

1 [Wastewater Revenue Bonds Issuance - Public Utilities Commission - Not to Exceed
2 \$670,000,000]

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 aggregate**
5 **principal amounts not to exceed \$250,000,000 to refund outstanding wastewater**
6 **revenue bonds pursuant to the Charter of the City and California Government Code**
7 **Sections 53580 et seq., and not to exceed \$420,000,000 to finance capital projects**
8 **benefiting the Wastewater Enterprise pursuant to amendments to the Charter of the**
9 **City and County of San Francisco enacted by voters on November 5, 2002, as**
10 **Proposition E; affirming covenants contained in the indenture pursuant to which the**
11 **wastewater revenue bonds are issued; authorizing the taking of appropriate actions in**
12 **connection therewith; and related matters.**

13
14 WHEREAS, Pursuant to Section 9.109 of the Charter of the City (the "Charter") and
15 California Government Code Sections 53580 et seq., the Board of Supervisors of the City (the
16 "Board") is authorized to provide for the issuance of bonds of the City for the purpose of
17 refunding any revenue bonds (including other evidence of indebtedness) of the City then
18 outstanding without voter approval, provided that such refunding is expected to result in net
19 debt service savings to the City on a present value basis; and

20 WHEREAS, At a duly called and held revenue bond election on November 5, 2002, a
21 majority of voters voting on the measure approved Proposition E ("Proposition E of 2002") to
22 authorize the Commission to issue its revenue bonds, including notes, commercial paper or
23 other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of
24 the Board, for the purpose of reconstructing, replacing, expanding, repairing or improving
25 water and clean water facilities under the jurisdiction of the Commission; and

1 WHEREAS, On March 30, 2010, the Board passed by a two-thirds vote Ordinance No.
2 68-10 ("Ordinance No. 68-10"), signed by the Mayor of the City on April 8, 2010, approving
3 the issuance and sale of wastewater revenue bonds pursuant to Proposition E of 2002 to
4 finance various capital projects benefiting the Wastewater Enterprise, as well as paying the
5 costs of issuance and other incidental costs relating thereto, in an aggregate principal amount
6 not to exceed \$282,400,000; and

7 WHEREAS, On April 27, 2010, the Board passed by a two-thirds vote Ordinance No.
8 93-10 ("Ordinance No. 93-10"), signed by the Mayor of the City on May 3, 2010, approving the
9 issuance and sale of wastewater revenue bonds pursuant to Proposition E of 2002 to finance
10 various capital projects benefiting the Wastewater Enterprise, as well as paying the costs of
11 issuance and other incidental costs relating thereto, in an aggregate principal amount not to
12 exceed \$297,756,235, which ordinance became effective on June 3, 2010; and

13 WHEREAS, The Commission has not previously issued any wastewater revenue
14 bonds, pursuant to Ordinance No. 93-10, and an aggregate principal amount not to exceed
15 \$297,756,235 remains authorized by the Board and unissued by the Commission; and

16 WHEREAS, On June 8, 2010, pursuant to Ordinance No. 68-10 and Proposition E of
17 2002, the Commission issued \$47,050,000 Public Utilities Commission of the City and County
18 of San Francisco Wastewater Revenue Bonds, 2010 Series A and \$192,515,000 Public
19 Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds,
20 2010 Series B (Federally Taxable – Build America Bonds – Direct Payment); and

21 WHEREAS, On June 12, 2012, the Board passed by a two-thirds vote Ordinance No.
22 115-12 ("Ordinance No. 115-12") approving the issuance and sale of wastewater revenue
23 bonds by the Commission pursuant to Proposition E of 2002, in an aggregate principal
24 amount not to exceed \$522,810,000, to finance capital projects benefiting the Wastewater
25 Enterprise, which ordinance became effective on July 12, 2012; and

1 WHEREAS, The Commission has not previously issued any wastewater revenue
2 bonds, pursuant to Ordinance No. 115-12, and an aggregate principal amount not to exceed
3 \$522,810,000 remains authorized by the Board and unissued by the Commission; and

