

File No. 210649

Committee Item No. 3

Board Item No. 26

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Appropriations Committee

Date June 21, 2021

Board of Supervisors Meeting

Date July 27, 2021

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Mayor's Office Budget Submission Memo
- Board of Supervisors Ordinance No. 172-20
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Linda Wong

Date June 17, 2021

Completed by: Linda Wong

Date July 7, 2021

1 [Amending Ordinance No. 172-20 - San Francisco Public Utilities Commission Power
2 Revenue Bond Issuance - Not to Exceed \$162,314,897]

3 **Ordinance amending Ordinance No. 172-20, to authorize an increase of the issuance**
4 **and sale of tax-exempt or taxable Power Revenue Bonds and other forms of**
5 **indebtedness by the San Francisco Public Utilities Commission (Commission) in an**
6 **aggregate principal amount not to exceed \$162,314,897 to finance the costs of various**
7 **capital projects benefitting the Power Enterprise pursuant to Charter, Sections 9.107(6)**
8 **and 9.107(8), including amendments to the Charter of the City and County of San**
9 **Francisco enacted by the voters on November 5, 2016, commonly referred to as**
10 **Proposition A; authorizing the issuance of Power Revenue Refunding Bonds; declaring**
11 **the Official Intent of the Commission to reimburse itself with one or more issues of tax-**
12 **exempt or taxable bonds or other forms of indebtedness; and ratifying previous**
13 **actions taken in connection therewith, as defined herein.**

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

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

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

25

1 A. Pursuant to Charter Sections 9.107 (6) and 9.107(8), the San Francisco Public
2 Utilities Commission (“Commission”) is authorized to issue revenue bonds, without a vote of
3 the voters, to finance or refinance the acquisition, construction, installation, equipping,
4 improvement or rehabilitation of electric power facilities as well as equipment or facilities for
5 renewable energy and energy conservation; and

6 B. On June 5, 2018, the voters of the City and County of San Francisco (“City”)
7 approved Proposition A (“Proposition A”), which among other things, authorized the
8 Commission to issue revenue bonds, including notes, commercial paper or other forms of
9 indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of
10 Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving
11 water facilities, clean water facilities or power facilities or combinations of water, clean water
12 facilities and power facilities under the jurisdiction of the Commission, or for any lawful
13 purpose of the water, clean water and power facilities; and

14 B. The Commission adopted the Indenture dated as of May 1, 2015, as further
15 amended and supplemented from time to time (“Indenture”), between the Commission and U.
16 S. Bank National Association and in connection therewith, has from time to time issued power
17 revenue bonds to finance projects benefitting the Power Enterprise; and

18 C. This Board has previously adopted Ordinance No. 172-20 to authorize the
19 issuance of not to exceed \$142,970,073 of the Commission’s Power Revenue Bonds and
20 other forms of indebtedness (“Initial Ordinance”) to finance the costs of various capital
21 projects benefitting the Power Enterprise (the "Capital Improvement Projects" such projects
22 being more fully described in the Commission Resolution [18-0023, adopted on February 13,
23 2018]); and

1 D. In order to finance the costs of additional capital projects for the Power
2 Enterprise, the Board desires to amend the Initial Ordinance to increase the bonding
3 authorization by \$19,344,824 to provide funds for the new capital project; and

4 Section 2. Authorization to Issue Power Revenue Bonds and other forms of
5 indebtedness. The Board hereby amends the Ordinance No. 172-20 to increase the
6 authorization of the issuance and sale of Power Revenue Bonds in one or more series from
7 time to time by the Commission pursuant to Proposition E and in accordance with the
8 Commission Resolution, in an aggregate principal amount not to exceed
9 \$[162,314,897](inclusive of financing costs), at a maximum rate or rates of interest of not to
10 exceed twelve percent (12%) per annum to finance a portion of the costs of the design,
11 acquisition and construction of the Capital Improvement Projects. All other terms and
12 conditions of Ordinance No. 172-20, are hereby incorporated by reference as if set forth in full
13 herein, and except as amended by the terms of this Ordinance, remain in full force and effect.

14 Section 3. General Authority. The Controller, Treasurer, the City Attorney and other
15 officers of the City and their duly authorized deputies and agents are hereby authorized and
16 directed, jointly and severally, to take such actions and to execute and deliver such
17 certificates, agreements, requests or other documents, as they may deem necessary or
18 desirable to facilitate the issuance, sale and delivery of the Power Revenue Bonds, Refunding
19 Bonds, to obtain bond insurance or other credit enhancements with respect to such
20 obligations, to obtain surety, to obtain title and other insurance with respect to the facilities to
21 be financed, and otherwise to carry out the provisions of this Ordinance. The Commission is
22 hereby directed to provide the final form to the Clerk of the Board of any disclosure document
23 prepared in connection with the execution of any Power Revenue Bonds or Refunding Bonds,
24 and the final executed Installment Sale Agreement or other document reflecting the
25 incurrence of an SRF Loan, within 30 days of the closing of such transactions.

