

ORDINANCE NO. 20070322- _____

AN ORDINANCE approving the extension of the expiration date of the Letter of Credit and approving and authorizing amendments to the Letter of Credit Reimbursement Agreement relating to the "City of Austin, Texas, Combined Utility Systems Commercial Paper Notes, Series A"; resolving other matters incident and related thereto; and declaring an emergency.

7 WHEREAS, pursuant to Ordinance No. 930318-A, as amended by Ordinance
8 No. 961121-A and Ordinance No. 980513-A (collectively, the "Ordinance"), "CITY OF AUSTIN,
9 TEXAS COMBINED UTILITY SYSTEMS COMMERCIAL PAPER NOTES, SERIES A" (the
10 "Notes") up to an aggregate principal amount of \$350,000,000 have been duly authorized,
11 issued and sold and resold by the City of Austin, Texas (the "City") to finance the costs of
12 additions, improvements and extensions to the City's Waterworks and Sewer System and the
13 City's Electric Light and Power System (hereinafter collectively referred to as the "Systems") in
14 accordance with the provisions of V.T.C.A., Government Code, Chapter 1371; and

15 WHEREAS, to provide liquidity and security for the payment of such Notes, the City
16 entered into a Letter of Credit Reimbursement Agreement, dated as of April 1, 2000, with
17 JPMorgan Chase Bank (as successor to Morgan Guaranty Trust Company of New York),
18 Bayerische Landesbank (as replacement Bank for Dexia Credit Local de France), and State
19 Street Bank and Trust Company, as amended by Amendment One to Letter of Credit
20 Reimbursement Agreement, dated as of June 12, 2002 (as so amended, the "Reimbursement
21 Agreement") pursuant to which the Banks issued a Letter of Credit dated June 12, 2002
22 securing the Notes (the "Letter of Credit"); and

23 WHEREAS, the expiration date for the Letter of Credit is March 29, 2007 and the City
24 has submitted a request to JPMorgan Chase Bank, as Agent, for the extension of such
25 expiration date; and

WHEREAS, the Banks have agreed to extend the expiration date for the Letter of Credit to March 29, 2010 conditioned upon a change in the terms of the commitment fee and letter of credit fee as set forth in a consent letter dated March 29, 2007 from the Banks (the "Consent Letter"); and

30 WHEREAS, the Consent Letter has been submitted to the City for approval and
31 acceptance; and

32 WHEREAS, the City Council hereby finds and determines that the Consent Letter with
33 respect to the Letter of Credit and the Reimbursement Agreement should be approved and
34 authorization for its execution provided; now, therefore,

35 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS:

36 SECTION 1. Approval and Authorization for Execution. The extension of the expiration
37 date of the Letter of Credit to March 29, 2010 is hereby approved, and the Consent Letter from
38 JPMorgan Chase Bank (successor to Morgan Guaranty Trust Company of New York), State
39 Street Bank and Trust Company, and Bayerische Landesbank, substantially in the form
40 attached hereto as Exhibit A and incorporated herein by reference as a part hereof for all
41 purposes, is hereby approved. The City Treasurer and City Attorney are hereby authorized and
42 directed to execute the Consent Letter for and on behalf of the City. All actions by officials of

1 the City prior to the date hereof with respect to the extension of the Letter of Credit expiration
2 date are hereby ratified, confirmed and approved.

3 SECTION 2. Ratification. Save and except as amended by the Consent Letter,
4 effective as of March 29, 2007, no other changes or modification are approved to be made to
5 the Reimbursement Agreement, and such Reimbursement Agreement as modified by the
6 Consent Letter is hereby declared to be the Reimbursement Agreement by and between the
7 City and the Banks from and after its execution and effective date of March 29, 2007.

8 SECTION 3: Public Meeting. It is officially found, determined, and declared that the
9 meeting at which this Ordinance is adopted was open to the public and public notice of the time,
10 place, and subject matter of the public business to be considered at such meeting, including this
11 Ordinance, was given; all as required by V.T.C.A., Government Code, Chapter 551, as
12 amended.

13 SECTION 4: Emergency. The public importance of this measure and the fact that the
14 extension of the expiration date of the Letter of Credit and the acceptance and execution of the
15 Consent Letter in connection therewith should be approved as quickly as possible constitute an
16 emergency for the immediate preservation of the public peace, health and safety of the citizens
17 of the City and creates an emergency requiring the suspension of the rule providing for
18 ordinances to be read on three separate days; and such rule relating to the passage of
19 ordinances and the Charter provision relating to the effective date of ordinances are hereby
20 suspended and this Ordinance is hereby passed as an emergency measure and shall be
21 effective immediately upon its passage and adoption as provided by the Charter of the City.

22 [Remainder of page intentionally left blank]

1 PASSED AND ADOPTED, this March 22, 2006.

CITY OF AUSTIN, TEXAS

ATTEST:

SHIRLEY A. GENTRY
City Clerk

WILL WYNN
Mayor

APPROVED:

DAVID ALLAN SMITH
City Attorney

2 (SEAL)

