

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO.: 24-0193

WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco (the “City”) approved Proposition E (“Proposition E”), which among other things, authorized the San Francisco Public Utilities Commission (the “Commission”) to issue indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the “Board”), for the purpose of (i) reconstructing, replacing, expanding, repairing or improving wastewater facilities under the jurisdiction of the Commission (the “Wastewater Enterprise”), and (ii) 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 “Water Enterprise”); and

WHEREAS, On June 5, 2018, the voters of the City approved Proposition A (“Proposition A”), which among other things, amended Section 8B.124 of the Charter of the City and County of San Francisco (the “Charter”) to authorize the Commission to issue indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board, for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities under the jurisdiction of the Commission (the “Power Enterprise”), or for any other lawful purpose of the power facilities of the City in furtherance of the purposes specified in Charter Section 8B.124, provided that the Commission is prohibited from financing the construction of power plants that generate electricity using fossil fuels or nuclear energy under Proposition A; and

WHEREAS, Pursuant to Section 43.5 of the San Francisco Administrative Code (“Article V”), enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the City on June 19, 1998, as amended by Ordinance No. 270-06, adopted on October 24, 2006 by the Board and signed by the Mayor on October 31, 2006 (the “Procedural Ordinance”), the Board established a procedure pursuant to which the Commission may issue short-term indebtedness (including the issuance of commercial paper and other forms of short-term indebtedness) in anticipation of the issuance of its revenue bonds; and

WHEREAS, Under Section 8B.124 of the Charter, the Board’s authority to authorize an issuance of debt under Proposition A or Proposition E, as applicable, is subject to the provision of certain certifications of an independent engineer retained by the Commission and certain certifications by the San Francisco Planning Department, which certifications shall make the findings and determinations set forth in Charter Section 8B.124 (the “Proposition A Certificates” or “Proposition E Certificates” (as applicable)); and

WHEREAS, As it relates to the Wastewater Enterprise: (i) the Commission has previously authorized pursuant to Resolution No. 06-0164, approved by the Commission on September 26, 2006, and the Board has previously approved pursuant to Ordinance No. 266-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006, the establishment of a commercial paper program/interim funding program (the “Wastewater Interim Funding Program”) for the Wastewater Enterprise and the issuance of up to \$150 million, at that time, in aggregate principal amount of Wastewater Enterprise commercial paper notes and/or bank notes outstanding at any one time; (ii) the Commission has previously authorized pursuant

to Resolution No. 11-0197, approved by the Commission on December 13, 2011, and the Board has approved pursuant to Ordinance No. 91-12, adopted by the Board on May 8, 2012, and signed by the Mayor on May 14, 2012, an ordinance to authorize, an increase in the Wastewater Interim Funding Program to an aggregate principal amount not to exceed \$300 million, at that time, of commercial paper notes and/or bank notes outstanding at any one time from an aggregate principal amount of not to exceed \$150 million of commercial paper notes and/or bank notes outstanding at any one time; (iii) the Commission has previously authorized pursuant to Resolution No. 14-0139, approved by the Commission on August 26, 2014, and the Board has approved pursuant to Resolution No. 378-14, adopted by the Board on September 30, 2014, and signed by the Mayor on October 9, 2014, a resolution to authorize, an increase in the Wastewater Interim Funding Program to an aggregate principal amount not to exceed \$500 million, at that time, of commercial paper notes and/or bank notes outstanding at any one time from an aggregate principal amount of not to exceed \$300 million of commercial paper notes and/or bank notes outstanding at any one time; and (iv) the Commission has previously authorized pursuant to Resolution No. 17-0086, approved by the Commission on April 25, 2017, and the Board has approved pursuant to Resolution No. 193-17, adopted by the Board on May 23, 2017, and signed by the Mayor on May 26, 2017, an increase in the Wastewater Interim Funding Program to an aggregate principal amount not to exceed \$750 million from \$500 million aggregate principal amount of short-term indebtedness (including, but not limited to, commercial paper notes and/or bank notes), outstanding at any one time; and

WHEREAS, Pursuant to (i) Ordinance No. 128-21, adopted by the Board on July 27, 2021 and signed by the Mayor on August 4, 2021, (ii) Ordinance No. 110-22, adopted by the Board on June 14, 2022 and signed by the Mayor on June 24, 2022, (iii) Ordinance No. 181-23, adopted by the Board on July 25, 2023 and signed by the Mayor on July 28, 2023, and (iv) Ordinance No. 125-24, adopted by the Board on June 11, 2024 and signed by the Mayor on June 21, 2024, the Board has authorized the issuance from time to time of up to \$4,030,588,703 of Wastewater Enterprise revenue bonds and other forms of indebtedness of the Commission under Proposition E, and in the anticipation of the issuance of such indebtedness, has authorized the issuance of short-term indebtedness of the Commission; and

