

1 [Revenue Bond Election.]
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3 **Resolution calling and providing for a special election to be held in the City and County of San**
4 **Francisco for the purpose of submitting to the qualified voters of said City and County on**
5 **November 5, 2002 a proposition for the issuance of revenue bonds and/or other forms of revenue**
6 **financing by the Public Utilities Commission in a principal amount not to exceed \$1,628,000,000**
7 **to finance the acquisition and construction of improvements to the City's water system; making**
8 **issuance of the bonds subject to the requirement that San Francisco Administrative Code**
9 **Chapter 37 (Residential Rent Stabilization and Arbitration Ordinance) be amended to provide**
10 **that (1) 50% of the costs resulting from increased water rates may be passed through from**
11 **landlords to residential tenants where a unit is in compliance with any applicable laws requiring**
12 **water conservation devices, and (2) tenants may file hardship applications with the Rent Board**
13 **for relief from all or part of the cost passthrough and their affected landlords may utilize any**
14 **available Public Utilities Commission low-income rate discount program or similar program for**
15 **water bill reduction based on the tenants' hardship status; and for the possible imposition of a**
16 **surcharge on retail water customers; complying with Article 83 of the San Francisco Administrative**
17 **Code (First Source Hiring Program); and consolidating said special election with the General**
18 **Municipal Election to be held on November 5, 2002; complying with Section 53410 of the**
19 **California Government Code; finding the proposed project is in conformity with the priority**
20 **policies of Planning Code Section 101.1(b) and the City's General Plan.**

21
22 WHEREAS, The Board of Supervisors (the "Board") of the City and County of San Francisco
23 (the "City") is authorized to provide for the issuance of revenue bonds subject to the revenue bond
24 voter approval requirements of Section 9.107 of the City Charter; and,

25 Note: Additions are single underline italics Times New Roman.
Deletions are ~~strikethrough italics Times New Roman~~.

1 WHEREAS, This Board hereby finds and determines that it is in the best interests of the City to
2 submit to the qualified voters of the City, at an election to be held for that purpose on November 5,
3 2002, a proposition for the issuance of revenue bonds and/or other forms of revenue financing by the
4 Public Utilities Commission, or any successor thereto, in the principal amount not to exceed
5 \$1,628,000,000 to finance the acquisition and construction of improvements to the City's water system;
6 now, therefore, be it,

7 RESOLVED, By the Board of the City, as follows:

8 Section 1. A special election is hereby called and ordered to be held by the City on
9 Tuesday, November 5, 2002, at which election there shall be submitted to the qualified voters of the
10 City the following proposition:

11 **WATER SYSTEM IMPROVEMENT REVENUE BONDS AND IMPOSITION OF**
12 **SURCHARGE ON RETAIL WATER CUSTOMERS.**

13 Shall the Public Utilities Commission, or any successor thereto, issue revenue bonds and/or
14 other forms of revenue financing in a principal amount not to exceed \$1,628,000,000 (the "Bonds"), to
15 finance the acquisition and construction of improvements to the City's water system; provided that the
16 bonds may not be issued unless Administrative Code Chapter 37 (Residential Rent Stabilization and
17 Arbitration Ordinance) is amended to provide that landlords may pass through to residential tenants
18 50% of the water bill costs attributable to water rate increases resulting from issuance of the Bonds
19 where a unit is in compliance with any applicable laws requiring water conservation devices, tenants
20 may file hardship applications with the Rent Board for relief from all or part of the cost passthrough
21 and their affected landlords may utilize any available Public Utilities Commission low-income rate
22 discount program or similar program for water bill reduction based on the tenants' hardship status; and
23 further provided that the principal amount of the Bonds may be reduced if the City's Board of
24 Supervisors determines the greatest economic value to San Francisco ratepayers will derive from
25 having the San Francisco Bay Area Regional Water System Financing Authority finance, in whole or in

1 part, those projects designed and intended in substantial part to improve the reliability of the City's
2 regional water system, and if the Authority does finance such projects, shall the Public Utilities
3 Commission be authorized to impose a surcharge on retail water rates for San Francisco customers' to
4 pay the retail water customer's share of the debt service on bonds issued by the Authority and the
5 operating expenses of the Authority?

