Resolution approving the issuance of not to exceed $282,400,000 in aggregate principal amount of wastewater 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 wastewater revenue bonds are issued; and authorizing the taking of appropriate actions in connection therewith; and related matters.

WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco (the “City”) approved Proposition E, codified as Article VIIIB of the Charter of the City (the “Charter”), which among other things, authorized the Commission to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors (the “Board”), for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities, or combinations of water and clean water facilities under the jurisdiction of the Commission; and,

WHEREAS, The Commission adopted the Indenture dated as of January 1, 2003 (the “Indenture”), between the Commission and U. S. Bank National Association, as trustee (the “Trustee”) and in connection therewith, issued the first series of Bonds (as defined in the Indenture) under the Indenture designated the “Public Utilities Commission of the City and County of San Francisco Clean Water Revenue Bonds, 2003 Refunding Series A”, in the original principal amount of $396,270,000 to finance projects of the Wastewater Enterprise, previously referred to from time to time as the “Clean Water Enterprise;” and,

WHEREAS, By Resolution No. 10-0022 adopted on February 10, 2010 (the “Commission Resolution”), the Commission has determined to issue one or more additional

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series of revenue bonds pursuant to the Indenture to finance certain capital projects
benefitting the Wastewater Enterprise, as well as for the payment of costs of issuance and
other incidental costs relating thereto, to be designated the “Public Utilities Commission of the
City and County of San Francisco Wastewater Revenue Bonds, 2010 Series ___” (the
“Wastewater Revenue Bonds”) with the exact year of issuance, designation and series to be
determined by the General Manager of the Commission as provided therein, in a principal
amount not to exceed $285,600,000, has approved a form of a First Amendment to Indenture
(the "First Amendment"), by and between the Commission and the Trustee, which will amend
and modify the Indenture, has approved a form or forms of a Supplemental Indenture
(whether one or more, the "Supplemental Indenture"), by and between the Commission and
the Trustee, which will supplement the Indenture, and has approved the forms of other
documents relating to the issuance of the Wastewater Revenue Bonds; and,

WHEREAS, In the Commission Resolution, the Commission has formally requested
this Board to authorize the issuance and sale of the Wastewater Revenue Bonds for the
purposes herein described pursuant to Section 8B.124 of the Charter of the City (the
“Charter”), such Commission Resolution and all such documents relating to the issuance of
the Wastewater Revenue Bonds referenced therein being on file with the Clerk of the Board in
File No. 100169___, which is hereby declared to be a part of this resolution as if set forth fully
herein; and,

WHEREAS, The Board has, concurrently with the adoption of this resolution, adopted
an ordinance making certain findings relating to the issuance and sale of the Wastewater
Revenue Bonds by the Commission pursuant to said Section 8B.124;

WHEREAS, The Board now desires, by this resolution, to authorize the issuance and
sale of the Wastewater Revenue Bonds by the Commission pursuant to Section 8B.124 of the

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Charter and determines that this resolution shall take effect upon the effective date of said ordinance; 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.

Section 2. **Approval and Authorization of Wastewater Revenue Bonds.** The Board hereby authorizes and approves the issuance by the Commission of the Wastewater Revenue Bonds in one or more series in an aggregate principal amount not to exceed $285,600,000 at a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion of the design, acquisition and construction of various capital projects benefitting the Wastewater Enterprise (the “Capital Projects”), as well as for the payment of costs of issuance and other incidental costs relating thereto, all as provided in the Commission Resolution and the documents referenced therein which are hereby approved. The forms of the Wastewater Revenue Bonds, in substantially the form presented to the Board, as set forth in one or more Exhibits to the Supplemental Indenture, are hereby approved. The Controller of the City or any deputy thereof is hereby authorized and directed to approve and to execute the Wastewater Revenue Bonds by manual or facsimile signature; with such changes, additions, amendments or modifications therein which he or she may deem necessary or desirable and as the City Attorney may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Wastewater Revenue Bonds.

Section 3. **Affirmation of Existing Bond Covenants.** The Board hereby confirms Section 5.01(c) of the Indenture, as amended by the First Amendment and as supplemented by the Supplemental Indenture (the term “Indenture” as used in this section refers to the
Indenture as so amended and supplemented), which set forth the disposition of Revenues (as defined in the Indenture) applicable to the Bonds (as defined in the Indenture) and covenants with the holders of the Bonds that the Revenues shall be appropriated and expended as set forth in Section 5.01(c) of the Indenture. The Board also hereby declares that the City will comply with all of the terms, provisions and covenants contained in the Indenture, including the covenants to establish, fix, prescribe and collect rates, fees and charges sufficient to enable the Commission to comply with the terms, conditions and covenants of the Indenture.

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

Section 5. **General Authority.** The Controller of the City, the Treasurer of the City, 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 and security of the Wastewater Revenue Bonds, including, but not limited to, executing and delivering such certificates as they may deem necessary or advisable.

Section 6. Effective Date. This resolution shall take effect at such time as the ordinance of the Board which is referred to in the recitals of this resolution shall take effect.

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

By: MARK BLAKE
Deputy City Attorney
Resolution approving the issuance of not to exceed $282,400,000 in aggregate principal amount of wastewater 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 wastewater revenue bonds are issued; and authorizing the taking of appropriate actions in connection therewith; and related matters.

March 23, 2010 Board of Supervisors - ADOPTED
Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi
Excused: 1 - Alioto-Pier

I hereby certify that the foregoing Resolution was ADOPTED on 3/23/2010 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom

Date Approved 4/02/2010