

1 [Water Revenue Bond Issuance]

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3 **Ordinance approving the issuance and sale of water revenue bonds by the San**  
4 **Francisco Public Utilities Commission (the “Commission”) to finance various projects**  
5 **under the Water System Improvement Program 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.**

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

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

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

20 B. On October 30, 2008 the Commission reviewed and considered the Final  
21 Program Environmental Impact Report (PEIR) prepared for the Commission’s Water System  
22 Improvement Program (the “WSIP”), and certified by the Planning Commission in Planning  
23 Commission Motion No. 17734, and adopted the findings required by the California  
24 Environmental Quality Act (CEQA) including a statement of overriding considerations and  
25 monitoring and reporting program in its Resolution No. 08-0200; and

1 C. By Resolution 09-0102 adopted on June 23, 2009 (the "Commission  
2 Resolution") the Commission has determined to issue water revenue bonds to finance a  
3 portion of certain capital projects relating to the WSIP and, pursuant to Section 8B.124 of the  
4 Charter, has formally requested this Board of Supervisors to authorize the issuance and sale  
5 of water revenue bonds for such purposes; and,

6 D. In order to finance the costs of the WSIP, the Board now desires to authorize the  
7 issuance and sale of water revenue bonds (the "Water Revenue Bonds") by the Commission  
8 pursuant to said Section 8B.124; and,

9 E. This Board has previously approved WSIP related appropriations totaling  
10 \$2,949,924,182, which amount is composed of the sum \$1,628,000,000 representing  
11 \$507,815,000 revenue bonds issued and \$1,120,185,000 remaining authorization under  
12 Proposition A and \$1,321,924,182 representing revenue bonds to be issued under Proposition  
13 E, in either case, to fund construction and financing costs for the WSIP, and all such  
14 documents are on file with the Clerk of this Board.

15 Section 2. Approval of the Water Revenue Bonds. The Board hereby approves the  
16 issuance and sale of the Water Revenue Bonds from time to time by the Commission  
17 pursuant to Proposition E and in accordance with the Commission Resolution in an aggregate  
18 principal amount not to exceed \$1,321,924,182, representing the difference between  
19 \$2,949,924,182 previously approved total appropriations and \$1,628,000,000 under  
20 Proposition A, at a maximum rate or rates of interest of not to exceed twelve percent (12%)  
21 per annum to finance a portion of the design, acquisition and construction of various capital  
22 projects in furtherance of the WSIP. The Commission is hereby authorized to determine the  
23 timing, amount and manner of sale of each series of Water Revenue Bonds issued pursuant  
24 to this authorization; provided however, the Commission shall return to the Board prior to the  
25 issuance of any such Bonds to obtain approval by ordinance or resolution of the Board of any

1 related financing or disclosure documents prepared in connection with the issuance of such  
2 obligations.

3 Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms  
4 Section 5.01(b) of the Amended and Restated Indenture dated as of August 1, 2002, as  
5 amended and supplemented, between the Commission and U. S. Bank National Association  
6 (the "Indenture"), which sets forth the disposition of Revenues (as defined in the Indenture)  
7 applicable to the Bonds (as defined in the Indenture) and covenants with the holders of the  
8 Bonds that the Revenues shall be appropriated and expended as set forth in Section 5.01(b)  
9 of the Indenture. The Board also hereby declares that the City will comply with all of the  
10 terms, provisions and covenants contained in the Indenture, including the covenants to  
11 establish, fix, prescribe and collect rates, fees and charges sufficient to enable the  
12 Commission to comply with the terms, conditions and covenants of the Indenture.

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

1           Section 5.   General Authority. The Controller, Treasurer , the City Attorney and other  
2 officers of the City and their duly authorized deputies and agents are hereby authorized and  
3 directed, jointly and severally, to take such actions and to execute and deliver such  
4 certificates, agreements, requests or other documents, as they may deem necessary or  
5 desirable to facilitate the issuance, sale and delivery of the Water Revenue Bonds, to obtain  
6 bond insurance or other credit enhancements with respect to the Water Revenue Bonds, to  
7 obtain surety, to obtain title and other insurance with respect to the facilities to be financed,  
8 and otherwise to carry out the provisions of this Ordinance.

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

11           Section 7.   File Documents. All documents referred to as on file with the Clerk of the  
12 Board are in File Nos. 090886.

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

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

By: \_\_\_\_\_  
Mark D. Blake  
Deputy City Attorney