4 WHEREAS, On August 28, 2012, the Commission passed Resolution No. 12-0154
5 declaring its intention, for federal tax purposes, to issue up to \$570,000,000 of wastewater
6 revenue bonds; and

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

12 WHEREAS, Certificates intended to meet the requirements set forth in Section 8B.124
13 have been presented for review by this Board (the "Certificates"), the Certificates are on file
14 with the Clerk of the Board in File No. ¹²¹¹²⁷ and are on file with the Clerk of the Commission in
15 File No. ¹²⁻⁰²¹⁰, and this Board finds such Certificates fully compliant with Section 8B.124; and

16 WHEREAS, The Commission, pursuant to the terms of Resolution No. 12-0210
17 adopted by the Commission on October 23, 2012 (the "Commission Resolution"), has
18 authorized: (A) the issuance of: (i) Public Utilities Commission of the City and County of San
19 Francisco Wastewater Revenue Bonds in an aggregate principal amount not to exceed
20 \$250,000,000 for the purpose of refunding outstanding wastewater revenue bonds (including
21 certain outstanding State Revolving Fund loans used to finance various capital projects
22 benefiting the Wastewater Enterprise), funding reserve accounts, if any, and paying costs of
23 issuance and other incidental costs therefor, with the title and series designations to be
24 determined by the General Manager of the Commission, provided that the applicable
25 requirements of the policies and procedures of the Commission and Charter of the City and

1 California Government Code Sections 53580 et seq., are satisfied (the "Refunding Bonds");
2 and (ii) Public Utilities Commission of the City and County of San Francisco Wastewater
3 Revenue Bonds in an aggregate principal amount not to exceed \$420,000,000 for the purpose
4 of financing or refinancing (through the retirement of commercial paper notes) various capital
5 projects benefiting the Wastewater Enterprise (including reimbursing the Commission for
6 certain capital costs previously paid with the proceeds of wastewater commercial paper notes
7 or from other moneys), funding reserve accounts, if any, funding capitalized interest, and
8 paying costs of issuance and other incidental costs therefor, with the title and series
9 designations to be determined by the General Manager of the Commission (the "New Money
10 Bonds" and together with the Refunding Bonds, the "Bonds"); (B) the form of one or more
11 Supplemental Indentures (the "Supplemental Indentures"), by and between the Commission
12 and U.S. Bank National Association, as trustee (the "Trustee"), which supplements the
13 Indenture dated as of January 1, 2003, as amended and supplemented (collectively with the
14 Supplemental Indentures, the "Indenture") by and between the Commission and the Trustee;
15 and other related actions and matters necessary to provide for the issuance of the Bonds; and

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

18 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
19 follows:

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

21 Section 2. Approval and Authorization of Bonds. The Board further authorizes and
22 approves the issuance by the Commission of the Refunding Bonds, in an aggregate principal
23 amount not to exceed \$250,000,000, in one or more series and on one or more dates, at a
24 maximum rate or rates of interest not to exceed twelve percent (12%) per annum, provided
25 that each such Refunding Bond issue is permitted under the applicable policies and

1 procedures of the Commission and authorized by Section 9.109 of the Charter and California
2 Government Code Sections 53580 et seq; and provided the Refunding Bonds achieve at least
3 3% present value debt service savings. The Refunding Bonds may be issued as tax-exempt
4 bonds or taxable bonds, or any combination thereof; and such Refunding Bonds may be sold
5 on a competitive or negotiated basis as the Commission acting through its General Manager
6 shall determine is in its best financial interest.

7 The Board hereby authorizes and approves the issuance by the Commission of New
8 Money Bonds, in an aggregate principal amount not to exceed \$420,000,000, in one or more
9 series and on one or more dates, pursuant to Proposition E of 2002, Ordinance 93-10 and
10 Ordinance No. 115-12, at a maximum rate or rates of interest not to exceed twelve percent
11 (12%) per annum. The New Money Bonds may be issued as tax-exempt bonds or taxable
12 bonds, or any combination thereof; and such New Money Bonds may be sold on a competitive
13 or negotiated basis as the Commission acting through its General Manager shall determine is
14 in its best financial interest.