1 Section 4. Ratification of Prior Actions. All actions authorized and directed by this
2 Ordinance in connection with the issuance of the Power Revenue Bonds or other forms of
3 indebtedness, Refunding Bonds, and heretofore taken are hereby ratified, approved and
4 confirmed by this Board.

5 Section 5. File Documents. All documents referred to as on file with the Clerk of
6 the Board are in File No. 210649.

7 Section 6. Effective Date. Pursuant to Charter Section 8B.124, this Ordinance shall
8 take effect thirty (30) days after its adoption.

9

10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

12

13

14 By: /s/ _____
15 Mark D. Blake
16 Deputy City Attorney
17 n:\financlas2016\1300183\01109132.docx

18

19

20

21

22

23

24

25

| | |
|--|---|
| <p>Items 1 & 3 Files 21-0647 & 21-0649</p> | <p>Department: Public Utilities Commission</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • <u>File 21-0647</u> is a proposed ordinance that would appropriate \$19.3 million Power bond proceeds, de-appropriate \$8.8 million in certain Hetch Hetchy capital projects and revenues, appropriate \$16.4 million for the Bay Corridor Project, \$2.9 million for Power Bond financing costs, and \$8.8 million to Hetch Hetchy fund balance in the SFPUC’s Hetch Hetchy Capital Improvement Program in FY 2020-21 and FY 2021-22. • <u>File 21-0649</u> is a proposed ordinance that would increase the SFPUC’s authorization to issue Power Revenue Bonds and other forms of indebtedness from \$142,970,073 to \$162,314,897. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • According to the SFPUC, \$6.8 million of previously appropriated Hetch Hetchy revenues in FY 2020-21 is no longer necessary because of close-out of completed projects and adjustment to the project schedule for the Distribution Services Project. The proposed appropriation would return those monies to fund balance. • The proposed appropriation appropriates \$16.4 million the Bay Corridor Transmission Distribution project in FY 2021-22 to fund construction of transmission and distribution infrastructure related to a new SFPUC substation at Quint Street. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The SFPUC anticipates issuing the proposed \$19.3 million in Power Bonds in 1 or 2 series beginning in FY 2021-22. The debt service for the proposed \$19.3 Power bonds is expected to be \$1.5 million annually. • The SFPUC is expected to remain compliant with its Debt Management Policy and its Fund Balance Policy. • According to the SFPUC, approved FY 2021-22 rate increases ranging from 3% - 6% will fund budgeted operating and capital cost increases including the debt service associated with these bonds. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The SFPUC’s policy is to request authorization for the future issuance of bonds and other forms of debt to fund new capital appropriations, even if it has unused bond authority. The SFPUC has \$304.9 million in unused Power Revenue Bond debt authority. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed ordinances. | |

MANDATE STATEMENT

Charter Section 9.107(6, 8) states that the Board of Supervisors is authorized to provide for the issuance of revenue bonds for the purpose of the reconstruction or replacement of existing water facilities or electric power facilities or combinations of water and electric power facilities under the jurisdiction of the Public Utilities Commission, when authorized by resolution adopted by a three-fourths affirmative vote of all members of the Board of Supervisors; and issued to finance or refinance the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation.

Charter Section 8B.124 states that the Public Utilities Commission is authorized to issue revenue bonds and other forms of indebtedness, when authorized by two-thirds vote of the Board of Supervisors, for Water Enterprise and Wastewater Enterprise capital projects.

Charter Section F1.113 states that 0.2 percent of the City's budget, excluding bond debt, must be set-aside for the Controller's audit fund.

Charter Section 5A.31(d) states that one-twentieth of one percent (0.05%) from the proceeds of each issuance or sale of public utility revenue bonds must be set aside for use by the Public Utilities Commission Revenue Bond Oversight Committee to cover the costs of Committee activities.

Charter Section 9.105 states that the Board of Supervisors shall approve by ordinance all amendments to the Annual Appropriation Ordinance after the Controller certifies the availability of funds.

BACKGROUND

The SFPUC maintains three utility enterprises: Water, Wastewater, and Hetch Hetchy. The Hetch Hetchy enterprise includes Hetchy Water, which is responsible for the water system in and around the Hetch Hetchy reservoir, Hetchy Power, which is responsible for power generation, and CleanPowerSF. Because power is generated hydroelectrically, certain capital projects benefit both the Hetchy Water and Hetchy Power operations. Hetchy Power primarily provides electricity to City agencies and other government entities.

Hetch Hetchy Capital Improvement Program

According to the San Francisco Public Utilities Commission's (SFPUC) 10-Year Financial Plan, the Hetch Hetchy Enterprise Capital Improvement Program for FY 2021-22 through FY 2030-31 is \$1.57 billion, of which \$1.034 billion is for the Hetchy Water Capital Program including Water, Power and Joint Water and Power Projects, and \$533 million is for the Local Power Capital Program. Major funding sources include power revenues, power revenue bonds, and water revenue bonds.

DETAILS OF PROPOSED LEGISLATION

File 21-0647 is a proposed ordinance that would appropriate \$19.3 million Power bond proceeds, de-appropriate \$8.8 million in certain Hetch Hetchy capital projects and revenues, appropriate \$16.4 million for the Bay Corridor Project, \$2.9 million for Power Bond financing costs, and \$8.8 million to Hetch Hetchy fund balance in the SFPUC’s Hetch Hetchy Capital Improvement Program in FY 2020-21 and FY 2021-22. The detailed sources and uses of these funds are shown below in Table 1.

Table 1: Sources of Uses for Changes to Hetch Hetchy Capital Improvement Program

| | FY 2020-21 | FY 2021-22 | Total |
|--|-------------------|-------------------|-------------------|
| Sources | | | |
| Cruise Ship Power | 148,830 | 0 | 148,830 |
| Transbay Center | 1,991,297 | 0 | 1,991,297 |
| Enterprise Fund | 84,631 | 0 | 84,631 |
| 525 Golden Gate | 218,778 | 0 | 218,778 |
| Hunters Point Municipal Power | 1,000,000 | 0 | 1,000,000 |
| Distribution Services | 3,400,000 | 0 | 3,400,000 |
| Power Bond Proceeds | 0 | 19,344,824 | 19,344,824 |
| Retail Customer Program | 0 | 1,000,000 | 1,000,000 |
| Small Renewable Generation | 0 | 1,000,000 | 1,000,000 |
| Total Sources | 6,843,536 | 21,344,824 | 28,188,360 |
| Uses | | | |
| Bay Corridor Transmission Distribution | 0 | 16,443,100 | 16,443,100 |
| Financing Costs | 0 | 2,892,052 | 2,892,052 |
| Revenue Bond Oversight Committee | 0 | 9,672 | 9,672 |
| General Reserve Fund Balance | 6,843,536 | 2,000,000 | 8,843,536 |
| Total Uses | 6,843,536 | 21,344,824 | 28,188,360 |

Source: File 21-0647

Bond proceeds would be placed on Controller’s Reserve pending receipt of bond revenues and construction related expenses.

Use of the appropriated funds is also subject to the Board of Supervisors' discretionary adoption of California Environmental Quality Act (CEQA) Findings for projects, following review and consideration of completed project related environmental analysis.

File 21-0649 is a proposed ordinance that amends Ordinance 172-20 (File 20-0836) to increase the SFPUC’s authorization to issue taxable or tax-exempt Power Revenue Bonds and other forms of indebtedness by \$19,344,824 from \$142,970,073 to \$162,314,897. Authorized forms of debt include refunding bonds, New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes to finance the

Hetch Hetchy Capital Improvement Program. As noted above, the increase in the debt authorization is to provide funding for the Bay Corridor Transmission Distribution Project.

The ordinance would authorize the Controller, Treasurer, and City Attorney to take necessary actions to facilitate the issuance of the debt. Finally, the SFPUC would be required to provide a report to the Board of Supervisors that includes the amount of Power Revenue Bonds issued under the proposed and prior authorizations, total amount sold, the remaining authorized but unissued amount, and the bond authorization no longer necessary due to changes in projects and project financing.

Unspent Revenues in FY 2020-21

According to the SFPUC, \$6.8 million of previously appropriated Hetch Hetchy revenues in FY 2020-21 is no longer necessary because of close-out of completed projects and adjustment to the project schedule for the Distribution Services Project. Table 2 below provides detail for each revenue source.

Table 2: Changes to FY 2020-21 Revenues

| Project | Reason for Change |
|-------------------------------|---|
| Cruise Ship Power | Close out completed project with budget savings |
| Transbay Center | Close out excess balance not needed for final project incentive payments |
| Enterprise Fund | Close out completed project with budget savings |
| 525 Golden Gate | Close out completed project with budget savings |
| Hunters Point Municipal Power | Close out excess budget related to completed Hilltop portion of the Hunters Point project; remaining funds still needed for Hillside portion of the project. |
| Distribution Services | Funds are not needed in the upcoming fiscal year due to adjustments to project schedules; these funds will be requested in future years based on revised schedules. |

Source: SFPUC

Bay Corridor Transmission Distribution Project

As shown above in Table 1, the SFPUC intends to issue \$19.3 million in Power Bonds to fund construction and financing costs related to the Bay Corridor Transmission Distribution project. According to information provided by SFPUC, the Bay Corridor Transmission Distribution project includes installation of infrastructure to convert transmission voltage electricity from the PG&E Potrero Substation at a new SFPUC substation on Quint Street and distributing the electricity to Power Enterprise customers. The scope of work includes s underground duct bank work, cable pulls, transformer substation and transmission connections to the PG&E Potrero substation and related customer interface equipment and cables. Construction is expected to occur in FY 2021-22.

