

LEGISLATIVE DIGEST

[San Francisco Public Utilities Commission Power Revenue Bond and Other Forms of Indebtedness Issuance - Various Capital Projects Benefitting the Power Enterprise - Not to Exceed \$41,031,367]

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (“Commission”) in an aggregate principal amount not to exceed \$41,031,367 to finance the costs of various capital projects benefitting the Power Enterprise under the Charter, including amendments to the Charter enacted by the voters on June 5, 2018 commonly referred to as Proposition A; authorizing the issuance of Power Revenue Refunding Bonds; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new law.

Background Information

On November 5, 2002, the voters of the City and County of San Francisco approved Proposition E (“Proposition E”) which authorized the Commission to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities or combinations of water and clean water facilities under the jurisdiction of the Commission.

The proposed Ordinance authorizes the issuance of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness in an amount not to exceed \$41,031,367. Proceeds of the Power Revenue Bonds will be used to provide funds to pay the costs to finance of projects benefitting the Power Enterprise, as more fully set forth in the staff report accompanying the proposed Ordinance.

The Power Revenue Bonds will be issued under an Indenture dated as of May 1, 2015 (as further amended and supplemented from time to time (“Indenture”), between the Commission and U. S. Bank National Association, as the trustee.

The proposed Ordinance also authorizes the issuance of Refunding Power Revenue Bonds to refund outstanding indebtedness of the Power Enterprise subject to the following conditions,

among others i) three percent (3%) net present value debt service savings or greater is achieved; (ii) the maturity of the refunded bonds is not extended; (iii) the refunding authorization sunsets on June 30, 2028, unless extended by the Commission. Staff is required to provide a savings report within 30 days following the bond sale.

The proposed Ordinance also authorizes the Commission to issue Refunding Bonds for non-economic factors which may include, by way of illustration, eliminating onerous covenants and obsolete provisions contained in the Commission's Indenture or other security documents, or restructuring a series of bonds in response to then-current market conditions.

i.e., n:\govern\as2013\1200339\00848008.doc [doc locator code goes HERE]