

1 [San Francisco Public Utilities Commission Power Revenue Bond Issuance----Not to Exceed
2 \$154,928,059]

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4 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue**
5 **Bonds and other forms of indebtedness by the San Francisco Public Utilities**
6 **Commission (Commission) in an aggregate principal amount not to exceed**
7 **\$154,928,059 to finance the costs of various capital projects benefitting the Power**
8 **Enterprise pursuant to Charter Sections 9.107(6) and 9.107(8); authorization to issue**
9 **Refunding Power Revenue Bonds; declaring the Official Intent of the Commission to**
10 **Reimburse Itself with one or more issues of tax-exempt bonds; and ratifying previous**
11 **actions taken in connection therewith.**

12 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
15 **Board amendment additions** are in double-underlined Arial font.
16 **Board amendment deletions** are in ~~strikethrough Arial font~~.
17 **Asterisks (* * * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. Findings. The Board of Supervisors (the "Board") of the City hereby finds
21 and declares as follows:

22 A. Pursuant to Charter Sections 9.107(6) and 9.107(8), the San Francisco Public
23 Utilities Commission (the "Commission") is authorized to issue revenue bonds, without a vote
24 of the voters, to finance or refinance the acquisition, construction, installation, equipping,
25 improvement or rehabilitation of electric power facilities as well as equipment or facilities for
renewable energy and energy conservation; and

1 B. The Commission adopted the Trust Indenture dated as of May 1, 2015, as
2 further amended and supplemented from time to time (the "Indenture"), between the
3 Commission and U. S. Bank National Association and in connection therewith, has from time
4 to time issued revenue bonds to finance projects benefitting the Power Enterprise; and

5 C. By Resolution 18-0023 adopted by the Commission on February 13, 2018 (the
6 "Commission Resolution") the Commission has determined to issue Power Revenue Bonds
7 (the "Power Revenue Bonds") and other forms of indebtedness, including commercial paper,
8 revolving credit notes and other forms of notes, to finance the costs of various capital Power
9 projects benefitting the Power Enterprise (the "Capital Improvement Projects" such projects
10 being more fully described in the Commission Resolution), pursuant to Charter Sections
11 9.107(6) and 9.107(8), and has formally requested this Board to authorize the issuance and
12 sale of Power Revenue Bonds for such purposes, such Commission Resolution being on file
13 with the Clerk of the Board in File No. _____; and

14 D. In order to finance the costs of the Capital Improvement Projects, the Board now
15 desires to authorize the issuance and sale of Power Revenue Bonds and other forms of
16 indebtedness (including, without limitation, New Clean Renewable Energy Bonds and
17 Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond
18 anticipation notes) for such purposes; and

19 E. The Commission has paid, beginning no earlier than 60 days prior to the
20 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures (the
21 "Expenditures") in connection with the acquisition, construction and/or equipping of the Capital
22 Improvement Projects, and

23 F. This Board is concurrently considering with this ordinance another Ordinance
24 approving a Capital Improvement Program related supplemental appropriations totaling
25 \$340,106,951 for fiscal years ending 2019 and 2020, such amount being inclusive of the

1 Power Revenue Bonds and other forms of indebtedness (including, without limitation, New
2 Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper,
3 revolving credit notes, and bond anticipation notes) approved hereby; and

4 G. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance
5 as official action of the Commission in order to comply with Treasury Regulation §1.150-2 and
6 any other regulations of the Internal Revenue Service relating to the qualification for
7 reimbursement of Commission expenditures incurred prior to the date of issue of the Power
8 Revenue Bonds.

9 Section 2. Authorization to Issue Power Revenue Bonds. The Board hereby
10 authorizes the issuance and sale of Power Revenue Bonds and other forms of indebtedness
11 (including, without limitation, New Clean Renewable Energy Bonds, Qualified Energy
12 Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes)
13 in one or more series from time to time by the Commission pursuant to the Charter and in
14 accordance with the Commission Resolution in an aggregate principal amount not to exceed
15 \$154,928,059 (inclusive of financing costs but exclusive of refunding indebtedness), bearing
16 a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to
17 finance a portion of the costs of the design, acquisition and construction of the Capital
18 Improvement Projects. The Commission is hereby authorized to determine the timing, amount
19 and manner of sale (i.e., competitive or negotiated) of each series of Power Revenue Bonds
20 or the delivery of other forms of indebtedness pursuant to this authorization; provided
21 however, the Commission's authorization to issue Power Revenue Bonds or incur other forms
22 of indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified
23 Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation
24 notes), is subject to approval by the Commission of the form of substantially final offering
25 document related to such bonds (if any) and the approval of any related financing documents.

1 The Commission shall also file, within 30 days of any bond sale authorized hereby, with the
2 Clerk of the Board of Supervisors a report showing the results of the sale of Power Revenue
3 Bonds or other form of indebtedness including (i) principal amount sold and method of sale,
4 (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a
5 statement about the remaining bonding authorization under this Ordinance (the "Report");
6 provided that failure to provide such Report shall not affect the validity of any debt authorized
7 hereby.

