

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 26-0089

WHEREAS, On June 5, 2018, the voters of the City and County of San Francisco (the “City”) approved Proposition A (“Proposition A of 2018”), which among other things, amended Section 8B.124 of the Charter of the City (the “Charter”) to authorize the Public Utilities Commission of the City (the “Commission”) to issue indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the “Board”), for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities under the jurisdiction of the Commission, or for any other lawful purpose of the power utility of the City in furtherance of the purposes specified in Charter Section 8B.124, provided that the Commission is prohibited from financing the construction of power plants that generate electricity using fossil fuels or nuclear energy under Proposition A of 2018; and

WHEREAS, Pursuant to Article XIV of Chapter 43 of the San Francisco Administrative Code, enacted by Ordinance 40-15, adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015 (the “Power Enterprise Revenue Bond Law”), the Board established a procedure pursuant to which the Commission may, when approved by the Board, issue revenue bonds for any purposes of the City’s power utility (the “Power Enterprise”); and

WHEREAS, Pursuant to (i) Ordinance No. 41-15 adopted by the Board on March 24, 2015, and signed by the Mayor on April 2, 2015 (in supplement to Ordinance No. 106-14 adopted by the Board on June 24, 2014 and signed by the Mayor on July 2, 2014), (ii) Ordinance No. 113-16 adopted by the Board on June 14, 2016 and signed by the Mayor on June 24, 2016, (iii) Ordinance No. 142-18 adopted by the Board on June 12, 2018 and signed by the Mayor on June 20, 2018, as amended by Ordinance No. 152-19 adopted by the Board on June 25, 2019 and signed by the Mayor on June 28, 2019, (iv) Ordinance 172-20 adopted by the Board on September 29, 2020 and signed by the Mayor on October 1, 2020, as amended by Ordinance No. 127-21 adopted by the Board on July 27, 2021 and signed by the Mayor on August 4, 2021, (v) Ordinance No. 109-22, adopted by the Board on June 14, 2022 and signed by the Mayor on June 24, 2022, (v) Ordinance No. 182-23 adopted by the Board on July 25, 2023 and signed by the Mayor on July 28, 2023, and (vi) Ordinance No. 126-24 adopted by the Board on June 11, 2024 and signed by the Mayor on June 21, 2024, the Board has authorized the issuance from time to time of up to \$1,029,790,456 of power revenue bonds and other forms of indebtedness of the Commission under the Charter, including under Charter Section 8B.124 (which authorization amount is exclusive any refunding debt); and

WHEREAS, The amount of authorized but unissued power revenue bonds under the ordinances set forth in the immediately preceding whereas clause is \$742,330,456 (such authorization is collectively referred to as the “Existing Authorizing Legislation”); and

WHEREAS, Pursuant to Article V of Chapter 43 of the San Francisco Administrative Code, enacted by Ordinance No. 23-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the City and County of San Francisco (the “Mayor”) on June 9, 1998, Ordinance No. 12-00, adopted by the Board on January 31, 2000, and signed by the Mayor on February 11, 2000, as amended by Ordinance No. 270-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006, the Board established a procedure pursuant to which the Commission may, with the prior approval of the Board, issue short-term indebtedness in the form of commercial paper, temporary notes or other forms of indebtedness, including short-term indebtedness in anticipation of the issuance of revenue bonds; and

WHEREAS, Pursuant to Article V of Chapter 43 of Part I of the San Francisco Administrative Code, and various other ordinances and resolutions adopted by the Board and the Commission, a commercial paper program/interim funding program for the Power Enterprise has been established in an aggregate principal amount not to exceed \$450,000,000 outstanding at any one time (the “Authorized Short-term Indebtedness”), including commercial paper (“CP Notes”) and short-term, direct purchase revolving obligations, and as of March 1, 2026, approximately \$172,714,000 aggregate principal amount of such Authorized Short-term Indebtedness has been issued or incurred; and

WHEREAS, The Board may hereafter enact additional ordinances to authorize additional power revenue bonds or other forms of indebtedness, including notes, commercial paper and other short-term indebtedness (such authorization, together with the Existing Authorizing Legislation, is collectively referred to as the “Authorizing Legislation”); and

