

1 [Increase of Wastewater Enterprise Commercial Paper Program - Not to
2 Exceed \$750,000,000]

3 **Resolution authorizing an increase of the principal amount of the Wastewater**
4 **Enterprise's Commercial Paper Program by \$250,000,000 from a principal amount not**
5 **to exceed \$500,000,000 to a principal amount not to exceed \$750,000,000, such**
6 **Commercial Paper to be issued from time to time by the San Francisco Public Utilities**
7 **Commission to finance on an interim basis various capital projects benefitting the**
8 **Wastewater Enterprise, pursuant to amendments to the Charter of the City and County**
9 **of San Francisco enacted by the voters on November 5, 2002, as Proposition E; and**
10 **ratifying previous actions taken in connection therewith, as defined herein.**

11
12 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco
13 (the "City") approved Proposition E (Proposition E), codified as Article VIII B of the Charter of
14 the City (the "Charter"), which among other things, authorized the San Francisco Public
15 Utilities Commission (the Commission) to issue revenue bonds, including notes, commercial
16 paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds
17 vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding,
18 repairing or improving water facilities or clean water facilities, or combinations of water and
19 clean water facilities under the jurisdiction of the Commission (the "Wastewater Enterprise");
20 and

21 WHEREAS, Pursuant to Section 43.5 of the Administrative Code, enacted by
22 Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the
23 City on June 19, 1998, as amended by Ordinance No. 270-06 adopted by the Board on
24 October 24, 2006, and signed by the Mayor of the City on October 31, 2006 (the "Short Term
25 Borrowing Ordinance"), the Board established a procedure pursuant to which the Commission

1 may issue short-term indebtedness, including the issuance of commercial paper in
2 anticipation of the issuance of its revenue bonds; and

3 WHEREAS, Pursuant to the Short Term Borrowing Ordinance and Ordinance No.
4 378-14, adopted by the Board on September 30, 2014, and signed by the Mayor on
5 October 9, 2014, the Board has previously authorized the issuance of commercial paper notes
6 for the Wastewater Enterprise (“Commercial Paper”) in an aggregate principal amount not to
7 exceed \$500,000,000 against Proposition E authorizations for indebtedness, to provide
8 additional interim financing of capital improvements and related costs for improvements,
9 betterments and additions to the Wastewater Enterprise; and

10 WHEREAS, On April 25, 2017, the Commission approved Resolution No. 17-0086 to
11 authorize an increase in the principal amount of the Commission’s Wastewater Enterprise
12 Commercial Paper Program to \$750,000,000 from \$500,000,000, together with approval of
13 security documents related thereto and the appointment of professionals therefor, contingent
14 upon approval of this Resolution; and

15 WHEREAS, The Board now wishes to expand the Commission's Wastewater
16 Enterprise Commercial Paper Program to an aggregate principal amount not to exceed
17 \$750,000,000 from \$500,000,000 against Proposition E outstanding authorizations of
18 indebtedness, including bond and other indebtedness authorized pursuant to Ordinance
19 No. 111-16, adopted by the Board on June 14, 2016, and signed by the Mayor on June 24,
20 2016, to provide additional short-term financing of capital improvements and related costs for
21 improvements, betterments and additions to the Wastewater Enterprise; and

22 WHEREAS, Under Section 8B.124 of the Charter, the Board's authority to authorize an
23 issuance of debt under Proposition E is subject to its receipt of a certification from an
24 independent engineer that (i) the projects to be financed by such debt meet utility standards
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1 and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service
2 coverage and other indenture or resolution requirements (the "Engineer Certification"); and

3 WHEREAS, Under Section 8B.124 of the Charter, the Board's authority to authorize an
4 issuance of debt under Proposition E is also subject to its receipt of a certification from the
5 Planning Department that facilities financed with such debt will comply with applicable
6 requirements of the California Environmental Quality Act (together with the Engineer
7 Certification, the "Proposition E Certificates"); and

8 WHEREAS, The Proposition E Certificates required to support the issuance of the
9 Commercial Paper under the expanded program are on file with the Clerk of the Board; and

10 WHEREAS, Pursuant to the Short Term Borrowing Ordinance, the proceeds of
11 commercial paper may only be used to fund projects that have been approved as part of the
12 Commission's annual budget or otherwise approved; and

13 WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 105-14 appropriating
14 \$950,906,000 for the Wastewater Enterprise's Capital Improvement Program and Sewer
15 System Improvement Program for FYs 2014-2015 and 2015-2016; and

16 WHEREAS, On June 24, 2016, the Board adopted Ordinance No. 109-16 appropriating
17 \$1,211,451,280 for the Wastewater Enterprise's Capital Improvement Program and Sewer
18 System Improvement Program for FYs 2016-2017 and 2017-2018; and

19 WHEREAS, The projects expected to be financed with the proceeds of the Commercial
20 Paper have been approved in Ordinance No. 105-14 and Ordinance No. 109-16; now,
21 therefore be it

22 RESOLVED, That this Board hereby finds and declares the above recitals are true and
23 correct; and, be it

24 FURTHER RESOLVED, That this Board hereby approves an increase of the principal
25 amount of the Commission's Wastewater Enterprise Commercial Paper Program

1 authorization to \$750,000,000 from \$500,000,000 pursuant to Section 8B. 124 of the Charter
2 and the Short Term Borrowing Ordinance, and approves the issuance and sale of Commercial
3 Paper in one or more series from time to time by the Commission pursuant to the Charter and
4 in accordance with a resolution of the Commission; provided however that any Commercial
5 Paper issued by the Commission shall not exceed twelve percent (12%) per annum; and that
6 the Commission is hereby authorized to determine the timing, amount and manner of sale of
7 each series of Commercial Paper issued pursuant to this authorization; provided however
8 Commission's authorization to issue Commercial Paper is subject to the approval, by a
9 resolution of the Commission, of the form of offering document prepared in connection with
10 issuance of the Commercial Paper; and, be it

11 FURTHER RESOLVED, That this Board hereby declares that the Proposition E
12 Certificates on file with the Clerk of the Board in File No. _____ satisfy the requirements
13 of Section 8B.124 of the Charter for the issuance of any additional Commercial Paper
14 authorized hereunder; and, be it

15 FURTHER RESOLVED, The General Manager of the Commission, the Controller, the
16 Director of the Office of Public Finance, the Treasurer, the General Manager of the
17 Commission, the City Attorney and other officers of the City and their duly authorized deputies
18 and agents are hereby authorized and directed, jointly and severally, to take such actions and
19 to execute and deliver such certificates, agreements, requests or other documents, as
20 necessary or desirable to facilitate the issuance, sale and delivery of any Commercial Paper,
21 and to otherwise carry out the provisions of this Resolution; and, be it

22 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
23 heretofore taken are hereby ratified, approved and confirmed by this Board; and, be it

24 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
25 adoption.

1 APPROVED AS TO FORM:

2 DENNIS J. HERRERA
3 CITY ATTORNEY

4 BY: _____
5 MARK D. BLAKE
6 Deputy City Attorney

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