

1 [Wastewater Revenue Bonds Issuance - Public Utilities Commission - Not to Exceed  
2 \$670,000,000]

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4 **Resolution approving the issuance of wastewater revenue bonds to be issued by the**  
5 **Public Utilities Commission of the City and County of San Francisco in aggregate**  
6 **principal amounts (i) not to exceed \$250,000,000 to refund outstanding wastewater**  
7 **revenue bonds pursuant to the Charter of the City and California Government Code**  
8 **Sections 53580 et seq., and (ii) not to exceed \$420,000,000 to finance capital projects**  
9 **benefiting the Wastewater Enterprise pursuant to amendments to the Charter of the**  
10 **City and County of San Francisco enacted by voters on November 5, 2002, as**  
11 **Proposition E; affirming covenants contained in the indenture pursuant to which the**  
12 **wastewater revenue bonds are issued; authorizing the taking of appropriate actions in**  
13 **connection therewith; and related matters.**

14  
15 WHEREAS, Pursuant to Section 9.109 of the Charter of the City (the "Charter") and  
16 California Government Code Sections 53580 et seq., the Board of Supervisors of the City (the  
17 "Board") is authorized to provide for the issuance of bonds of the City for the purpose of  
18 refunding any revenue bonds (including other evidence of indebtedness) of the City then  
19 outstanding without voter approval, provided that such refunding is expected to result in net  
20 debt service savings to the City on a present value basis; and

21 WHEREAS, At a duly called and held revenue bond election on November 5, 2002, a  
22 majority of voters voting on the measure approved Proposition E ("Proposition E of 2002") to  
23 authorize the Commission to issue its revenue bonds, including notes, commercial paper or  
24 other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of  
25

1 the Board, for the purpose of reconstructing, replacing, expanding, repairing or improving  
2 water and clean water facilities under the jurisdiction of the Commission; and

3 WHEREAS, On March 30, 2010, the Board passed by a two-thirds vote Ordinance No.  
4 68-10 (“Ordinance No. 68-10”), signed by the Mayor of the City on April 8, 2010, approving  
5 the issuance and sale of wastewater revenue bonds pursuant to Proposition E of 2002 to  
6 finance various capital projects benefiting the Wastewater Enterprise, as well as paying the  
7 costs of issuance and other incidental costs relating thereto, in an aggregate principal amount  
8 not to exceed \$282,400,000; and

9 WHEREAS, On April 27, 2010, the Board passed by a two-thirds vote Ordinance No.  
10 93-10 (“Ordinance No. 93-10”), signed by the Mayor of the City on May 3, 2010, approving the  
11 issuance and sale of wastewater revenue bonds pursuant to Proposition E of 2002 to finance  
12 various capital projects benefiting the Wastewater Enterprise, as well as paying the costs of  
13 issuance and other incidental costs relating thereto, in an aggregate principal amount not to  
14 exceed \$297,756,235, which ordinance became effective on June 3, 2010; and

15 WHEREAS, The Commission has not previously issued any wastewater revenue  
16 bonds, pursuant to Ordinance No. 93-10, and an aggregate principal amount not to exceed  
17 \$297,756,235 remains authorized by the Board and unissued by the Commission; and

18 WHEREAS, On June 8, 2010, pursuant to Ordinance No. 68-10 and Proposition E of  
19 2002, the Commission issued \$47,050,000 Public Utilities Commission of the City and County  
20 of San Francisco Wastewater Revenue Bonds, 2010 Series A and \$192,515,000 Public  
21 Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds,  
22 2010 Series B (Federally Taxable – Build America Bonds – Direct Payment); and

23 WHEREAS, On June 12, 2012, the Board passed by a two-thirds vote Ordinance No.  
24 115-12 (“Ordinance No. 115-12”) approving the issuance and sale of wastewater revenue  
25 bonds by the Commission pursuant to Proposition E of 2002, in an aggregate principal

1 amount not to exceed \$522,810,000, to finance capital projects benefiting the Wastewater  
2 Enterprise, which ordinance became effective on July 12, 2012; and

3 WHEREAS, The Commission has not previously issued any wastewater revenue  
4 bonds, pursuant to Ordinance No. 115-12, and an aggregate principal amount not to exceed  
5 \$522,810,000 remains authorized by the Board and unissued by the Commission; and

