

1 [Increase of Power Enterprise Commercial Paper Program - Not to Exceed \$250,000,000]

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3 **Ordinance authorizing an increase of the principal amount of the Power Enterprise's**
 4 **Commercial Paper Program by \$160,000,000 from a principal amount not to exceed**
 5 **\$90,000,000 to a principal amount not to exceed \$250,000,000 with such Commercial**
 6 **Paper Notes to be issued or caused to be issued from time to time by the San**
 7 **Francisco Public Utilities Commission to finance and refinance on an interim basis**
 8 **various capital projects benefitting the Power Enterprise; and ratifying previous**
 9 **actions taken in connection therewith, as defined herein.**

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

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

18 WHEREAS, Pursuant to Article V of Chapter 43 ("Article V") of the San Francisco
 19 Administrative Code ("City's Administrative Code"), enacted by Ordinance No. 203-98,
 20 adopted by the Board of Supervisors ("Board") of the City and County of San Francisco (the
 21 "City") on June 8, 1998, and signed by the Mayor of the City ("Mayor") on June 19, 1998
 22 ("Ordinance No. 203-98"), as amended by Ordinance No. 270-06, adopted by the Board on
 23 October 24, 2006, and signed by the Mayor on October 31, 2006 ("Ordinance No. 270-06"
 24 and, together with Ordinance No. 203-98, the "Short-Term Borrowing Ordinance"), the Board
 25 established a procedure pursuant to which the San Francisco Public Utilities Commission

1 (“Commission”) may issue short-term indebtedness, including the issuance and reissuance of
2 commercial paper notes in anticipation of the issuance of revenue bonds; and

3 WHEREAS, Pursuant to Article V, the Short-Term Borrowing Ordinance and Resolution
4 No. 427-15, adopted by the Board on November 11, 2015, and signed by the Mayor on
5 November 25, 2015, the Board has previously authorized the establishment of the
6 Commission’s Power Enterprise (“Power Enterprise”) commercial paper program (“Power
7 CP Program”) and the issuance of commercial paper notes in an aggregate principal amount
8 not to exceed \$90,000,000 against authorizations for indebtedness under Article V and
9 Sections 9.107(6) and 9.107(8) of the Charter of the City (“Charter”), to provide additional
10 interim financing of capital improvements and related costs for improvements, betterments
11 and additions to the Power Enterprise; and

12 WHEREAS, On June 5, 2018, the voters of the City approved Proposition A
13 (“Proposition A”), which among other things, authorized the Commission to issue
14 indebtedness, including revenue bonds, notes, commercial paper or other forms of
15 indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board, for
16 the purpose of reconstructing, replacing, expanding, repairing or improving power facilities
17 under the jurisdiction of the Commission or for any other lawful purpose of the power facilities
18 of the City in furtherance of the purposes specified in Section 8B.124 of the Charter, provided
19 that the Commission is prohibited from financing the construction of power plants that
20 generate electricity using fossil fuels or nuclear energy under Proposition A; and

21 WHEREAS, The Board’s authority to authorize issuance of debt under Section 8B.124
22 of the Charter is subject to (i) receipt of certification from an independent engineer that (x) the
23 projects to be financed by such debt meet utility standards and (y) estimated net revenue will
24 be sufficient to meet operating, maintenance, debt service coverage and other indenture or
25 resolution requirements; and (ii) receipt of certification from the San Francisco Planning

1 Department that facilities financed with such debt will comply with applicable requirements of
2 the California Environmental Quality Act (collectively, the “Proposition A Certifications”); and

3 WHEREAS, On November 13, 2018, the Commission approved Resolution No. 18-
4 0188 to authorize an increase in the principal amount of the Power CP Program to an amount
5 not to exceed \$250,000,000 (“Commercial Paper Notes”) from \$90,000,000 and the issuance
6 from time to time of such Commercial Paper Notes pursuant to the provisions of (i) Article V of
7 the City’s Administrative Code, (ii) Sections 9.107(6) and 9.107(8) of the Charter, and (iii)
8 Section 8B.124 of the Charter subject to receipt of the Proposition A Certifications
9 (collectively, the “City Authorizations”), together with approval of certain security documents
10 related thereto and the appointment of professionals therefor, subject to and contingent upon
11 adoption of this Ordinance; and

