

1 [Commercial Paper Notes Program - Authorization to Issue Power Revenue Bonds and
2 Commercial Paper Notes (Power Series) - Water Facilities, Electric Power Facilities,
Renewable Energy, and Energy Conservation - Not to Exceed \$90,000,000]

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4 **Resolution approving the establishment by the Public Utilities Commission of its**
5 **Commercial Paper Notes (Power Series) program in an aggregate principal amount not**
6 **to exceed \$90,000,000 pursuant to Charter, Article IX, and Administrative Code,**
7 **Sections 43.5, et seq., as amended, and pursuant to Charter, Section 9.107(6), for the**
8 **purpose of the reconstruction or replacement of existing water facilities and electric**
9 **power facilities or combinations thereof under the jurisdiction of the Power Enterprise**
10 **and, pursuant to Charter, Section 9.107(8), for the purpose of the acquisition,**
11 **construction, installation, equipping, improvement or rehabilitation of equipment or**
12 **facilities for renewable energy and energy conservation.**

13
14 WHEREAS, Pursuant to Section 9.107(6) of the Charter (the "Charter") of the City and
15 County of San Francisco (the "City"), revenue bonds may be issued, without voter approval,
16 upon a three-fourths affirmative vote of the Board of Supervisors of the City (the "Board"), for
17 the purpose of the reconstruction or replacement of existing water facilities and electric power
18 facilities or combinations thereof under the jurisdiction of the San Francisco Public Utilities
19 Commission (the "Commission"); and

20 WHEREAS, Pursuant to Section 9.107(8) of the Charter, revenue bonds may be
21 issued, without voter approval, upon affirmative vote of the Board, for the purpose of the
22 acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or
23 facilities for renewable energy and energy conservation; and

24 WHEREAS, Pursuant to Section 9.107(8) of the Charter, the Commission previously
25 issued \$6,325,000 aggregate principal amount of its Clean Renewable Energy Bonds in 2008,

1 \$8,291,000 aggregate principal amount of its Qualified Energy Conservation Bonds in 2011,
2 and \$6,600,000 aggregate principal amount of its New Clean Renewable Energy Bonds in
3 2012, in each case, payable from the net revenues of the Commission's Power Enterprise
4 (the "Power Enterprise"); and

5 WHEREAS, Pursuant to Ordinance No. 106-14, adopted by the Board on June 24,
6 2014, and signed by the Mayor on July 2, 2014 ("Ordinance No. 106-14"), the Board
7 previously authorized revenue bonds in an aggregate principal amount not to exceed
8 \$112,346,843 to finance the costs of various power capital projects benefiting the Power
9 Enterprise pursuant to Charter Section 9.107(8); and

10 WHEREAS, Pursuant to Ordinance No. 41-15, adopted by the Board on March 24,
11 2015, and signed by the Mayor on April 2, 2015 ("Ordinance No. 41-15"), the Board
12 authorized additional revenue bonds in an aggregate principal amount not to exceed
13 \$48,000,000 to finance various capital projects for the Power Enterprise pursuant to Charter
14 Sections 9.107(6) and 9.107(8), and supplemented by Ordinance No. 106-14 to permit its
15 bond authorization under Ordinance No. 106-14 to be issued for the purposes described
16 under Charter Section 9.107(6) or Section 9.107(8); and

17 WHEREAS, Pursuant to such authorizations, the Commission previously issued
18 \$39,555,000 aggregate principal amount of its Power Revenue Bonds, 2015 Series A Bonds
19 (Green Bonds) and 2015 Series B Bonds; and

20 WHEREAS, Pursuant to Section 43.5 of the San Francisco Administrative Code
21 ("Article V"), enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and
22 signed by the Mayor of the City on June 19, 1998 ("Ordinance No. 203-98"), as amended by
23 Ordinance No. 270-06, adopted on October 24, 2006 by the Board and signed by the Mayor
24 on October 31, 2006 ("Ordinance No. 270-06," and together with Ordinance No. 203-98, the
25 "Procedural Ordinance," and collectively with Ordinance No. 106-14, Ordinance No. 41-15

1 and Ordinance No. 203-98, the "Ordinances"), the Board established a procedure pursuant to
2 which the Commission may issue short-term indebtedness, including the issuance and
3 reissuance of commercial paper notes in anticipation of the issuance of revenue bonds; and

4 WHEREAS, The Commission has determined that it is desirable to make certain
5 improvements (the "Improvements") to the facilities of the Power Enterprise, all as included in
6 the Commission's ten-year Capital Plan, and to provide for short-term financing of capital
7 improvements and related costs for improvements, betterments and additions to the Power
8 Enterprise through the establishment of a Power Enterprise commercial paper program; and

9 WHEREAS, The Commission seeks to authorize the issuance and reissuance of
10 Power Enterprise commercial paper notes (the "CP Notes") from time to time in an aggregate
11 principal amount not to exceed \$90,000,000, subject to approval of this Resolution,
12 establishing a Power Enterprise commercial paper program (the "Power CP Program") and
13 authorizing the issuance of such CP Notes; and

14 WHEREAS, Pursuant to this Resolution and the Ordinances, the Director of Public
15 Finance or her designee, the City Attorney, the General Manager and other appropriate
16 officers, employees, representatives and agents of the Commission shall be authorized to
17 take all necessary action in connection with the establishment of the Power CP Program; and

18 WHEREAS, The Commission issued a request for bids from qualified banks to provide
19 for one or more letters of credit and/or revolving lines of credit to secure the payment of the
20 Power Enterprise CP Notes in an aggregate principal amount not to exceed \$90,000,000; and