6 For purposes of this Resolution and the proposition, the following terms shall have the
7 following respective meanings: "improvements" shall mean improvements that will restore,
8 rehabilitate and enhance the ability of the Public Utilities Commission to deliver water to users of the
9 City's water system, such improvements to include, but are not limited to, water delivery and seismic
10 improvements, water quality improvements, water supply improvements, and watershed and
11 environmental improvements as set forth in the San Francisco Public Utilities Commission's Capital
12 Improvement Program (the "CIP"), as such CIP may be amended from time to time; the "City's water
13 system" shall mean the entire water supply, storage, treatment and distribution system and auxiliary and
14 related facilities under the jurisdiction of the Public Utilities Commission, as such system may be
15 modified and extended from time to time; "other forms of revenue financing" shall include notes,
16 debentures, commercial paper, variable rate demand notes and bonds, auction rate securities, lease
17 revenue bonds, installment sale agreements and other forms of similar financial products which may be
18 created from time to time; and the "City's regional water system" shall mean facilities for the storage,
19 treatment, and transmission of water operated and maintained by San Francisco in the Counties of
20 Tuolumne, Stanislaus, San Joaquin, Alameda, Santa Clara, San Mateo, and three terminal reservoirs in
21 San Francisco.

22 Section 2. The Bonds are proposed to be issued to finance improvements to the enterprise
23 consisting of the City's water system (the "Enterprise"). The City's water system and the proposed
24 improvements thereto shall constitute a single, unified, integrated enterprise, and the revenue therefrom
25 shall be pledged to the repayment of the Bonds. The Board hereby finds and determines that the City's

1 water system is necessary and desirable to enable the City to exercise its municipal powers and
2 functions, namely to furnish water supply, storage, treatment and distribution services for any present
3 or future beneficial use of the City. The purpose for which the Bonds are proposed to be issued is to
4 finance the acquisition and construction of improvements to the City's water system, including without
5 limitation capitalized interest on the Bonds and any other expenses incidental thereto or connected
6 therewith. The estimated cost of the improvements is \$1,628,000,000. Said estimated costs includes
7 all costs and expenses incidental thereto or connected therewith, including, but not limited to,
8 engineering, inspection, auditing, legal and fiscal agent fees, cost of the revenue bond election and costs
9 of the issuance of the Bonds. The maximum principal amount of the Bonds proposed to be issued is
10 \$1,628,000,000.

11 Section 3. The City shall comply with the provisions of Article 83 of the City's
12 Administrative Code (First Source Hiring Program) in connection with the construction of the
13 improvements to the City's water system. Proceeds of the Bonds, if authorized and issued, shall be
14 used to pay actual and verifiable costs directly associated with the administrative costs of implementing
15 and monitoring such contractors' compliance with the City's First Source Hiring Program.

16 Section 4. The Board hereby submits to the qualified voters of the City at such special
17 election the proposition set forth in Section 1 of this Resolution, and designates and refers to such
18 proposition in the form of ballot hereinafter prescribed for use at said election. The special election
19 hereby called and ordered to be held shall be held and conducted and votes thereat received and
20 canvassed, and the returns thereof made and the results thereof ascertained, determined and declared as
21 herein provided, and in all particulars not herein recited said election shall be held and the votes
22 canvassed according to the applicable laws of the State of California and the Charter of the City and
23 any regulations adopted pursuant thereto, providing for and governing elections in the City, and the
24 polls for such election shall be and remain open during the time required by said laws and regulations.

1 Section ~~4.5~~. The special election hereby called shall be and hereby is consolidated with the
2 General Election of the City to be held Tuesday, November 5, 2002, and the voting precincts, polling
3 places and officers of election for said General Election are hereby adopted, established, designated and
4 named, respectively, as the voting precincts, polling places and officers of elections for such special
5 election hereby called. The ballots to be used at the special election shall be the ballots to be used at
6 the General Election.

7 Section ~~56~~. In addition to any other matter required by law to be printed on the ballots, there
8 shall appear thereon the proposition set forth in Section 1 of this Resolution.

9 Each voter to vote for the proposition hereby submitted and in favor of the issuance of the
10 Bonds shall mark the ballot card in the location corresponding to a "YES" vote for the proposition, and
11 to vote against the proposition and against the issuance of the Bonds shall mark the ballot card in the
12 location corresponding to a "NO" vote for the proposition.

13 On absentee voter ballots, the voter to vote for the proposition and in favor of the issuance of
14 the Bonds shall mark the ballot card in the location corresponding to a "YES" vote for the proposition,
15 and to vote against said proposition and against the issuance of the Bonds shall mark the ballot card in
16 the location corresponding to a "NO" vote for the proposition.

