

INTRODUCED: March 27, 2025

AN ORDINANCE No. 2025-062

To cancel certain authorized but unissued bonds authorized by the City of Richmond; to authorize the issuance of public utility revenue bonds of the City of Richmond in the maximum principal amount of \$384,171,453 to finance the cost of capital improvement projects of the gas, water and wastewater utilities and public utility buildings and facilities for the following purposes and uses: enlargement, extension, repair, replacement, improvement and equipping of the gas plant, gate stations, transmission, distribution and service lines and associated metering equipment; enlargement, extension, repair, replacement, improvement and equipping of the waterworks plant, pump stations, transmission, distribution and service lines and associated metering equipment; enlargement, extension, repair, replacement, improvement and equipping of the wastewater plant and intercepting lines; construction, reconstruction, repair, replacement, and improvement of sanitary and storm water sewers, pumping stations, drains and culverts; construction, reconstruction, repair, replacement, improvement and equipping of public utility buildings and facilities therefor, including but not limited to the stores division; and acquisition of real property and real property rights (including without limitation easements and rights-of-way) therefor as appropriate; to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such bonds for such capital improvement projects; to provide for the form, details and payment of such bonds; to approve the form of supplemental indenture of trust; to authorize the issuance of notes of the City in anticipation of the issuance of such bonds; and to authorize the issuance of such bonds as either federally tax-exempt bonds or federally taxable bonds, or both.

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Patron – Mayor Avula

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Approved as to form and legality  
by the City Attorney  
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PUBLIC HEARING: APR 14 2025 AT 6 P.M.

AYES:                    6              NOES:                    2              ABSTAIN:                                

ADOPTED:      MAY 12 2025        REJECTED:                                     STRICKEN:

WHEREAS, the Council of the City of Richmond, Virginia (the “Council”), has authorized by Ordinance No. 2023-079, adopted May 8, 2023 (“Ordinance No. 2023-079”), the issuance of public utility revenue bonds to finance the cost of capital improvement projects for the City of Richmond, Virginia’s gas, water and wastewater utilities systems (collectively, the “System”), of which \$206,032,820 remain authorized but unissued; and

WHEREAS, the Council desires to cancel the unissued portion of the bond authorization under Ordinance No. 2023-079; and

WHEREAS, the Public Finance Act of 1991, Sections 15.2-2600 et seq. of the *Code of Virginia* of 1950, as amended (the “Public Finance Act”), permits the issuance of bonds, when authorized by the Council, at one time or from time to time in one or more series, to finance the cost of capital improvement projects for the purposes hereinafter described; and

WHEREAS, the Council desires to provide that all or a portion of the public utility revenue bonds authorized by this ordinance may be issued as taxable bonds (the “Taxable Bonds”); and

WHEREAS, it is the consensus of the Council that the City of Richmond, Virginia (the “City”), should authorize the issuance and sale of public utility revenue bonds (as federally tax-exempt bonds or federally taxable bonds, or both) in the maximum principal amount of \$384,171,453 (the “Bonds”) to finance the cost of capital improvement projects for the System and to finance the costs of issuance of the Bonds and certain other requirements related to the Bonds; and

WHEREAS, such Bonds are to be issued as a series of bonds pursuant to a supplement to the Master Indenture of Trust dated as of April 1, 1998, between the City and U.S. Bank Trust Company, National Association (successor Trustee to U.S. Bank National Association, Crestar Bank and SunTrust Bank), as Trustee, as previously supplemented and amended (the “Master Indenture”); and

WHEREAS, there has been presented to this meeting a draft of a Supplemental Indenture of Trust (the “Supplemental Indenture”) between the City and the Trustee, providing for the issuance, security and form of the Bonds, pursuant to the Master Indenture (together with the Supplemental Indenture, the “Indenture of Trust”); and

WHEREAS, the City expects to advance its own funds to pay expenditures related to such projects prior to the issuance of such Bonds, and it is the intention of the City to reimburse itself for such expenditures from the proceeds thereof; and

WHEREAS, a public hearing on this ordinance has been advertised and held in the manner required by Section 15.2-2606 of the Public Finance Act;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. The Council hereby cancels the unissued portion of the bond authorization under the Ordinance No. 2023-079.

