

1 [2006 Water Revenue Refunding Bonds Issuance]

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3 **Resolution approving the issuance of not to exceed \$125,000,000 aggregate principal**  
4 **amount of San Francisco water revenue refunding bonds to be issued by the Public**  
5 **Utilities Commission of the City and County of San Francisco; affirming covenants**  
6 **contained in the indenture pursuant to which the water revenue refunding bonds are**  
7 **issued; and authorizing the taking of appropriate actions in connection therewith; and**  
8 **related matters.**

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10 WHEREAS, Pursuant to Section 9.109 of the Charter (the "Charter") of the City and  
11 County of San Francisco (the "City"), the Board of Supervisors of the City (the "Board") is  
12 authorized to provide for the issuance of revenue refunding bonds which are expected to  
13 result in net debt service savings to the City on a present value basis, calculated as provided  
14 by ordinance; and,

15 WHEREAS, In 1996, the Public Utilities Commission of the City and County of  
16 San Francisco (the "Commission") issued \$131,470,000 of its San Francisco Water Revenue  
17 Bonds, 1996 Series A (the "1996 Bonds"); and,

18 WHEREAS, In 2001, the Commission issued \$140,000,000 of its San Francisco Water  
19 Revenue Bonds, 2001 Series A (the "2001 Bonds" and, together with the 1996 Bonds, the  
20 "Prior Bonds"); and,

21 WHEREAS, The Commission, pursuant to the terms of Resolution No. \_\_\_\_, adopted by  
22 the Commission on \_\_\_\_\_ (the "Resolution"), has authorized the issuance of not to  
23 exceed \$125,000,000 aggregate principal amount of its San Francisco Water Revenue  
24 Bonds, 2006 Refunding Series B (the "Refunding Bonds") for the purpose of refunding all or a  
25 portion of the Prior Bonds as well as for the payment of costs of issuance and other incidental

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

7 WHEREAS, The Resolution, among other things, finds that the issuance of the  
8 Refunding Bonds would result in net debt service savings to the City on a present value basis,  
9 and establishes a maximum rate of interest for the Water Revenue Refunding Bonds of twelve  
10 percent (12%) 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 Refunding Bonds. The  
15 Board hereby authorizes and approves the issuance by the Commission of the Refunding  
16 Bonds in an aggregate principal amount not to exceed \$125,000,000 at a maximum rate or  
17 rates of interest of not to exceed twelve percent per annum to provide funds to refund all or a  
18 portion of the Prior Bonds. The form of the Refunding Bonds, in substantially the form  
19 presented to the Board, as set forth in Exhibit J to the First Supplemental Indenture, is hereby  
20 approved. The Controller of the City or any deputy thereof is hereby authorized and directed  
21 to approve and to execute the Refunding Bonds by manual or facsimile signature; with such  
22 changes, additions, amendments or modifications therein which he or she may deem  
23 necessary or desirable and as the City Attorney may require or approve, the approval of such  
24 additions or changes to be conclusively evidenced by the execution and delivery of the  
25 Refunding Bonds.

1           Section 3. Savings. Pursuant to Section 9.109 of the Charter, the Board hereby finds  
2 that the Refunding Bonds are expected to result in net debt service savings to the City on a  
3 present value basis.

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

12           Section 5. Proposition P. Pursuant to Proposition P approved by the voters of the City  
13 in November 2002 and to the extent applicable for refunding bonds, this resolution and the  
14 Refunding Bonds are subject to, and incorporate by reference, the provisions of Section 5A.30  
15 et. seq. ("Public Utilities Revenue Bond Oversight Committee") of Chapter V of the San  
16 Francisco Administrative Code

17           Section 6. General Authority. The Controller of the City, the Treasurer of the City, the  
18 City Attorney, and all other appropriate officers, employees, representatives and agents of the  
19 City are hereby authorized and directed to do everything necessary or desirable to provide for

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

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4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA, City Attorney

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8 By: \_\_\_\_\_  
KENNETH DAVID ROUX  
9 Deputy City Attorney

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