

1 [Increase of Wastewater Enterprise Commercial Paper Program - Not to Exceed
2 \$500,000,000]

3 **Resolution authorizing an increase of the principal amount of the Wastewater**
4 **Enterprise's Commercial Paper Program by \$200,000,000 from a principal amount not**
5 **to exceed \$300,000,000 to a principal amount not to exceed \$500,000,000 to be issued**
6 **from time to time by the Public Utilities Commission to finance various capital projects**
7 **benefitting the Wastewater Enterprise, each pursuant to amendments to the Charter of**
8 **the City and County of San Francisco enacted by the voters on November 5, 2002, as**
9 **Proposition E; and ratifying previous actions taken in connection therewith.**

10
11 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco
12 (the "City") approved Proposition E, codified as Article VIIIB of the Charter of the City (the
13 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
14 including notes, commercial paper or other forms of indebtedness, when authorized by
15 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
16 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
17 facilities, or combinations of water and clean water facilities under the jurisdiction of the
18 Commission; and

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

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

7 WHEREAS, The Board's authority to authorize an issuance of debt under Proposition E
8 is also subject to its receipt of a certification from the San Francisco Planning Department that
9 facilities financed with such debt will comply with applicable requirements of the California
10 Environmental Quality Act (together with the Engineer Certification, the "Proposition E
11 Certificates"); and

12 WHEREAS, The Commission (Resolution No. 11-0197) and the Board (Ordinance No.
13 91-12) have previously authorized the issuance of commercial paper notes for the
14 Wastewater Enterprise in an aggregate principal amount not to exceed \$300,000,000 against
15 Proposition E authorization, to provide additional short-term financing of capital improvements
16 and related costs for improvements, betterments and additions to the Wastewater Enterprise;
17 and

18 WHEREAS, The Proposition E Certificates for the prior \$300,000,000 authorization are
19 on file with the Clerk of the Board in File No. 061298 and are part of Ordinance No. 266-06
20 and Ordinance No. 91-12. The Proposition E Certificates describing additional improvements
21 to the facilities of the Wastewater Enterprise are on file with the Clerk of the Board, in
22 accordance with Proposition E, in File No. 120354 and support the issuance of additional
23 wastewater commercial paper, revenue bonds and other forms of indebtedness authorized by
24 this Ordinance; and

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1 WHEREAS, The Commission has determined that it is necessary and desirable to
2 make certain additional improvements to the facilities of the Wastewater Enterprise (the
3 "Improvements"), and has further determined to finance the Improvements through the
4 issuance of wastewater revenue bonds, and in anticipation of the issuance of such
5 wastewater revenue bonds, through the expansion of the use of the Commission's
6 commercial paper program and the issuance and reissuance of its commercial paper notes
7 from time to time; and

8 WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 105-14 appropriating
9 \$950,906,000 for the Wastewater Enterprise's Capital Improvement Program and Sewer
10 System Improvement Program for Fiscal Years 2014-2015 and 2015-2016; and

11 WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 107-14 approving
12 the issuance and sale of wastewater revenue bonds in an aggregate principal amount not to
13 exceed \$819,035,941, inclusive of financing costs; and

14 WHEREAS, On August 26, 2014 the Commission approved resolution 14-0139 to
15 authorize an increase in the principal amount of the Commission's Wastewater Enterprise
16 Commercial Paper Program from \$300,000,000 to \$500,000,000, together with the approval
17 of security documents related thereto and the appointment of professionals therefor; and

18 WHEREAS, The Board now desires to authorize an increase in the aggregate principal
19 amount outstanding for the Commission's Wastewater Enterprise Commercial Paper Program
20 pursuant to said Section 8B.124; now, therefore be it

21 RESOLVED, That this Board hereby finds and declares the above recitals are true and
22 correct; and, be it

23 FURTHER RESOLVED, That this Board hereby declares that the Proposition E
24 Certificates on file with the Clerk of the Board in File No. 120354 satisfy the requirements of
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1 Section 8B.124 of the Charter, and in accordance therewith, the Commission is hereby
2 authorized to issue additional debt pursuant to this authorization; and, be it

3 FURTHER RESOLVED, That this Board hereby approves a \$200,000,000 increase of
4 the principal amount of the Commission's Wastewater Enterprise Commercial Paper Program
5 commercial paper authorization to \$500,000,000 from \$300,000,000 pursuant to Section 8B.
6 124 of the Charter and approves the issuance and sale of Commercial Paper in one or more
7 series from time to time by the Commission pursuant to the Charter and in accordance with a
8 resolution of the Commission; provided however that any Commercial Paper issued by the
9 Commission shall not exceed twelve percent (12%) per annum; and that the Commission is
10 hereby authorized to determine the timing, amount and manner of sale of each series of
11 Commercial Paper issued pursuant to this authorization; provided however Commission's
12 authorization to issue Commercial Paper is subject to the approval, by a resolution of the
13 Commission, of the form of offering document prepared in connection with issuance of the
14 Commercial Paper; and, be it

15 FURTHER RESOLVED, The General Manager of the Commission, the Controller, the
16 Director of the Office of Public Finance, the Treasurer, the General Manager of the
17 Commission, the City Attorney and other officers of the City and their duly authorized deputies
18 and agents are hereby authorized and directed, jointly and severally, to take such actions and
19 to execute and deliver such certificates, agreements, requests or other documents, as they
20 may deem necessary or desirable to facilitate the issuance, sale and delivery of the
21 Wastewater Commercial Paper Notes, and otherwise to carry out the provisions of this
22 Resolution; and, be it

23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
24 heretofore taken are hereby ratified, approved and confirmed by this Board; and, be it

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

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4 APPROVED AS TO FORM:

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6 DENNIS J. HERRERA
7 CITY ATTORNEY

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9 BY: _____
10 MARK D. BLAKE
11 Deputy City Attorney

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