8 Section 3. Authorization to Issue Refunding Power Revenue Bonds. The Board further
9 authorizes and approves the issuance by the Commission of Refunding Power Revenue
10 Bonds and other forms of indebtedness (the "Refunding Bonds") to refund any outstanding
11 obligations of the Power Enterprise, without limitation as to principal amount, in one or more
12 series on one or more dates, at a maximum interest rate or rates of interest not to exceed
13 twelve percent (12%) per annum, provided that each such Refunding Bond issue or obligation
14 is permitted under the applicable policies and procedures of the City and authorized by either
15 Section 9.109 of the Charter (including related ordinances and resolutions of the Board). The
16 Refunding Bonds may be issued as tax-exempt or taxable obligations, or any combination
17 thereof. Refunding Bonds authorized hereunder shall be subject to the further following
18 conditions, that: (i) 3% net present value debt service savings or greater is achieved to ensure
19 ratepayer savings (exclusive of any issuance to refund commercial paper, revolving credit
20 notes or bond anticipation notes); (ii) this authorization is subject to a 2-year term through
21 June 30, 2020, at which time this Board may consider an extension; principal payments and
22 term may be adjusted, where permitted under federal and state tax law, only if and when the
23 underlying capital asset funded through said refunded bonds has a useful life not in excess of
24 any limit permitted under federal and state tax law than the refunded term; and (iii) the
25 Commission shall within 30 days of any executed refunding transaction provide a savings

1 report prepared by its financial advisor (that reflects at least a 3% net present value debt
2 service savings) to the Board, together with a copy of the final Official Statement with respect
3 to such series of Refunding Bonds, provided that failure to provide such savings report shall
4 not affect the validity of any Refunding Bonds.

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6 Section 4. Declaration of Official Intent. The Board, on behalf of the Commission,
7 hereby declares the official intent of the Commission to reimburse the Commission with
8 proceeds of the Power Revenue Bonds or other forms of indebtedness for the Expenditures
9 with respect to the Capital Improvement Projects made on and after a date that is no more
10 than 60 days prior to the adoption of this Ordinance. The Commission reasonably expects on
11 the date hereof that it will reimburse the Expenditures with proceeds of the Power Revenue
12 Bonds or other forms of indebtedness including, without limitation, New Clean Renewable
13 Energy Bonds and Qualified Energy Conservation Bonds. Each said Expenditure was and will
14 be either (A) of a type properly chargeable to a capital account under general federal income
15 tax principles (determined in each case as of the date of the Expenditure), (B) a cost of
16 issuance with respect to the Power Revenue Bonds or other forms of indebtedness, (C) a
17 nonrecurring item that is not customarily payable from current revenues, or (D) a grant to pay
18 a party that is not related to or an agent of the issuer so long as such grant does not impose
19 any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of
20 the Commission. The Commission will make a reimbursement allocation, which is a written
21 allocation by the Issuer that evidences the Commission's use of proceeds of the Power
22 Revenue Bonds or other forms of indebtedness to reimburse an Expenditure, no later than 18
23 months after the later of the date on which the Expenditure is paid or the component of the
24 Capital Improvement Projects is placed in service or abandoned, but in no event more than
25 three years after the date on which the Expenditure is paid. The Commission recognizes that

1 exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de
2 minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the
3 year of expenditure) and expenditures for construction projects of at least 5 years.

4 Section 5. General Authority. The Controller, Treasurer, the City Attorney and other
5 officers of the City and their duly authorized deputies and agents are hereby authorized and
6 directed, jointly and severally, to take such actions and to execute and deliver such
7 certificates, agreements, requests or other documents, as they may deem necessary or
8 desirable to facilitate the issuance, sale and delivery of the Power Revenue Bonds or other
9 forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds,
10 Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond
11 anticipation notes), any Power Refunding Bonds, and to obtain bond insurance or other credit
12 or liquidity enhancements with respect to any such obligations and otherwise to carry out the
13 provisions of this Ordinance. The Commission is hereby directed to provide the final form to
14 the Clerk of the Board of any disclosure document prepared in connection with the execution
15 of any Power Revenue Bonds and other forms of indebtedness (including, without limitation,
16 New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial
17 paper, revolving credit notes, and bond anticipation notes) or Refunding Bonds, or other
18 document reflecting the incurrence of another obligation payable from the Power Enterprise,
19 within 30 days of the closing of such transactions, provided that the failure to deliver such
20 report shall not affect the validity of the obligations authorized hereunder.

21 Section 6. Ratification of Prior Actions. All actions authorized and directed by this
22 Ordinance in connection with the issuance of the Power Revenue Bonds and other forms of
23 indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified
24 Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation
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1 notes), and Refunding Power Revenue Bonds, and heretofore taken are hereby ratified,
2 approved and confirmed by this Board.

3 Section 7. File Documents. All documents referred to as on file with the Clerk of the
4 Board are in File Nos. _____.

5 Section 8. Effective Date. Pursuant to Charter Section 8B.124, this Ordinance shall
6 take effect thirty (30) days after its adoption.

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

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11 By: _____
12 Mark D. Blake
13 Deputy City Attorney
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