6 WHEREAS, On August 28, 2012, the Commission passed Resolution No. 12-0154  
7 declaring its intention, for federal tax purposes, to issue up to \$570,000,000 of wastewater  
8 revenue bonds; and

9 WHEREAS, Proposition E of 2002 (Section 8B.124) allows for the issuance of revenue  
10 bonds and other forms of indebtedness, subject to the provision of certain certifications of an  
11 independent engineer retained by the Commission and certain certifications by the San  
12 Francisco Planning Department, which certifications make the findings and determinations set  
13 forth in Section 8B.124; and

14 WHEREAS, Certificates intended to meet the requirements set forth in Section 8B.124  
15 have been presented for review by this Board (the "Certificates"), the Certificates are on file  
16 with the Clerk of the Board in File No. \_\_\_ and are on file with the Clerk of the Commission in  
17 File No. \_\_\_\_, and this Board finds such Certificates fully compliant with Section 8B.124; and

18 WHEREAS, The Commission, pursuant to the terms of Resolution No. 12-0210  
19 adopted by the Commission on October 23, 2012 (the "Commission Resolution"), has  
20 authorized: (A) the issuance of: (i) Public Utilities Commission of the City and County of San  
21 Francisco Wastewater Revenue Bonds in an aggregate principal amount not to exceed  
22 \$250,000,000 for the purpose of refunding outstanding wastewater revenue bonds (including  
23 certain outstanding State Revolving Fund loans used to finance various capital projects  
24 benefiting the Wastewater Enterprise), funding reserve accounts, if any, and paying costs of  
25 issuance and other incidental costs therefor, with the title and series designations to be

1 determined by the General Manager of the Commission, provided that the applicable  
2 requirements of the policies and procedures of the Commission and Charter of the City and  
3 California Government Code Sections 53580 et seq., are satisfied (the "Refunding Bonds");  
4 and (ii) Public Utilities Commission of the City and County of San Francisco Wastewater  
5 Revenue Bonds in an aggregate principal amount not to exceed \$420,000,000 for the purpose  
6 of financing or refinancing (through the retirement of commercial paper notes) various capital  
7 projects benefiting the Wastewater Enterprise (including reimbursing the Commission for  
8 certain capital costs previously paid with the proceeds of wastewater commercial paper notes  
9 or from other moneys), funding reserve accounts, if any, funding capitalized interest, and  
10 paying costs of issuance and other incidental costs therefor, with the title and series  
11 designations to be determined by the General Manager of the Commission (the "New Money  
12 Bonds" and together with the Refunding Bonds, the "Bonds"); (B) the form of one or more  
13 Supplemental Indentures (the "Supplemental Indentures"), by and between the Commission  
14 and U.S. Bank National Association, as trustee (the "Trustee"), which supplements the  
15 Indenture dated as of January 1, 2003, as amended and supplemented (collectively with the  
16 Supplemental Indentures, the "Indenture") by and between the Commission and the Trustee;  
17 and other related actions and matters necessary to provide for the issuance of the Bonds; and

18 WHEREAS, The Commission Resolution, among other things, establishes a maximum  
19 rate of interest for the Bonds of twelve percent (12%) per annum; now, therefore, be it

20 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as  
21 follows:

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

23 Section 2. Approval and Authorization of Bonds. The Board further authorizes and  
24 approves the issuance by the Commission of the Refunding Bonds, in an aggregate principal  
25 amount not to exceed \$250,000,000, in one or more series and on one or more dates, at a

1 maximum rate or rates of interest not to exceed twelve percent (12%) per annum, provided  
2 that each such Refunding Bond issue is permitted under the applicable policies and  
3 procedures of the Commission and authorized by Section 9.109 of the Charter and California  
4 Government Code Sections 53580 et seq; and provided the Refunding Bonds achieve at least  
5 3% present value debt service savings. The Refunding Bonds may be issued as tax-exempt  
6 bonds or taxable bonds, or any combination thereof; and such Refunding Bonds may be sold  
7 on a competitive or negotiated basis as the Commission acting through its General Manager  
8 shall determine is in its best financial interest.