FISCAL IMPACT

Bond Issuance and Debt Service

The SFPUC anticipates issuing the proposed \$19.3 million in Power Bonds in 1 or 2 series beginning in FY 2021-22. The debt service for the proposed \$19.3 Power bonds is expected to be \$1.5 million annually.

SFPUC Debt Management Policy

SFPUC's Debt Policy provides for issuance of short-term debt, such as commercial paper, and refunding bonds. The SFPUC's financial policies requires that each Enterprise generate net revenues (including fund balance) of at least 1.35 times of annual debt service to remain compliant with the Department's Bond Indenture Agreement and that annual revenues are at least 1.10 times of annual debt service. The SFPUC is expected to remain compliant with these debt service coverage ratios.

Fund Balance

SFPUC's fund balance reserve policy requires a fund balance of 90 days or 25 percent of operating expenses. According to the 10 Year Financial Plan, the Hetch Hetchy Water and Power Enterprise fund balance is expected to exceed this level over the 10-year plan period. The 10 Year Financial Plan shows negative net operating revenues in four of the next ten years (i.e., operating revenues are less than expenses) which will draw down on the fund balance, although the fund balance will exceed the minimum amount of 25 percent of operating expenses.

Power Rate Increases

According to the SFPUC, approved FY 2021-22 rate increases ranging from 3% - 6% will fund budgeted operating and capital cost increases including the debt service associated with these bonds. Increased debt service from these bonds represent about 0.5% of the proposed FY 2021-22 budget.

POLICY CONSIDERATION

Status of Authorized and Issued Power Enterprise Debt

As of June 16, 2021, the Board of Supervisors have previously authorized the issuance and sale of \$423.4 million in Power Revenue Bonds and other debt, of which \$118.5 million of Power Revenue Bonds and commercial paper have been sold with \$304.9 million in authorized and unsold bonds. The proposed ordinance (File 21-0647) authorizes an additional \$19.3 million in Power Revenue Bonds and other forms of debt. The SFPUC's policy is to request authorization for the future issuance of bonds and other forms of debt to fund new capital appropriations, even if it has unused bond authority.

RECOMMENDATION

Approve the proposed ordinances.

1 [San Francisco Public Utilities Commission Power Revenue Bond Issuance - Various Capital
2 Projects Benefitting the Power Enterprise - Not to Exceed \$142,970,073]

3 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue**
4 **Bonds and other forms of indebtedness by the San Francisco Public Utilities**
5 **Commission in an aggregate principal amount not to exceed \$142,970,073 to finance**
6 **the costs of various capital projects benefitting the Power Enterprise pursuant to**
7 **Charter, Sections 9.107(6) and 9.107(8); authorization to issue Refunding Power**
8 **Revenue Bonds and the retirement of outstanding Power Enterprise Commercial**
9 **Paper; declaring the Official Intent of the Commission to Reimburse Itself with one or**
10 **more issues of tax-exempt bonds; and ratifying previous actions taken in connection**
11 **therewith, as defined herein.**

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

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

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

20 A. Pursuant to Charter Sections 9.107(6) and 9.107(8), together with the provisions
21 of Proposition A (approved by the voters in June 5, 2018) to authorize the San Francisco
22 Public Utilities Commission ("Commission") to issue revenue bonds, including notes,
23 commercial paper or other forms of indebtedness (which forms of indebtedness may include
24 without limitation, loans and other forms of indebtedness provided by governmental agencies

1 and/or commercial or investment banks), when authorized by ordinance approved by a two-
2 thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing,
3 expanding, repairing or improving power facilities under the jurisdiction of the Commission.

4 B. The Commission adopted the Trust Indenture dated as of May 1, 2015, as
5 further amended and supplemented from time to time (“Indenture”), between the Commission
6 and U. S. Bank National Association and in connection therewith, has from time to time issued
7 revenue bonds to finance projects benefitting the Power Enterprise; and

8 C. By Resolution 20-0031 adopted by the Commission on February 11, 2020
9 (“Commission Resolution”) the Commission has determined to issue Power Revenue Bonds
10 (“Power Revenue Bonds”) and other forms of indebtedness, including commercial paper,
11 revolving credit notes and other forms of notes, to finance the costs of various capital Power
12 projects benefitting the Power Enterprise (“Capital Improvement Projects,” such projects being
13 more fully described in the Commission Resolution), pursuant to Charter Sections 9.107(6)
14 and 9.107(8), and has formally requested this Board to authorize the issuance and sale of
15 Power Revenue Bonds for such purposes, such Commission Resolution being on file with the
16 Clerk of the Board in File No. 200836; and

