

LEGISLATIVE DIGEST

[Public Utilities Commission - Issuance Power Revenue Bonds - Not to Exceed \$32,483,088]

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed \$32,483,088 to finance the costs of various capital projects benefitting the Power Enterprise pursuant to Charter, Sections 9.107(6) and 9.107(8); authorization to issue Refunding Power Revenue Bonds; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt or taxable bonds; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new legislation.

Background Information

Pursuant to the Charter, the Public Utilities Commission of the City and County of San Francisco (the "Commission") is authorized, upon approval by the Board, to issue revenue bonds for any purposes related to the Commission's Power Enterprise, including, without limitation, financing or refinancing capital additions, improvements, repairs and replacements to the Power Enterprise.

The proposed legislation authorizes the Commission to issue and sell its revenue bonds in an amount not greater than \$32,483,088 at a maximum rate of interest of not in excess of twelve percent (12%) payable from and secured by Power Enterprise Revenues. The Bonds will be issued under the terms of a Trust Indenture dated as of May 1, 2015, as further amended and supplemented from time to time, between the Commission and U. S. Bank National Association. The Bonds can be issued for any purposes of the Power Enterprise, including, without limitation, the financing or refinancing of capital additions, improvements, repairs and replacements to the Power Enterprise, in accordance with Charter section 9.107(6) and 9.107(8). The Commission is authorized to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each series of Power Revenue Bonds or the delivery of other forms of indebtedness pursuant to this Board authorization; but the authority to issue Power Revenue Bonds or incur other forms of indebtedness (including New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds) is subject to further approval by the Commission of any financing or disclosure documents.

Finally the Ordinance provides for the issuance of refunding bonds without returning to the Board for approval provided that the Commission achieves at least 3% present value debt service savings. The authority to issue Refunding Bonds ends June 30, 2018.