$113,880 for Estrada Hinojosa & Company Inc. (Vendor #259910) and shall be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

**Section 4.** That the City Manager be and is hereby authorized to use the previously contracted professional services of McCall, Parkhurst & Horton L.L.P., and Escamilla & Ponnick as co-bond counsel in connection with the sale and delivery of the Series 2012A/B Bonds. If bonds are issued, payment for the opinion, and the hourly rate of McCall, Parkhurst & Horton L.L.P. (Vendor # 193173), shall be at the rate of \$0.30 per \$1,000 increment of bonds issued plus hourly rate of \$90.00 to \$300.00 for services rendered by individual attorneys and paralegals (estimated not to exceed \$155,000). If bonds are issued, payment for the opinion, and the hourly rate of Escamilla & Ponnick L.L.P., P.C. (Vendor # 330805) shall be at the rate of 0.15 pre \$1,000 increment of bonds issued plus an hourly rate of \$90.00 to \$300.00 for services rendered by individual attorneys and paralegals (estimated not to exceed \$97,750) and shall be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

**Section 5.** 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 \$155,465 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 the previously contracted professional services of Grant Thornton 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 Grant Thornton L.L.P (Vendor # VS0000007921) shall not exceed \$13,500 and will be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

**Section 7.** That the City Controller be and is hereby authorized to make payments for printing services to print and mail official statements. If the bonds are issued, payment for the services of shall not exceed \$10,000 and will be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

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**Section 8.** That the City Controller is hereby authorized to use Wells Fargo Bank, N.A. (Vendor # VS0000047523) for services provided as paying agent/registrar with respect to the Series 2012A/B Bonds at an annual cost of \$50 for escrow agent fees plus payment processing expenses from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803.

**Section 9.** That the proceeds received from the bond sale shall be deposited in Fund 0100 Unit 0636. Any accrued interest from these proceeds will be deposited in the Debt Service Fund 0109, Department DWU, Unit 7017, Revenue Source 8438.

**Section 10.** That the City Controller 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 for review by the Attorney General (Vendor #344989). If the bonds are issued, payment for the filing fee is estimated not to exceed \$9,500 and shall be made from Water Utilities Operating Fund 0100, Department DWU, Unit 7017, Object 3803; and

**Section 11.** 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, Unit 7017, Revenue Source 8438.

**Section 12.** 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.

APPROVED BY  
CITY COUNCIL

JUN 27 2012

  
City Secretary