17 D. In order to finance the costs of the Capital Improvement Projects, the Board now
18 desires to authorize the issuance and sale of Power Revenue Bonds and other forms of
19 indebtedness (including, without limitation and for illustrative purposes only), New Clean
20 Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial paper,
21 revolving credit notes, and bond anticipation notes) for such purposes; and

22 E. The Commission has paid, beginning no earlier than 60 days prior to the
23 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures (the
24 “Expenditures”) in connection with the acquisition, construction and/or equipping of the Capital
25 Improvement Projects, and

1 F. This Board is concurrently considering with this ordinance another Ordinance
2 approving a Capital Improvement Program related supplemental appropriations totaling
3 \$260,351,806 for fiscal years ending 2021 and 2022, such amount being inclusive of the
4 Power Revenue Bonds and other forms of indebtedness (including, without limitation and for
5 illustrative purposes only, New Clean Renewable Energy Bonds, Qualified Energy
6 Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes)
7 approved hereby; and

8 G. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance
9 as official action of the Commission in order to comply with Treasury Regulation §1.150-2 and
10 any other regulations of the Internal Revenue Service relating to the qualification for
11 reimbursement of Commission expenditures incurred prior to the date of issue of the Power
12 Revenue Bonds.

13 H. In order to refinance the costs of any Power Enterprise facilities or
14 improvements financed with bonds issued pursuant to Charter Sections 9.107(6) and
15 9.107(8), together with the provisions of Proposition A, the Board now desires to authorize the
16 issuance and sale of Power Revenue Refunding Bonds.

17 Section 2. Authorization to Issue Power Revenue Bonds. The Board hereby
18 authorizes the issuance and sale of Power Revenue Bonds and other forms of indebtedness
19 (including, without limitation and for illustrative purposes only, New Clean Renewable Energy
20 Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and
21 bond anticipation notes) in one or more series from time to time by the Commission pursuant
22 to the Charter and in accordance with the Commission Resolution in an aggregate principal
23 amount not to exceed \$142,970,073 (inclusive of financing costs but exclusive of refunding
24 indebtedness), bearing a maximum rate or rates of interest of not to exceed twelve percent
25 (12%) per annum to finance a portion of the costs of the design, acquisition and construction

1 of the Capital Improvement Projects. The Commission is hereby authorized to determine the
2 timing, amount and manner of sale (i.e., competitive or negotiated) of each series of Power
3 Revenue Bonds or the delivery of other forms of indebtedness pursuant to this authorization;
4 provided however, the Commission's authorization to issue Power Revenue Bonds or incur
5 other forms of indebtedness (including, without limitation, New Clean Renewable Energy
6 Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and
7 bond anticipation notes), is subject to approval by the Commission of the form of substantially
8 final offering document related to such bonds (if any) and the approval of any related financing
9 documents. The Commission shall also file, within 30 days of any bond sale authorized
10 hereby, with the Clerk of the Board of Supervisors a report showing the results of the sale of
11 Power Revenue Bonds or other form of indebtedness including (i) principal amount sold and
12 method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or
13 improved, and (v) a statement about the remaining bonding authorization under this
14 Ordinance ("Bond Report"); provided that failure to provide such Bond Report shall not affect
15 the validity of any debt authorized hereby.

16 Section 3. Authorization to Retire Commercial Paper. In furtherance of the purpose of
17 managing the Commission outstanding indebtedness, the General Manager is hereby
18 authorized and directed, in consultation the City Attorney, from Available Power Enterprise
19 Revenues to retire outstanding Power Enterprise Commercial Paper at such times and in
20 such amounts advantageous to the Commission.

21 Section 34. Authorization to Issue Refunding Power Revenue Bonds. The Board
22 further authorizes and approves the issuance by the Commission of Refunding Power
23 Revenue Bonds and other forms of indebtedness ("Refunding Bonds") to refund any
24 outstanding obligations of the Power Enterprise, without limitation as to principal amount, in
25 one or more series on one or more dates, at a maximum interest rate or rates of interest not to