§ 2. The issuance of the Bonds, as either federally tax-exempt bonds or federally taxable bonds, or both, is authorized in the maximum principal amount of \$384,171,453 to finance the cost of System capital improvement projects for the purposes hereinafter described, to fund any required reserve funds, to finance capitalized interest as appropriate and to pay the costs of issuance and any credit enhancement fees associated with the Bonds.

§ 3. The City elects to issue the Bonds under the Indenture of Trust pursuant to the terms of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended, and, to the extent required by the Public Finance Act, the Charter of the City (the “Charter”). The Bonds shall be designated “Public Utility Revenue Bonds” or “Public Utility Revenue Bonds (Federally Taxable)”, as appropriate, or such other designation as the Director of the Finance of the

City may deem appropriate. The Bonds shall be secured by Net Revenues (as defined in the Master Indenture) of the System equally and ratably and on a parity basis with the outstanding principal amount of the City's public utility revenue bonds previously issued and currently outstanding under the Master Indenture and supplements thereto, and any other obligations secured by a senior pledge of such Net Revenues. The Bonds shall be limited obligations of the City, the principal of, premium, if any, and interest on which shall be paid solely from Net Revenues and from other funds that are or may be pledged for such purpose under the Indenture of Trust, and nothing in the Bonds or the Indenture of Trust shall be deemed to create or constitute an indebtedness of or a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof, including the City.

§ 4. Proceeds of the Bonds shall be used by the City to finance, in whole or in part, a program of System capital improvement projects and undertakings for the following purposes and uses: enlargement, extension, repair, replacement, improvement and equipping of the gas plant, gate stations, transmission, distribution and service lines and associated metering equipment; enlargement, extension, repair, replacement, improvement and equipping of the waterworks plant, pump stations, transmission, distribution and service lines and associated metering equipment; enlargement, extension, repair, replacement, improvement and equipping of the wastewater plant and intercepting lines; construction, reconstruction, repair, replacement, and improvement of sanitary and storm water sewers, pumping stations, drains and culverts; construction, reconstruction, repair, replacement, improvement and equipping of public utility buildings and facilities therefor, including but not limited to the stores division; and acquisition of real property and real property rights (including without limitation easements and rights-of-way) therefor as appropriate, and each project included in such

program of capital improvement undertakings is hereby approved as a “project” eligible to be financed with the proceeds of Taxable Bonds.

§ 5. The Bonds (a) shall be in registered form and (b) shall (i) be designated by title, date and series, (B) be dated, (C) be in denominations, (D) be numbered and (E) bear interest at rates from their dates and payable on such dates as provided in the Supplemental Indenture as determined by the Director of Finance, with the approval of the Chief Administrative Officer of the City as herein authorized, but in no event shall the net interest cost of the Bonds exceed the rate of interest herein authorized. The Bonds shall mature as provided in the Supplemental Indenture subject to the terms of this ordinance. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

§ 6. (a) The Bonds may be subject to redemption or purchase prior to maturity at the option of the City on or after dates, if any, determined by the Director of Finance, with the approval of the Chief Administrative Officer. The Director of Finance, with the approval of the Chief Administrative Officer, is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City.

(b) Any term Bonds may be subject to mandatory sinking fund redemption as determined by the Director of Finance, with the approval of the Chief Administrative Officer.

(c) The City shall provide for the purchase of Bonds in the manner specified in any Bonds subject to purchase as approved by the officers authorized to do so pursuant to this ordinance.

§ 7. The Supplemental Indenture in substantially the form attached to this ordinance and marked Exhibit A is hereby approved. The Director of Finance, with the approval of the Chief Administrative Officer, is hereby authorized to execute the Supplemental Indenture in substantially

such form, with such completions, omissions, insertions and changes not inconsistent with this ordinance as may be approved by the Director of Finance, whose approval shall be evidenced conclusively by the execution and delivery of the Supplemental Indenture. The Supplemental Indenture shall contain the appropriate designation as to its number as the Director of Finance determines is appropriate to indicate its numerical order among supplemental indentures entered into pursuant to the Master Indenture.

§ 8. The Bonds shall be prepared in accordance with the Indenture of Trust and shall be signed by the manual signatures of the Chief Administrative Officer and the Director of Finance. The City's seal shall be affixed to the Bonds and attested by the manual signature of the City Clerk, and the Bonds shall be delivered to the Trustee for authentication.

