

1 [Wastewater Revenue Bond Issuance]

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3 **Ordinance approving the issuance and sale of wastewater revenue bonds by the**
4 **San Francisco Public Utilities Commission (the “Commission”) to finance various**
5 **projects benefitting the Wastewater Enterprise pursuant to amendments to the Charter**
6 **(the “Charter”) of the City and County of San Francisco (the “City”) enacted by the**
7 **voters on November 5, 2002 as Proposition E (“Proposition E”); and ratifying previous**
8 **actions taken in connection therewith.**

9 Be it ordained by the People of the City and County of San Francisco:

10 Section 1. Findings. The Board of Supervisors (the “Board”) of the City hereby finds
11 and declares as follows:

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

20 B. The Commission adopted the Indenture dated as of January 1, 2003, between
21 the Commission and U. S. Bank National Association (the “Indenture”) and in connection
22 therewith, issued the first series of bonds under the Indenture to finance projects benefitting
23 the Wastewater Enterprise, designated the "Public Utilities Commission of the City and
24 County of San Francisco Clean Water Revenue Bonds, 2003 Refunding Series A" (the “2003
25 Refunding Series A Bonds”), in the original principal amount of \$396,270,000 to finance

1 projects of the Wastewater Enterprise, previously referred to from time to time as the “Clean
2 Water Enterprise”, and,

3 C. By Resolution No. 10-0022 adopted on February 10, 2010 (the “Commission
4 Resolution”), the Commission has determined to issue one or more additional series of
5 revenue bonds pursuant to the Indenture (the “Wastewater Revenue Bonds”) to finance all or
6 a portion of certain capital projects described therein benefitting the Wastewater Enterprise
7 (the “Capital Projects”), as well as for the payment of costs of issuance and other incidental
8 costs related thereto, has approved the form of a first amendment to the Indenture, has
9 approved the form or forms of a supplemental indenture and other documents relating to the
10 issuance of the Wastewater Revenue Bonds, and has formally requested this Board of
11 Supervisors to authorize the issuance and sale of the Wastewater Revenue Bonds for such
12 purposes, pursuant to Section 8B.124 of the Charter, such Commission Resolution and all
13 such documents relating to the issuance of the Wastewater Revenue Bonds referenced
14 therein being on file with the Clerk of the Board in File No. _____, which is hereby
15 declared to be a part of this Ordinance as if set forth fully herein; and,

16 D. Section 8B.124 of the Charter allows for the issuance of revenue bonds or other
17 forms of indebtedness by ordinance approved by two-thirds of the Board, subject to the
18 provision of certain certifications of an independent engineer retained by the Commission and
19 certain certifications by the San Francisco Planning Department, which certifications shall
20 make the findings and determinations set forth in Section 8B.124, and

21 E. Certificates intended to meet the requirements set forth in Section 8B.124 of the
22 Charter have been presented and reviewed by this Board (the "Certificates"); such Certificates
23 are on file with the Clerk of the Board in File No. _____, and are hereby declared to be
24 a part of this Ordinance as if set forth fully herein, and,

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1 F. The Board now desires to authorize the issuance and sale of the Wastewater
2 Revenue Bonds by the Commission pursuant to said Section 8B.124.

3 Section 2. Approval of the Wastewater Revenue Bonds. The Board hereby declares
4 that the Certificates satisfy the requirements of Section 8B. 124 of the Charter, and in
5 accordance therewith, the Commission is hereby authorized to issue the Wastewater
6 Revenue Bonds pursuant to Section 8B. 124 of the Charter to finance a portion of the design,
7 acquisition and construction of the Capital Projects, as well as paying costs of issuance and
8 other incidental costs relating thereto; and the Board hereby approves the issuance and sale
9 of the Wastewater Revenue Bonds in one or more series from time to time by the Commission
10 pursuant to Section 8B. 124 of the Charter and in accordance with the Commission Resolution,
11 in an aggregate principal amount not to exceed \$285,600,000, and at a maximum rate or
12 rates of interest of not to exceed twelve percent (12%) per annum. The Commission is
13 hereby authorized to determine the timing, amount and manner of sale of each series of
14 Wastewater Revenue Bonds issued pursuant to this authorization.

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

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

15 Section 5. General Authority. The Controller, Treasurer, the City Attorney and other
16 officers of the City and their duly authorized deputies and agents are hereby authorized and
17 directed, jointly and severally, to take such actions and to execute and deliver such
18 certificates, agreements, requests or other documents, as they may deem necessary or
19 desirable to facilitate the issuance, sale and delivery of the Wastewater Revenue Bonds, to
20 obtain bond insurance or other credit enhancements with respect to the Wastewater Revenue
21 Bonds, to obtain a surety bond, to obtain title and other insurance with respect to the facilities
22 to be financed, and otherwise to carry out the provisions of this Ordinance.

23 Section 6. Ratification of Prior Actions. All actions authorized and directed by this
24 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

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1 Section 7. File Documents. All documents referred to as on file with the Clerk of the
2 Board are in File Nos. _____.

3 Section 8. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance
4 shall take effect thirty (30) days after its adoption.

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6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

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9 By: _____
10 Mark D. Blake
 Deputy City Attorney

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