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RESOLUTION NUMBER R- 305881

DATE OF FINAL PASSAGE JUN 09 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO AN ISSUE OF WATER REVENUE BONDS, REFUNDING SERIES 2010A (PAYABLE SOLELY FROM INSTALLMENT PAYMENTS SECURED BY NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO); AUTHORIZING THE EXECUTION, DELIVERY, AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR SUCH ISSUE OF BONDS; AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers local agencies to form a joint powers authority, separate and apart from the contracting parties, and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers such an authority to issue bonds for the purpose of financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits to local agencies, and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code authorizes and empowers such an authority to issue bonds to refund bonds issued by local agencies; and

WHEREAS, the City of San Diego, California (City), with the cooperation of the Public Facilities Financing Authority of the City of San Diego (Authority), a California joint exercise of powers entity duly organized under the laws of the State of California (State), has proposed the issuance of the Authority's Water Revenue Bonds, Refunding Series 2010A (Payable Solely from Installment Payments Secured by Net System Revenues of the Water Utility Fund of the

City of San Diego) (2010A Bonds) in order to finance and refinance certain capital facilities improvements for the Water System of the City (Water System), as hereinafter described; and

WHEREAS, the 2010A Bonds were authorized under a separate Ordinance submitted to and considered by this City Council (Ordinance), which Ordinance provides for, among other things, the conditions attendant to the issuance of one or more series of Water Revenue Refunding Bonds (Water Refunding Bonds), including the 2010A Bonds, as opportunities are presented to lower financing costs, if economical or otherwise on terms beneficial to the City and its residents and the use of the proceeds of such Water Refunding Bonds, including the 2010A Bonds, to refund, on an advance refunding basis, between the date hereof and June 30, 2011, all or a portion of the City's obligations with respect to the \$286,945,000 Subordinated Water Revenue Bonds, Series 2002 (Payable Solely From Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund), to prepay, on a current refunding basis, between the date hereof and June 30, 2011, all or a portion of the City's outstanding obligations with respect to the \$385,000,000 Certificates of Undivided Interest (In Installment Payments Payable from Net System Revenues of the Water Utility Fund of the City of San Diego, California) Series 1998, to fund a debt service reserve fund for the Water Refunding Bonds, and to pay the costs of issuance incurred in connection with the issuance of the Water Refunding Bonds; and

WHEREAS, in connection with the marketing and sale of the 2010A Bonds, it is necessary for the City to authorize and approve the distribution of the Preliminary Official Statement relating to the 2010A Bonds (Preliminary Official Statement) and the execution, delivery, and distribution of the final Official Statement relating to the 2010A Bonds (Official

Statement), all in accordance with the policies of this City Council and applicable securities laws and regulations; and

WHEREAS, there has been presented to this meeting a proposed form of Preliminary Official Statement, a copy of which is on file in the Office of the City Clerk of the City (City Clerk) as Document Number RR- 305881 , which Preliminary Official Statement the Underwriters listed on the cover page thereof collectively, (Underwriters) will use in marketing the 2010A Bonds; and

WHEREAS, the form of the Preliminary Official Statement submitted to this meeting of this City Council has been reviewed by the Disclosure Practices Working Group (DPWG); and

WHEREAS, the City is authorized to undertake the actions described in this Resolution pursuant to its Charter and the Constitution and applicable laws of the State; NOW,

THEREFORE,

BE IT RESOLVED by the City Council of The City of San Diego, as follows:

Section 1. This City Council hereby finds and determines that the statements set forth above in the recitals of this Resolution are true and correct.

Section 2. The form, terms, and provisions of the Preliminary Official Statement are hereby approved. The Chief Financial Officer of the City (Chief Financial Officer) and the City Attorney of the City (City Attorney), and each of them collectively, (Authorized Officers), acting alone, are hereby authorized and directed, for and in the name and on behalf of the City, to deliver the Preliminary Official Statement to the Underwriters in substantially the form submitted to this meeting, with such additions and changes therein as the Authorized Officers shall determine are necessary or desirable and approve as being in the best interests of the City, and as approved as to form by the City Attorney, or his specified designee, and with such other

changes as may be required or requested by Goodwin Procter LLP, as Disclosure Counsel (Disclosure Counsel). Upon approval of the Preliminary Official Statement for use in marketing the 2010A Bonds by the Authorized Officers and in accordance with applicable policies and procedures of the City, the Preliminary Official Statement shall be “deemed final” as of its date, except for the omission of certain information as permitted in and pursuant to Rule 15c2-12 (Rule), promulgated by the Securities and Exchange Commission pursuant to the provisions of the Securities Act of 1934, as amended, and an Authorized Officer shall execute a certificate to that effect.

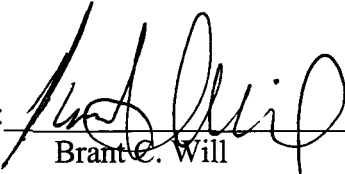
Section 3. Following the pricing and sale of the 2010A Bonds, the Authorized Officers are authorized and directed to cause a form of Official Statement to be prepared in accordance with the policies of this City Council, the requirements of the Rule and with the assistance of DPWG. The Official Statement shall be executed by any of the Authorized Officers upon satisfaction of applicable DPWG requirements and the recommendation of Disclosure Counsel.

Section 4. All actions heretofore taken by any officers, employees, or agents of the City with respect to the issuance, delivery, or sale of the 2010A Bonds are hereby approved, confirmed and ratified; and the Chief Operating Officer, the Chief Financial Officer, the City Attorney and any such other officers, employees, or agents of the City as may be authorized by the Mayor of the City, the Chief Operating Officer or the Chief Financial Officer are hereby authorized and directed, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including, without limitation, pay necessary and appropriate fees and expenses, and execute and deliver any and all certificates, agreements and other documents

which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with this Resolution.

Section 5. This Resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

By:  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
05/06/10
Or.Dept: Debt Mgmt.

I hereby certify that the foregoing Resolution was passed by the Council of The City of San Diego, at this meeting of MAY 25 2010

ELIZABETH S. MALAND
City Clerk

By:  _____
Deputy City Clerk

Approved: 6.9.10
(date)

 _____
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor