

LEGISLATIVE DIGEST

[Ordinance Amending San Francisco Administrative Code to Add Power Enterprise Revenue Bond Law.]

Ordinance Amending the San Francisco Administrative Code by adding to Chapter 43, Article XIV, Sections 43.14.1 through 43.14.9, to provide procedures for the issuance of Power Revenue Bonds by the Public Utilities Commission of the City and County of San Francisco.

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 "PUC") is authorized, upon approval by the Board, to issue revenue bonds for any purposes related to the PUC's Power Enterprise (defined below), including, without limitation, financing or refinancing capital additions, improvements, repairs and replacements to the Power Enterprise. The proposed legislation sets forth procedures by which the PUC may issue and sell such revenue bonds payable from and secured by Power Enterprise Revenues.

The proposed Ordinance sets forth certain definitions and provides procedures for the issuance of Bonds 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. The proposed Ordinance sets forth the certain terms for the Bonds, the method of sale and permits the Commission to enter into credit agreements to support the issuance of the Bonds. In addition, the proposed Ordinance provides for the pledge of revenues/security for the Bonds, and 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.

Finally, the proposed Ordinance provides that the City may pursue actions under Civil Code Section 860 to determine the validity of Bonds, if necessary.