

1 [Public Utilities Commission 2015 Power Revenue Bonds Issuance - Not to Exceed
2 \$48,000,000]

3 **Ordinance approving the issuance and sale of revenue bonds by the Public Utilities**
4 **Commission of the City and County of San Francisco in an aggregate principal amount**
5 **not to exceed \$48,000,000 to finance various capital projects consisting of**
6 **reconstruction or replacement of existing water and/or electric power facilities**
7 **pursuant to Charter, Section 9.107(6); and the acquisition, construction, installation,**
8 **equipping, improvement, or rehabilitation of equipment or facilities for renewable**
9 **energy and energy conservation pursuant to Charter, Section 9.107(8); approving the**
10 **execution of certain documents and agreements; and confirming and making certain**
11 **CEQA determinations and approving other actions and matters in connection**
12 **therewith.**

13 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
14 **Additions to Codes** are in *single-underline italics Times New Roman font*.
15 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
16 **Board amendment additions** are in double-underlined Arial font.
17 **Board amendment deletions** are in ~~strikethrough Arial font~~.
18 **Asterisks (* * * *)** indicate the omission of unchanged Code
19 subsections or parts of tables.

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

19 Section 1. Findings. The Board of Supervisors (the "Board") of the City and County of
20 San Francisco (the "City") hereby finds and declares as follows:

21 A. On November 5, 2002, the voters of the City approved Proposition E, codified as
22 Article VIII B of the Charter of the City (the "Charter"), which among other things, authorized
23 the Public Utilities Commission of the City and County of San Francisco (the "Commission") to
24 issue revenue bonds, including notes, commercial paper or other forms of indebtedness,
25 when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for

1 the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or
2 clean water facilities, or combinations of water and clean water facilities under the jurisdiction
3 of the Commission; and

4 B. Pursuant to Charter Section 9.107(6), revenue bonds may be issued, without
5 voter approval, upon a three-fourths affirmative vote of the Board, for the purpose of the
6 reconstruction or replacement of existing water facilities and electric power facilities or
7 combinations thereof under the jurisdiction of the Commission.

8 C. Pursuant to Charter Section 9.107(8), revenue bonds may be issued, without
9 voter approval, upon an affirmative vote of the Board, for the purpose of the acquisition,
10 construction, installation, equipping, improvement or rehabilitation of equipment or facilities for
11 renewable energy and energy conservation.

12 D. By Resolution No. 14-0197 adopted by the Commission on December 9, 2014
13 (the "Commission Bond Resolution"), the Commission has: (A) determined to and authorized
14 the issuance of its Public Utilities Commission of the City and County of San Francisco Power
15 Revenue Bonds in an aggregate principal amount not to exceed \$48,000,000, for the purpose
16 of (i) financing various capital projects consisting of reconstruction or replacement of existing
17 water and/or electric power facilities and the acquisition, construction, installation, equipping,
18 improvement or rehabilitation of equipment or facilities for renewable energy and energy
19 conservation (collectively, the "Capital Improvement Projects"), (ii) funding a debt service
20 reserve account, (iii) paying capitalized interest and (iv) paying costs of issuance and other
21 incidental costs therefor, with the title and series designations to be determined by the
22 General Manager of the Commission (the "Bonds"); (B) approved the form of, and authorized
23 the execution of (i) a Trust Indenture by and between the Commission and U.S. Bank National
24 Association, as trustee (the "Trustee") and the First Supplemental Trust Indenture (the "First
25 Supplement," and together with the Trust Indenture, the "Indenture"), by and between the

1 Commission and the Trustee, with respect to such Bonds, (ii) a Bond Purchase Contract
2 relating to the sale of the Bonds, (iii) an Official Statement relating to the Bonds, and (iv) a
3 Continuing Disclosure Certificate; (C) approved certain related actions and matters; and (D)
4 formally requested this Board to authorize the issuance and sale of the Bonds; such
5 Commission Bond Resolution being on file with the Clerk of the Board in File No. 150079,
6 which is hereby declared to be a part of this Ordinance as if set forth fully herein.

7 E. Concurrently with its review of this Ordinance, the Board is being requested to
8 review and approve an ordinance setting forth a procedure by which the Commission may
9 issue revenue bonds for any purpose related to its Power Enterprise (the “Commission Power
10 Enterprise Revenue Bond Law”), in compliance with which the Commission intends to issue
11 the Bonds.

12 Section 2. Approval of the Bonds. The Board hereby approves the Commission Bond
13 Resolution and authorizes and approves the issuance and sale by the Commission of the
14 Bonds in an aggregate principal amount not to exceed \$48,000,000 pursuant to Charter
15 Sections 9.107(6) and 9.107(8) and in accordance with the Commission Bond Resolution and
16 the Commission Power Enterprise Revenue Bond Law to finance the Capital Improvement
17 Projects in one or more series and on one or more dates, as either tax-exempt or taxable
18 bonds or any combination thereof, at a maximum rate or rates of interest not to exceed twelve
19 percent (12%) per annum; *provided*, that the Commission shall first have approved the form
20 and distribution of the preliminary official statement related to the Bonds.