WHEREAS, Pursuant to Resolution 87-08, adopted by the Board on February 26, 2008, and signed by the Mayor on February 29, 2008 (“Certificates Authorizing Resolution”), the Board authorized the execution and delivery of Certificates of Participation to finance the costs of construction of an office building (“Commission Headquarters”) for the Commission; and

WHEREAS, Pursuant to the Certificates Authorizing Resolution, the City authorized the execution and delivery of its Certificates of Participation, Series 2009C (525 Golden Gate Avenue-San Francisco Public Utilities Commission Office Project) in the aggregate principal amount of \$38,120,000 (“2009C Certificates”) and its Certificates of Participation, Series 2009D (525 Golden Gate Avenue-San Francisco Public Utilities Commission Office Project) in the aggregate principal amount of \$129,550,000 (“2009D Certificates”, and collectively with the 2009C Certificates, the “Certificates”) to finance the cost of the Commission Headquarters; and

WHEREAS, The Certificates were executed and delivered pursuant to the terms of the Trust Agreement, dated October 1, 2009, between the City and the Trustee named therein, and the Certificates were payable from Base Rental Payments payable by the City under the terms of that certain Project Lease, dated October 1, 2009, between the City and the Trustee, as lessor thereunder ("Project Lease"); and

WHEREAS, Pursuant to a memorandum of understanding (the "Headquarters Building MOU") between the City and the Commission, the Commission has reimbursed the General Fund of the City for payments heretofore made in respect to the Certificates from revenues of Commission enterprise funds (i.e., water, wastewater and power revenues), allocable to square footage used by each enterprise of the Commission Headquarters; and

WHEREAS, The 2009C Certificates have been fully paid; and

WHEREAS, The 2009D Certificates were issued as Federally-Taxable Build America Bonds remain outstanding and have an outstanding principal balance of \$115,245,000 as of March 1, 2026; and

WHEREAS, The Commission determines that it would be in its and the City's mutual best interests to prepay the Base Rental Payments allocable to the Power Enterprise of the Commission under the Project Lease and retire the corresponding outstanding 2009D Certificates with funds from the Commission (the "Refinancing Project"); and

WHEREAS, The Commission finds that it would be financially advantageous to refinance certain CP Notes now or hereafter issued for the Refinancing Project with bonds ("CP Refinancing Bonds"); and

WHEREAS, Under the authority granted or proposed to be granted under the Authorizing Legislation, it is proposed that the Commission issue one or more series or subseries of taxable or tax-exempt power revenue bonds in an aggregate principal amount not to exceed \$12,610,000 (the "2026B Power Bonds") for the principal purpose of financing (which may include financing through the retirement of commercial paper) the Refinancing Project; and

WHEREAS, The proposed 2026B Power Bonds would be issued pursuant to the existing Trust Indenture, dated as of May 1, 2015, by and between the Commission and U.S. Bank Trust Company National Association, as trustee (the "Trustee"), as previously supplemented and amended (as so supplemented and amended, the "Trust Indenture"), providing for the issuance of the Commission's power revenue bonds, and one or more additional supplemental indentures as herein provided (the "Supplemental Indentures"), between the Commission and the Trustee; and

WHEREAS, On or about this date, the Commission has or will also consider corresponding authorizations to issue revenue bonds to finance the prepayment of Base Rental Payments under the Project Lease allocable to its water enterprise and wastewater enterprise, respectively, and to refund certain other Federally-Taxable Build

America Bonds issued by the Commission for its water enterprise and its wastewater enterprise; and

WHEREAS, It is proposed that the 2026B Power Bonds be sold in one or more series or subseries by a sale pursuant to Bond Purchase Contracts (each a "Bond Purchase Contract") between the Commission and either Barclays Bank PLC or Barclays Capital Inc. ("Barclays"); and

WHEREAS, It is proposed that one or more continuing disclosure certificates (each a "Continuing Disclosure Certificate") be executed and delivered by the Commission with respect to the 2026B Power Bonds; and

WHEREAS, The Commission has been presented with, and has examined, a proposed form of Supplemental Indenture for each series or subseries of 2026B Power Bonds, and form of Bond Purchase Contract and Continuing Disclosure Certificate; and

