

1 \_\_\_\_\_, 1999

2  
3 INTRODUCED BY: Jane Hague

4  
5 PROPOSED NO.: 1999-0134

6  
7  
8 MOTION NO. **10694**

9  
10 A MOTION of the county council accepting a bid for the  
11 purchase of the county's Sewer Revenue Bonds, 1999, in the  
12 aggregate principal amount of \$80,000,000; fixing the interest  
13 rates and other terms of such bonds; all in accordance with  
14 Ordinance 13468.  
15

16 WHEREAS, the county council by Ordinance 13468 passed April 19, 1999 (the "Bond  
17 Ordinance"), authorized the issuance and sale of the county's sewer revenue bonds in the  
18 aggregate principal amount of not to exceed \$80,000,000 for the purpose of financing  
19 improvements to the sewer system of the county (the "Bonds"); and

20 WHEREAS, the Bond Ordinance provided that the Bonds be sold at public sale as  
21 determined by the finance director in consultation with the county's financial advisors; and

22 WHEREAS, the finance director has determined that the Bonds be sold as provided  
23 herein; and

24 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated  
25 May 28, 1999 has been prepared for the public sale of the Bonds, the official notice of such sale  
26 (the "Notice") has been duly published, and bids have been received in accordance with the  
27 Notice; and

28 WHEREAS, the attached bid of Goldman, Sachs & Co. (the "Purchaser") to purchase the  
29 Bonds is the best bid received for such bonds, and it is in the best interest of the county that the  
30 Bonds be sold to the Purchaser on the terms set forth in the Notice, the attached bid, the Bond  
31 Ordinance and this motion;

32 NOW, THEREFORE, BE IT MOVED by the Council of King County:

1           A.     Definitions. Except as expressly authorized herein, capitalized terms used in this  
2 motion have the meanings set forth in the Bond Ordinance.

3           B.     Ratification of Notice of Sale, Acceptance of Bids, and Authorization of Bonds.  
4 The issuance of the Bonds, designated as the county's Sewer Revenue Bonds, 1999, in the  
5 aggregate principal amount of \$80,000,000, and the terms and conditions thereof set forth in the  
6 Official Notice of Bond Sale, attached hereto as Attachment A (the "Notice"), are hereby ratified  
7 and confirmed, and the bid to purchase the Bonds, as set forth in the Purchaser's bid attached  
8 hereto as Attachment B, is hereby accepted. The Bonds shall bear interest at the rates set forth  
9 on Attachment B and shall conform in all other respects to the terms and conditions specified in  
10 the Notice and Bond Ordinance.

11           The Bonds shall be subject to optional and mandatory redemption as set forth in the  
12 Notice.

13           C.     Undertaking to Provide Ongoing Disclosure.

14           1.     Contract/Undertaking. This Section C constitutes the county's written  
15 undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by  
16 Section (b)(5) of the Rule.

17           2.     Financial Statements/Operating Data. The county agrees to provide or  
18 cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the  
19 Commission in accordance with the Rule, the following annual financial information and  
20 operating data for the prior fiscal year (commencing in 2000 for the fiscal year ended  
21 December 31, 1999):

22           (a)     Annual financial statements, which statements may or may not be  
23 audited, showing year-end fund balance for the county's water quality  
24 enterprise fund prepared in accordance with the Budget Accounting and  
25 Reporting System prescribed by the Washington State Auditor pursuant to  
26 RCW 43.09.200 (or any successor statute) and generally of the type

1 included in the official statement for the Bonds under the heading  
2 "Appendix C: Audited 1997 Financial Statements";

3 (b) Amount of outstanding Parity Bonds; and

4 (c) Information regarding customers, revenues and expenses of the  
5 sewer system generally in the form set forth in the Official Statement for  
6 the Bonds in the table labeled "Summary of Historical Sewer System  
7 Customers, Revenues and Expenses."

8 Items (b) and (c) shall be required only to the extent that such information is not included  
9 in the annual financial statements.

