

1 [Wastewater Enterprise Commercial Paper Program - Not to Exceed \$300,000,000]

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3 **Ordinance authorizing an increase of the Wastewater Enterprise's Commercial Paper**
4 **program to an amount not to exceed \$300,000,000 to be issued from time to time by**
5 **the San Francisco Public Utilities Commission (the Commission) to finance various**
6 **capital projects benefitting the Wastewater Enterprise each pursuant to amendments**
7 **to the Charter (the Charter) of the City and County of San Francisco (the City) enacted**
8 **by the voters on November 5, 2002, as Proposition E (Proposition E); and ratifying**
9 **previous actions taken in connection therewith.**

10 NOTE: Additions are *single-underline italics Times New Roman*;
11 deletions are *strike-through italics Times New Roman*.
12 Board amendment additions are double-underlined;
13 Board amendment deletions are ~~strike-through normal~~.

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

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

17 A. On November 5, 2002, the voters of the City and County of San Francisco (the
18 "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
19 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
20 including notes, commercial paper or other forms of indebtedness, when authorized by
21 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
22 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
23 facilities, or combinations of water and clean water facilities under the jurisdiction of the
24 Commission.

1 B. Pursuant to Section 43.5 of the San Francisco Administrative Code, enacted by
2 Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of
3 the City on June 19, 1998, the Board established a procedure pursuant to which the
4 Commission may issue short-term indebtedness, including the issuance of commercial
5 paper in anticipation of the issuance of its revenue bonds.

6 C. Under Section 8B.124 of the Charter of the City (the "Charter"), the Board's
7 authority to authorize an issuance of debt under Proposition E is subject to its receipt of a
8 certification from an independent engineer that (i) the projects to be financed by such debt
9 meet utility standards and (ii) estimated net revenue will be sufficient to meet operating,
10 maintenance, debt service coverage and other indenture or resolution requirements (the
11 "Engineer Certification").

12 D. The Board's authority to authorize an issuance of debt under Proposition E is
13 also subject to its receipt of a certification from the San Francisco Planning Department that
14 facilities financed with such debt will comply with applicable requirements of the California
15 Environmental Quality Act (together with the Engineer Certification, the "Proposition E
16 Certificates").

17 E. The Commission (Resolution No. 06-0164) and the Board (Ordinance No. 266-
18 06) have previously authorized the issuance of commercial paper notes for the Wastewater
19 Enterprise in an aggregate principal amount not to exceed \$150,000,000 against Proposition
20 E authorization.

21 F. On July 27, 2010, Commission Resolution 10-0114 established Levels of
22 Service Goals for the Sewer System Improvement Program Goals, which anticipates the
23 issuance of more than \$4 billion dollars of revenue bonds over the upcoming decade.

24 G. On December 13, 2011 the Commission approved Resolution 11-0197 to
25 increase the commercial paper authorization to \$300,000,000 from \$150,000,000 to provide

1 additional short-term financing of capital improvements and related costs for improvements,
2 betterments and additions to the Wastewater Enterprise.

3 H. The Proposition E Certificates for the prior \$150,000,000 authorization are on
4 file with the Clerk of the Board in File No. 061298 and are part of Ordinance No. 266-06.
5 The Proposition E Certificates describing additional improvements to the facilities of the
6 Wastewater Enterprise are on file with the Clerk of the Board, in accordance with
7 Proposition E, in File No. 120354 and support the issuance of additional wastewater
8 commercial paper, revenue bonds and other forms of indebtedness authorized by this
9 Ordinance.

10 I. The Commission has determined that it is necessary and desirable to make
11 certain additional improvements to the facilities of the Wastewater Enterprise (the
12 "Improvements"), and has further determined to finance the Improvements through the
13 issuance of wastewater revenue bonds, and in anticipation of the issuance of such
14 wastewater revenue bonds, through the expansion of the use of the Commission's
15 commercial paper program and the issuance and reissuance of its commercial paper notes
16 from time to time.

17 J. On April 27, 2010, the Board adopted Ordinance No. 95-10 appropriating
18 \$348,064,054 for the Wastewater Enterprise's Capital Improvement Program and Sewer
19 System Improvement Program for Fiscal Years 2010-2011 and 2011-2012, of which
20 \$297,756,235 is to be funded by revenue bond proceeds or other forms of indebtedness,
21 and placing \$329,962,235 on Controller's reserve pending the issuance of such revenue
22 bonds or other forms of indebtedness and/or the receipt of other fees and revenues.

23 K. On April 27, 2010, the Board adopted Ordinance No. 93-10 approving the
24 issuance and sale of wastewater revenue bonds in an aggregate principal amount not to
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1 exceed \$297,756,235 which represents \$241,182,550 in supplemental capital improvement
2 program appropriations and \$56,573,685 in financing costs.

3 L. The Board now desires to authorize an increase in the aggregate principal
4 amount outstanding for the Commission's Wastewater Enterprise Commercial Paper
5 Program pursuant to said Section 8B.124.

6 Section 2. Proposition E Certificates. The Board hereby declares that the
7 Proposition E Certificates on file with the Clerk of the Board in File No. 120354 satisfy the
8 requirements of Section 8B.124 of the Charter, and in accordance therewith, the
9 Commission is hereby authorized to issue additional debt pursuant to this authorization.

10 Section 3. Approval of Increase in Commercial Paper Notes Authorization. The
11 Board hereby approves an increase of the Commission's Commercial Paper program
12 commercial paper authorization to \$300,000,000 from \$150,000,000 pursuant to Section 8B.
13 124 of the Charter and approves the issuance and sale of Commercial Paper in one or more
14 series from time to time by the Commission pursuant to the Charter and in accordance with
15 a resolution of the Commission; provided however that any Commercial Paper issued by
16 the Commission shall not exceed twelve percent (12%) per annum. The Commission is
17 hereby authorized to determine the timing, amount and manner of sale of each series of
18 Commercial Paper issued pursuant to this authorization; provided however Commission's
19 authorization to issue Commercial Paper is subject to the approval, by a resolution of the
20 Commission, of the form of offering document prepared in connection with issuance of the
21 Commercial Paper.

22 Section 4. General Authority. The Controller, the Director of the Office of Public
23 Finance, the Treasurer, the General Manager of the Commission, the City Attorney and
24 other officers of the City and their duly authorized deputies and agents are hereby
25 authorized and directed, jointly and severally, to take such actions and to execute and

1 deliver such certificates, agreements, requests or other documents, as they may deem
2 necessary or desirable to facilitate the issuance, sale and delivery of the Wastewater
3 Commercial Paper Notes, and otherwise to carry out the provisions of this Ordinance.

4 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
5 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

6 Section 6. File Documents. All documents referred to as on file with the Clerk of the
7 Board are in File Nos. 120354.

8 Section 7. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance
9 shall take effect thirty (30) days after its adoption.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney
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16 By: _____
17 Mark D. Blake
18 Deputy City
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