

1 [Clean Renewable Energy Bonds.]

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3 **Resolution approving the issuance of not to exceed \$6,325,000 aggregate principal**
4 **amount of clean renewable energy bonds to be issued by the Public Utilities Commission**
5 **of the City and County of San Francisco (the "Commission"); approving the execution**
6 **and delivery by the Commission of a Master Equipment Lease/Purchase Agreement, an**
7 **Acquisition Fund and Account Control Agreement, and a Bond Purchase Agreement; and**
8 **authorizing the taking of appropriate actions in connection therewith; and related**
9 **matters.**

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11 WHEREAS, Pursuant to Section 9.107(8) of the Charter of the City and County of San
12 Francisco (the "City"), the Board of Supervisors of the City (the "Board") is authorized to
13 provide for the issuance of revenue bonds by the Commission for the acquisition,
14 construction, installation, equipping, improvement or rehabilitation of equipment or facilities for
15 renewable energy and energy conservation; and

16 WHEREAS, The Commission has applied for and received an allocation of \$6,325,000
17 (the "Allocation") from the Internal Revenue Service under the Clean Renewable Energy Bond
18 program ("CREBs") of the United States federal government; and

19 WHEREAS, CREBs are tax credit bonds that allow a qualified issuer to borrow at a
20 zero percent interest rate and the owners of the CREBs to receive, in addition to the
21 repayment of the principal amount of the CREB, compensation in the form of a federal tax
22 credit from the United States government, in lieu of interest paid by the qualified issuer; and

23 WHEREAS, The Allocation provides the Commission with an opportunity to issue
24 CREBs (the "Commission CREBs") to finance the cost of acquiring and installing renewable
25 energy equipment (the "CREBs Project"), all as more fully described in Appendix A to that

1 certain letter, dated November 13, 2006, from the Internal Revenue Service to the General
2 Manager of the Commission, awarding the Allocation to the Commission; and

3 WHEREAS, The Commission, pursuant to the terms of Resolution No. 08-0092,
4 adopted by the Commission on May 27, 2008, has authorized the execution and delivery of
5 Commission CREBs, in the form of a Master Equipment Lease/Purchase Agreement,
6 expected to be dated as of July 1, 2008, by and between the Commission and Banc of
7 America Leasing & Capital, LLC ("Bank of America"), in the principal amount of not to exceed
8 \$6,325,000 (the "CREB Lease/Purchase Agreement") for the purpose of financing the costs of
9 acquiring and installing the CREBs Project, as well as for the payment of costs of issuance
10 and other incidental costs therefor; and,

11 WHEREAS, The obligation of the Commission to make payments under the CREB
12 Lease/Purchase Agreement is payable solely from the Net Revenues (as defined in the CREB
13 Lease/Purchase Agreement) of the hydroelectric portion of the City's water enterprise; now,
14 therefore, be it

15 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
16 follows:

17 Section 1. Recitals. All of the recitals herein are true and correct.

18 Section 2. Approval and Authorization of Commission CREBs. The execution and
19 delivery of the Commission CREBs, in the form of the CREB Lease/Purchase Agreement, in
20 an aggregate principal amount not to exceed \$6,325,000, at the Tax Credit Rates (as such
21 term is defined in the CREB Lease/Purchase Agreement) published on the Internal Revenue
22 Service website and in effect on the date of execution of the Bond Purchase Agreement (as
23 such term is defined in Section 5 below), is hereby authorized and approved by the Board.

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1 Section 3. Approval and Authorization of CREB Lease/Purchase Agreement. The
2 Board hereby authorizes and approves the execution and delivery by the Commission of the
3 CREB Lease/Purchase Agreement in an aggregate principal amount not to exceed
4 \$6,325,000, to provide funds to be used for the CREBs Project. The form of the CREB
5 Lease/Purchase Agreement, in substantially the form presented to the Board, is hereby
6 approved. The General Manager of the Commission or his designee is hereby authorized and
7 directed to execute and deliver the CREB Lease/Purchase Agreement; with such changes,
8 additions, amendments or modifications therein which the General Manager or his designee
9 may deem necessary or desirable and as the City Attorney may require or approve, the
10 approval of such additions or changes to be conclusively evidenced by the execution and
11 delivery of the CREB Lease/Purchase Agreement.

12 Section 4. Approval and Authorization of Acquisition Fund and Account Control
13 Agreement. The Board hereby authorizes and approves the execution and delivery by the
14 Commission of an Acquisition Fund and Account Control Agreement (the " Acquisition Fund
15 and Account Control Agreement"), to provide investment direction and disbursement
16 procedures for funds to be used for the CREBs Project. The form of the Acquisition Fund and
17 Account Control Agreement, in substantially the form presented to the Board, is hereby
18 approved. The President or General Manager of the Commission or their designees and the
19 Secretary of the Commission or her designee are hereby authorized and directed to execute
20 and deliver the Acquisition Fund and Account Control Agreement; with such changes,
21 additions, amendments or modifications therein which they may deem necessary or desirable
22 and as the City Attorney may require or approve, the approval of such additions or changes to
23 be conclusively evidenced by the execution and delivery of the Acquisition Fund and Account
24 Control Agreement.

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1 Section 5. Approval and Authorization of Bond Purchase Agreement. The Board
2 hereby authorizes and approves the execution and delivery by the Commission of a Bond
3 Purchase Agreement (the " Bond Purchase Agreement"), to provide the terms on which Bank
4 of America will purchase the Commission CREBs from the Commission. The form of the Bond
5 Purchase Agreement, in substantially the form presented to the Board, is hereby approved.
6 The President or General Manager of the Commission or their designees, and the Secretary
7 of the Commission or her designee are hereby authorized and directed to approve and to
8 execute the Bond Purchase Agreement; with such changes, additions, amendments or
9 modifications therein which they may deem necessary or desirable and as the City Attorney
10 may require or approve, the approval of such additions or changes to be conclusively
11 evidenced by the execution and delivery of the Bond Purchase Agreement.

12 Section 6. Proposition P. Pursuant to Proposition P approved by the voters of the City
13 in November 2002, this resolution and the Commission CREBs are subject to, and incorporate
14 by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue Bond
15 Oversight Committee") of Chapter V of the San Francisco Administrative Code.

16 Section 7. General Authority. The Mayor of the City, the General Manager of the
17 Commission, the City Attorney, and all other appropriate officers, employees, representatives
18 and agents of the City are hereby authorized and directed to execute and deliver any and all
19 documents, certificates and representations, including, but not limited to, signature
20 certificates, no-litigation certificates, tax certificates, to do any and all things and take any and
21 all actions which may be necessary or advisable, in their discretion, to effectuate the

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1 execution and delivery of the Commission CREBs, CREB Lease/Purchase Agreement, the
2 financing of the CREBs Project, and the actions that the Board has approved in this
3 resolution.

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5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney

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9 By: _____
KENNETH DAVID ROUX
Deputy City Attorney

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