WHEREAS, The requirements set forth in the Authorizing Legislation, the Power Enterprise Revenue Bond Law, and the requirements of the Trust Indenture, the Commission will be duly authorized and empowered, pursuant to each and every requirement of law, to authorize the foregoing transactions, to issue the 2026B Power Bonds, and to authorize the execution and delivery of one or more (as applicable) Supplemental Indentures, Bond Purchase Contracts, Continuing Disclosure Certificates, and related documents, each as appropriate for the issuance of the 2026B Power Bonds, for the purposes, in the manner and upon the terms provided herein; and

WHEREAS, A consulting engineer has issued or will issue a certificate to the Board in satisfaction of the requirements of clause (a) of Section 8B.124 of the Charter, all in furtherance of the sale of power revenue bonds and other forms of indebtedness, to the extent applicable; and

WHEREAS, Prior to the issuance of any CP Refinancing Bonds, the General Manager will file with the Clerk of the Board any required updates to the certificate referenced in the prior paragraph, including a certificate of a consulting engineer in satisfaction of the requirements of clause (a)(2) of Section 8B.124 of the Charter, to the extent applicable; and

WHEREAS, In compliance with California Government Code Section 5852.1, the Commission has obtained from PFM Financial Advisors LLC, the municipal advisor to the Commission with respect to the 2026B Power Bonds (the "Municipal Advisor"), good faith estimates of the following information: (a) the true interest cost of the 2026B Power Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2026B Power Bonds, (c) the amount of proceeds of the 2026B Power Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2026B Power Bonds, and (d) the sum total of all debt service payments on the 2026B Power Bonds calculated to the final maturity of the 2026B Power Bonds plus the fees and charges paid to third parties not paid with the proceeds of the 2026B Power Bonds, and such estimates are disclosed

and set forth in the staff report provided to the Commission in connection with this Resolution; and

WHEREAS, On February 24, 2026, the Environmental Review Officer issued a Certificate of the City and County of San Francisco Planning Department, pursuant to Section 8B.124(b) of the City Charter under Proposition A (June 2018), certifying that the project to be funded through the sale of Power Revenue Bonds and/or Other Forms of Indebtedness, including Commercial Paper, already complies with the requirements of the California Environmental Quality Act; now, therefore, be it

RESOLVED, By the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Issuance of the 2026B Power Bonds. The issuance of the 2026B Power Bonds, in one or more series or subseries, all or a portion of which may be designated as “green bonds” (if applicable), and issued on one or more dates, all as may be determined by the General Manager of the Commission (all references in this resolution to the General Manager of the Commission to include any authorized designee thereof pursuant to Section 6 hereof), in an aggregate principal amount not exceeding \$12,610,000 is hereby authorized and approved by the Commission, subject to the limitations and conditions provided herein.

The 2026B Power Bonds may be issued for the purpose of providing funds (a) for the financing of the Refinancing Project (including through the refinancing of CP Notes issued to finance the Refinancing Project) and (b) to pay the costs of issuance of the 2026 Bonds. If determined to be beneficial to the Commission by the General Manager, with the advice of the Commission’s Municipal Advisor, the 2026B Power Bonds may also be issued for the secondary purposes of providing funds to pay for (i) any credit enhancement of any 2026B Power Bonds (including without limitation bond insurance policies and/or reserve fund surety bonds or insurance policies) and (ii) the funding of debt service reserves for the 2026B Power Bonds or for other bonds issued under the Trust Indenture.

The General Manager is hereby authorized and directed to determine the aggregate principal amount of 2026B Power Bonds to be issued from time to time (subject to the maximum amount and further limitations and conditions set forth herein) and to determine the various titles and series (or subseries) designations (including the designation of any series of bonds as “notes”) of the 2026B Power Bonds. The 2026B Power Bonds may be issued as obligations the interest on which is or is not subject to federal income tax. The forms of the 2026B Power Bonds, in substantially the forms set forth in the form of the Supplemental Indentures presented to this meeting, are hereby approved. The General Manager is hereby authorized and directed to approve and to execute the 2026B Power Bonds by manual or facsimile signature, and the Director of Commission Affairs (who is also the Secretary of the Commission for purposes of the Trust Indenture) is hereby authorized and directed to attest, by manual or facsimile signature, with such changes, additions, amendments or modifications thereto which they may approve with the advice of the City Attorney, such approval to be conclusively

evidenced by the execution and delivery of the 2026B Power Bonds, subject to the limitations set forth in this Section 1 and Section 3 hereof.

