

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

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

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

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

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

20 A. Pursuant to Charter Sections 9.107(6) and 9.107(8), together with the provisions
21 of Proposition A (approved by the voters in June 5, 2018) to authorize the San Francisco
22 Public Utilities Commission ("Commission") to issue revenue bonds, including notes,
23 commercial paper or other forms of indebtedness (which forms of indebtedness may include
24 without limitation, loans and other forms of indebtedness provided by governmental agencies

1 and/or commercial or investment banks), when authorized by ordinance approved by a two-
2 thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing,
3 expanding, repairing or improving power facilities under the jurisdiction of the Commission.

4 B. The Commission adopted the Trust Indenture dated as of May 1, 2015, as
5 further amended and supplemented from time to time (“Indenture”), between the Commission
6 and U. S. Bank National Association and in connection therewith, has from time to time issued
7 revenue bonds to finance projects benefitting the Power Enterprise; and

8 C. By Resolution 20-0031 adopted by the Commission on February 11, 2020
9 (“Commission Resolution”) the Commission has determined to issue Power Revenue Bonds
10 (“Power Revenue Bonds”) and other forms of indebtedness, including commercial paper,
11 revolving credit notes and other forms of notes, to finance the costs of various capital Power
12 projects benefitting the Power Enterprise (“Capital Improvement Projects,” such projects being
13 more fully described in the Commission Resolution), pursuant to Charter Sections 9.107(6)
14 and 9.107(8), and has formally requested this Board to authorize the issuance and sale of
15 Power Revenue Bonds for such purposes, such Commission Resolution being on file with the
16 Clerk of the Board in File No. 200836; and

17 D. In order to finance the costs of the Capital Improvement Projects, the Board now
18 desires to authorize the issuance and sale of Power Revenue Bonds and other forms of
19 indebtedness (including, without limitation and for illustrative purposes only), New Clean
20 Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial paper,
21 revolving credit notes, and bond anticipation notes) for such purposes; and

22 E. The Commission has paid, beginning no earlier than 60 days prior to the
23 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures (the
24 “Expenditures”) in connection with the acquisition, construction and/or equipping of the Capital
25 Improvement Projects, and

1 F. This Board is concurrently considering with this ordinance another Ordinance
2 approving a Capital Improvement Program related supplemental appropriations totaling
3 \$260,351,806 for fiscal years ending 2021 and 2022, such amount being inclusive of the
4 Power Revenue Bonds and other forms of indebtedness (including, without limitation and for
5 illustrative purposes only, New Clean Renewable Energy Bonds, Qualified Energy
6 Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes)
7 approved hereby; and

8 G. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance
9 as official action of the Commission in order to comply with Treasury Regulation §1.150-2 and
10 any other regulations of the Internal Revenue Service relating to the qualification for
11 reimbursement of Commission expenditures incurred prior to the date of issue of the Power
12 Revenue Bonds.

13 H. In order to refinance the costs of any Power Enterprise facilities or
14 improvements financed with bonds issued pursuant to Charter Sections 9.107(6) and
15 9.107(8), together with the provisions of Proposition A, the Board now desires to authorize the
16 issuance and sale of Power Revenue Refunding Bonds.

17 Section 2. Authorization to Issue Power Revenue Bonds. The Board hereby
18 authorizes the issuance and sale of Power Revenue Bonds and other forms of indebtedness
19 (including, without limitation and for illustrative purposes only, New Clean Renewable Energy
20 Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and
21 bond anticipation notes) in one or more series from time to time by the Commission pursuant
22 to the Charter and in accordance with the Commission Resolution in an aggregate principal
23 amount not to exceed \$142,970,073 (inclusive of financing costs but exclusive of refunding
24 indebtedness), bearing a maximum rate or rates of interest of not to exceed twelve percent
25 (12%) per annum to finance a portion of the costs of the design, acquisition and construction

1 of the Capital Improvement Projects. The Commission is hereby authorized to determine the
2 timing, amount and manner of sale (i.e., competitive or negotiated) of each series of Power
3 Revenue Bonds or the delivery of other forms of indebtedness pursuant to this authorization;
4 provided however, the Commission's authorization to issue Power Revenue Bonds or incur
5 other forms of indebtedness (including, without limitation, New Clean Renewable Energy
6 Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and
7 bond anticipation notes), is subject to approval by the Commission of the form of substantially
8 final offering document related to such bonds (if any) and the approval of any related financing
9 documents. The Commission shall also file, within 30 days of any bond sale authorized
10 hereby, with the Clerk of the Board of Supervisors a report showing the results of the sale of
11 Power Revenue Bonds or other form of indebtedness including (i) principal amount sold and
12 method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or
13 improved, and (v) a statement about the remaining bonding authorization under this
14 Ordinance ("Bond Report"); provided that failure to provide such Bond Report shall not affect
15 the validity of any debt authorized hereby.