17 Section ~~67~~. If at such special election it shall appear that a majority of all the voters voting
18 on the proposition voted in favor of and approve the issuance of the Bonds for the purposes set forth in
19 this Resolution, then such proposition shall have been authorized by the electors, and the Bonds may be
20 issued and sold for the purpose set forth in this Resolution. The rate of interest on such bonds shall not
21 exceed the maximum rate allowed by law, may be fixed or variable, and shall be payable at such times
22 and in such manner as the Public Utilities Commission shall hereafter determine.

23 Section ~~78~~. The Bonds, if authorized, shall be special, limited obligations of the City, payable
24 exclusively from and secured by a lien on the revenues of the Enterprise and such other funds as may
25 be legally available and pledged for such purpose. The Bonds shall not be secured by the taxing power

1 of the City, and shall be issued under Section 9.107 of the Charter of the City and any state law or any
2 procedure provided for by ordinance. The principal of and interest on the Bonds and any premiums
3 upon the redemption thereof shall not constitute or evidence a debt of the City, nor a legal or equitable
4 pledge, charge, lien or encumbrance upon any of its property, or upon any of its income, receipts or
5 revenues, except the revenues of the Enterprise and such other funds as may be legally available and
6 pledged for such purpose.

7 Section ~~9~~9. This Resolution shall be published in accordance with any state law
8 requirements, and such publication shall constitute notice of said election and no other notice of the
9 election hereby called need be given.

10 Section ~~9~~10. The appropriate officers, employees, agents and representatives of the City are
11 hereby authorized and directed to do everything necessary or desirable to the calling and holding of
12 said special election, and to otherwise carry out the provisions of this Resolution.

13 Section ~~10~~11. Pursuant to Section 53410 of the California Government Code, the Bonds shall
14 be for the specific purpose authorized herein and the proceeds of such Bonds shall be applied only to
15 the project described herein. The Public Utilities Commission will comply with the requirements of
16 Sections 53410(c) and 53410(d) of the California Government Code.

17 Section ~~11~~12. The Board having reviewed the proposed legislation, finds and declares that the
18 proposed Bond special election is in conformity with the priority policies of Section 101.1(b) of the
19 City Planning Code and with the City's General Plan, and hereby adopts the findings of the City
20 Planning Department, as set forth in the General Plan Referral.

21
22 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

23 By: Theresa Alvarez
24 THERESA ALVAREZ
Deputy City Attorney

25
SUPERVISOR AMMIANO
BOARD OF SUPERVISORS



City and County of San Francisco

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

Tails Resolution

File Number: 020910

Date Passed:

Resolution calling and providing for a special election to be held in the City and County of San Francisco for the purpose of submitting to the qualified voters of said City and County on November 5, 2002 a proposition for the issuance of revenue bonds and/or other forms of revenue financing by the Public Utilities Commission in a principal amount not to exceed \$1,628,000,000 to finance the acquisition and construction of improvements to the City's water system; making issuance of the bonds subject to the requirement that San Francisco Administrative Code Chapter 37 (Residential Rent Stabilization and Arbitration Ordinance) be amended to provide that (1) 50% of the costs resulting from increased water rates may be passed through from landlords to residential tenants where a unit is in compliance with any applicable laws requiring water conservation devices, and (2) tenants may file hardship applications with the Rent Board for relief from all or part of the cost passthrough and their affected landlords may utilize any available Public Utilities Commission low-income rate discount program or similar program for water bill reduction based on the tenants' hardship status; and for the possible imposition of a surcharge on retail water customers; complying with Article 83 of the San Francisco Administrative Code (First Source Hiring Program); and consolidating said special election with the General Municipal Election to be held on November 5, 2002; complying with Section 53410 of the California Government Code; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and the City's General Plan.

July 22, 2002

Ayes: 8 - Ammiano, Daly, Gonzalez, Leno, Maxwell, McGoldrick, Newsom, Peskin

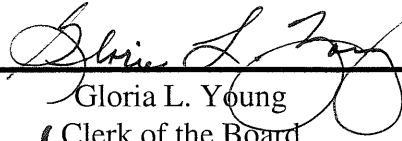
Noes: 3 - Hall, Sandoval, Yee

File No. 020910

I hereby certify that the foregoing Resolution was ADOPTED on July 22, 2002 by the Board of Supervisors of the City and County of San Francisco.

JUL 24 2002

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Willie L. Brown Jr.