

1 [SFPUC Power Revenue Bond Issuance---Not to Exceed \$~~112,346,843~~ ~~111,326,843~~]

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3 **Ordinance approving the issuance and sale of power revenue bonds by the San**
4 **Francisco Public Utilities Commission in an aggregate principal amount not to**
5 **exceed \$~~112,346,843~~ ~~111,326,843~~ to finance the costs of various power capital projects**
6 **benefitting the SFPUC Power Enterprise, pursuant to Section 9.107(8) of the City**
7 **Charter; declaring the Official Intent of the Commission to Reimburse Itself with one**
8 **or more issues of tax-exempt bonds; and ratifying previous actions taken in**
9 **connection therewith.**

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

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

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

16 A. Pursuant to Charter Section 9.107(8), the San Francisco Public Utilities
17 Commission (the "Commission") is authorized to issue revenue bonds, without a vote of the
18 voters, to finance or refinance the acquisition, construction, installation, equipping,
19 improvement or rehabilitation of equipment or facilities for renewable energy and energy
20 conservation; and

21 B. By Resolution 14-0032 adopted by the Commission on February 11, 2014 (the
22 "Commission Resolution") the Commission has determined to issue revenue bonds (the
23 "Revenue Bonds") to finance the costs of various capital projects benefitting the SFPUC
24 Hetch Hetchy Power Enterprise (the "Capital Improvement Projects"), pursuant to the
25 Charter, and has formally requested this Board of Supervisors to authorize the issuance and

1 sale of such revenue bonds for such purposes, such Commission Resolution being on file
2 with the Clerk of the Board in File No. 140482, which is hereby declared to be a part of this
3 Ordinance as if set forth fully herein; and

4 C. The Commission has paid, beginning no earlier than 60 days prior to the
5 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures
6 (the "Expenditures") in connection with the acquisition, construction and/or equipping of the
7 Capital Improvements Project.

8 D. This Board of Supervisors, on behalf of the Commission, hereby determines that
9 those moneys previously advanced and to be advanced by the Commission on and after the
10 date hereof to pay the Expenditures are available only for a temporary period and it is
11 necessary to reimburse the Commission for the Expenditures from the proceeds of the
12 Revenue Bonds, which shall be issued on a tax-exempt basis.

13 E. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance
14 as official action of the Commission in order to comply with Treasury Regulation §1.150-2
15 and any other regulations of the Internal Revenue Service relating to the qualification for
16 reimbursement of Commission expenditures incurred prior to the date of issue of the
17 Revenue Bonds.

18 F. In order to finance the costs of the Capital Improvement Projects, the Board now
19 desires to authorize the issuance and sale of power revenue bonds for such purposes.

20 Section 2. Approval of the Revenue Bonds. The Board hereby approves the
21 issuance and sale of the Revenue Bonds from time to time by the Commission pursuant to
22 Charter Section 9.107(8) and in accordance with the Commission Resolution in an
23 aggregate principal amount not to exceed \$112,346,843 ~~111,326,843~~ (inclusive of related
24 financing costs), at 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 various capital projects in furtherance of the Capital Improvement Projects. The
2 Commission is hereby authorized to determine the timing, amount and manner of sale (i.e.,
3 competitive or negotiated methods of sale) of each series of Revenue Bonds issued
4 pursuant to this authorization; provided however, the Commission's authorization to issue
5 Revenue Bonds is subject to approval by the Commission's Board of the substantially final
6 form of offering document prior to the issuance of any bonds herein authorized.

7 Section 3. Declaration of Official Intent. The Board, on behalf of the Commission,
8 hereby declares the official intent of the Commission to reimburse the Commission with
9 proceeds of the Bonds for the Expenditures with respect to the Capital Improvements
10 Project made on and after a date that is no more than 60 days prior to the adoption of this
11 Ordinance. The Commission reasonably expects on the date hereof that it will reimburse
12 the Expenditures with proceeds of the Bonds. Each said Expenditure was and will be either
13 (A) of a type properly chargeable to a capital account under general federal income tax
14 principles (determined in each case as of the date of the Expenditure), (B) a cost of
15 issuance with respect to the Bonds, (C) a nonrecurring items that is not customarily payable
16 from current revenues, or (D) a grant to pay a party that is not related to or an agent of the
17 issuer so long as such grand does not impose any obligation or condition (directly or
18 indirectly) to repay any amount to or for the benefit of the Commission. The maximum
19 principal amount of the Revenue Bonds to be issued for the Capital Improvement Projects is
20 \$112,346,843 ~~111,326,843~~ (inclusive of financing costs).

21 The Commission will make a reimbursement allocation, which is a written allocation by
22 the Issuer that evidences the Commission's use of proceeds of the Revenue Bonds to
23 reimburse an Expenditure, no later than 18 months after the later of the date on which the
24 Expenditure is paid or the component of the Capital Improvement Projects is placed in service
25 or abandoned, but in no event more than three years after the date on which the Expenditure

1 is paid. The Commission recognizes that exceptions are available for certain "preliminary
2 expenditures," costs of issuance, certain *de minimis* amounts, expenditures by "small issuers"
3 (based on the year of issuance and not the year of expenditure) and expenditures for
4 construction projects of at least 5 years.

5 Section 4. General Authority. The Controller, Treasurer, the City Attorney and other
6 officers of the City and their duly authorized deputies and agents are hereby authorized and
7 directed, jointly and severally, to take such actions and to execute and deliver such
8 certificates, agreements, requests or other documents, as they may deem necessary or
9 desirable to facilitate the issuance, sale and delivery of the Revenue Bonds, to obtain bond
10 insurance or other credit enhancements with respect to the Revenue Bonds, to obtain
11 surety, to obtain title and other insurance with respect to the facilities to be financed, and
12 otherwise to carry out the provisions of this Ordinance.

13 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
14 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

15 Section 6. File Documents. All documents referred to as on file with the Clerk of the
16 Board are in File Nos. 140482.

17 Section 7. Effective Date. Pursuant to Charter Section 14.102, this Ordinance shall
18 take effect thirty (30) days after its adoption.

19
20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: 
23 MARK D. BLAKE
Deputy City Attorney

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City and County of San Francisco

Tails
Ordinance

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

File Number: 140482

Date Passed: June 24, 2014

Ordinance approving the issuance and sale of power revenue bonds by the Public Utilities Commission (PUC) in an aggregate principal amount not to exceed \$112,346,843 to finance the costs of various power capital projects benefitting the PUC Power Enterprise, pursuant to City Charter, Section 9.107(8); 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.

June 11, 2014 Budget and Finance Committee - AMENDED

June 11, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

June 17, 2014 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

June 24, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140482

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/24/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayer

7/2/2014

Date Approved