10 Such annual information and operating data described above shall be provided on or  
11 before nine months after the end of the county's fiscal year. The county's fiscal year currently  
12 ends on December 31. The county may adjust such fiscal year by providing written notice of the  
13 change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing  
14 such annual financial information and operating data, the county may cross-reference to other  
15 documents provided to the NRMSIR, the SID or to the Commission and, if such document is a  
16 final official statement within the meaning of the Rule, available from the MSRB.

17 If not provided as part of the annual financial information discussed above, the county  
18 shall provide the county's audited annual financial statement prepared in accordance with the  
19 Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant  
20 to RCW 43.09.200 (or any successor statute) when and if available to each then existing  
21 NRMSIR and the SID, if any.

22 3. Material Events. The county agrees to provide or cause to be provided, in  
23 a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the  
24 occurrence of any of the following events with respect to the Bonds, if material:

25 (a) Principal and interest payment delinquencies;

26 (b) Non-payment related defaults;

- 1 (c) Unscheduled draws on debt service reserves reflecting financial  
2 difficulties;
- 3 (d) Unscheduled draws on credit enhancements reflecting financial  
4 difficulties;
- 5 (e) Substitution of credit or liquidity providers, or their failure to  
6 perform;
- 7 (f) Adverse tax opinions or events affecting the tax-exempt status of  
8 the Bonds;
- 9 (g) Modifications to rights of Bond holders;
- 10 (h) Optional, contingent or unscheduled calls of any Bonds other than  
11 scheduled sinking fund redemptions for which notice is given pursuant to  
12 Exchange Act Release 34-23856;
- 13 (i) Defeasances;
- 14 (j) Release, substitution or sale of property securing repayment of the  
15 Bonds; and
- 16 (k) Rating changes.

17 Solely for purposes of disclosure, and not intending to modify this undertaking, the  
18 county advises with reference to item (j) above that no property secure payment of the Bonds.

19 4. Notification Upon Failure to Provide Financial Data. The county agrees to  
20 provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the  
21 SID, if any, notice of its failure to provide the annual financial information described in  
22 subsection 2 above on or prior to the date set forth in subsection 2 above.

23 5. Termination/Modification. The county's obligations to provide annual  
24 financial information and notices of material events shall terminate upon the legal defeasance,  
25 prior redemption or payment in full of all of the Bonds. This section, or any provision hereof,  
26 shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel

1 to the effect that those portions of the Rule which require this section, or any such provision, are  
2 invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies  
3 each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this  
4 section.

5 Notwithstanding any other provision of this motion, the county may amend this Section  
6 C, and any provision of this Section C may be waived, with an approving opinion of nationally  
7 recognized bond counsel and in accordance with the Rule.

8 In the event of any amendment or waiver of a provision of this Section C, the county  
9 shall describe such amendment in the next annual report, and shall include, as applicable, a  
10 narrative explanation of the reason for the amendment or waiver and its impact on the type (or in  
11 the case of a change of accounting principles, on the presentation) of financial information or  
12 operating data being presented by the county. In addition, if the amendment relates to the  
13 accounting principles to be followed in preparing financial statements, (i) notice of such change  
14 shall be given in the same manner as for a material event under subsection 3, and (ii) the annual  
15 report for the year in which the change is made should present a comparison (in narrative form  
16 and also, if feasible, in quantitative form) between the financial statements as prepared on the  
17 basis of the new accounting principles and those prepared on the basis of the former accounting  
18 principles.

19 6. Bond Owner's Remedies Under This Section. The right of any Bond  
20 Owner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to  
21 a right to obtain specific enforcement of the county's obligations hereunder, and any failure by  
22 the county to comply with the provisions of this undertaking shall not be an event of default with  
23 respect to the Bonds hereunder. For purposes of this section, "Beneficial Owner" means any  
24 person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose  
25 of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

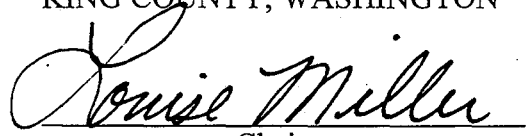
1 D. Reserve Account. In accordance with Section 14.B of the Bond Ordinance,  
2 approximately \$3,771,992.01 of the proceeds of the Bonds shall be deposited in the Reserve  
3 Account to satisfy the reserve requirement with respect to the Bonds.