WHEREAS, The Commission has determined that it is necessary and desirable to make certain additional improvements to the facilities of the Wastewater Enterprise and has further determined to finance such additional improvements through the issuance of Wastewater Enterprise revenue bonds and other forms of indebtedness, and in anticipation of issuance of such Wastewater Enterprise revenue bonds and other forms of indebtedness, through the expansion of the Wastewater Interim Funding Program, the Commission now desires to increase the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Wastewater Interim Funding Program by \$500 million, increasing authorization to \$1.250 billion from \$750 million of aggregate principal amount of short-term indebtedness outstanding at any one-time (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which furthers the purpose and intent of the Wastewater Interim Funding Program), contingent upon the preparation and introduction of an ordinance for approval by the Board and acceptance by the Mayor (referred to herein, and describing all Enterprises, as the “Proposed Ordinance”); and

WHEREAS, As it relates to the Water Enterprise: (i) the Commission has previously authorized pursuant to Resolution No. 03-0048, approved by the Commission on March 25, 2003, and the Board has previously approved pursuant to Ordinance No. 300-03, adopted by the Board on May 6, 2003, and signed by the Mayor on May 16, 2003, the establishment of a commercial paper program/interim funding program (the “Water Interim Funding Program”) for the Water

Enterprise and the issuance of up to \$250 million, at that time, in aggregate principal amount of Water Enterprise commercial paper notes and/or bank notes outstanding at any one time; and (ii) the Commission has previously authorized pursuant to Resolution No. 08-0202, approved by the Commission on October 30, 2008, and the Board has previously approved pursuant to Ordinance No. 311-08, adopted by the Board on December 16, 2008 and signed by the Mayor on December 19, 2008, an increase in the Water Interim Funding Program from an aggregate principal amount of \$250 million to an aggregate principal amount of \$500 million outstanding at any one time; and

WHEREAS, Pursuant to (i) Ordinance No. 174-20 adopted by the Board on September 29, 2020 and signed by the Mayor on October 1, 2020, (ii) Ordinance No. 112-22, adopted by the Board on June 14, 2022 and signed by the Mayor on June 24, 2022, (iii) Ordinance No. 180-23, adopted by the Board on July 25, 2023 and signed by the Mayor on July 28, 2023, and (iv) Ordinance No. 131-24 adopted by the Board on June 18, 2024 and signed by the Mayor on June 27, 2024, the Board has authorized the issuance from time to time of up to \$1,887,552,493 of water revenue bonds and other forms of indebtedness of the Commission under Proposition E, and in the anticipation of the issuance of such indebtedness, has authorized the issuance of short-term indebtedness of the Commission; and

WHEREAS, The Commission has determined that it is necessary and desirable to make certain additional improvement to the facilities of the Water Enterprise and has further determined to finance such additional improvements through the issuance of Water Enterprise revenue bonds and other forms of indebtedness, and in anticipation of issuance of such Water Enterprise revenue bonds and other forms of indebtedness, through the expansion of the Water Interim Funding Program, the Commission now desires to increase the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Water Interim Funding Program by \$250 million, increasing authorization to \$750 million from \$500 million of aggregate principal amount of short-term indebtedness outstanding at any one-time (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which furthers the purpose and intent of the Water Interim Funding Program), contingent upon approval of the Proposed Ordinance; and

WHEREAS, As it relates to the Power Enterprise: (i) the Commission has previously authorized pursuant to Resolution No. 15-0183, approved by the Commission on September 8, 2015, and the Board has previously approved pursuant to Resolution No. 427-15, adopted by the Board on November 17, 2015, and signed by the Mayor on November 25, 2015, the establishment of a commercial paper program/interim funding program (the “Power Interim Funding Program”) for the Power Enterprise and the issuance of up to \$90 million, at that time, in aggregate principal amount of Power Enterprise commercial paper notes outstanding at any one time; and (ii) the Commission has previously authorized pursuant to Resolution No. 18-0188, approved by the Commission on November 13, 2018, and the Board has previously approved pursuant to Ordinance No. 2-19, adopted by the Board on January 15, 2019, and signed by the Mayor on January 18, 2019, an increase in the Power Interim Funding Program from an aggregate principal amount of \$90 million to an aggregate principal amount of \$250 million of commercial paper notes outstanding at any one time; and

WHEREAS, Pursuant to (i) Ordinance No. 142-18 adopted by the Board on June 12, 2018 and signed by the Mayor on June 20, 2018, (ii) Ordinance No. 152-19 adopted by the Board on June 25, 2019 and signed by the Mayor on June 28, 2019, (iii) Ordinance No. 127-21 adopted by the Board on July 27, 2021 and signed by the Mayor on August 4, 2021, (iv) Ordinance No. 109-22 adopted by the Board on June 14, 2022 and signed by the Mayor on June

