

1 [2002 Water Revenue Bonds Issuance]

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3 **Resolution approving the issuance of not to exceed \$164,000,000 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; authorizing the**
7 **execution and delivery of a continuing disclosure certificate; and authorizing the taking of**
8 **appropriate actions in connection therewith; and related matters.**

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10 WHEREAS, At a duly called and held revenue bond election on November 4, 1997, a
11 majority of voters voting on the measure approved the issuance by the Public Utilities
12 Commission of the City and County of San Francisco (the "Commission") of its revenue bonds
13 in the aggregate principal amount of \$157,000,000 for the purpose of providing funds for
14 acquiring and constructing reliability and seismic safety improvements (the "System Reliability
15 Project") to the water system (the "Water Enterprise") of the City and County of San Francisco
16 (the "City") and approved the issuance by the Commission of its revenue bonds in the
17 aggregate principal amount of \$147,000,000 for the purpose of acquiring and constructing
18 safe drinking water improvements (the "Safe Water Project") to the Water Enterprise (such
19 revenue bonds referred to herein collectively as, the "Water Revenue Bonds"); and,

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

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1 WHEREAS, The Commission, pursuant to the terms of Resolution No. 01-0246,
2 adopted by the Commission on December 11, 2001 (the "Resolution"), has authorized the
3 issuance of not to exceed \$140,000,000 aggregate principal amount outstanding at any one
4 time of its Water Revenue Bonds for the purpose of financing the costs of improvements,
5 betterments and additions to the Water Enterprise as well as for the payment of costs of
6 issuance and other incidental costs therefor; approved the form of an Amended and Restated
7 Indenture expected to be dated as of March 1, 2002 by and between the Commission and
8 U.S. Bank Trust National Association (the "Indenture"); and other matters; and,

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

11 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
12 follows:

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

14 Section 2. Approval and Authorization of Water Revenue Bonds. The Board hereby
15 authorizes and approves the issuance by the Commission of the Water Revenue Bonds in an
16 aggregate principal amount not to exceed \$164,000,000 at a rate or rates not to exceed eight
17 percent per annum to provide funds to be used for the System Reliability Project and the Safe
18 Water Project.

19 Section 3. Affirmation of Existing Bond Covenants. This Board hereby confirms
20 Section 5.01(b) of the Indenture which sets forth the disposition of Revenues (as defined in
21 the Indenture) applicable to the Bonds (as defined in the Indenture) and covenants with the
22 holders of the Bonds that the Revenues shall be appropriated and expended as set forth in
23 Section 5.01(b) of the Indenture. This Board also declares that the City will comply with all of
24 the terms, provisions and covenants contained in the Indenture, including the covenants to

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1 establish, fix, prescribe and collect rates, fees and charges sufficient to enable the
2 Commission to comply with the terms, conditions and covenants of the Indenture.

3 Section 4. Approval of Continuing Disclosure Certificate. The Board hereby approves
4 the form of the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") to be
5 executed by the General Manager of the Commission or her designee in connection with the
6 issuance of the Water Revenue Bonds, a copy of which is on file with the Clerk of the Board of
7 Supervisors in File No. _____. The Controller of the City and County of
8 San Francisco (the "Controller") is hereby authorized to execute the Continuing Disclosure
9 Certificate, in substantially the form presented to the Board of Supervisors, with such
10 modifications, changes or additions as the Controller or the City Attorney may make or
11 approve in accordance with Section 5 hereof.

12 Section 5. General Authority. The Treasurer of the City, the Controller of the City, the
13 City Attorney, and all other appropriate officers, employees, representatives and agents of the
14 City are hereby authorized and directed to do everything necessary or desirable to provide for
15 the issuance and security of the Water Revenue Bonds.

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17 APPROVED AS TO FORM:

18 LOUISE H. RENNE
19 City Attorney

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21 By: _____
22 MICHELLE W. SEXTON
23 Deputy City Attorney
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