12 WHEREAS, To provide additional capacity for the short-term financing of capital
13 improvements and related costs for improvements, betterments and additions to the Power
14 Enterprise the Board now wishes to authorize and expand the Power CP Program to an
15 aggregate principal amount not to exceed \$250,000,000 from \$90,000,000, pursuant to the
16 City Authorizations, subject to receipt of the necessary Proposition A Certifications in the case
17 of any projects to be financed under Section 8B.124 of the Charter; and

18 WHEREAS, The Board has previously authorized under the provisions of Sections
19 9.107(6) and 9.107(8) of the Charter the issuance and sale of power revenue bonds and other
20 forms of indebtedness to finance the costs of various capital projects benefitting the Power
21 Enterprise pursuant to Ordinance No. 106-14, adopted by the Board on June 24, 2014, and
22 signed by the Mayor on July 2, 2014, Ordinance 113-16, adopted by the Board on June 14,
23 2016, and signed by the Mayor on June 24, 2016, and Ordinance 142-18, adopted by the
24 Board on June 12, 2018, and signed by the Mayor on June 20, 2018; and

1 WHEREAS, Pursuant to the Short-Term Borrowing Ordinance, the proceeds of the
2 Commercial Paper Notes may only be used to fund projects that have been approved as part
3 of the Commission’s annual budget or otherwise approved; and

4 WHEREAS, Pursuant to Ordinance No. 104-14, adopted by the Board on June 24,
5 2014, and signed by the Mayor on July 2, 2014 (“Ordinance No. 104-14”), the Board
6 appropriated \$217,478,836 for Hetch Hetchy Water and Power Capital Improvements for
7 Fiscal Years 2014-15 and 2015-16; and

8 WHEREAS, Pursuant to Ordinance No. 110-16, adopted by the Board on June 14,
9 2016, and signed by the Mayor on June 24, 2016 (“Ordinance No. 110-16”), the Board
10 appropriated \$158,125,530 for Hetch Hetchy Capital Improvement Program for Fiscal Years
11 2016-17 and 2017-18; and

12 WHEREAS, Pursuant to Ordinance No. 139-18, adopted by the Board on June 12,
13 2018, and signed by the Mayor on June 20, 2018 (“Ordinance No. 139-18”), the Board
14 appropriated \$340,106,949 for Hetch Hetchy Capital Improvement Program for Fiscal Years
15 2018-19 and 2019-20; and

16 WHEREAS, The projects expected to be financed with the proceeds of the Commercial
17 Paper Notes have been approved in Ordinance No. 104-14, Ordinance No. 110-16 and
18 Ordinance No. 139-18; now, therefore be it

19 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
20 follows:

21 Section 1. Findings. The Board finds and determines that the foregoing recitals are
22 true and correct.

23 Section 2. Approval of Increase in Commercial Paper Notes Authorization. The
24 Board hereby authorizes and approves an increase of the principal amount of the Power CP
25 Program authorization to \$250,000,000 from \$90,000,000 pursuant to the City Authorizations.

1 The Board further approves the issuance and sale of Commercial Paper Notes in one or more
2 series from time to time by or on behalf of the Commission in accordance with a resolution of
3 the Commission; provided, however, that the interest rate on any Commercial Paper Notes
4 issued by or on behalf of the Commission shall not exceed twelve percent (12%) per annum.
5 The Commission is hereby authorized to determine the timing, amount and manner of sale of
6 each series of Commercial Paper Notes issued pursuant to this authorization; provided,
7 however, that the Commission's authorization to issue or cause the issuance of Commercial
8 Paper Notes is subject to the approval, by a resolution of the Commission, of the form of
9 offering document prepared in connection with the issuance of the Commercial Paper Notes
10 and, in the case of any projects to be financed under Section 8B.124 of the Charter, filing with
11 the Clerk of the Board of the necessary Proposition A Certifications.

12 Section 3. General Authority. The Controller, the Director of the Office of Public
13 Finance, the Treasurer, the General Manager of the Commission, 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 issuance, sale and delivery of any Commercial Paper Notes, and to
18 otherwise carry out the provisions of this Ordinance.

19 Section 4. Ratification of Prior Actions. All actions authorized and directed by this
20 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

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1 Section 5. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance
2 shall take effect thirty (30) days after its adoption.

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

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