

1 [2006 Water Revenue Bonds Issuance]

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3 **Resolution approving the issuance of not to exceed \$525,000,000 aggregate principal**
4 **amount of San Francisco water revenue bonds to be issued by the Public Utilities**
5 **Commission of the City and County of San Francisco; affirming covenants contained in**
6 **the indenture pursuant to which the water revenue bonds are issued; and authorizing the**
7 **taking of appropriate actions in connection therewith; and related matters.**

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9 WHEREAS, At a duly called and held revenue bond election on November 5, 2002, a
10 majority of voters voting on the measure approved the issuance by the Public Utilities
11 Commission of the City and County of San Francisco (the "Commission") of its revenue bonds
12 in the aggregate principal amount of \$1,628,000,000 for the purpose of providing funds for the
13 financing of the acquisition and construction of improvements (the "Improvements") to the
14 water system (the "Water Enterprise") of the City and County of San Francisco (the "City");
15 and,

16 WHEREAS, Pursuant to Section 9.107 of the Charter (the "Charter") of the City, the
17 Board of Supervisors of the City (the "Board") is authorized to provide for the issuance of
18 revenue bonds by the Commission following the approval of the issuance of such revenue
19 bonds by a majority of the voters, such revenue bonds to be issued and sold in accordance
20 with State law or any procedure provided for by ordinance; and,

21 WHEREAS, The Commission, pursuant to the terms of Resolution No. 05-182, adopted by
22 the Commission on 12-13-05 (the "Resolution"), has authorized the issuance of
23 \$525,000,000 aggregate principal amount of its San Francisco Water Revenue Bonds, 2006
24 Series A (the "Water Revenue Bonds") for the purpose of financing the costs of the
25 Improvements to the Water Enterprise as well as for the payment of costs of issuance and

1 other incidental costs therefor; approved the form of a First Supplemental Indenture expected
2 to be dated as of February 1, 2006 (the "First Supplemental Indenture"), by and between the
3 Commission and U.S. Bank National Association, as trustee (the "Trustee"), which
4 supplements the Amended and Restated Indenture dated as of August 1, 2002 (collectively
5 with the First Supplemental Indenture, the "Indenture") by and between the Commission and
6 the Trustee; and other matters; and,

7 WHEREAS, The Resolution, among other things, establishes a maximum rate of
8 interest for the Water Revenue Bonds of twelve percent (12%) per annum; now, therefore, be
9 it

10 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
11 follows:

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

13 Section 2. Approval and Authorization of Water Revenue Bonds. The Board hereby
14 authorizes and approves the issuance by the Commission of the Water Revenue Bonds in an
15 aggregate principal amount not to exceed \$525,000,000 at a maximum rate or rates of
16 interest of not to exceed twelve percent per annum to provide funds to be used for the
17 Improvements. The form of the Water Revenue Bonds, in substantially the form presented to
18 the Board, as set forth in Exhibit I to the First Supplemental Indenture, is hereby approved.
19 The Controller of the City or any deputy thereof is hereby authorized and directed to approve
20 and to execute the Water Revenue Bonds by manual or facsimile signature; with such
21 changes, additions, amendments or modifications therein which he or she may deem
22 necessary or desirable and as the City Attorney may require or approve, the approval of such
23 additions or changes to be conclusively evidenced by the execution and delivery of the Water
24 Revenue Bonds.

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

9 Section 4. Proposition P. Pursuant to Proposition P approved by the voters of the City
10 in November 2002, this resolution and the Water Revenue Bonds are subject to, and
11 incorporate by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue
12 Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code (the
13 "Proposition P Requirements"). Pursuant to the Proposition P Requirements, to the extent
14 permitted by law, one-twentieth of one percent of the gross proceeds of the Water Revenue
15 Bonds shall be deposited in a fund established by the Controller's Office and appropriated by
16 the Board at the direction of the public utilities revenue bond oversight committee established
17 by Proposition P Requirements to cover the costs of said committee.

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

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the issuance and security of the Water Revenue Bonds, including, but not limited to, executing and delivering such certificates as they may deem necessary or advisable.

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

By: Kenneth David Roux
KENNETH DAVID ROUX
Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 051982

Date Passed:

Resolution approving the issuance of not to exceed \$525,000,000 aggregate principal amount of San Francisco water revenue bonds to be issued by the Public Utilities Commission of the City and County of San Francisco; affirming covenants contained in the indenture pursuant to which the water revenue bonds are issued; and authorizing the taking of appropriate actions in connection therewith; and related matters.

February 14, 2006 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 051982

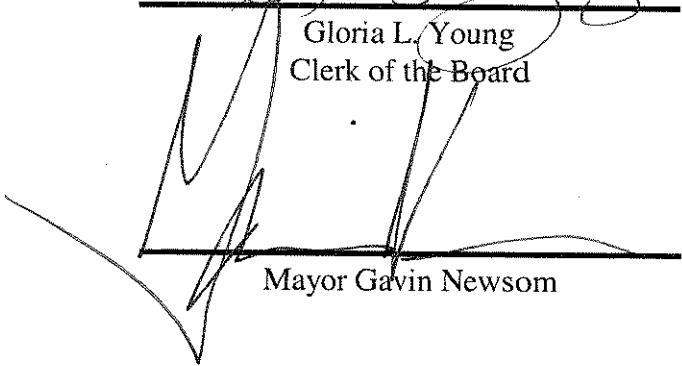
I hereby certify that the foregoing Resolution was ADOPTED on February 14, 2006 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

2.16.06

Date Approved



Mayor Gavin Newsom