

1 [Wastewater Revenue Bonds Issuance.]

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3 **Resolution approving the issuance of not to exceed \$285,600,000 in aggregate principal**
4 **amount of wastewater revenue bonds to be issued by the Public Utilities Commission**
5 **of the City and County of San Francisco; affirming covenants contained in the**
6 **indenture pursuant to which the wastewater revenue bonds are issued; and authorizing**
7 **the taking of appropriate actions in connection therewith; and related matters.**

8 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco
9 (the "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
10 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
11 including notes, commercial paper or other forms of indebtedness, when authorized by
12 ordinance approved by a two-thirds vote of the Board of Supervisors (the "Board"), for the
13 purpose of reconstructing, replacing, expanding, repairing or improving water facilities or
14 clean water facilities, or combinations of water and clean water facilities under the jurisdiction
15 of the Commission; and,

16 WHEREAS, The Commission adopted the Indenture dated as of January 1, 2003 (the
17 "Indenture"), between the Commission and U. S. Bank National Association, as trustee (the
18 "Trustee") and in connection therewith, issued the first series of Bonds (as defined in the
19 Indenture) under the Indenture designated the "Public Utilities Commission of the City and
20 County of San Francisco Clean Water Revenue Bonds, 2003 Refunding Series A", in the
21 original principal amount of \$396,270,000 to finance projects of the Wastewater Enterprise,
22 previously referred to from time to time as the "Clean Water Enterprise;" and,

23 WHEREAS, By Resolution No. 10-0022 adopted on February 10, 2010 (the
24 "Commission Resolution"), the Commission has determined to issue one or more additional
25 series of revenue bonds pursuant to the Indenture to finance certain capital projects

1 benefitting the Wastewater Enterprise, as well as for the payment of costs of issuance and
2 other incidental costs relating thereto, to be designated the "Public Utilities Commission of the
3 City and County of San Francisco Wastewater Revenue Bonds, 2010 Series ____" (the
4 "Wastewater Revenue Bonds") with the exact year of issuance, designation and series to be
5 determined by the General Manager of the Commission as provided therein, in a principal
6 amount not to exceed \$285,600,000, has approved a form of a First Amendment to Indenture
7 (the " First Amendment"), by and between the Commission and the Trustee, which will amend
8 and modify the Indenture, has approved a form or forms of a Supplemental Indenture
9 (whether one or more, the "Supplemental Indenture"), by and between the Commission and
10 the Trustee, which will supplement the Indenture, and has approved the forms of other
11 documents relating to the issuance of the Wastewater Revenue Bonds; and,

12 WHEREAS, In the Commission Resolution, the Commission has formally requested
13 this Board to authorize the issuance and sale of the Wastewater Revenue Bonds for the
14 purposes herein described pursuant to Section 8B.124 of the Charter of the City (the
15 "Charter"), such Commission Resolution and all such documents relating to the issuance of
16 the Wastewater Revenue Bonds referenced therein being on file with the Clerk of the Board in
17 File No. _____, which is hereby declared to be a part of this resolution as if set forth fully
18 herein; and,

19 WHEREAS, The Board has, concurrently with the adoption of this resolution, adopted
20 an ordinance making certain findings relating to the issuance and sale of the Wastewater
21 Revenue Bonds by the Commission pursuant to said Section 8B.124;

22 WHEREAS, The Board now desires, by this resolution, to authorize the issuance and
23 sale of the Wastewater Revenue Bonds by the Commission pursuant to Section 8B.124 of the
24 Charter and determines that this resolution shall take effect upon the effective date of said
25 ordinance; now, therefore, be it

1 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
2 follows:

3 Section 1. Recitals. All of the recitals herein are true and correct.

4 Section 2. Approval and Authorization of Water Revenue Bonds. The Board hereby
5 authorizes and approves the issuance by the Commission of the Wastewater Revenue Bonds
6 in one or more series in an aggregate principal amount not to exceed \$285,600,000 at a
7 maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to finance
8 a portion of the design, acquisition and construction of various capital projects benefitting the
9 Wastewater Enterprise (the "Capital Projects"), as well as for the payment of costs of issuance
10 and other incidental costs relating thereto, all as provided in the Commission Resolution and
11 the documents therein approved. The forms of the Wastewater Revenue Bonds, in
12 substantially the form presented to the Board, as set forth in one or more Exhibits to the
13 Supplemental Indenture, are hereby approved. The Controller of the City or any deputy
14 thereof is hereby authorized and directed to approve and to execute the Wastewater Revenue
15 Bonds by manual or facsimile signature; with such changes, additions, amendments or
16 modifications therein which he or she may deem necessary or desirable and as the City
17 Attorney may require or approve, the approval of such additions or changes to be conclusively
18 evidenced by the execution and delivery of the Wastewater Revenue Bonds.

19 Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms
20 Section 5.01(c) of the Indenture, as amended by the First Amendment and as supplemented
21 by the Supplemental Indenture (the term "Indenture" as used in this section refers to the
22 Indenture as so amended and supplemented), which set forth the disposition of Revenues (as
23 defined in the Indenture) applicable to the Bonds (as defined in the Indenture) and covenants
24 with the holders of the Bonds that the Revenues shall be appropriated and expended as set
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1 forth in Section 5.01(c) of the Indenture. The Board also hereby declares that the City will
2 comply with all of the terms, provisions and covenants contained in the Indenture, including
3 the covenants to establish, fix, prescribe and collect rates, fees and charges sufficient to
4 enable the Commission to comply with the terms, conditions and covenants of the Indenture.

5 Section 4. Proposition P. Pursuant to Proposition P approved by the voters of the City
6 in November 2002, this resolution and the Wastewater Revenue Bonds are subject to, and
7 incorporate by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue
8 Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code. In
9 accordance with the requirements of Proposition P, to the extent permitted by law, one-
10 twentieth of one percent of the gross proceeds of the Wastewater Revenue Bonds shall be
11 deposited in a fund established by the Controller's Office and appropriated by the Board at the
12 direction of the Public Utilities Revenue Bond Oversight Committee (RBOC) established by
13 Proposition P to cover the costs of said committee; provided that any amounts so paid from
14 the proceeds of Bonds that have not been spent by RBOC in connection with such Bonds (as
15 contemplated by Article 5A.31(c) of the Administrative Code) within 36 months of the date of
16 issuance of such Bonds shall be returned to the Commission for deposit into the Capital
17 Project Fund and expended by the Commission to acquire and construct the Capital Projects.

18 Section 5. General Authority. The Controller of the City, the Treasurer of the City, the
19 City Attorney, and all other appropriate officers, employees, representatives and agents of the
20 City are hereby authorized and directed to do everything necessary or desirable to provide for
21 the issuance and security of the Wastewater Revenue Bonds, including, but not limited to,
22 executing and delivering such certificates as they may deem necessary or advisable.

23 Section 6. Effective Date. This resolution shall take effect at such time as the
24 ordinance of the Board which is referred to in the recitals of this resolution shall take effect.
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1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA, City Attorney

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4 By: _____
5 MARK BLAKE
6 Deputy City Attorney
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