

ORDINANCE NO. 2014-01-30-_____

AN ORDINANCE AUTHORIZING CERTAIN ACTIONS RELATING TO OUTSTANDING OBLIGATIONS DESIGNATED AS CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS COMMERCIAL PAPER NOTES, SERIES A (TAX-EXEMPT), INCLUDING APPROVAL OF A FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT RELATING TO THE SERIES A NOTES; APPROVAL OF AN UPDATED OFFERING MEMORANDUM RELATING TO THE COMMERCIAL PAPER NOTES; AND ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE

WHEREAS, the City of San Antonio, Texas (the *City*) is a home rule municipality and a political subdivision, and is duly organized and existing pursuant to the Constitution and laws of the State of Texas (the *State*); and

WHEREAS, pursuant to State law, the City Council (the *City Council*) of the City has heretofore issued, and there are currently outstanding, revenue commercial paper notes designated as “City of San Antonio, Texas Electric and Gas Systems Commercial Paper Notes, Series A (Tax-Exempt)” (the *Series A Notes*), “City of San Antonio, Texas Electric and Gas Systems Commercial Paper Notes, Series B (Tax-Exempt)” (the *Series B Notes*), and “City of San Antonio, Texas Electric and Gas Systems Commercial Paper Notes, Series C (Tax-Exempt)” (the *Series C Notes* and, collectively with the Series A Notes and the Series B Notes, the *Commercial Paper Notes*) issued pursuant to Ordinance No 2012-10-11-0816 adopted by the City Council on October 11, 2012 (the *Note Ordinance*), which Note Ordinance amended and restated prior ordinances concerning the City’s maintenance of a commercial paper program in support of the Systems (hereinafter defined); and

WHEREAS, the City Council, acting by and through the Board (hereinafter defined), has heretofore entered into (i) a Revolving Credit Agreement, dated as October 11, 2012, with JPMorgan Chase Bank, National Association (*JPMorgan*), pursuant to which this bank provides up to \$150,000,000 in liquidity support for the Series A Notes, (ii) a First Amended and Restated Revolving Credit Agreement, dated as of May 30, 2013, but effective as of June 26, 2013, with State Street Bank and Trust Company and Wells Fargo Bank, National Association, pursuant to which these banks provide up to \$150,000,000 and \$75,000,000, respectively (for a total of up to \$225,000,000) in liquidity support for the Series B Notes, and (iii) a Revolving Credit Agreement, dated as October 11, 2012, but effective as of October 17, 2012 (and as amended, effective June 26, 2013), with The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch, pursuant to which this bank provides up to \$225,000,000 in liquidity support for the Series C Notes (which total amount of liquidity for all series of Notes, in the amount of \$600,000,000, also equals the maximum aggregate amount of Notes permitted to be outstanding from time to time under the Note Ordinance); and

WHEREAS, JPMorgan, pursuant to the terms of the Revolving Credit Agreement pertaining to the Series A Notes (the *Series A RCA*), has committed to the City to provide

liquidity support for the Series A Notes at a fixed annual cost through termination of such Series A RCA (currently scheduled to occur on December 31, 2014); and

WHEREAS, upon negotiations with the Board, JPMorgan has agreed to extend the final termination date of the Series A RCA and to reduce the annual fixed cost for the provision of liquidity support for the Series A Notes thereunder; and

WHEREAS, to memorialize these amendments to the Series A RCA, the Board has requested that the City enter into a First Amendment to Revolving Credit Agreement (the *Amendment*) with JPMorgan; and

WHEREAS, the City Public Service Board of San Antonio, Texas (the *Board*), as the entity charged with operational control and management of the City's combined electric and gas systems (the *Systems*) has, pursuant to a resolution adopted on January 27, 2014 recommended various actions, including that the Amendment authorized hereby should be entered into by the City; and

WHEREAS, the City Council hereby finds and determines that the adoption of this ordinance is in the best interests of the residents of the City; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

SECTION 1. Authorization of Amendment to Series A Notes Revolving Credit Agreement. The Amendment, by and between the City and JPMorgan, in substantially the form attached hereto as Exhibit A, and the terms of which will amend the Series A RCA as indicated therein, along with any bank note and fee letter amendment required to be executed by the City thereunder, is hereby approved and authorized to be entered into and executed by the City. The amendment of the Series A RCA in the manner contemplated by the Amendment is permitted, by mutual agreement of the City and JPMorgan, pursuant to Section 7.06 of the Series A RCA.

SECTION 2. Authorization to Act on Behalf of the City. Each *Authorized Representative* (being the parties identified in the Note Ordinance as "Authorized Representatives" thereunder, as well as the Vice President of Finance of the Systems) is hereby authorized and directed to act on behalf of the City in carrying out the intent of this Ordinance, including the execution of necessary documentation, agreements, notes, and fee letters (including those identified in Section 1 of this Ordinance and in the form presented to the City Council in conjunction herewith), and certificates, as the act and deed of the City. Any action heretofore taken by an Authorized Representative in furtherance of the effectuation of the subject and intent of this Ordinance is hereby ratified and approved as the official action of the City.

SECTION 3. Authorization of Updated Commercial Paper Memorandum. The form and content of the Updated Commercial Paper Offering Memorandum to be finalized with respect to the Commercial Paper Notes and attached hereto in substantially final form as Exhibit B is hereby approved by the City Council, subject to the final review and approval by an Authorized Representative. Use of such Updated Commercial Paper Offering Memorandum by the Dealers (as defined in the Note Ordinance) in connection with the sale of the Commercial Paper Notes from time to time is hereby authorized.

SECTION 4: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 5: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 7: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 8: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 9: Further Proceedings. Each Authorized Representative is hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, agreements, consents, disclosures, and certificates, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Note Ordinance, and, upon execution and delivery thereof, the Amendment, or any necessary documentation in connection with any of the foregoing. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. In addition, the City Council authorizes the payment, from legally available funds of the Board, of the professional fees and expenses incurred by the Board in association with the transactions that are the subject of this Ordinance upon the approval of a written invoice approved by any Authorized Representative.

SECTION 10. Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by the affirmative vote of at least eight members of the City Council, otherwise the same shall take effect on the tenth day after the date of its passage by the City Council.

PASSED AND ADOPTED by an affirmative vote of _____ members of the City Council of the City of San Antonio, Texas, this the 30th day of January, 2014.

CITY OF SAN ANTONIO

Mayor

ATTEST:

City Clerk

(CITY SEAL)

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

Robert F. Greenblum, City Attorney,
City of San Antonio, Texas

EXHIBIT A

**FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT
(SERIES A NOTES)**

See Tab No. _

EXHIBIT B

UPDATED COMMERCIAL PAPER OFFERING MEMORANDUM

See Tab No. __