16 Section 3. Authorization to Retire Commercial Paper. In furtherance of the purpose of
17 managing the Commission outstanding indebtedness, the General Manager is hereby
18 authorized and directed, in consultation the City Attorney, from Available Power Enterprise
19 Revenues to retire outstanding Power Enterprise Commercial Paper at such times and in
20 such amounts advantageous to the Commission.

21 Section 34. Authorization to Issue Refunding Power Revenue Bonds. The Board
22 further authorizes and approves the issuance by the Commission of Refunding Power
23 Revenue Bonds and other forms of indebtedness ("Refunding Bonds") to refund any
24 outstanding obligations of the Power Enterprise, without limitation as to principal amount, in
25 one or more series on one or more dates, at a maximum interest rate or rates of interest not to

1 exceed twelve percent (12%) per annum, provided that each such Refunding Bond issue or
2 obligation is permitted under the applicable policies and procedures of the City and authorized
3 by Section 9.109 of the Charter (including related ordinances and resolutions of the Board).
4 The Refunding Bonds may be issued as tax-exempt or taxable obligations, or any
5 combination thereof. Refunding Bonds authorized hereunder shall be subject to the further
6 following conditions, that: (i) 3% net present value debt service savings or greater is achieved
7 to ensure ratepayer savings (exclusive of any issuance to refund commercial paper, revolving
8 credit notes or bond anticipation notes); (ii) that the maturity of the refunded bonds is not
9 extended; provided principal payments and term may be adjusted, where permitted under
10 federal and state tax law, only if and when the underlying capital asset funded through said
11 refunded bonds has a useful life not in excess of any limit permitted under federal and state
12 tax law than the refunded term; (iii) this authorization is subject to a ~~5~~ 6-year term through
13 June 30, 2026, at which time this Board may consider an extension; and (iv) the Commission
14 shall within 30 days of any executed refunding transaction provide a bond refunding savings
15 report ("Bond Refunding Savings Report") prepared by its financial advisor (that reflects at
16 least a 3% net present value debt service savings) to the Board, together with a copy of the
17 final Official Statement with respect to such series of Refunding Bonds, provided that failure to
18 provide such Bond Refunding Savings Report shall not affect the validity of any Refunding
19 Bonds.

20 Section 5. Certain Other Refunding Bonds. Notwithstanding the foregoing, the
21 Commission is authorized to issue Refunding Bonds for non-economic factors, including by
22 way of illustration, eliminating onerous covenants and obsolete provisions contained in the
23 Commission's indenture or other security documents. The Commission shall request a waiver
24 of the savings requirement under Section 4 for any Refunding Bonds issued for non-economic
25 reasons, which the Board may grant by resolution.

1 Section 46. Declaration of Official Intent. The Board, on behalf of the Commission,
2 hereby declares the official intent of the Commission to reimburse the Commission with
3 proceeds of the Power Revenue Bonds or other forms of indebtedness for the Expenditures
4 with respect to the Capital Improvement Projects made on and after a date that is no more
5 than 60 days prior to the adoption of this Ordinance. The Commission reasonably expects on
6 the date hereof that it will reimburse the Expenditures with proceeds of the Power Revenue
7 Bonds or other forms of indebtedness including, without limitation, New Clean Renewable
8 Energy Bonds and Qualified Energy Conservation Bonds. Each said Expenditure was and
9 will be either (A) of a type properly chargeable to a capital account under general federal
10 income tax principles (determined in each case as of the date of the Expenditure), (B) a cost
11 of issuance with respect to the Power Revenue Bonds or other forms of indebtedness, (C) a
12 nonrecurring item that is not customarily payable from current revenues, or (D) a grant to pay
13 a party that is not related to or an agent of the issuer so long as such grant does not impose
14 any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of
15 the Commission. The Commission will make a reimbursement allocation, which is a written
16 allocation by the Issuer that evidences the Commission’s use of proceeds of the Power
17 Revenue Bonds or other forms of indebtedness to reimburse an Expenditure, no later than 18
18 months after the later of the date on which the Expenditure is paid or the component of the
19 Capital Improvement Projects is placed in service or abandoned, but in no event more than
20 three years after the date on which the Expenditure is paid. The Commission recognizes that
21 exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de
22 minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the
23 year of expenditure) and expenditures for construction projects of at least 5 years.