4 E. Further Authority. The county officials, their agents, and representatives are  
5 hereby authorized and directed to do everything necessary for the prompt issuance and delivery  
6 of the Bonds and for the proper use and application of the proceeds of such sale.

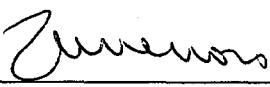
7 F. Severability. If any provision in this motion is declared by any court of  
8 competent jurisdiction to be contrary to law, then such provision shall be null and void and shall  
9 be deemed separable from the remaining provisions of this motion and shall in no way affect the  
10 validity of the other provisions of this motion or of the Bonds.

11 PASSED by a vote of 12 to 0 this 7th day of June, 1999.

12  
13 KING COUNTY COUNCIL  
14 KING COUNTY, WASHINGTON

15   
16  
17  
18 Chair

19  
20  
21 ATTEST:

22  
23   
24  
25 Clerk of the Council

26  
27 Attachments: A. Official Notice of Bond Sale  
28 B. Winning Bid for the Bonds

## Official Notice of Bond Sale

10694

\$80,000,000  
King County, Washington  
Sewer Revenue Bonds, 1999

NOTICE IS HEREBY GIVEN that all-or-none and maturity-by-maturity bids will be received on behalf of King County, Washington (the "County") for the purchase of \$80,000,000 Sewer Revenue Bonds, 1999 (the "Bonds"). All bids must be submitted on the MuniAuction website ("MuniAuction") at website address "[www.MuniAuction.com](http://www.MuniAuction.com)" between 8:30 a.m. and 9:00 a.m. Pacific Daylight Time

on June 7, 1999

or at such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to the time bids are to be received. To bid, bidders must have (i) completed the registration form on the MuniAuction website, and (ii) requested and received admission to the County's auction (as described under "Registration and Admission to Bid" below). All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

The County reserves the right to amend this Official Notice of Bond Sale at any time prior to the date and time for receipt of bids by publishing the amendments on the Amendments Page of MuniAuction or via TM3 and/or Bloomberg wire service.

If all bids for the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for such Bonds by giving notice communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Bond Sale.

### Description of the Bonds

#### Security

The Bonds are secured by a pledge of the revenues of the Sewer System of the County (the "Revenue of the System") subject to the prior payment of normal expenses of maintenance and operations of the Sewer System and other necessary expenses of maintenance and operation of the Sewer System for which reserves or other moneys are not available. The lien of the Bonds on the Revenue of the System is equal to the lien securing the Outstanding Parity Bonds.

#### Bond Details

The Bonds will be dated June 1, 1999. Interest on the Bonds will be payable on January 1, 2000, and semiannually thereafter on each January 1 and July 1 to maturity or earlier redemption thereof. The Bonds will be issued in the aggregate principal amount of \$80,000,000 and will mature on the following dates in the following principal amounts (subject to adjustment as noted below):

## Bidding Information and Award

### Interest Rate Constraints

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that the Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of one percent, or both. No more than one rate of interest may be fixed for any one maturity. No interest rate may exceed eight percent (8.00%) per annum.

### Prices

All-or-none bidders must specify a purchase price of not less than 98% of the aggregate principal amount of the Bonds, plus accrued interest to the date of delivery. Maturity-by-maturity bidders must specify a purchase price for each maturity for which a bid is submitted of not less than 98% of the principal amount of that maturity, plus accrued interest to the date of delivery. Purchasers must pay accrued interest, computed on a 30/360-day basis, from the date of the Bonds to their date of delivery.