21 Section 3. Approval of Financing Documents. The Board hereby approves the forms of
22 the Trust Indenture, First Supplement, Bond Purchase Contract, the preliminary Official
23 Statement relating to the Bonds and the Continuing Disclosure Certificate, submitted to this
24 Board and on file with the Clerk of the Board, and the appropriate officials of the Commission,
25 as authorized in the Commission Bond Resolution (the “Authorized Commission Officials”),

1 and of the City are hereby authorized to execute and deliver each such document and
2 agreement, with such changes thereto as the officer executing the same shall approve with
3 the advice of the City Attorney, such approval to be conclusively evidenced by the execution
4 and delivery thereof.

5 Section 4. Proposition P. The Board has determined, pursuant to Proposition P,
6 approved by the voters of the City in November 2002, that the Bonds are subject to, and there
7 is hereby incorporated by reference herein, the provisions of Section 5A.30 et seq. of Chapter
8 V of the San Francisco Administrative Code (the "Proposition P Requirements") and that,
9 pursuant to the Proposition P Requirements, to the extent permitted by law, one-twentieth of
10 one percent (0.05%) of the gross proceeds of the Bonds shall be deposited in a fund
11 established by the City Controller's Office and appropriated by the Board at the direction of
12 the Public Utilities Revenue Bond Oversight Committee established by Proposition P
13 Requirements to cover the costs of said Committee.

14 Section 5. Supplement to Ordinance No. 106-14. By Ordinance No. 106-14 adopted by
15 the Board on June 24, 2014, which became effective on July 2, 2014, this Board (i) approved
16 the issuance and sale of the Bonds to finance various capital projects of the Commission's
17 Power Enterprise pursuant to Section 9.107(8) of the Charter, and (ii) on behalf of the
18 Commission, declared the official intent of the Commission to reimburse the Commission with
19 proceeds of the Bonds for Expenditures (defined therein) with respect to the Capital
20 Improvements Projects made on and after a date no more than 60 days prior to the adoption
21 of Ordinance No. 106-14. The Board, by this Ordinance, supplements Ordinance No. 106-14
22 by including in the following in the definition of Capital Improvement Projects set forth therein:
23 various capital projects consisting of reconstruction or replacement of existing water and/or
24 electric power facilities of the Power Enterprise pursuant to Section Charter Section 9.107(6).

1 Section 6. CEQA Determinations. The San Francisco Planning Department
2 Environmental Review Officer (ERO) on November 26, 2014, determined that seven feasibility
3 and planning studies to be funded by the proceeds of the bonds are statutorily exempt under
4 the California Environmental Quality Act (CEQA) Guidelines Section 15262 (Feasibility
5 and Planning Studies), including 1.) Powerhouse Holm Unit 2 Improvements; 2.) Oil
6 Containment Upgrade at Holm and Kirkwood Powerhouses; 3.)Moccasin Generator Step
7 Up (GSU) Transformers & Oil Containment; 4.) Kirkwood Powerhouse Refurbishment and
8 Two Turbin Shutoff Valves (TSOV) Replacement; 5.) Moccasin Switchyard Upgrade;
9 6.)Regulatory Compliance for Transmission Lines-; Repair and replacement of
10 equipment and facilities at various locations; and 7.) Switchyard/Substations
11 Rehabilitation (Warnerville sw ph 1). The ERO also concurred with the determination
12 that the following three projects are categorical exemptions under CEQA, and
13 construction of these projects is proposed to be funded by the proceeds of the bonds:
14 Moccasin Generator Rewind on November 4, 2014; Transmission Lines/Distribution
15 System Moccasin to Warnerville (Don Pedro Crossing) on November 24, 2014; and
16 Powerhouse SCADA Upgrade; on November 24, 2014. The Commission has reserved its
17 right to add, change or modify the proposed projects to be funded by bond
18 proceeds as it deems to be necessary and advisable, subject to the limitations and
19 conditions set forth in the Indenture, Bond Purchase Contract and Charter Sections
20 9.107(6) and 9.107(8), in compliance with CEQA, and in consultation with the City
21 Attorney. The Board hereby adopts the determinations by the Commission as if set forth in full
22 herein.

23 Section 7. General Authority. The City Controller, Treasurer, the City Attorney and such
24 other appropriate officers of the City, and their duly authorized deputies and agents and
25 Authorized Commission Officials are hereby authorized and directed, jointly and severally, to

1 take such actions as are necessary or desirable to facilitate the issuance, sale and delivery of
2 the Bonds and to otherwise accomplish the intents and purposes of this Ordinance, in
3 consultation with the City Attorney, including but not limited to the execution and delivery of
4 such other documents and agreements as they may deem necessary or advisable.

5 Section 8. Ratification of Prior Actions. All actions authorized and directed by this
6 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

7 Section 9. File Documents. All documents referred to as on file with the Clerk of the
8 Board are in File No. 150079.

9 Section 10. Effective Date. Pursuant to Charter Section 2.105, this Ordinance shall
10 become effective immediately on the date of its adoption.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

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15 By: _____
16 MARK D. BLAKE
17 Deputy City Attorney

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