24, 2022, (v) Ordinance No. 182-23 adopted by the Board on July 25, 2023 and signed by the Mayor on July 28, 2023, and (vi) Ordinance No. 126-24 adopted by the Board on June 11, 2024 and signed by the Mayor on June 21, 2024, the Board has authorized the issuance from time to time of up to \$836,960,525 of Power Enterprise revenue bonds and other forms of indebtedness of the Commission under Proposition A and Sections 9.107(6) and 9.107(8) of the Charter, and in the anticipation of the issuance of such indebtedness, has authorized the issuance of short-term indebtedness of the Commission; and

WHEREAS, The Commission has determined that it is necessary and desirable to make certain additional improvement to the facilities of the Power Enterprise and has further determined to finance such additional improvements through the issuance of Power Enterprise revenue bonds and other forms of indebtedness, and in anticipation of issuance of such Power Enterprise revenue bonds and other forms of indebtedness, through the expansion of the Power Interim Funding Program, the Commission now desires to increase the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Power Interim Funding Program by \$200 million, increasing authorization to \$450 million from \$250 million of aggregate principal amount of short-term indebtedness outstanding at any one-time (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which accomplishes the purpose and intent of the Water Interim Funding Program), contingent upon approval of the Proposed Ordinance; and

WHEREAS, The Proposition A Certificates and the Proposition E Certificates (as applicable), meeting the Proposition A requirements and the Proposition E requirements (as applicable) are, or will be, on file with the Clerk of the Board in accordance with Proposition A and Proposition E, in accordance with Section 8B.124 of the Charter; and

WHEREAS, This action does not constitute a “project” under the California Environmental Quality Act Guidelines section 15378(b)(4) because approval of the expansion of the Wastewater, Water, and Power Enterprise Interim Funding Programs and authorization of the Proposed Ordinance would constitute the creation of a government funding mechanism, which does not involve any commitment to a specific project that may result in a potentially significant physical change in the environment; now, therefore, be it

RESOLVED by the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Proposed Ordinance. The SFPUC General Manager or the General Manager’s designee, is instructed to prepare and introduce an ordinance consistent with the terms stated in this Resolution and describing the expansions of the Wastewater Interim Funding Program, Water Interim Funding Program and Power Interim Funding Program, for adoption by the Board and approval by the Mayor, subject to filing with the Clerk of the Board the necessary Proposition E Certificates and Proposition A Certificates (as applicable).

Section 2. Expansion of Wastewater Interim Funding Program. The Commission hereby approves the expansion of the Wastewater Interim Funding Program and a \$500 million increase in the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Wastewater Interim Funding Program, increasing authorization to \$1.250 billion from \$750 million of aggregate principal amount of short-term indebtedness outstanding at any one-time. The General Manager or their designee is authorized to issue up to \$1.250 billion in aggregate principal amount of short-term indebtedness (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or

variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which accomplishes the purpose and intent of the Wastewater Interim Funding Program) outstanding at any one-time in accordance with the terms hereof.

Section 3. Expansion of Water Interim Funding Program. The Commission hereby approves the expansion of the Water Interim Funding Program and a \$250 million increase in the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Water Interim Funding Program, increasing authorization to \$750 million from \$500 million of aggregate principal amount of short-term indebtedness outstanding at any one-time. The General Manager or their designee is authorized to issue up to \$750 million in aggregate principal amount of short-term indebtedness (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which accomplishes the purpose and intent of the Water Interim Funding Program) outstanding at any one-time in accordance with the terms hereof.

Section 4. Expansion of Power Interim Funding Program. The Commission hereby approves the expansion of the Power Interim Funding Program and a \$200 million increase in the aggregate principal amount of short-term indebtedness authorized to be outstanding at any one time under the Power Interim Funding Program, increasing authorization to \$450 million from \$250 million of aggregate principal amount of short-term indebtedness outstanding at any one-time. The General Manager or their designee is authorized to issue up to \$450 million aggregate principal amount of short-term indebtedness (including, but not limited to, commercial paper notes, revolving notes, bank notes, revolving lines of credit, any fixed and/or variable rate short-term borrowing facility/program and/or any other short-term borrowing vehicle which accomplishes the purpose and intent of the Power Interim Funding Program) outstanding at any one-time in accordance with the terms hereof.

Section 5. Limitations. This Resolution shall be ineffective unless and until a Proposed Ordinance is adopted by the Board and approved by the Mayor.

Section 6. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to the expansions of the Wastewater Interim Funding Program, Water Interim Funding Program and Power Interim Funding Program are hereby approved, confirmed and ratified.

Section 7. Effective Date. This resolution shall take effect from and after its adoption.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting on September 10, 2024.

T. Lennear

Director of Commission Affairs
San Francisco Public Utilities Commission