

1 [Power Revenue Bond Issuance and Sale - Public Utilities Commission - Not to Exceed  
2 \$111,326,843]

3 **Ordinance approving the issuance and sale of power revenue bonds by the Public**  
4 **Utilities Commission (PUC) in an aggregate principal amount not to exceed**  
5 **\$111,326,843 to finance the costs of various power capital projects benefitting the**  
6 **PUC Power Enterprise, pursuant to City Charter, Section 9.107(8); declaring the**  
7 **official intent of the Commission to reimburse itself with one or more issues of tax-**  
8 **exempt bonds; and ratifying previous actions taken in connection therewith.**

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10 NOTE: Additions are *single-underline italics Times New Roman*;  
11 deletions are ~~*strike-through italics Times New Roman*~~.  
12 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Findings. The Board of Supervisors (the "Board") of the City hereby finds  
15 and declares as follows:

16 A. Pursuant to Charter Section 9.107(8), the San Francisco Public Utilities  
17 Commission is authorized to issue revenue bonds, without a vote of the voters, to finance or  
18 refinance the acquisition, construction, installation, equipping, improvement or rehabilitation  
19 of equipment or facilities for renewable energy and energy conservation; and

20 B. By Resolution 14-0032 adopted by the Commission on February 11, 2014 (the  
21 "Commission Resolution") the Commission has determined to issue revenue bonds (the  
22 "Revenue Bonds") to finance the costs of various capital projects benefitting the SFPUC  
23 Hetch Hetchy Power Enterprise (the "Capital Improvement Projects"), pursuant to the  
24 Charter, and has formally requested this Board of Supervisors to authorize the issuance and  
25 sale of such revenue bonds for such purposes, such Commission Resolution and all such

1 documents relating to the issuance of the Water Revenue Bonds referenced therein being  
2 on file with the Clerk of the Board in File No. \_\_\_\_\_, which is hereby declared to be a  
3 part of this Ordinance as if set forth fully herein; and

4 C. The Commission has paid, beginning no earlier than 60 days prior to the  
5 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures  
6 (the "Expenditures") in connection with the acquisition, construction and/or equipping of the  
7 Capital Improvements Project.

8 D. This Board of Supervisors, on behalf of the Commission, hereby determines that  
9 those moneys previously advanced and to be advanced by the Commission on and after the  
10 date hereof to pay the Expenditures are available only for a temporary period and it is  
11 necessary to reimburse the Commission for the Expenditures from the proceeds of the  
12 Revenue Bonds, which shall be issued on a tax-exempt basis.

13 E. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance  
14 as official action of the Commission in order to comply with Treasury Regulation §1.150-2  
15 and any other regulations of the Internal Revenue Service relating to the qualification for  
16 reimbursement of Commission expenditures incurred prior to the date of issue of the  
17 Revenue Bonds.

18 F. In order to finance the costs of the Capital Improvement Projects, the Board now  
19 desires to authorize the issuance and sale of power revenue bonds for such purposes.

20 Section 2. Approval of the Revenue Bonds. The Board hereby approves the  
21 issuance and sale of the Revenue Bonds from time to time by the Commission pursuant to  
22 9.107(8) of the Charter and in accordance with the Commission Resolution in an aggregate  
23 principal amount not to exceed \$111,326,843 (inclusive of related financing costs), at a  
24 maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to  
25 finance a portion of the costs of the design, acquisition and construction of various capital

1 projects in furtherance of the Capital Improvement Projects. The Commission is hereby  
2 authorized to determine the timing, amount and manner of sale (i.e., competitive or  
3 negotiated methods of sale) of each series of Revenue Bonds issued pursuant to this  
4 authorization; provided however, the Commission's authorization to issue Revenue Bonds is  
5 subject to approval by the Commission's Board of the substantially final form of offering  
6 document prior to the issuance of any bonds herein authorized.

7 Section 3. Declaration of Official Intent. The Board, on behalf of the Commission ,  
8 hereby declares the official intent of the Commission to reimburse the Commission with  
9 proceeds of the Bonds for the Expenditures with respect to the Capital Improvements  
10 Project made on and after a date that is no more than 60 days prior to the adoption of this  
11 Ordinance. The Commission reasonably expects on the date hereof that it will reimburse  
12 the Expenditures with proceeds of the Bonds. Each said Expenditure was and will be either  
13 (A) of a type properly chargeable to a capital account under general federal income tax  
14 principles (determined in each case as of the date of the Expenditure), (B) a cost of  
15 issuance with respect to the Bonds, (C) a nonrecurring items that is not customarily payable  
16 from current revenues, or (D) a grant to pay a party that is not related to or an agent of the  
17 issuer so long as such grand does not impose any obligation or condition (directly or  
18 indirectly) to repay any amount to or for the benefit of the Commission. The maximum  
19 principal amount of the Revenue Bonds to be issued for the Capital Improvement Projects is  
20 \$111,326,843 (inclusive of financing costs).

21 The Commission will make a reimbursement allocation, which is a written allocation by  
22 the Issuer that evidences the Commission's use of proceeds of the Revenue Bonds to  
23 reimburse an Expenditure, no later than 18 months after the later of the date on which the  
24 Expenditure is paid or the component of the Capital Improvement Projects is placed in service  
25 or abandoned, but in no event more than three years after the date on which the Expenditure

1 is paid. The Commission recognizes that exceptions are available for certain “preliminary  
2 expenditures,” costs of issuance, certain *de minimis* amounts, expenditures by “small issuers”  
3 (based on the year of issuance and not the year of expenditure) and expenditures for  
4 construction projects of at least 5 years.

5 Section 4. General Authority. The Controller, Treasurer, the City Attorney and other  
6 officers of the City and their duly authorized deputies and agents are hereby authorized and  
7 directed, jointly and severally, to take such actions and to execute and deliver such  
8 certificates, agreements, requests or other documents, as they may deem necessary or  
9 desirable to facilitate the issuance, sale and delivery of the Revenue Bonds, to obtain bond  
10 insurance or other credit enhancements with respect to the Revenue Bonds, to obtain  
11 surety, to obtain title and other insurance with respect to the facilities to be financed, and  
12 otherwise to carry out the provisions of this Ordinance.

13 Section 5. Ratification of Prior Actions. All actions authorized and directed by this  
14 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

15 Section 6. File Documents. All documents referred to as on file with the Clerk of the  
16 Board are in File Nos. \_\_\_\_\_.

17 Section 7. Effective Date. Pursuant to Charter Section 14.102, this Ordinance shall  
18 take effect thirty (30) days after its adoption.

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20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22 By: \_\_\_\_\_  
23 MARK D. BLAKE  
24 Deputy City Attorney

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