24 Section 57. General Authority. The Controller, Treasurer, the City Attorney and other
25 officers of the City and their duly authorized deputies and agents are hereby authorized and

1 directed, jointly and severally, to take such actions and to execute and deliver such
2 certificates, agreements, requests or other documents, as they may deem necessary or
3 desirable to facilitate the issuance, sale and delivery of the Power Revenue Bonds or other
4 forms of indebtedness (including, without limitation and for illustrative purposes only, New
5 Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper,
6 revolving credit notes, and bond anticipation notes), any Power Refunding Bonds, and to
7 obtain bond insurance or other credit or liquidity enhancements with respect to any such
8 obligations and otherwise to carry out the provisions of this Ordinance. The Commission is
9 hereby directed to provide the final form to the Clerk of the Board of any disclosure document
10 prepared in connection with the execution of any Power Revenue Bonds and other forms of
11 indebtedness (including, without limitation and for illustrative purposes only, New Clean
12 Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial paper,
13 revolving credit notes, and bond anticipation notes) or Refunding Bonds, or other document
14 reflecting the incurrence of another obligation payable from the Power Enterprise, within 30
15 days of the closing of such transactions, provided that the failure to deliver such document
16 shall not affect the validity of the obligations authorized hereunder. The Commission is further
17 directed as a part of the two-year budget review to provide to this Board of Supervisors a
18 written report about Power Revenue Bonds authorized hereunder, detailing the total amount
19 authorized, the total amount sold, the remaining authorized but unissued amount, and the
20 bond authorization no longer necessary due to changes in projects and project financing.

21 Section 68. Ratification of Prior Actions. All actions authorized and directed by this
22 Ordinance in connection with the issuance of the Power Revenue Bonds and other forms of
23 indebtedness (including, without limitation and for illustrative purposes only, New Clean
24 Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper,
25

1 revolving credit notes, and bond anticipation notes), and Refunding Power Revenue Bonds,
2 and heretofore taken are hereby ratified, approved and confirmed by this Board.

3 Section 79. File Documents. All documents referred to as on file with the Clerk of the
4 Board are in File Nos. 200836.

5 Section 810. Effective Date. Pursuant to Charter Section 2.105, Section 4 of this
6 Ordinance and Sections 7 and 8 of this Ordinance as they pertain to Refunding Bonds
7 authorized under Section 4 shall take effect immediately after its adoption. Pursuant to
8 Charter Section 8B.124, the remainder of this Ordinance shall take effect thirty (30) days after
9 its adoption.

10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

12
13 By: /s/ Mark D. Blake
14 Mark D. Blake
15 Deputy City Attorney
16 n:\finan\as2016\1300183\01109131.docx



City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 200836

Date Passed: September 29, 2020

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.

August 13, 2020 Budget and Appropriations Committee - CONTINUED

August 21, 2020 Budget and Appropriations Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

August 21, 2020 Budget and Appropriations Committee - RECOMMENDED

September 15, 2020 Board of Supervisors - CONTINUED ON FIRST READING

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

September 22, 2020 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee

Noes: 1 - Stefani

September 29, 2020 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee

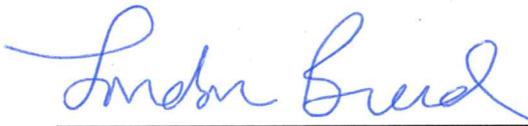
Noes: 1 - Stefani

File No. 200836

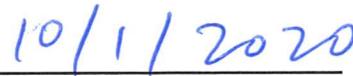
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/29/2020 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved