

1 [2012 Water Revenue Bonds Issuance - Not to Exceed \$692,000,000]

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3 **Resolution approving the issuance of water revenue bonds to be issued by the Public**
4 **Utilities Commission of the City and County of San Francisco not to exceed**
5 **\$675,000,000 to finance various projects under the Water System Improvement**
6 **Program pursuant to amendments to the Charter of the City and County of San**
7 **Francisco enacted by voters on November 5, 2002 as Proposition E; the issuance of**
8 **water revenue bonds to be issued by the Public Utilities Commission of the City and**
9 **County of San Francisco not to exceed \$17,000,000 to finance the reimbursement of**
10 **certain legal settlement costs related to various projects under the Capital**
11 **Improvement Program pursuant to Proposition A of 2002 enacted by voters on**
12 **November 5, 2002; the issuance of water revenue refunding bonds to be issued by**
13 **the Public Utilities Commission of the City and County of San Francisco pursuant to**
14 **the Charter of the City and County of San Francisco; affirming covenants contained**
15 **in the indenture pursuant to which the water revenue bonds are issued; authorizing**
16 **the taking of appropriate actions in connection therewith; and related matters.**

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

24 WHEREAS, pursuant to Section 9.109 of the Charter, the Board is authorized to
25 provide for the issuance of bonds of the City for the purpose of refunding any revenue bonds

1 of the City then outstanding without voter approval, provided that such refunding is expected
2 to result in net debt service savings to the City on a present value basis, calculated as
3 provided by ordinance; and

4 WHEREAS, at a duly called and held revenue bond election on November 5, 2002, a
5 majority of voters voting on the measure approved Proposition E (“Proposition E of 2002”) to
6 authorize the Commission to issue its revenue bonds, including notes, commercial paper or
7 other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of
8 the Board, for the purpose of reconstructing, replacing, expanding, repairing or improving
9 water facilities under the jurisdiction of the Commission; and,

10 WHEREAS, on August 4, 2009, the Board passed its Ordinance No. 189-09
11 (“Ordinance No. 189-09”), approving the issuance and sale of water revenue bonds by the
12 Commission pursuant to Proposition E of 2002, in an aggregate principal amount not to
13 exceed \$1,310,307,119, to finance and refinance projects that fall under the Commission’s
14 Water System Improvement Program (“WSIP Projects”), which ordinance became effective
15 on September 12, 2009; and

16 WHEREAS, on April 20, 2010, the Board passed its Ordinance No. 089-10
17 (“Ordinance No. 089-10”) approving the issuance and sale of additional water revenue
18 bonds by the Commission pursuant to Proposition E of 2002, in one or more series and on
19 one or more dates, in an aggregate principal amount not to exceed \$1,737,724,038, to
20 finance WSIP Projects and associated financing costs, which ordinance became effective on
21 May 30, 2010; and

22 WHEREAS, pursuant to Ordinance No. 189-09 and Ordinance No. 089-10, the
23 Commission has previously issued, pursuant to Proposition E of 2002, \$2,087,940,000
24 aggregate principal amount of water revenue bonds and an aggregate principal amount not
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1 to exceed \$960,091,157 remains authorized by the Board pursuant to Ordinance No. 189-09
2 and Ordinance No. 089-10 and unissued by the Commission; and

3 WHEREAS, at a duly called and held revenue bond election on November 5, 2002, a
4 majority of voters voting on the measure approved Proposition A (“Proposition A of 2002”) to
5 authorize the Commission to issue its revenue bonds, including notes, commercial paper or
6 other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of
7 the Board, for the purpose of, among other things, acquiring and constructing improvements
8 to the City’s water system, including improvements to the Commission’s Capital
9 Improvement Program and costs and expenses incidental thereto, including but not limited
10 to legal fees (the “CIP Projects”); and,

11 WHEREAS, on October 4, 2011, the Board passed its Ordinance No. 208-11
12 (“Ordinance No. 208-11”) approving the issuance and sale of water revenue bonds by the
13 Commission, in one or more series and on one or more dates, in a total aggregate principal
14 amount not to exceed \$17,000,000, to finance the reimbursement of certain legal settlement
15 costs related to various CIP Projects (authorized by Proposition A of 2002) and other
16 associated financing costs, which ordinance became effective on November 3, 2011; and

17 WHEREAS, the Commission has previously issued, pursuant to Proposition A of
18 2002, \$1,331,815,000 aggregate principal amount of water revenue bonds and an
19 aggregate principal amount not to exceed \$296,185,000 remains authorized by the Board
20 pursuant to Ordinance No. 208-11 and Proposition A of 2002 and unissued by the
21 Commission; and

22 WHEREAS, the Commission, pursuant to the terms of a resolution (12-0053) adopted
23 by the Commission on March 27, 2012 (the “Commission Resolution”), has authorized: (A)
24 the issuance of its (i) Public Utilities Commission of the City and County of San Francisco
25 Water Revenue Bonds in an aggregate principal amount not to exceed \$675,000,000, for

1 the purpose of financing WSIP Projects, funding debt service reserve and paying costs of
2 issuance and other incidental costs therefor, with the title and series designations to be
3 determined by the General Manager of the Commission (the "Proposition E Bonds"); (ii)
4 Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds
5 in an aggregate principal amount not to exceed \$17,000,000, for the purpose of reimbursing
6 the Commission for amounts paid in connection with legal settlement costs related to
7 various CIP Projects (authorized by Proposition A of 2002), funding debt service reserve
8 and 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 "Proposition
10 A Bonds"); and (iii) Public Utilities Commission of the City and County of San Francisco
11 Water Revenue Refunding Bonds without limitation as to par amount, for the purpose of
12 refunding outstanding water revenue bonds or commercial paper of the Commission,
13 funding reserve funds and paying costs of issuance and other incidental costs therefor, with
14 the title and series designations to be determined by the General Manager of the
15 Commission, provided that the applicable requirements of the policies, procedures and
16 Charter of the City are satisfied (the "Refunding Bonds" and together with the Proposition A
17 Bonds and the Proposition E Bonds, the "Bonds"); (B) approved the form of one or more
18 Supplemental Indentures (the "Supplemental Indentures"), by and between the Commission
19 and U.S. Bank National Association, as trustee (the "Trustee"), which supplements the
20 Amended and Restated Indenture dated as of August 1, 2002, as amended and
21 supplemented (collectively with the Supplemental Indentures, the "Indenture") by and
22 between the Commission and the Trustee; and (C) authorized other related actions and
23 matters; and
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1 WHEREAS, the Commission Resolution, among other things, establishes a
2 maximum rate of interest for the Bonds of twelve percent (12%) per annum; now, therefore,
3 be it

4 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
5 follows:

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

7 Section 2. Approval and Authorization of Bonds. The Board hereby authorizes and
8 approves the issuance by the Commission of Proposition E Bonds in an aggregate principal
9 amount not to exceed \$675,000,000, in one or more series and on one or more dates, at a
10 maximum rate or rates of interest not to exceed twelve percent (12%) per annum. The
11 Proposition E Bonds may be issued as tax-exempt bonds or taxable bonds, or any
12 combination thereof.

13 The Board hereby authorizes and approves the issuance by the Commission of
14 Proposition A Bonds in an aggregate principal amount not to exceed \$17,000,000, in one or
15 more series and on one or more dates, at a maximum rate or rates of interest not to exceed
16 twelve percent (12%) per annum. The Proposition A Bonds may be issued as tax-exempt
17 bonds or taxable bonds, or any combination thereof.

18 The Board further authorizes and approves the issuance by the Commission of
19 Refunding Bonds, without limitation as to principal amount, in one or more series and on
20 one or more dates, at a maximum rate or rates of interest not to exceed twelve percent
21 (12%) per annum, provided that each such Refunding Bond issue is permitted under the
22 applicable policies and procedures of the City and authorized by either (A) Section 9.109 of
23 the Charter, (B) Proposition E of 2002 or (C) Proposition A of 2002 (including related
24 ordinances and resolutions of the Board). The Refunding Bonds may be issued as tax-
25 exempt bonds or taxable bonds, or any combination thereof.

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

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

17 Section 4. Approval of Financing Documents. In accordance with the grant of
18 authority contained in the Ordinances, the forms of Supplemental Indentures, Official
19 Notices of Sale, Notices of Intention to Sell Bonds, Bond Purchase Agreements, Official
20 Statements, Escrow Agreements and Continuing Disclosure Certificates relating to the
21 Bonds, submitted to this Board and on file with the Clerk of the Board, are hereby approved.
22 Any of the Controller, the Treasurer, the City Attorney and the officers of the Commission
23 authorized by resolution of the Commission, and their designees, are hereby authorized to
24 execute, attest, seal, publish and deliver (as appropriate) each such document, with such
25 changes thereto as the officer executing or publishing the same shall approve with the

1 advice of the City Attorney, such approval to be conclusively evidenced by the execution
2 and delivery, or the publication, as applicable, of such document.

3 Section 5. Proposition P. Pursuant to Proposition P, approved by the voters of the
4 City in November 2002, this resolution and the Bonds (excluding the Refunding Bonds) are
5 subject to, and incorporate by reference, the provisions of Section 5A.30 et seq. (“Public
6 Utilities Revenue Bond Oversight Committee”) of Chapter V of the San Francisco
7 Administrative Code (the “Proposition P Requirements”). Pursuant to the Proposition P
8 Requirements, to the extent permitted by law, one-twentieth of one percent (0.05%) of the
9 gross proceeds of the Bonds (excluding the Refunding Bonds) shall be deposited in a fund
10 established by the Controller’s Office and appropriated by the Board at the direction of the
11 Public Utilities Revenue Bond Oversight Committee established by Proposition P
12 Requirements to cover the costs of said committee.

13 Section 6. General Authority. The Controller of the City, the Treasurer of the City,
14 the City Attorney, and all other appropriate officers, employees, representatives and agents
15 of the City, the Commission, and all other appropriate officers, employees, representatives
16 and agents of the Commission are hereby authorized and directed to do everything
17 necessary or desirable to provide for the issuance and sale of and security for the Bonds,
18 including, but not limited to, approval of one or more Preliminary Official Statements and one
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1 or more Official Statements for the Bonds, and executing and delivering such other
2 certificates and other documents as they may deem necessary or advisable, including
3 without limitation any custody agreements or filing agent agreements required by the
4 Trustee.

5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney
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8 By: _____
9 MARK D. BLAKE
Deputy City Attorney

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