

LEGISLATIVE DIGEST

[San Francisco Public Utilities Commission Power Revenue Bond Issuance - Various Capital Projects Benefitting the Power Enterprise - Not to Exceed \$142,970,073]

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities Commission in an aggregate principal amount not to exceed \$142,970,073 to finance the costs of various capital projects benefitting the Power Enterprise pursuant to Charter, Sections 9.107(6) and 9.107(8); authorization to issue Refunding Power Revenue Bonds and the retirement of outstanding Power Enterprise Commercial Paper; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the issuance by the SFPUC of its power enterprise revenue bonds (the "Power Revenue Bonds") in an amount not to exceed \$142,970,073 to finance the costs of various capital water projects benefitting the SFPUC Power Enterprise. The Power Revenue Bonds will be issued pursuant to amendments to the Charter sections enacted by the voters November 5, 2020 as Proposition E, at a maximum rate of 12% per annum. The Ordinance delegates to the SFPUC the authority to determine the timing, amount and manner of sale of Power Revenue Bonds (i.e., competitive or negotiated), subject to the SFPUC approving the form of a substantially final offering document.

The Power Revenue Bonds will be issued pursuant to the terms of a Trust Indenture dated as of May 1, 2015, as further amended and supplemented from time to time ("Indenture"), between the Commission and U. S. Bank National Association, as trustee thereunder.

The Commission is authorized to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each series of Power Revenue Bonds or other forms of indebtedness (including without limitation State Revolving Fund (SRF) Loans, as well as interim funding vehicles such as commercial paper, revolving credit agreements, bond anticipation notes or other forms of notes, which interim funding vehicles will be issued in advance of being paid off by either Water Revenue Bonds and other forms of indebtedness (including without limitation SRF Loans) to finance the costs of various capital projects benefitting the Water Enterprise (the "Capital Improvement Projects"), pursuant to Proposition E; but the Commission's authority to issue Power Revenue Bonds or incur other forms of indebtedness is subject to further approval by the Commission of the form of substantially final offering document related to such bonds (if any) and the approval of any related financing documents.

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Finally the Ordinance provides for the issuance of Refunding Bonds under Charter Section 9.109 without returning to the Board for approval provided that the Commission achieves at least 3% present value debt service savings, and satisfies other conditions contained in the Ordinance. The Commission is required to provide a savings report to the Board within 30 days of the date of execution of any refunding.

The authority to issue Refunding Bonds is for a 6-year term through June 30, 2026, at which time this Board may consider an extension.

Upon issuance of the Bonds, to the extent permitted by law, one-twentieth of one percent (0.05%) of the gross proceeds of the Bonds will be deposited in a fund established by the City Controller's Office and appropriated by the Board at the direction of the Public Utilities Revenue Bond Oversight Committee established by Proposition P.