



Legislation Details

File #: 2009-1243 **Version:** 2

Type: Resolution **Status:** Defeated

File created: 3/24/2009 **In control:** Committee on Intergovernmental Affairs

On agenda: **Final action:** 4/14/2009

Enactment date: **Enactment #:**

Effective date:

Title: Resolution authorizing an Independent, Credentialed, Third-Party Review of the 2008 Pittsburgh Water and Sewer Authority Variable Rate Bond Swap Deal and 2006 bond refinancing at a cost not to exceed fifteen thousand dollars (\$15,000) and providing for the payment thereof.

Whereas, in 2008 the Pittsburgh Water and Sewer Authority (PWSA) sold \$320m in variable rate bonds; and

Whereas, these bonds exposed PWSA ratepayers to at least the following areas of risk:

- Variable Rates
- Annual renewal of Liquidity Facility
- Bankruptcy
- SWAPs
- Credit rating of the SWAP providers
- SWAP providers failing to pay
- Credit Rating of the Bond Insurer; and

Whereas, the risk exposure is for each and every day for the life of the issuance; and

Whereas, Dexia Credit Local and JP Morgan have said that they would not extend their standby bond purchase agreements past the expiration date of June 11, 2009 causing potentially disastrous consequences for the authority; and

Whereas, the almost 2,000 pages of closing documents are opaque and too difficult for a reasonable citizen to fully comprehend; and

Whereas, the PWSA ratepayers deserve to know and understand fully the risk to which the Authority has exposed them; and

Whereas, the Board of the PWSA has refused to act on this matter;

Sponsors: Patrick Dowd

Indexes: BOND, MISCELLANEOUS

Code sections:

Attachments: 1. 2009-1243.doc, 2. 2009-1243 Version 2.doc

Date	Ver.	Action By	Action	Result
4/14/2009	2	City Council	Passed Finally, As Amended	Fail
4/14/2009	2	City Council	AMENDED	Pass
4/1/2009	1	Committee on Intergovernmental Affairs	AFFIRMATIVELY RECOMMENDED	Fail
3/24/2009	1	City Council	Read and referred	