

1 [Amending Ordinance No. 89-10 - Water Revenue Bond Issuance and Sale - Public Utilities
2 Commission - Not to Exceed \$1,737,724,038]

3 **Ordinance amending Ordinance No. 89-10, to authorize the San Francisco Public**
4 **Utilities Commission to enter into one or more State of California State Water**
5 **Resources Control Board Installment Sale Agreements and Grants in an aggregate**
6 **principal amount not to exceed the previously authorized amount of \$1,737,724,038 to**
7 **finance, among other projects, the costs of the San Francisco Westside Recycled**
8 **Water Project pursuant to the Charter, including Proposition E, an amendment to the**
9 **Charter enacted by the voters on November 5, 2002; and ratifying previous actions**
10 **taken in connection therewith.**

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12 NOTE: Additions are *single-underline italics Times New Roman*;
13 deletions are ~~*strike-through italics Times New Roman*~~.
14 Board amendment additions are double-underlined;
15 Board amendment deletions are ~~strike-through normal~~.

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

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

19 A. On November 5, 2002, the voters of the City and County of San Francisco (the
20 "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
21 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
22 including notes, commercial paper or other forms of indebtedness, when authorized by
23 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
24 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
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1 facilities, or combinations of water and clean water facilities under the jurisdiction of the
2 Commission; and

3 B. The Commission has from time to time issued its revenue bonds to finance
4 projects benefitting the Water Enterprise; and

5 C. By Resolution No.15-0196 adopted on September 22, 2015 (the “Commission
6 Resolution”), the Commission has determined to authorize the execution of State Revolving
7 Fund Loans secured by one or more Installment Sale Agreements and Grants, entered into
8 with the State of California Water Resources Control Board under the Clean Water State
9 Revolving Fund (referred to herein as the “Installment Sale Agreements”), including the costs
10 of the San Francisco Westside Recycled Water Project (the “Westside Project” as such
11 project is further described in the Commission Resolution), costs of issuance and other
12 incidental costs related thereto, and formally has requested this Board of Supervisors to
13 authorize the execution and delivery of Installment Sale Agreements and to authorize the
14 acceptance of available grants for such purposes, pursuant to Section 8B.124 of the Charter,
15 such Commission Resolution and the Installment Sale Agreements referenced therein being
16 on file with the Clerk of the Board of Supervisors in File No. 151020, which is hereby declared
17 to be a part of this Ordinance as if set forth fully herein; and

18 D. The Commission has determined that it is necessary and desirable to finance
19 the costs of the Westside Project through the execution and delivery of the Installment Sale
20 Agreements. The Installment Sale Agreements will be payable from a pledge of the Net
21 Revenues of the Water Enterprise on a parity lien basis with outstanding Bonds of the Water
22 Enterprise, as such terms as defined in that certain Indenture dated as of August 1, 2002, as
23 amended and supplemented (the “Indenture”), between the Commission and U. S. Bank
24 National Association, as trustee thereunder. The Board now desires to authorize the
25 execution and delivery from time to time of Installment Sale Agreements by the Commission

1 pursuant to said Section 8B.124; provided however, the Commission shall file with the Board
2 of Supervisors any and all certifications required by Section 8B.124 of the Charter prior to the
3 execution and delivery of any Installment Sale Agreements authorized hereby (as further
4 described below); and

5 E. Section 8B.124 of the Charter allows for the issuance of revenue bonds or
6 other forms of indebtedness by ordinance approved by two-thirds of the Board, subject to the
7 provision of certain certifications of an independent engineer retained by the Commission and
8 certain certifications by the San Francisco Planning Department, which certifications shall
9 make the findings and determinations set forth in Section 8B.124; and

10 F. The Commission has requested to supplement and amend Ordinance No. 89-
11 10 to authorize, in addition to Water Revenue Bonds, the execution and delivery of Installment
12 Sale Agreements, in either case, in an aggregate principal amount not to exceed
13 \$1,737,724,038.

14 Section 2. Ordinance No. 89-10 is Amended and Supplemented. Ordinance No. 89-10
15 is hereby amended and supplemented to authorize, in addition to the issuance of Water
16 Revenue Bonds, the execution and delivery of Installment Sale Agreements to finance,
17 among other projects, all or a portion of the costs of the San Francisco Westside Project (such
18 project being further described in Commission Resolution 15-0196, adopted by the
19 Commission on September 22, 2015); provided however that the Commission shall not be
20 authorized to issue any such indebtedness in an aggregate principal amount exceeding
21 \$1,737,724,038.

22 Section 3. Approval of the Installment Sale Agreements. Subject to the terms of this
23 Ordinance, the Commission is hereby authorized to enter into one or more Installment Sale
24 Agreements with the State Water Resources Control Board pursuant to Section 8B. 124 of
25 the Charter to finance all or a portion of the Westside Project (including the costs of issuance

1 for such obligations) and other incidental costs relating thereto; and the Board hereby
2 approves the execution and delivery of such agreements from time to time by the Commission
3 pursuant to Section 8B. 124 of the Charter and in accordance with the Commission
4 Resolution, at a maximum rate or rates of interest of not to exceed twelve percent (12%) per
5 annum and for a term not to exceed 30 years from the date of the execution of any Installment
6 Sale Agreement, or from such other date as otherwise provided in said Agreement. The
7 Commission is hereby authorized to determine the timing, amount and manner of each
8 Installment Sale Agreement executed pursuant to this authorization; provided however, the
9 Commission's authorization to enter into any Installment Sale Agreements subject to the filing
10 with the Clerk of the Board any certifications required by Proposition E prior to the issuance of
11 any bonds herein authorized. The Commission is also hereby authorized to accept such
12 grants to be applied to pay for the costs of the Westside Project.

13 Section 4. General Authority. The Controller, Treasurer, the City Attorney and other
14 officers of the City and their duly authorized deputies and agents are hereby authorized and
15 directed, jointly and severally, to take such actions and to execute and deliver such
16 certificates, agreements, requests or other documents, as they may deem necessary or
17 desirable to facilitate the execution and delivery of any Installment Sale Agreements, to obtain
18 title and other insurance with respect to the facilities to be financed, and otherwise to carry out
19 the provisions of this Ordinance. Any such actions are solely intended to further the purposes
20 of the Ordinance, and are subject in all respects to the terms of the Ordinance, and any such
21 action cannot increase the risk to the City, or require the City to spend any resources, and that
22 such official shall consult with the City Attorney prior to execution and provided that within 30
23 days of the documents approved by this Ordinance being executed by all parties, such final
24 documents (showing marked changes, if any) shall be provided to

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1 the Clerk of the Board, for inclusion in the official file, together with a brief explanation of any
2 changes from the date of the adoption of this Ordinance.

3 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
4 Ordinance in connection with the execution and delivery of Installment Sale Agreements or
5 the acceptance of grants as described in this Ordinance, and heretofore taken, are hereby
6 ratified, approved and confirmed by this Board.

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

9 Section 7. Effective Date. Pursuant to Section 2.105 of the Charter, this Ordinance
10 shall take effect immediately upon its adoption.

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13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By: _____
16 MARK D. BLAKE
17 Deputy City Attorney
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