

ORDINANCE NO. 18-\_\_

AN ORDINANCE AMENDING ORDINANCE NO. 15-83 RELATING TO UTILITIES SYSTEM COMMERCIAL PAPER NOTES OF THE CITY; RATIFYING ACTION HERETOFORE TAKEN RELATING TO SUCH NOTES; AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Colorado Springs, El Paso County, Colorado (the “City”) is a municipal corporation duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the City’s Charter (the “Charter”); and

WHEREAS, the City now owns and operates a municipal water system, electric light and power system, gas system, wastewater system and certain other systems heretofore designated by the City Council (the “Council”) of the City (the “System”), constituting the Utilities created by the Charter; and

WHEREAS, on November 24, 2015, the Council adopted Ordinance No. 15-83 (“Ordinance No. 15-83”), which authorized the issuance of the City of Colorado Springs, Colorado, Utilities System Commercial Paper Notes, Series A (the “Series A Notes”) in an aggregate principal amount not to exceed \$75,000,000 and the City of Colorado Springs, Colorado, Utilities System Commercial Paper Notes, Series B (the “Series B Notes” and together with the Series A Notes, the “Notes”) in an aggregate principal amount not to exceed \$75,000,000; and

WHEREAS, none of the Notes are currently outstanding; and

WHEREAS, the Notes are special obligations of the City payable from the gross revenues derived from the operation of the System (the “Gross Pledged Revenues”), after provision is made for the payment of the operation and maintenance expenses of the System (such remaining revenues the “Net Pledged Revenues”), and after provision for payment of certain senior lien utilities system revenue bonds; and the payment of the Notes is secured by a pledge of and by an irrevocable subordinate lien on the Net Pledged Revenues; and

WHEREAS, to support the payment of the principal of and interest on the Series A Notes and the Series B Notes as the same become due and payable pursuant to the provisions of Ordinance No. 15-83, Bank of America, N.A. (the “Bank”) has issued irrevocable transferable direct pay letters of credit (the “Series A Letter of Credit” and the “Series B Letter of Credit,” respectively); and

WHEREAS, the City desires to amend Ordinance No. 15-83 to provide that the Series A Letter of Credit shall be required to be in effect only if any of the Series A Notes are outstanding and that the Series B Letter of Credit shall be required to be in effect only if any of the Series B Notes are outstanding; and

WHEREAS, Barclays Capital Inc., as the Series A Dealer, Goldman, Sachs & Co., as the Series B Dealer, and the Bank have each consented to such amendment of Ordinance No. 15-83, as required by such Ordinance and related documents; and

WHEREAS, U.S. Bank, National Association has consented to such amendment of Ordinance No. 15-83, as required by such Ordinance and the Revolving Loan Agreement dated September 8, 2016 between the City and U.S. Bank, National Association.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The first sentence of Section 730 of Ordinance No. 15-83 is hereby amended to read as follows:

The City will at all times, while any Series A Notes are Outstanding, maintain in effect the Series A Letter of Credit or an Alternate Facility and, while any Series B Notes are Outstanding, maintain in effect the Series B Letter of Credit or an Alternate Facility enabling the Issuing and Paying Agent to draw thereunder an amount equal to the principal amount of the applicable series of Notes Outstanding and an amount equal to 270 days accrued interest thereon computed at the rate of 12% per annum.

Section 2. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the Council, the officers of the City and otherwise taken by the City directed toward the amendment of Ordinance No. 15-83 be, and the same hereby is, ratified, approved and confirmed.

Section 3. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 4. All bylaws, orders, resolutions and ordinances, or parts hereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance, or part thereof.

Section 5. Except as amended hereby, the provisions of Ordinance No. 15-83 are hereby ratified, approved and confirmed.

Section 6. This ordinance upon passage shall be entered upon the journal of the Council's proceedings, shall be kept in the book marked "Ordinance Record" and authenticated as required by the Charter, shall be published twice in a legal newspaper of general circulation in the City in compliance with the requirements of the Charter, with the first publication to be at least ten (10) days before final passage by Council of this ordinance, and the second publication to be any time after its final adoption. The Council hereby determines that it is appropriate that publication of this ordinance by title with a summary written by the City Clerk, together with a statement that this ordinance is available for public inspection and acquisition in the office of the City Clerk, shall be sufficient publication pursuant to Section 3-80 of the Charter and this ordinance shall be so published. This ordinance shall be in full force and effective five (5) days after its final publication.

INTRODUCED, READ, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED BY TITLE AND SUMMARY this \_\_\_ day of \_\_\_\_\_, 2018.

**Finally Passed:** \_\_\_\_\_, 2018

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Richard Skorman, Council President

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John W. Suthers, Mayor

ATTEST:

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Sarah B. Johnson, City Clerk

(Attach Affidavit of Publication, by Title and Summary, of Ordinance No. 18-\_\_ upon First Reading)

(Attach Affidavit of Publication, by Title and Summary, of Ordinance No. 18-\_\_ upon Second Reading)

