Resolution approving the expansion of the Public Utilities Commission Commercial Paper Program by increasing the aggregate principal amount which may be outstanding at any one time of San Francisco Public Utilities Commission Commercial Paper Notes (Water Series) from $150,000,000 to $250,000,000 pursuant to Article V of Chapter 43 of Part I of the San Francisco Municipal Code for the purpose of financing and refinancing certain capital improvements related to the water enterprise; approving the maximum interest rate thereon; and related matters.

WHEREAS, At a duly called and held revenue bond election on November 4, 1997, a majority of voters voting on the measure approved the issuance by the Public Utilities Commission of the City and County of San Francisco (the "Commission") of its revenue bonds in the aggregate principal amount of $157,000,000 for the purpose of providing funds for acquiring and constructing reliability and seismic safety improvements to the water system (the "Water Enterprise") of the City and County of San Francisco (the "City") and approved the issuance by the Commission of its revenue bonds in the aggregate principal amount of $147,000,000 for the purpose of acquiring and constructing safe drinking water improvements to the Water Enterprise (collectively, the "Water Bonds"); and,

WHEREAS, Pursuant to Section 9.107 of the Charter (the "Charter") of the City, the Board of Supervisors of the City (the "Board") is authorized to provide for the issuance of revenue bonds by the Commission following the approval of the issuance of such revenue bonds by a majority of the voters, such revenue bonds to be issued and sold in accordance with State law or any procedure provided for by ordinance; and,
WHEREAS, Pursuant to the procedures outlined in Article V of Chapter 43 of Part I of the San Francisco Municipal Code enacted by Ordinance No. 203-98, adopted by the Board on June 8, 1998 and signed by the Mayor of the City on June 19, 1998 (the “Procedural Ordinance”), the Commission may issue or incur commercial paper or other short-term indebtedness in anticipation of the issuance of revenue bonds authorized in accordance with the Charter; and

WHEREAS, Pursuant to Resolution 451-99 (the "Prior Resolution"), this Board previously approved the issuance of up to $150,000,000 of San Francisco Public Utilities Commission Commercial Paper Notes (Water Series); and

WHEREAS, The Commission, pursuant to the terms of Resolution No. 00-0234, adopted by the Commission on October 10, 2000 (the “Commission Resolution”), has authorized the expansion of the commercial paper program by increasing the aggregate principal amount which may be outstanding at any one time of its San Francisco Public Utilities Commission Commercial Paper Notes (Water Series) from $150,000,000 to $250,000,000 (the "Commercial Paper Notes"), in anticipation of the issuance of a portion of the Water Bonds for the purpose of financing the costs of improvements, betterments and additions to the Water Enterprise as well as for the payment of costs of issuance and other incidental costs therefor; approved the form of a first supplemental issuing and paying agent agreement (as amended and supplemented, the “Issuing and Paying Agent Agreement”); approved the form of an amendment to the letter of credit and reimbursement agreement (as amended, the “Letter of Credit and Reimbursement Agreement”) and other matters, and

WHEREAS, Pursuant to the Issuing and Paying Agent Agreement, the Commission will further have the ability to authorize the issuance of its San Francisco Public Utilities Commission Commercial Paper Bank Notes (Water Series) (the "Bank Notes") to evidence
unreimbursed Drawings, if any, from the Bank or Banks under a Letter of Credit (each as
defined in the Issuing and Paying Agent Agreement) in an amount, together with the
Commercial Paper Notes, not to exceed $250,000,000 combined aggregate principal amount
outstanding; and,

WHEREAS, The Prior Resolution, among other things, establishes a maximum rate of
interest for the Commercial Paper Notes and for the Bank Notes of twelve percent (12%) per
annum; and,

WHEREAS, The provisions of the Commission Resolution, the Issuing and Paying
Agent Agreement and the Letter of Credit Agreement do not conflict with the requirements of
the Procedural Ordinance; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and
County of San Francisco, as follows:

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


The expansion of the commercial paper program by the Commission, in anticipation of
the issuance of a portion of the Water Bonds, for the purposes of financing and refinancing
the costs of improvements, betterments and additions to the Water Enterprise, as well as
paying costs of issuance and other incidental costs, is hereby approved as required by
Section 43.5.2 of the Procedural Ordinance. The total principal amount of the Commercial
Paper Notes at any one time outstanding, when combined with the total principal amount of
outstanding Bank Notes, shall not exceed $250,000,000, and, in the aggregate, such
issuances shall not at any time exceed the principal component of the Letter of Credit (as
described below).

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PUBLIC UTILITIES COMMISSION
BOARD OF SUPERVISORS
Section 3. **Approval and Authorization of Additional Bank Notes.** The issuance by the Commission of the additional Bank Notes, if any, is hereby approved as required by Section 43.5.2 of the Procedural Ordinance. The total principal amount of the Bank Notes at any one time outstanding, when combined with the total principal amount of outstanding Commercial Paper Notes, shall not exceed $250,000,000.

Section 4. **No Conflict with Procedural Ordinance.** The additional Commercial Paper Notes and Bank Notes, if any, approved by this resolution shall be issued pursuant to the terms of the Issuing and Paying Agent Agreement, and such additional agreements as the Commission shall deem necessary or desirable for the purpose of implementing the issuance, sale and delivery of such additional Commercial Paper Notes and Bank Notes, if any, and as shall be approved by the City Attorney, which approval shall be conclusively evidenced by the signature of the City Attorney on each such additional agreement; provided, that the terms of the Issuing and Paying Agent Agreement and any such additional agreements shall not conflict with the requirements of the Procedural Ordinance.

Section 5. **Maximum Interest Rate.** Pursuant to Section 43.5.2 of the Procedural Ordinance, the maximum interest rate for the Commercial Paper Notes and for the Bank Notes shall not exceed 12% per annum.

Section 6. **Additional Agreements.** The approvals contained herein shall extend to any amendments to the Issuing and Paying Agent Agreement and all agreements of the Commission supplemental thereto, as well as to such additional agreements as the Commission may adopt for the purpose of implementing the issuance, sale and delivery of the Commercial Paper Notes and the Bank Notes. The approvals contained herein shall continue to apply to the Commercial Paper Notes and the Bank Notes in the event such Notes are renamed or renumbered by the Commission pursuant to the Issuing and Paying Agent Agreement.
Section 7. General Authority. The Director of the Mayor's Office of Public Finance (the "Director"), the City Attorney, and all other appropriate officers, employees, representatives and agents of the City are hereby authorized and directed to do everything necessary or desirable to provide for the issuance of the Commercial Paper Notes and the Bank Notes.

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By:

DAVE ANGELO SANCHEZ
Deputy City Attorney
Resolution approving the expansion of the Public Utilities Commission Commercial Paper Program by increasing the aggregate principal amount which may be outstanding at any one time of San Francisco Public Utilities Commission Commercial Paper Notes (Water Series) from $150,000,000 to $250,000,000 pursuant to Article V of Chapter 43 of Part I of the San Francisco Municipal Code for the purpose of financing and refinancing certain capital improvements related to the water enterprise; approving the maximum interest rate thereon; and related matters.

October 30, 2000 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
Absent: 1 - Brown
I hereby certify that the foregoing Resolution was ADOPTED on October 30, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.