1 exceed twelve percent (12%) per annum, provided that each such Refunding Bond issue or
2 obligation is permitted under the applicable policies and procedures of the City and authorized
3 by Section 9.109 of the Charter (including related ordinances and resolutions of the Board).
4 The Refunding Bonds may be issued as tax-exempt or taxable obligations, or any
5 combination thereof. Refunding Bonds authorized hereunder shall be subject to the further
6 following conditions, that: (i) 3% net present value debt service savings or greater is achieved
7 to ensure ratepayer savings (exclusive of any issuance to refund commercial paper, revolving
8 credit notes or bond anticipation notes); (ii) that the maturity of the refunded bonds is not
9 extended; provided principal payments and term may be adjusted, where permitted under
10 federal and state tax law, only if and when the underlying capital asset funded through said
11 refunded bonds has a useful life not in excess of any limit permitted under federal and state
12 tax law than the refunded term; (iii) this authorization is subject to a ~~5~~ 6-year term through
13 June 30, 2026, at which time this Board may consider an extension; and (iv) the Commission
14 shall within 30 days of any executed refunding transaction provide a bond refunding savings
15 report ("Bond Refunding Savings Report") prepared by its financial advisor (that reflects at
16 least a 3% net present value debt service savings) to the Board, together with a copy of the
17 final Official Statement with respect to such series of Refunding Bonds, provided that failure to
18 provide such Bond Refunding Savings Report shall not affect the validity of any Refunding
19 Bonds.

20 Section 5. Certain Other Refunding Bonds. Notwithstanding the foregoing, the
21 Commission is authorized to issue Refunding Bonds for non-economic factors, including by
22 way of illustration, eliminating onerous covenants and obsolete provisions contained in the
23 Commission's indenture or other security documents. The Commission shall request a waiver
24 of the savings requirement under Section 4 for any Refunding Bonds issued for non-economic
25 reasons, which the Board may grant by resolution.

1 Section 46. Declaration of Official Intent. The Board, on behalf of the Commission,
2 hereby declares the official intent of the Commission to reimburse the Commission with
3 proceeds of the Power Revenue Bonds or other forms of indebtedness for the Expenditures
4 with respect to the Capital Improvement Projects made on and after a date that is no more
5 than 60 days prior to the adoption of this Ordinance. The Commission reasonably expects on
6 the date hereof that it will reimburse the Expenditures with proceeds of the Power Revenue
7 Bonds or other forms of indebtedness including, without limitation, New Clean Renewable
8 Energy Bonds and Qualified Energy Conservation Bonds. Each said Expenditure was and
9 will be either (A) of a type properly chargeable to a capital account under general federal
10 income tax principles (determined in each case as of the date of the Expenditure), (B) a cost
11 of issuance with respect to the Power Revenue Bonds or other forms of indebtedness, (C) a
12 nonrecurring item that is not customarily payable from current revenues, or (D) a grant to pay
13 a party that is not related to or an agent of the issuer so long as such grant does not impose
14 any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of
15 the Commission. The Commission will make a reimbursement allocation, which is a written
16 allocation by the Issuer that evidences the Commission’s use of proceeds of the Power
17 Revenue Bonds or other forms of indebtedness to reimburse an Expenditure, no later than 18
18 months after the later of the date on which the Expenditure is paid or the component of the
19 Capital Improvement Projects is placed in service or abandoned, but in no event more than
20 three years after the date on which the Expenditure is paid. The Commission recognizes that
21 exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de
22 minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the
23 year of expenditure) and expenditures for construction projects of at least 5 years.

24 Section 57. General Authority. The Controller, Treasurer, the City Attorney and other
25 officers of the City and their duly authorized deputies and agents are hereby authorized and

1 directed, jointly and severally, to take such actions and to execute and deliver such
2 certificates, agreements, requests or other documents, as they may deem necessary or
3 desirable to facilitate the issuance, sale and delivery of the Power Revenue Bonds or other
4 forms of indebtedness (including, without limitation and for illustrative purposes only, New
5 Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper,
6 revolving credit notes, and bond anticipation notes), any Power Refunding Bonds, and to
7 obtain bond insurance or other credit or liquidity enhancements with respect to any such
8 obligations and otherwise to carry out the provisions of this Ordinance. The Commission is
9 hereby directed to provide the final form to the Clerk of the Board of any disclosure document
10 prepared in connection with the execution of any Power Revenue Bonds and other forms of
11 indebtedness (including, without limitation and for illustrative purposes only, New Clean
12 Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial paper,
13 revolving credit notes, and bond anticipation notes) or Refunding Bonds, or other document
14 reflecting the incurrence of another obligation payable from the Power Enterprise, within 30
15 days of the closing of such transactions, provided that the failure to deliver such document
16 shall not affect the validity of the obligations authorized hereunder. The Commission is further
17 directed as a part of the two-year budget review to provide to this Board of Supervisors a
18 written report about Power Revenue Bonds authorized hereunder, detailing the total amount
19 authorized, the total amount sold, the remaining authorized but unissued amount, and the
20 bond authorization no longer necessary due to changes in projects and project financing.