21 WHEREAS, At its meeting on September 8, 2015, the Commission adopted a
22 resolution (the "Commission Resolution") approving the forms of documents relating to the
23 establishment of a commercial paper program, and approving the forms of documents
24 establishing a credit facility for the commercial paper program, and urging the Board to
25 authorize the issuance of such indebtedness on the terms set forth herein. Such resolution is

1 on file with the Clerk of the Board of Supervisors in File No. 151088, which is hereby declared
2 to be a part of this Resolution as if set forth fully herein; and now therefore be it

3 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
4 follows:

5 Section 1. Findings. The Board of Supervisors finds and determines that the
6 foregoing recitals are true and correct.

7 Section 2. Approval of the Issuance of Commercial Paper. This Board hereby
8 declares that, in accordance with the Charter and the Procedural Ordinance, the Public
9 Utilities Commission is hereby authorized to issue Commercial Paper Notes (Power Series)
10 (referred to herein as the "CP Notes") for the purpose of the reconstruction or replacement of
11 existing water facilities and electric power facilities or combinations thereof under the
12 jurisdiction of the Power Enterprise pursuant to Section 9.107(6) of the Charter and for the
13 purpose of the acquisition, construction, installation, equipping, improvement or rehabilitation
14 of equipment or facilities for renewable energy and energy conservation pursuant to Section
15 9.107(8) of the Charter, as well as paying costs of issuance and other incidental costs;
16 provided however, that (i) the maximum principal amount of CP Notes at any one time
17 outstanding, when combined with the total principal amount of outstanding and unpaid
18 obligations issued to the provider of any credit or liquidity facility executed in connection with
19 such CP Notes, shall not exceed \$90,000,000, and (ii) the principal amount of CP Notes
20 outstanding at any one time shall not exceed the principal component available to be drawn
21 under any credit facilities or liquidity facilities executed in connection therewith.

22 Section 3. Authorization of Credit or Liquidity Facility. The Director of Public
23 Finance, upon the recommendation of Commission, is hereby authorized to arrange for credit
24 or liquidity support for the CP Notes and to issue obligations to the credit or liquidity provider
25

1 (the "Bank Notes"), including the execution of any bank fee letter in connection therewith, all
2 subject to the requirements of Section 43.5.3 of the Administrative Code.

3 Section 4. No Conflict. The CP Notes and Bank Notes, if any, approved by this
4 Ordinance shall be issued pursuant to the terms of an issuing and paying agent agreement,
5 any other agreement or agreements relating to the credit or liquidity facility supporting the CP
6 Notes and such agreements and documents as the Commission shall deem necessary or
7 desirable for the purpose of implementing the issuance, sale and delivery of such CP Notes or
8 Bank Notes, if any, and as shall be approved by the City Attorney, which approval shall be
9 conclusively evidenced by the signature of the City Attorney on each such additional
10 agreement; provided, that the terms of such issuing and paying agent agreement, any other
11 agreement or agreements relating to the credit or liquidity facility supporting the CP Notes and
12 any such additional agreements and documents shall not conflict with the requirements of the
13 Charter, the Procedural Ordinance or this Ordinance.

14 Section 5. Maximum Interest Rate; CP Note Maturity. Pursuant to Section 43.5.2 of
15 the Procedural Ordinance, the maximum interest rate for any CP Notes or Bank Notes shall
16 not exceed 12% per annum, and any CP Notes shall not mature more than five years
17 following their date of issuance.

18 Section 6. Additional Agreements. Subject to the terms of the Charter, the
19 Procedural Ordinance or this Resolution, the approvals contained herein shall extend to any
20 agreements necessary are required to issue the CP Notes, including the appointment of
21 commercial paper dealers and the negotiation of any dealer agreements, the preparation and
22 distribution of any commercial paper offering memorandum, and any other agreements
23 relating to the credit or liquidity facility supporting the CP Notes and any and all agreements of
24 the Commission supplemental and/or incidental thereto, as well as to such additional
25 agreements as the Commission may deem necessary to adopt for the purpose of

1 implementing the issuance, sale and delivery of the CP Notes or Bank Notes, if any. The
2 approvals contained herein shall continue to apply to the CP Notes or the Bank Notes, if any,
3 in the event such CP Notes or Bank Notes, if any, are renamed, renumbered or reissued by
4 the Commission pursuant to an issuing and paying agent agreement and/or agreements
5 relating to any credit or liquidity facility supporting the CP Notes.

6 Section 7. Modifications, Changes, Additions. The General Manager, in consultation
7 with the City Attorney, is hereby authorized to approve and make such modifications, changes
8 or additions to any credit or liquidity facility or any of the other documents the Commission
9 approved in the Commission Resolution as may be necessary or advisable, subject to the
10 provisions of Section 2 and Section 3 hereof. The approval of any modification, addition or
11 change to any of the aforementioned documents shall be evidenced conclusively by the
12 execution and delivery of the document in question, and any such modification, addition or
13 change to such documents shall be on file with the Commission, and the Clerk of the Board.

14 Section 8. General Authority. The Controller, the Director of the Office of Public
15 Finance or her designee, the City Attorney, the General Manager and all other appropriate
16 officers, employees, representatives and agents of the Commission are hereby authorized
17 and directed to do everything necessary or desirable to provide for the issuance of the CP
18 Notes or Bank Notes, if any, subject to the terms of this Resolution and the Commission
19 Resolution.

1 Section 9. Effective Date. This Resolution shall take effect from and after its
2 adoption by the Board and approval by the Mayor.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

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7 By: _____
8 Mark D. Blake
9 Deputy City Attorney
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