

1 [Public Utilities Commission - Issuance Wastewater Revenue Bonds - Not to Exceed  
2 \$621,000,000]

3 **Resolution approving the issuance of wastewater revenue bonds to be issued by the**  
4 **Public Utilities Commission of the City and County of San Francisco in an aggregate**  
5 **principal amount not to exceed \$621,000,000 to finance and refinance capital projects**  
6 **benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the**  
7 **City and County of San Francisco enacted by voters on November 5, 2002, as**  
8 **Proposition E; affirming covenants contained in the indenture pursuant to which the**  
9 **wastewater revenue bonds are issued; authorizing the taking of appropriate actions in**  
10 **connection therewith; and related matters.**

11  
12 WHEREAS, At a duly called and held election on November 5, 2002, a majority of voters  
13 voting on the measure approved Proposition E (“Proposition E of 2002”) to authorize the San  
14 Francisco Public Utilities Commission (the “Commission”) of the City to issue its 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 of the City (the “Board”),  
17 for the purpose of reconstructing, replacing, expanding, repairing or improving water and clean  
18 water facilities under the jurisdiction of the Commission and subject to the provision of certain  
19 certifications of an independent engineer retained by the Commission and certain certifications  
20 by the San Francisco Planning Department, which certifications make the findings and  
21 determinations set forth in Section 8B.124 of the Charter; and

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

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

3 WHEREAS, On June 25, 2013, the Board passed by two-thirds vote Ordinance No.  
4 123-13, which revised the fiscal year 2013-14 capital improvement project of the Commission  
5 and reduced appropriations under Ordinance No. 115-12 by \$27,870,059; and

6 WHEREAS, After the issuance of certain amounts of Public Utilities Commission of the  
7 City and County of San Francisco Wastewater Revenue Bonds, 2013 Series B, an aggregate  
8 principal amount not to exceed \$388,027,346 remains authorized and unissued under  
9 Ordinance No. 115-12; and

10 WHEREAS, On July 2, 2014, the Board passed by a two-thirds vote Ordinance No.  
11 107-14 (“Ordinance No. 107-14”), approving the issuance and sale of wastewater revenue  
12 bonds by the Commission pursuant to Proposition E of 2002, in an aggregate principal amount  
13 not to exceed \$819,035,941, to finance capital projects benefiting the Wastewater Enterprise,  
14 which ordinance became effective on August 1, 2014; and

15 WHEREAS, On June 9, 2015, the Board passed by a two-thirds vote Ordinance No.  
16 089-15 (“Ordinance No. 089-15”), which amended and supplemented Ordinance No. 107-14 to  
17 provide authority for the Commission to execute and deliver one or more State of California  
18 Water Resources Control Board Installment Sale Agreements in connection with State  
19 Revolving Loans, to finance capital projects benefiting the Wastewater Enterprise, which  
20 ordinance became effective on July 9, 2015; and

21 WHEREAS, Pursuant to Ordinance No. 107-14, as amended and supplemented, the  
22 Commission entered into an Installment Sale Agreement executed on January 12, 2016 (the  
23 “2016 SRF Loan”), with the California State Water Resources Control Board in the aggregate  
24 principal amount of up to \$7,435,000; and

1           WHEREAS, An aggregate principal amount not to exceed \$818,600,941, plus any  
2 amount not drawn under the 2016 SRF Loan, remains authorized but unissued under  
3 Ordinance No. 107-14, as amended and supplemented; and

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

9           WHEREAS, Certificates intended to meet the requirements set forth in Section 8B.124  
10 have been presented for review by this Board (the “Certificates”), the Certificates are on file with  
11 the Clerk of the Board in File No. 120469 and 140483, and this Board finds such Certificates fully  
12 compliant with Section 8B.124; and

13           WHEREAS, The Commission, pursuant to the terms of Resolution No. 16-0057 adopted  
14 by the Commission on March 22, 2016 (the “Commission Resolution”), has authorized: (A) the  
15 issuance of Public Utilities Commission of the City and County of San Francisco Wastewater  
16 Revenue Bonds in one or more series in an aggregate principal amount not to exceed  
17 \$621,000,000 for the purpose of financing or refinancing (through the retirement of commercial  
18 paper notes) various capital projects benefiting the Wastewater Enterprise (including  
19 reimbursing the Commission for certain capital costs previously paid with the proceeds of  
20 wastewater commercial paper notes or from other moneys), funding reserve accounts, if any,  
21 funding capitalized interest, and paying costs of issuance and other incidental costs therefor,  
22 with the title and series designations to be determined by the General Manager of the  
23 Commission (the “Bonds”); (B) the form of one or more Supplemental Indentures (the  
24 “Supplemental Indentures”), by and between the Commission and U.S. Bank National  
25 Association, as trustee (the “Trustee”), which supplements the Indenture dated as of January 1,

1 2003, as amended and supplemented (collectively with the Supplemental Indentures, the  
2 “Indenture”) by and between the Commission and the Trustee; and other related actions and  
3 matters necessary to provide for the issuance of the Bonds; and

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

6 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as  
7 follows:

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

9 Section 2. Approval and Authorization of Bonds. The Board hereby authorizes and  
10 approves the issuance by the Commission of the Bonds, in an aggregate principal amount not  
11 to exceed \$621,000,000 in one or more series and on one or more dates, pursuant to  
12 Proposition E of 2002, Ordinance No. 115-12 and Ordinance No. 107-14, as amended and  
13 supplemented, at a maximum rate or rates of interest not to exceed twelve percent (12%) per  
14 annum. The Bonds may be issued as tax-exempt bonds or taxable bonds, or any combination  
15 thereof; and such Bonds may be sold on a competitive or negotiated basis as the Commission  
16 acting through its General Manager shall determine is in its best financial interest. The  
17 Commission is authorized to designate all or a portion of each series of Bonds as “green  
18 bonds.”

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

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

9           Section 4. Approval of Financing Documents. In accordance with the authorization  
10 contained in Ordinance No. 115-12 and Ordinance No. 107-14, as amended and  
11 supplemented, the forms of Supplemental Indenture for the Bonds, Official Notice of Sale,  
12 Notice of Intention to Sell, Bond Purchase Agreement, Official Statement for the Bonds and the  
13 Continuing Disclosure Certificate relating to the Bonds, submitted to this Board and on file with  
14 the Clerk of the Board, are hereby approved. Any of the Controller, the Treasurer, the City  
15 Attorney and the officers of the Commission authorized by resolution of the Commission, and  
16 their designees, are hereby authorized to execute, attest, publish and deliver (as appropriate)  
17 each such document, with such changes thereto as the officer executing or publishing the same  
18 shall approve with the advice of the City Attorney, such approval to be conclusively evidenced  
19 by the execution and 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 are subject to, and incorporate by reference,  
22 the provisions of Section 5A.30 et seq. (“Public Utilities Revenue Bond Oversight Committee”)  
23 of Chapter V of the San Francisco Administrative Code (the “Proposition P Requirements”).  
24 Pursuant to the Proposition P Requirements, to the extent permitted by law, one-twentieth of  
25 one percent (0.05%) of the gross proceeds of the Bonds shall be deposited in a fund

1 established by the Controller’s Office and appropriated by the Board at the direction of the  
2 Public Utilities Revenue Bond Oversight Committee established by Proposition P Requirements  
3 to cover the costs of said committee.

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

14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney  
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17 By: \_\_\_\_\_  
18 MARK D. BLAKE  
19 Deputy City Attorney  
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