### Registration and Admission to Bid

To bid, bidders must first visit the MuniAuction website where, if they have never registered with MuniAuction, they can register and then request admission to bid (in either the all-or-none auction, maturity-by-maturity auction or both) on any or all of the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. The County's clearing agent will determine whether any request for admission is granted.

### Rules of MuniAuction

The "Rules of MuniAuction" can be viewed on MuniAuction and are incorporated herein by reference. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this Official Notice of Bond Sale.

### Bidding Details

Bidders should be aware of the following bidding details associated with this sale:

- (i) All bids must be submitted on the MuniAuction website at "[www.MuniAuction.com](http://www.MuniAuction.com)". No telephone, telefax, telegraph, or personal delivery bids will be accepted.
- (ii) Bidders are permitted to submit bids for the Bonds in both the all-or-none ("AON") auction and the maturity-by-maturity ("MBM") auction (which will be conducted simultaneously) during the bidding time period.
- (iii) Bidders may change and submit bids as many times as they like during the auction, provided, however, each submitted bid, other than a bidder's initial bid, must result in a lower true interest cost ("TIC") with respect to an AON bid or must result in a lower yield to maturity with respect to an MBM bid, when compared to the immediately preceding bid of such bidder.
- (iv) The last bid submitted by a bidder before the end of the auction will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (v) During the bidding, no bidder will see any other bidder's bid but each bidder will see the status of their bid (i.e. whether their bid is a leading bid) relative to other bids of the same type (AON or MBM).
- (vi) During MBM bidding, bidders also will be able to see whether a bid has been submitted for each maturity, and, during AON bidding, bidders will be able to see whether any AON bid has been submitted for the Bonds.
- (vii) All bidders will be able to see whether the MBM auction or the AON auction has produced the lowest TIC for the Bonds at any given point during the auction. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the MuniAuction Observation Page immediately after the auction.



forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

#### **Verification; Right of Rejection**

Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the MuniAuction Observation Page immediately after the auction. The County reserves the right to reject any or all bids and to waive any irregularities.

#### **Syndicate Membership**

Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours of submitting their bids. The County strongly encourages the inclusion of women and minority business enterprise firms in bidding syndicates.

#### **Modification of Principal Amounts**

The County has reserved the right to decrease the preliminary principal amount of the Bonds by an amount not to exceed ten percent (10%) following the opening of the bids. No single preliminary principal amount of any maturity will be increased or decreased by more than ten percent (10%). The price bid by the successful bidder will be adjusted by the County on a proportionate basis to reflect a change in the principal amount and maturity schedule within 24 hours of the bid opening.

#### **Issue Price Information**

Upon award of the Bonds, the successful bidder shall advise the County and Bond Counsel of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the County and the Bond Counsel a certificate in form and substance acceptable to Bond Counsel (i) confirming the Initial Reoffering Prices, (ii) certifying that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries), (iii) stating the prices at which a substantial amount of each maturity of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries), (iv) stating the price at which any Bonds that remain unsold at the date of closing would have been sold on the date the Bonds were awarded, and (v) stating the offering price of each Bond sold to institutional or other investors at discount.

#### **Insurance**

*All-or-None Bids.* Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

*Maturity-by-Maturity Bids.* The County will solicit bids for municipal bond insurance and, depending upon the insurance premium quotes, will decide whether or not to purchase insurance for all maturities. If the County decides to purchase municipal bond insurance for the maturity-by-maturity bids, then bids shall be submitted assuming the use of the municipal bond insurance. If the County decides not to use municipal bond insurance, then bids shall be submitted assuming that municipal bond insurance is not used. If the County decides to purchase municipal bond insurance, the cost of the insurance will be deducted from the aggregate purchase price for determining the TIC of the maturity-by-maturity bids. The County's decision will be communicated to potential bidders on the Amendments Page of MuniAuction.

business days after the County's acceptance of the purchaser's bid. The County will deliver no more than 250 copies of the final Official Statement. Additional copies will be provided at the purchaser's expense.

