

1 [Charter Amendment - Revenue Bonds for Public Utilities Commission Power Facilities]

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3 **Describing and setting forth a proposal to the voters at an election to be held on June 5,**  
4 **2018, to amend the Charter of the City and County of San Francisco to authorize the**  
5 **Public Utilities Commission to issue revenue bonds for power facilities when approved by**  
6 **ordinance receiving a two-thirds vote of the Board of Supervisors.**

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8 Section 1. Findings.

9 (a) The Public Utilities Commission (PUC) has been producing clean, greenhouse-  
10 gas-free electricity at facilities in the Hetch Hetchy system for delivery to San Francisco facilities  
11 since shortly after the passage of the Raker Act in 1913. The PUC provides clean electric power  
12 to all City departments, public agencies like the San Francisco Unified School District, and other  
13 purposes such as affordable housing developments.

14 (b) The PUC’s provision of electric service saves the City approximately \$40 million  
15 every year.

16 (c) The PUC’s provision of electric service also provides revenue that PUC reinvests  
17 into the City’s clean and renewable energy facilities.

18 (d) Currently, the PUC’s provision of greenhouse-gas-free electricity reduces the  
19 City’s carbon footprint by 387 million pounds per year. This service supports the City’s  
20 sustainability goals, including the goal, adopted in Board of Supervisors Resolution No. 349-11,  
21 of meeting 100% of electricity demand in San Francisco with renewable and/or greenhouse-gas-  
22 free sources of supply by the year 2030.

23 (e) From 1945 to 2015, the PUC provided service under a series of contracts that  
24 were approved by federal regulators. On expiration of the final contract in June 2015, the City  
25 was required by federal law and regulations to own more facilities in order to serve its

1 customers. The financing authority proposed here is necessary for the PUC to pay for these  
2 facilities in an efficient and cost-effective way.

3 (f) The PUC will be able to provide service to its power customers with fewer delays  
4 and at lower cost if it has the ability to finance required facilities in the same manner as the  
5 PUC’s water and clean water utilities, the Port, and the Airport, as well as municipal utilities  
6 operated by other jurisdictions. These new power facilities can enhance reliability and safety  
7 and increase sustainability by incorporating technologies like energy storage and electric vehicle  
8 charging.

9 (g) Revenue bonds issued under the authority proposed in this measure would be  
10 subject to the review and oversight of the Public Utilities Revenue Bond Oversight Committee,  
11 Administrative Code Sections 5A.30-5A.36, in addition to the requirements stated in Charter  
12 Section 8B.124, subsections (a) and (b).

13 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City  
14 and County, at an election to be held on June 5, 2018, a proposal to amend the Charter of the  
15 City and County by revising Section 8B.124, to read as follows:

16 NOTE: **Unchanged Charter text and uncodified text** are in plain font.  
17 **Additions** are *single-underline italics Times New Roman font*.  
18 **Deletions** are ~~*strike-through italics Times New Roman font*~~.  
**Asterisks** (\* \* \* \*) indicate the omission of unchanged Charter  
subsections.

19 **SEC. 8B.124. WATER, ~~AND CLEAN WATER,~~ AND POWER REVENUE BONDS.**

20 Notwithstanding, and in addition to, the authority granted under Charter Section 9.107,  
21 the Public Utilities Commission is hereby authorized to issue revenue bonds, including notes,  
22 commercial paper, or other forms of indebtedness, when authorized by ordinance approved by a  
23 two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing,  
24 expanding, repairing, or improving water facilities, ~~or~~ clean water facilities, power facilities, or  
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1 combinations of water, ~~and~~ clean water, and power facilities under the jurisdiction of the Public  
2 Utilities Commission.

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4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6 By: \_\_\_\_\_  
7 THERESA L. MUELLER  
8 Deputy City Attorney

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