The Commission finds, in relation to 2009D Certificates and the Commission's related payment undertakings under the Headquarters Building MOU, that the following significant non-economic factors do exist (impacting such Commission payment obligations):

- the federal subsidy rate originally provided to the 2009D Certificates have been reduced and such reduced subsidy rate has applied for many years and is at risk of being reduced further or eliminated through legislation or otherwise; and
- the exclusion of interest from owner's income subject to federal income taxation or other tax benefits available to the 2009D Certificates could be diminished or eliminated through legislation or otherwise.

The Commission hereby finds with respect to the financing of the Refinancing Project, that the foregoing factors justify waiver of savings and other refinancing parameters, to the extent applicable to the Refinancing Project, set forth in the Commission's Debt Management Policies and Procedures. To the extent applicable, such conditions and parameters are hereby waived.

Section 2. Supplemental Indentures. The proposed form of Supplemental Indenture for each series and/or subseries of 2026B Power Bonds submitted to this Commission, and the terms and conditions thereof, are hereby approved. The General Manager of the Commission is authorized and directed to execute and deliver, and the Director of Commission Affairs or Director of Commission Affairs' designee is authorized to attest to, one or more Supplemental Indentures in such form or forms, with such additions thereto or changes therein as they may approve with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indentures. The Director of Commission Affairs is directed to file a copy of the form of Supplemental Indenture with the minutes of this meeting. Subject to the further limitations hereof, the principal amount, date, maturity date or dates, maximum interest rate or rates, series (and any subseries) designation, interest payment dates, forms, registration privileges, place or places of payment, terms of redemption, insurance provisions and other terms of the 2026B Power Bonds shall be as provided in the Trust Indenture and in the applicable Supplemental Indenture as finally executed.

Section 3. Sale; Bond Purchase Contract. The sale of the 2026B Power Bonds, in one or more series or subseries and on one or more dates, is hereby authorized and approved by the Commission, subject to the limitations and conditions provided herein. Subject to the other limitations provided herein, the interest rate or rates on the 2026B Power Bonds shall not exceed twelve percent (12%) and the final maturity of any 2026B Power Bonds shall not exceed 16 years from their date of issuance. The General Manager is hereby authorized and directed, for and on behalf of

and in the name of the Commission, to sell such 2026B Power Bonds at one or more sales in such principal amount as the General Manager may determine, subject to the further limitations and conditions hereof. The General Manager is hereby authorized to enter into one or more Bond Purchase Contracts with Barclays, as the General Manager deems appropriate, substantially in the form presented at this meeting and on file with the Director of Commission Affairs, with such changes and additions as the General Manager may approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery of each such Bond Purchase Contract; provided, however, that the total compensation to Barclays in respect of the 2026B Power Bonds, inclusive of all expense reimbursements in respect of the 2026B Power Bonds, shall not exceed thirty-three hundredths of one percent (0.33%) of the par value of the 2026B Power Bonds to be sold pursuant to any such Bond Purchase Contract. 2026B Power Bonds sold in a sale shall be delivered to Barclays upon payment of the purchase price agreed upon in the applicable Bond Purchase Contract, together with accrued interest, if any. The Director of Commission Affairs is directed to file a copy of said form of Bond Purchase Contract with the minutes of this meeting.