21 Section 68. Ratification of Prior Actions. All actions authorized and directed by this
22 Ordinance in connection with the issuance of the Power Revenue Bonds and other forms of
23 indebtedness (including, without limitation and for illustrative purposes only, New Clean
24 Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper,
25

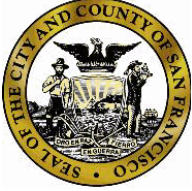
1 revolving credit notes, and bond anticipation notes), and Refunding Power Revenue Bonds,
2 and heretofore taken are hereby ratified, approved and confirmed by this Board.

3 Section 79. File Documents. All documents referred to as on file with the Clerk of the
4 Board are in File Nos. 200836.

5 Section 810. Effective Date. Pursuant to Charter Section 2.105, Section 4 of this
6 Ordinance and Sections 7 and 8 of this Ordinance as they pertain to Refunding Bonds
7 authorized under Section 4 shall take effect immediately after its adoption. Pursuant to
8 Charter Section 8B.124, the remainder of this Ordinance shall take effect thirty (30) days after
9 its adoption.

10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

12
13 By: /s/ Mark D. Blake
14 Mark D. Blake
15 Deputy City Attorney
16 n:\finan\as2016\1300183\01109131.docx



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 200836

Date Passed: September 29, 2020

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 in an aggregate principal amount not to exceed \$142,970,073 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 and the retirement of outstanding Power Enterprise Commercial Paper; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith, as defined herein.

August 13, 2020 Budget and Appropriations Committee - CONTINUED

August 21, 2020 Budget and Appropriations Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

August 21, 2020 Budget and Appropriations Committee - RECOMMENDED

September 15, 2020 Board of Supervisors - CONTINUED ON FIRST READING

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

September 22, 2020 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee

Noes: 1 - Stefani

September 29, 2020 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee

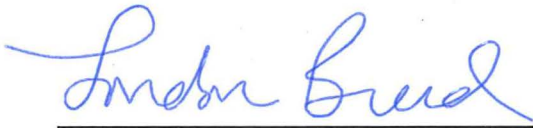
Noes: 1 - Stefani

File No. 200836

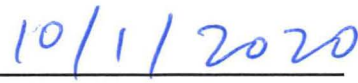
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/29/2020 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved



To: Angela Calvillo, Clerk of the Board of Supervisors
From: Ashley Groffenberger, Mayor's Budget Director
Date: June 1, 2021
Re: Mayor's FY 2021-22 and FY 2022-23 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1st, corresponding legislation, and related materials for Fiscal Year (FY) 2021-22 and FY 2022-23.

In addition to the Mayor's Proposed FY 2021-22 and FY 2022-23 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions, physical copies of which will be delivered by the Controller's Office
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2021-22
- 22 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- Memo to the Board President requesting for 30-day rule waivers on ordinances
- Request for release of Budget and Appropriations Committee Reserve

Please note the following:

- Technical adjustments to the budget are being prepared, but are not submitted with this set of materials.

Sincerely,

Ashley Groffenberger
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

| DEPT | Item | Relevance to Budget | Type of Legislation |
|-------------|---|--|----------------------------|
| ADM | Critical Repair/Recovery Stimulus COPs | Authorizes COPs to finance or refinance the capital plan in the budget. | Ordinance |
| CON | Prop J Certification - new | Costs related to Prop J services assumed in budget. | Resolution |
| CON | Prop J Certification - previously approved | Costs related to Prop J services assumed in budget. | Resolution |
| CON | Access Line Tax | Sets Access Line Tax. Revenues assumed in budget. | Resolution |
| CON | Neighborhood Beautification Fund | Neighborhood Beautification Fund contribution levels assumed in budget. | Ordinance |
| CON | Supplemental Enterprise Budget - AAO | Amendment to the AAO for the Airport, Port, and the PUC | Ordinance |
| CON | Supplemental Enterprise Budget - ASO | Amendment to the ASO for the Airport, Port, and the PUC | Ordinance |
| DPH | Annual Update to Patient Rates | Fee revenue assumed in budget. | Ordinance |
| DPH | Recurring State Grants | Grant revenue assumed in budget. | Resolution |
| DPH | DPH City Option Payouts | Approves the execution of a payment agreement assumed in budget. | Resolution |
| DPH | Emergency Medical Services Fee Transfer of Function | Transfer of function for positions reflected in the budget | Ordinance |
| HSH | Annual HSH Fund Expenditures | Expenditure plan assumed in budget. | Resolution |
| LIB | In-Kind Grant of Friends of San Francisco Public Library | Grant assumed in budget. | Resolution |
| LIB | In-Kind Grant of Friends of San Francisco Public Library Mission Branch | Grant assumed in budget. | Resolution |
| PUC | Hetch Hetchy Capital Budget | Appropriates funds to support PUC Hetch Hetchy capital budget expenditures. | Ordinance |
| PUC | Wastewater Capital Budget | Appropriates funds to support PUC Wastewater Enterprise capital budget expenditures. | Ordinance |
| PUC | Hetch Hetchy Debt Authorization | Authorizes bond issuance to finance Hetch Hetchy capital projects. | Ordinance |
| PUC | Wastewater Debt Authorization | Authorizes bond issuance to finance Wastewater capital projects. | Ordinance |
| REC | Continuing Flexible Pricing Model for REC Owned Gardens | Continues current pricing model for REC-owned gardens-- revenues reflected in budget. | Ordinance |
| REC | Parking Rates and Codes Revision | Authorizes SFMTA to implement paid parking and revise existing rates at certain parking lots-- revenues reflected in budget. | Ordinance |
| RNT | Direct Administration of the Rent Board Fee | Legislation that allows the Rent Board to directly collect the annual fee on rent-controlled units-- revenues reflected in budget. | Ordinance |
| TTX | Street Artist Fee | Lowers the fee of a street artist certificate— revenues reflected in budget. | Ordinance |