§ 9. The Council hereby approves the following terms of the sale of the Bonds. The Bonds may be sold all at one time, in one or more series or otherwise, as may be determined by the Director of Finance, with the approval of the Chief Administrative Officer. The Bonds shall be sold by competitive bid or by negotiation with one or more underwriters or other purchasers as the Director of Finance may determine pursuant to the Public Finance Act, at such price or prices as the Director of Finance, with the approval of the Chief Administrative Officer, shall determine to be in the best interest of the City, provided that in no event shall (a) the net interest cost of the Bonds, after taking into account any premium or discount on the Bonds, but excluding credit enhancement premium, exceed 8% per year, (b) the sale price of the Bonds to the underwriters, excluding any original issue discount, be less than 97% of the aggregate principal amount thereof, and (c) the final maturity of the Bonds be later than 40 years from their dated date. The Director of Finance, with the approval of the Chief Administrative Officer, is authorized to enter into one or more lines of credit with a bank or other financial institution, which line(s) of credit may provide for a maximum amount not in excess

of the amount herein authorized that may be drawn down and repaid from time to time by the City; provided, however, that the interest rate on any line of credit borrowing will not exceed the then current prime rate as quoted by the bank or institution providing such line of credit and in no event shall exceed 12%; and to negotiate and acquire credit enhancement for the Bonds, the line of credit or other Bond anticipation financing or any portion thereof. The Director of Finance, with the approval of the Chief Administrative Officer, is also authorized to enter into contracts with respect to the Bonds, commonly known as interest rate swap agreements, and contracts providing for payments based on levels of, or changes in, interest rates; provided that the form of such contract or arrangement shall have been previously approved by resolution or resolutions hereafter adopted by the Council. These contracts or arrangements may be entered into by the Director of Finance, with the approval of the Chief Administrative Officer, in connection with, or incidental to, entering into, or maintaining any (x) agreement which secures bonds or (y) investment, or contract providing for investment, otherwise authorized by law. These contracts and arrangements may contain such payment, security, default, remedy, and other terms and conditions as determined by the Director of Finance, with the approval of the Chief Administrative Officer, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate. This ordinance is intended to grant to the Director of Finance and the Chief Administrative Officer full and complete authority to finalize the terms of the Bonds and provide for their issuance under the Indenture of Trust without further approval by Council, unless otherwise required in connection with any refunding, consistent with the requirements of this ordinance, the Public Finance Act, the Charter and the Constitution and other laws of the Commonwealth of Virginia. If the Bonds are sold by negotiation, the Director of Finance is authorized to negotiate, execute and deliver a bond purchase agreement with the underwriters or

other purchasers of the Bonds, a copy of which shall be filed with the City Clerk. If the Bonds are sold by competitive bid, the Director of Finance shall file a certificate following the award of the Bonds setting forth the final terms of the Bonds with the City Clerk. If the Bonds are sold to the Virginia Resources Authority, the Director of Finance is authorized to negotiate, execute and deliver a financing agreement or local bond sale and financing agreement with the Virginia Resources Authority, a copy of which shall be filed with the City Clerk. In connection with the obtaining of any line of credit, credit enhancement, interest rate swap or similar agreements, the Director of Finance, with the approval of the Chief Administrative Officer, is authorized to include in the borrowing the cost of obtaining such line of credit, credit enhancement, interest rate swap or similar agreements. The actions of the Director of Finance, with the approval of the Chief Administrative Officer, in selling the Bonds shall be conclusive, and no further action shall be necessary on the part of the Council.

§ 10. The City intends to advance funds from time to time to pay expenditures related to the projects for which the Bonds are to be issued as generally described herein and to use Bond proceeds to reimburse itself for such expenditures made prior to the effective date of this ordinance. This ordinance constitutes the City's declaration of "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended, to reimburse itself for such expenditures with Bond proceeds. The Director of Finance shall keep on file records of the expenditures for which reimbursement will be sought.

§ 11. The Chief Administrative Officer and the Director of Finance are authorized and directed to have prepared and distributed, in accordance with standard practices for municipal securities, one or more Preliminary Official Statements of the City describing the Bonds as authorized herein, the security therefor and providing any other pertinent or relevant information. The Director



of Finance shall make such completions, omissions, insertions and changes in such Preliminary Official Statement not inconsistent with this ordinance as are necessary or desirable to complete it as a final Official Statement. The City shall arrange for the delivery to the purchasers of the Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the date the Bonds have been awarded, for delivery to each potential investor requesting a copy of the final Official Statement and to each person to whom such underwriter or bidder and members of the underwriting or bidding group initially sell Bonds.