The Commission's Debt Management Policies and Procedures authorize the General Manager to approve a "negotiated" sale (as distinct from a "competitive sale") of Commission bonds to an underwriter "if deemed necessary for a successful offering." Alternatively, such Policies and Procedures authorize the General Manager to approve a "private placement" of bonds if such sale "would result in a lower overall cost than would be achieved by selling bonds at a public sale." Staff and the Municipal Advisor have recommended that the 2026B Power Bonds, as well as similar water revenue bonds and wastewater revenue bonds to refinance the Base Rental Payments under the Project Lease (or to retire commercial paper notes issued or incurred for such purposes), be sold to Barclays, in a negotiated sale. Barclays has represented that it will buy all of the 2026B Power Bonds without the present intention to sell or reoffer the 2026B Bonds (or any portion of the 2026B Bonds or any interest in the 2026B Bonds) other than a sale or transfer to (A) an affiliate or other party related to Barclays or (B) a funding entity or other special purpose arrangement established by Barclays or an affiliate of Barclays such as a tender option bond trust (or similar securitization vehicle), without limiting Barclays' right to transfer, sell or otherwise dispose of the 2026B Power Bonds or any part thereof at some future time and from time to time at its sole discretion. Staff estimates that the sale of these Refinancing Project bonds to Barclays, given the relatively small size of the offering, would result in lower costs than a public sale of such bonds, because certain issuance costs associated with a public sale (such as the preparation of multiple disclosure documents and investor presentations, the provision of multiple credit ratings, as well as the associated staff time and expense incurred in connection with such activities) would be avoided or delayed. Staff and the Municipal Advisor further advise that the sale to Barclays will provide greater flexibility for execution of the Refinancing Project (including the ability to coordinate among the 2026B Power Bonds, water revenue bonds and wastewater revenue bonds for the Refinancing Project), cashflow savings and the ability to refund such bonds separately in the future. Based upon the foregoing the General Manager has determined that the sale of the 2026B Power Bonds to Barclays is likely to result in lower overall costs (and

greater flexibility) than achieved by selling such bonds at public sales, and should be approved by the Commission.

Section 4. Continuing Disclosure Certificate. The proposed form of Continuing Disclosure Certificate for the 2026B Power Bonds, submitted to this Commission, is hereby approved. The General Manager is hereby authorized and directed to execute one or more Continuing Disclosure Certificates for the 2026B Power Bonds, substantially in the form submitted to this Commission, with such additions, changes and corrections thereto as the General Manager shall approve with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery of such Continuing Disclosure Certificate. The Director of Commission Affairs is directed to file a copy of said form of Continuing Disclosure Certificate with the minutes of this meeting.

Section 5. Submittal to Board for Approval. The General Manager is hereby authorized and directed to submit to the Board a proposed ordinance(s) authorizing the issuance of not-to-exceed \$12,610,000 aggregate principal amount of Power Revenue Bonds and other forms of indebtedness, including commercial paper and loans, subject to the terms of Charter Section 8B.124, to finance the Refinancing Project. Such ordinance may be combined with ordinances relating to Wastewater Revenue Bonds and/or Water Revenue Bonds to finance the prepayment of Base Rental Payments under the Project Lease allocable to the Commission's water enterprise and wastewater enterprise, respectively, and to refund certain other Federally-Taxable Build America Bonds issued by the Commission for its water enterprise and its wastewater enterprise.

Section 6. General Authority. The General Manager or the acting General Manager is hereby authorized and directed, each acting alone, for and in the name and on behalf of this Commission, to execute and deliver any and all documents, certificates and representations, including, but not limited to, signature certificates, no-litigation certificates, tax certificates, letters of representation relating to book-entry registration, custody agreements, filing agent agreements and listing agreements, to contract for municipal bond insurance for all or a portion of the 2026B Power Bonds if determined by the General Manager, with the advice of the Municipal Advisor, to be beneficial to the Commission, to contract for one or more surety bonds or insurance policies for the debt service reserves for the 2026B Power Bonds if determined by the General Manager, with the advice of the Municipal Advisor, to be beneficial to the Commission, to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to accomplish the intent and purposes of this resolution, including the issuance and sale of the 2026B Power Bonds, the financing or refinancing of the project, the retirement of commercial paper and the other actions which the Commission has approved in this Resolution. The General Manager may delegate the authority in this Resolution to the Deputy General Manager and Chief Operating Officer, the Chief Financial Officer of the Commission and Assistant General Manager, Business Services, or any Deputy Chief Financial Officer as the General Manager or the acting General Manager deems necessary or appropriate.

Section 7. Good Faith Estimates. The Commission acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

Section 8. Ratification. All actions heretofore taken by the officers, employees and agents of the Commission with respect to the authorization, sale and issuance of the 2026B Power Bonds and the authorizations under this Resolution, prior to the date hereof and in accordance with the provisions hereof, are hereby approved, confirmed and ratified.

Section 9. Effective Date. This Resolution shall take effect from and after its adoption.

I hereby certify that the foregoing resolution was adopted by the San Francisco Public Utilities Commission at its meeting June 9, 2026.



Director of Commission Affairs
San Francisco Public Utilities Commission