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

22 Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms
23 Section 5.01(c) of the Indenture which sets forth the disposition of Revenues (as defined in
24 the Indenture) applicable to the Bonds and covenants with the holders of the Bonds that the
25 Revenues shall be appropriated and expended as set forth in Section 5.01(c) of the Indenture.

1 The Board also hereby declares that the City will comply with all of the terms, provisions and
2 covenants contained in the Indenture, as the same may be amended from time to time,
3 including the covenants to establish, fix, prescribe and collect rates, fees and charges
4 sufficient to enable the Commission to comply with the terms, conditions and covenants of the
5 Indenture.

6 Section 4. Approval of Financing Documents. In accordance with the authorization
7 contained in Ordinance 93-10 and Ordinance No. 115-12, the forms of Supplemental
8 Indentures for the Refunding Bonds and the New Money Bonds, Official Notices of Sale,
9 Notices of Intention, Bond Purchase Agreements, Official Statements for the Refunding Bonds
10 and the New Money Bonds, Escrow Agreements and Continuing Disclosure Certificates
11 relating to the Bonds, submitted to this Board and on file with the Clerk of the Board, are
12 hereby approved. Any of the Controller, the Treasurer, the City Attorney and the officers of
13 the Commission authorized by resolution of the Commission, and their designees, are hereby
14 authorized to execute, attest, publish and deliver (as appropriate) each such document, with
15 such changes thereto as the officer executing or publishing the same shall approve with the
16 advice of the City Attorney, such approval to be conclusively evidenced by the execution and
17 delivery, or the publication, as applicable, of such document.

18 Section 5. Proposition P. Pursuant to Proposition P, approved by the voters of the City
19 in November 2002, this resolution and the Bonds (excluding the Refunding Bonds) are subject
20 to, and incorporate by reference, the provisions of Section 5A.30 et seq. ("Public Utilities
21 Revenue Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code
22 (the "Proposition P Requirements"). Pursuant to the Proposition P Requirements, to the
23 extent permitted by law, one-twentieth of one percent (0.05%) of the gross proceeds of the
24 Bonds (excluding the Refunding Bonds) shall be deposited in a fund established by the
25 Controller's Office and appropriated by the Board at the direction of the Public Utilities

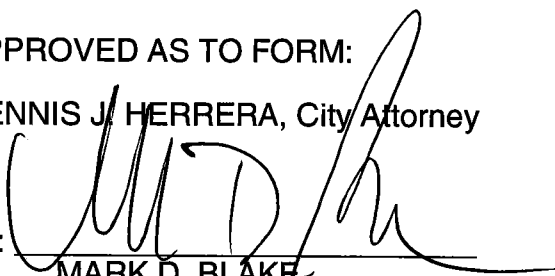
1 Revenue Bond Oversight Committee established by Proposition P Requirements to cover the
2 costs of said committee.

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

13 APPROVED AS TO FORM:

14 DENNIS J. HERRERA, City Attorney

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17 By:


18 MARK D. BLAKE
19 Deputy City Attorney
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Mayor Edwin M. Lee
BOARD OF SUPERVISORS

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City and County of San Francisco
Tails
Resolution

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

File Number: 121127

Date Passed: December 11, 2012

Resolution approving the issuance of wastewater revenue bonds to be issued by the Public Utilities Commission of the City and County of San Francisco in aggregate principal amounts not to exceed \$250,000,000 to refund outstanding wastewater revenue bonds pursuant to the Charter of the City and California Government Code, Sections 53580 et seq., and not to exceed \$420,000,000 to finance capital projects benefiting the Wastewater Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by voters on November 5, 2002, as Proposition E; affirming covenants contained in the indenture pursuant to which the wastewater revenue bonds are issued; authorizing the taking of appropriate actions in connection therewith; and related matters.

December 05, 2012 Budget and Finance Committee - RECOMMENDED

December 11, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 121127

**I hereby certify that the foregoing
Resolution was ADOPTED on 12/11/2012 by
the Board of Supervisors of the City and
County of San Francisco.**

Angela Calvillo
Clerk of the Board

Mayor

12/18/2012

Date Approved