

1 [Water Revenue Bonds Issuance.]

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3 **Resolution approving the issuance of not to exceed \$1,120,185,000 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**
7 **the taking of appropriate actions in connection therewith; and related matters.**

8

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 Proposition A ("Proposition A of 2002") to
11 authorize the issuance by the Public Utilities Commission of the City and County of
12 San Francisco (the "Commission") of its revenue bonds in the aggregate principal amount of
13 \$1,628,000,000 for the purpose of providing funds for the financing of the acquisition and
14 construction of improvements (the "Improvements") to the water system (the "Water
15 Enterprise") of the City and County of San Francisco (the "City"); 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, In 2006, the Commission issued \$507,815,000 of its San Francisco Water
22 Revenue Bonds, 2006 Series A for the purpose of financing and refinancing the acquisition
23 and construction of improvements to the Water Enterprise under Proposition A of 2002; and,

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1 WHEREAS, On October 30, 2008 the Commission reviewed and considered the Final
2 Program Environmental Impact Report (PEIR) prepared for the Water System Improvement
3 Program (WSIP), and certified by the Planning Commission in Planning Commission Motion
4 No. 17734, and adopted the findings required by the California Environmental Quality Act
5 (CEQA) including a statement of overriding considerations and monitoring and reporting
6 program in its Resolution No. 08-0200; and,

7 WHEREAS, The Commission, pursuant to the terms of Resolution No. 09-0102,
8 adopted by the Commission on June 23, 2009 (the "Resolution"), has authorized the issuance
9 of not to exceed \$1,120,185,000 aggregate principal amount of its San Francisco Water
10 Revenue Bonds, 2009 Series A & B, with the exact year of issuance, designation and series
11 to be determined by the General Manager (the "Water Revenue Bonds") for the purpose of
12 financing a portion of the design, acquisition and construction of various capital projects in
13 furtherance of the Commission's Water System Improvement Program (the "WSIP") as well as
14 for the payment of costs of issuance and other incidental costs therefore; approved the form
15 of one or more Supplemental Indentures (the "Supplemental Indentures"), by and between the
16 Commission and U.S. Bank National Association, as trustee (the "Trustee"), which
17 supplements the Amended and Restated Indenture dated as of August 1, 2002, as amended
18 and supplemented (collectively with the Supplemental Indentures, the "Indenture") by and
19 between the Commission and the Trustee; and other matters; and,

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

23 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
24 follows:
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1 Section 1. Recitals. All of the recitals herein are true and correct.

2 Section 2. Approval and Authorization of Water Revenue Bonds. The Board hereby
3 authorizes and approves the issuance by the Commission of the Water Revenue Bonds in an
4 aggregate principal amount not to exceed \$1,120,185,000 at a maximum rate or rates of
5 interest of not to exceed twelve percent (12%) per annum to finance a portion of the design,
6 acquisition and construction of various capital projects in furtherance of the WSIP. The form of
7 the Water Revenue Bonds, in substantially the form presented to the Board, as set forth in an
8 Exhibit to the Supplemental Indentures, is hereby approved. The Controller of the City or any
9 deputy thereof is hereby authorized and directed to approve and to execute the Water
10 Revenue Bonds by manual or facsimile signature; with such changes, additions, amendments
11 or modifications therein which he or she may deem necessary or desirable and as the City
12 Attorney may require or approve, the approval of such additions or changes to be conclusively
13 evidenced by the execution and delivery of the Water Revenue Bonds; provided however, the
14 Commission shall return to the Board prior to the issuance of any such Water Revenue Bonds
15 to obtain approval by resolution of the Board of any related financing or disclosure documents
16 prepared in connection with the issuance of such obligations.

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

1 Section 4. Proposition P. Pursuant to Proposition P approved by the voters of the City
2 in November 2002, this resolution and the Water Revenue Bonds are subject to, and
3 incorporate by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue
4 Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code. In
5 accordance with the requirements of Proposition P, to the extent permitted by law, one-
6 twentieth of one percent of the gross proceeds of the Water Revenue Bonds shall be
7 deposited in a fund established by the Controller's Office and appropriated by the Board at the
8 direction of the Public Utilities Revenue Bond Oversight Committee (RBOC) established by
9 Proposition P to cover the costs of said committee; provided that any amounts so paid from
10 the proceeds of Bonds that have not been spent by RBOC in connection with such Bonds (as
11 contemplated by Article 5A.31(c) of the Administrative Code) within 36 months of the date of
12 issuance of such Bonds shall be returned to the Commission for deposit into the Improvement
13 Fund and expended by the Commission to acquire and construct Improvements.

14 Section 5. General Authority. The Controller of the City, the Treasurer of the City, the
15 City Attorney, and all other appropriate officers, employees, representatives and agents of the
16 City are hereby authorized and directed to do everything necessary or desirable to provide for
17 the issuance and security of the Water Revenue Bonds, including, but not limited to, executing
18 and delivering such certificates as they may deem necessary or advisable.

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20 APPROVED AS TO FORM:

21 DENNIS J. HERRERA, City Attorney

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24 By: _____

MARK BLAKE
Deputy City Attorney

25
Supervisor Avalos
BOARD OF SUPERVISORS

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City and County of San Francisco

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

Tails

Resolution

File Number: 090887

Date Passed:

Resolution approving the issuance of not to exceed \$1,120,185,000 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.

July 28, 2009 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 090887

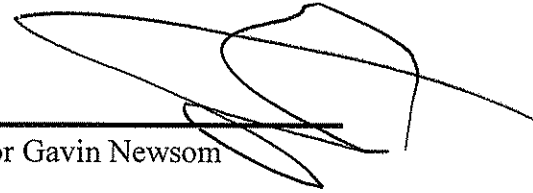
I hereby certify that the foregoing Resolution was ADOPTED on July 28, 2009 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

7/30/2009

Date Approved



Mayor Gavin Newsom