By submitting the successful proposal, the purchaser's designated senior representative agrees to file, or cause to be filed, within one business day following the receipt from the County, the final Official Statement with each nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

At the time of the delivery of the Bonds, one or more officials of the County will furnish a certificate stating that to the best of his or her knowledge and belief at the time of the acceptance of the bid for and at the time of delivery of the Bonds, this Official Statement and information furnished by the County supplemental thereto did not and do not contain any untrue statements of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in any material respect.

The County will advise the managing underwriter, by written notice, of any "developments that impact the accuracy and completeness of the key presentations" (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final Official Statement has been filed with each municipal securities information repository, in which event such period will end on the 25th day.

DATED at Seattle, Washington, this 28th day of May, 1999.

/s/ Anne Noris

Clerk of the Metropolitan King County Council

10694

# Observation

## King County.Series1999.AON AON Best Bid

Auction Date	Auction Type	Start	End	Time Of Last Update	Auction Status
Mon., Jun 7, 1999	AON	11:30:00 am	12:00:00 pm	12:02:05 pm EDT	Over

\$80,000,000\*

King County, Washington  
Sewer Revenue Bonds, Series 1999

Best AON Bidder:	Best AON TIC:	Best MBM TIC:	Winner**:
Goldman, Sachs & Co. (Winner**)	5.4496 % (Winner**)	Insufficient Bids (Not Winner)	AON

Best Bid

Due	Principal Amount*	Serial/ Sinker/ Term	Coupon
January 1, 2017	\$2,925,000	Serial	5.500%
January 1, 2018	\$3,080,000	Serial	5.500%
January 1, 2019	\$3,255,000	Serial	5.500%
January 1, 2020	\$3,450,000	Serial	5.500%
January 1, 2021	\$3,620,000	Serial	5.500%
January 1, 2022	\$3,830,000	Serial	5.500%
January 1, 2023	\$4,045,000	Serial	5.375%
January 1, 2024	\$4,265,000	Sinker	5.250%
January 1, 2025	\$4,530,000	Sinker	5.250%
January 1, 2026	\$4,770,000	Term	5.250%
January 1, 2027	\$5,035,000	Sinker	5.250%
January 1, 2028	\$5,335,000	Sinker	5.250%
January 1, 2029	\$5,625,000	Sinker	5.250%
January 1, 2030	\$5,945,000	Term	5.250%

January 1, 2031 \$840,000 Sinker 5.250%  
January 1, 2032 \$4,290,000 Sinker 5.250%  
January 1, 2033 \$3,490,000 Sinker 5.250%  
January 1, 2034 \$2,050,000 Sinker 5.250%  
January 1, 2035 \$9,620,000 Term 5.250%

10694

Purchase Price: \$78,445,523.45



\*Preliminary, subject to change

\*\*Winner - Unofficial, subject to verification and award

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Click below to see other bidder results

### AON bids:

[BEAR-RC](#), [DAIN-MB](#), [GOLD-GM](#), [LEHM-PM](#), [MERR-TC](#), [Cover Bid](#), [Bid Summary](#)

### MBM bids:

[A.G.-GH](#), [BEAR-RC](#), [CORB-HS](#), [LEGG-JV](#), [MERR-TC](#), [RAYM-JR](#), [ZION-CL](#),  
[Best Bids](#), [Cover Bids](#), [Bid Summary](#)

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### Active Observers:

[KING-NL](#) [MUNI-AH](#) [MUNI-JD](#) [SEAT-AW](#)

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[View Admission Requests](#)

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Go to: [Notice of Sale](#), [Amendments](#) (modified 6/4/99 @3:48 pm), [POS](#), [Rules](#) (modified 6/3/99 @3:32 pm), [Instructions](#), [Selections](#), [Results](#)

Exit to: [MuniAuction Home Page](#)

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For assistance, call MuniAuction at (412) 391-7686.

Please direct questions and comments regarding bidding procedures to the [Auction Administrator](#) or call (412) 391-7686 (ext. 309).