9 The Board hereby authorizes and approves the issuance by the Commission of New  
10 Money Bonds, in an aggregate principal amount not to exceed \$420,000,000, in one or more  
11 series and on one or more dates, pursuant to Proposition E of 2002, Ordinance 93-10 and  
12 Ordinance No. 115-12, at a maximum rate or rates of interest not to exceed twelve percent  
13 (12%) per annum. The New Money Bonds may be issued as tax-exempt bonds or taxable  
14 bonds, or any combination thereof; and such New Money Bonds may be sold on a competitive  
15 or negotiated basis as the Commission acting through its General Manager shall determine is  
16 in its best financial interest.

17 The forms of the Bonds, in substantially the forms presented to the Board, as set forth  
18 in the exhibits to the Supplemental Indentures, are hereby approved. The General Manager  
19 of the Commission or the designee of either, and the Controller of the City or any deputy  
20 thereof, are hereby authorized and directed to approve and to execute the Bonds by manual  
21 or facsimile signature, with such changes, additions, amendments or modifications therein  
22 which he or she may approve with the advice of the City Attorney, such approval to be  
23 conclusively evidenced by the execution and delivery of the Bonds.

24 Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms  
25 Section 5.01(c) of the Indenture which sets forth the disposition of Revenues (as defined in

1 the Indenture) applicable to the Bonds and covenants with the holders of the Bonds that the  
2 Revenues shall be appropriated and expended as set forth in Section 5.01(c) of the Indenture.  
3 The Board also hereby declares that the City will comply with all of the terms, provisions and  
4 covenants contained in the Indenture, as the same may be amended from time to time,  
5 including the covenants to establish, fix, prescribe and collect rates, fees and charges  
6 sufficient to enable the Commission to comply with the terms, conditions and covenants of the  
7 Indenture.

8 Section 4. Approval of Financing Documents. In accordance with the authorization  
9 contained in Ordinance 93-10 and Ordinance No. 115-12, the forms of Supplemental  
10 Indentures for the Refunding Bonds and the New Money Bonds, Official Notices of Sale,  
11 Notices of Intention, Bond Purchase Agreements, Official Statements for the Refunding Bonds  
12 and the New Money Bonds, Escrow Agreements and Continuing Disclosure Certificates  
13 relating to the Bonds, submitted to this Board and on file with the Clerk of the Board, are  
14 hereby approved. Any of the Controller, the Treasurer, the City Attorney and the officers of  
15 the Commission authorized by resolution of the Commission, and their designees, are hereby  
16 authorized to execute, attest, publish and deliver (as appropriate) each such document, with  
17 such changes thereto as the officer executing or publishing the same shall approve with the  
18 advice of the City Attorney, such approval to be conclusively evidenced by the execution and  
19 delivery, or the publication, as applicable, of such document.

20 Section 5. Proposition P. Pursuant to Proposition P, approved by the voters of the City  
21 in November 2002, this resolution and the Bonds (excluding the Refunding Bonds) are subject  
22 to, and incorporate by reference, the provisions of Section 5A.30 et seq. ("Public Utilities  
23 Revenue Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code  
24 (the "Proposition P Requirements"). Pursuant to the Proposition P Requirements, to the  
25 extent permitted by law, one-twentieth of one percent (0.05%) of the gross proceeds of the

1 Bonds (excluding the Refunding Bonds) shall be deposited in a fund established by the  
2 Controller's Office and appropriated by the Board at the direction of the Public Utilities  
3 Revenue Bond Oversight Committee established by Proposition P Requirements to cover the  
4 costs of said committee.

5 Section 6. General Authority. The Controller of the City, the Treasurer of the City, the  
6 City Attorney, and all other appropriate officers, employees, representatives and agents of the  
7 City, the Commission, and all other appropriate officers, employees, representatives and  
8 agents of the Commission are hereby authorized and directed to do everything necessary or  
9 desirable to provide for the issuance and sale of and security for the Bonds, including, but not  
10 limited to, approval of one or more Preliminary Official Statements and one or more Official  
11 Statements for the Refunding Bonds and the New Money Bonds, and executing and  
12 delivering such other certificates and other documents as they may deem necessary or  
13 advisable, including without limitation any custody agreements or filing agent agreements  
14 required by the Trustee.

15 APPROVED AS TO FORM:

16 DENNIS J. HERRERA, City Attorney

17  
18 By: \_\_\_\_\_  
19 MARK D. BLAKE  
20 Deputy City Attorney  
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