§ 12. The Director of Finance is authorized, on behalf of the City, to deem such Preliminary Official Statement and such Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”), except for the omission from such Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of such Preliminary Official Statement and such Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the City, except for the omission from such Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

§ 13. The Chief Administrative Officer, the Director of Finance and the City Clerk are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with the terms of the Master Indenture and Supplemental Indenture and to deliver the Bonds to or for the account of the purchasers thereof upon payment therefor.

§ 14. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the “Code”), or otherwise cause interest on the Bonds to be includable in the gross income for federal

income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate to the United States from its legally available funds. This Section shall not apply to Taxable Bonds.

§ 15. Such officers of the City as may be requested by the City's bond counsel are authorized and directed to execute appropriate certificates setting forth facts and covenants related to (a) the expected use, expenditure and investment of the proceeds of the Bonds in order to show that such expected use, expenditure and investment will not violate the provisions of Section 148 of the Code and (b) any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificates shall be prepared in consultation with the City's bond counsel, and any such elections shall be made after consultation with bond counsel. This Section shall not apply to Taxable Bonds.

§ 16. The City covenants that it shall not permit the proceeds of the Bonds or the facilities financed with the proceeds of the Bonds to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make

or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants. This Section shall not apply to Taxable Bonds.

§ 17. The Director of Finance is hereby authorized and directed to execute a continuing disclosure agreement setting forth the annual reports and notices to be filed by the City and containing such covenants as may be necessary to assist the underwriters for the Bonds in complying with the provisions of the Rule. Such continuing disclosure agreement shall be in the form approved by the Director of Finance, in collaboration with the City Attorney and the City's bond counsel, the execution thereof by the Director of Finance to constitute conclusive evidence of the Director of Finance's approval of such continuing disclosure agreement.

§ 18. The Director of Finance is authorized to issue and sell from time to time, with the approval of the Chief Administrative Officer, at either public sale or private sale without prior public bidding at such prices as the Director of Finance, with the approval of the Chief Administrative Officer, may determine, in accordance with the provisions of the Public Finance Act, notes of the City in anticipation of the sale of the Bonds authorized to be issued by this ordinance for the purpose of defraying the whole or any part of the costs of the capital improvement projects described in this ordinance. Such bond anticipation note financing may provide for a maximum amount not in excess of the amount herein authorized, which may be drawn down and repaid from time to time by the City. The limitations as to interest rate and sales price in Section 9 of this ordinance for the issuance of the Bonds shall also apply to the issuance of notes; provided the term of any such bond anticipation note

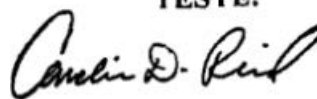
issuance shall not exceed 5 years in accordance with Section 15.2-2628 of the Public Finance Act. Except to the extent modified by this Section, the Director of Finance, with the approval of the Chief Administrative Officer, shall have the same authorization granted herein for the issuance of the Bonds in connection with any issuance of notes in anticipation of the issuance of such Bonds.

§ 19. The City Clerk, with the assistance of the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this ordinance in the Circuit Court of the City of Richmond and is directed to make a copy of this ordinance continuously available for inspection by the general public during normal business hours at the City Clerk's office from the date of adoption hereof through the date of the issuance of the Bonds.

§ 20. All other actions of officers of the City in conformity with the purposes and intent of this ordinance and in furtherance of the issuance and sale of the Bonds are approved and confirmed. The officers of the City are authorized and directed to execute and deliver all such other agreements, certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds, including entering into contracts and arrangements to provide credit enhancement or insurance for all or a portion of the Bonds and for the investment of the proceeds of the Bonds. The officers of the City are further authorized to enter into funding agreements with the Virginia Resources Authority providing for grant funding or zero interest loans in connection with any Bonds sold to the Virginia Resources Authority. The authorization granted herein to the Director of Finance, the Chief Administrative Officer and the City Attorney shall apply equally to any person serving in such capacity on an interim or acting basis pending a permanent appointment to any such office.

§ 21. This ordinance shall be in force and effect from and after its effective date in accordance with the Charter.

**A TRUE COPY:  
TESTE:**



**City Clerk**