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: 30-Day Waiver Requests
DATE: June 1, 2021

Madam Clerk,

The Mayor's Office respectfully requests 30-day hold waivers for the following pieces of trailing legislation:

- FY2021-2022 & FY2022-2023 Mayor's Proposed Budget and Appropriation Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Interim Budget and Appropriation Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Salary Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Interim Salary Ordinance
- Health Code - Patient Rates for Fiscal Years 2020-2021, 2021-2022, and 2022-2023
- Authorizing Tax-Exempt and/or Taxable Certificates of Participation (Multiple Capital Improvement Projects) - Not to Exceed \$67,500,000
- Appropriation - \$19,344,824 in Proceeds from Revenue Bonds in Hetch Hetchy Water and Power Capital Improvements - De-appropriation and Re-appropriation \$2,000,000 Low Carbon Fuel Standard Fund – FY2021-2022, De-appropriation and Re-appropriation \$6,843,536 Hetchy Revenue funds – FY2020-2021
- Appropriation - \$213,511,178 Proceeds from Revenue Bonds, State loans or grants, Wastewater Revenues, De-appropriating and Re-appropriating \$42,900,587 for Wastewater Capital Improvements at the Public Utilities Commission – FY2021-2022
- Amending Ordinance 172-20---SFPUC Power Revenue Bond Issuance---Not to Exceed [\$162,314,897]
- San Francisco Public Utilities Commission Wastewater Revenue Bond Issuance---Not to Exceed [\$563,430,430]
- Park Code - Non-Resident Fees at Certain Specialty Attractions
- Park Code - Parking Fees
- Police Code - Street Artist Certificate Fee
- Administrative Code - Collection of Rent Board Fee
- Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling
- Business and Tax Regulations Code - Emergency Medical Services Fees

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 6/3/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

210649

Mayor

(Primary Sponsor)

Title.

Amending Ordinance No. 172-20 - San Francisco Public Utilities Commission
Power Revenue Bond Issuance - Not to Exceed \$162,314,897

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

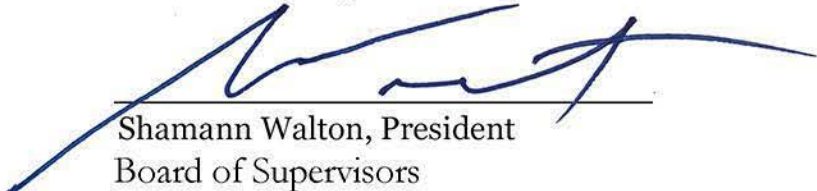
(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors

From: [Board of Supervisors, \(BOS\)](#)
To: [Wong, Linda \(BOS\)](#)
Subject: FW: URGING CONTINUANCE of June 21, 2021 Budget and Appropriations Committee Agenda Items #1-4 SFPUC Bonds File # 210647 - 210650
Date: Monday, June 21, 2021 8:32:38 AM

For the File

From: aeboken <aeboken@gmail.com>
Sent: Monday, June 21, 2021 4:36 AM
To: BOS-Supervisors <bos-supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>
Subject: URGING CONTINUANCE of June 21, 2021 Budget and Appropriations Committee Agenda Items #1-4 SFPUC Bonds File # 210647 - 210650

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

TO: Board of Supervisors members

I am strongly urging the Budget and Appropriations Committee to continue items #1-4 on the June 21, 2021 agenda re SFPUC debt (files #210647-210650).

The SFPUC Deputy CFO has stated on the record that the SFPUC has a \$6 billion debt portfolio.

As the SFPUC is carrying this level of debt and there has been the announcement of a new SFPUC General Manager, I would urge the BOS to conduct a hearing on the SFPUC's indebtedness prior to the Board's summer recess.

Eileen Boken

Coalition for San Francisco Neighborhoods*

* For identification purposes only.

Sent from my Verizon, Samsung Galaxy smartphone