Ordinance approving the issuance and sale of revenue bonds by the Public Utilities Commission of the City and County of San Francisco in an aggregate principal amount not to exceed $48,000,000 to finance various capital projects consisting of reconstruction or replacement of existing water and/or electric power facilities pursuant to Charter, Section 9.107(6); and the acquisition, construction, installation, equipping, improvement, or rehabilitation of equipment or facilities for renewable energy and energy conservation pursuant to Charter, Section 9.107(8); approving the execution of certain documents and agreements; and confirming and making certain CEQA determinations and approving other actions and matters in connection therewith.

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

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

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

A. On November 5, 2002, the voters of the City approved Proposition E, codified as Article VIIIIB of the Charter of the City (the "Charter"), which among other things, authorized the Public Utilities Commission of the City and County of San Francisco (the "Commission") to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for
the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities, or combinations of water and clean water facilities under the jurisdiction of the Commission; and

B. Pursuant to Charter Section 9.107(6), revenue bonds may be issued, without voter approval, upon a three-fourths affirmative vote of the Board, for the purpose of the reconstruction or replacement of existing water facilities and electric power facilities or combinations thereof under the jurisdiction of the Commission.

C. Pursuant to Charter Section 9.107(8), revenue bonds may be issued, without voter approval, upon an affirmative vote of the Board, for the purpose of the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation.

D. By Resolution No. 14-0197 adopted by the Commission on December 9, 2014 (the “Commission Bond Resolution”), the Commission has: (A) determined to and authorized the issuance of its Public Utilities Commission of the City and County of San Francisco Power Revenue Bonds in an aggregate principal amount not to exceed $48,000,000, for the purpose of (i) financing various capital projects consisting of reconstruction or replacement of existing water and/or electric power facilities and the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation (collectively, the “Capital Improvement Projects”), (ii) funding a debt service reserve account, (iii) paying capitalized interest and (iv) paying costs of issuance and other incidental costs therefor, with the title and series designations to be determined by the General Manager of the Commission (the “Bonds”); (B) approved the form of, and authorized the execution of (i) a Trust Indenture by and between the Commission and U.S. Bank National Association, as trustee (the “Trustee”) and the First Supplemental Trust Indenture (the “First Supplement,” and together with the Trust Indenture, the “Indenture”), by and between the
Commission and the Trustee, with respect to such Bonds, (ii) a Bond Purchase Contract relating to the sale of the Bonds, (iii) an Official Statement relating to the Bonds, and (iv) a Continuing Disclosure Certificate; (C) approved certain related actions and matters; and (D) formally requested this Board to authorize the issuance and sale of the Bonds; such Commission Bond Resolution being on file with the Clerk of the Board in File No. 150079, which is hereby declared to be a part of this Ordinance as if set forth fully herein.

E. Concurrently with its review of this Ordinance, the Board is being requested to review and approve an ordinance setting forth a procedure by which the Commission may issue revenue bonds for any purpose related to its Power Enterprise (the “Commission Power Enterprise Revenue Bond Law”), in compliance with which the Commission intends to issue the Bonds.

Section 2. Approval of the Bonds. The Board hereby approves the Commission Bond Resolution and authorizes and approves the issuance and sale by the Commission of the Bonds in an aggregate principal amount not to exceed $48,000,000 pursuant to Charter Sections 9.107(6) and 9.107(8) and in accordance with the Commission Bond Resolution and the Commission Power Enterprise Revenue Bond Law to finance the Capital Improvement Projects in one or more series and on one or more dates, as either tax-exempt or taxable bonds or any combination thereof, at a maximum rate or rates of interest not to exceed twelve percent (12%) per annum; provided, that the Commission shall first have approved the form and distribution of the preliminary official statement related to the Bonds.

Section 3. Approval of Financing Documents. The Board hereby approves the forms of the Trust Indenture, First Supplement, Bond Purchase Contract, the preliminary Official Statement relating to the Bonds and the Continuing Disclosure Certificate, submitted to this Board and on file with the Clerk of the Board, and the appropriate officials of the Commission, as authorized in the Commission Bond Resolution (the “Authorized Commission Officials”),

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and of the City are hereby authorized to execute and deliver each such document and
agreement, with such changes thereto as the officer executing the same shall approve with
the advice of the City Attorney, such approval to be conclusively evidenced by the execution
and delivery thereof.

Section 4. Proposition P. The Board has determined, pursuant to Proposition P,
approved by the voters of the City in November 2002, that the Bonds are subject to, and there
is hereby incorporated by reference herein, the provisions of Section 5A.30 et seq. of Chapter
V of the San Francisco Administrative Code (the "Proposition P Requirements") and that,
pursuant to the Proposition P Requirements, to the extent permitted by law, one-twentieth of
one percent (0.05%) of the gross proceeds of the Bonds shall 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
Requirements to cover the costs of said Committee.

Section 5. Supplement to Ordinance No. 106-14. By Ordinance No. 106-14 adopted by
the Board on June 24, 2014, which became effective on July 2, 2014, this Board (i) approved
the issuance and sale of the Bonds to finance various capital projects of the Commission's
Power Enterprise pursuant to Section 9.107(8) of the Charter, and (ii) on behalf of the
Commission, declared the official intent of the Commission to reimburse the Commission with
proceeds of the Bonds for Expenditures (defined therein) with respect to the Capital
Improvements Projects made on and after a date no more than 60 days prior to the adoption
of Ordinance No. 106-14. The Board, by this Ordinance, supplements Ordinance No. 106-14
by including in the following in the definition of Capital Improvement Projects set forth therein:
various capital projects consisting of reconstruction or replacement of existing water and/or
electric power facilities of the Power Enterprise pursuant to Section Charter Section 9.107(6).
Section 6. CEQA Determinations. The San Francisco Planning Department Environmental Review Officer (ERO) on November 26, 2014, determined that seven feasibility and planning studies to be funded by the proceeds of the bonds are statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262 (Feasibility and Planning Studies), including 1.) Powerhouse Holm Unit 2 Improvements; 2.) Oil Containment Upgrade at Holm and Kirkwood Powerhouses; 3.) Moccasin Generator Step Up (GSU) Transformers & Oil Containment; 4.) Kirkwood Powerhouse Refurbishment and Two Turbin Shutoff Valves (TSOV) Replacement; 5.) Moccasin Switchyard Upgrade; 6.) Regulatory Compliance for Transmission Lines; Repair and replacement of equipment and facilities at various locations; and 7.) Switchyard/Substations Rehabilitation (Warnerville sw ph 1). The ERO also concurred with the determination that the following three projects are categorical exemptions under CEQA, and construction of these projects is proposed to be funded by the proceeds of the bonds: Moccasin Generator Rewind on November 4, 2014; Transmission Lines/Distribution System Moccasin to Warnerville (Don Pedro Crossing) on November 24, 2014; and Powerhouse SCADA Upgrade; on November 24, 2014. The Commission has reserved its right to add, change or modify the proposed projects to be funded by bond proceeds as it deems to be necessary and advisable, subject to the limitations and conditions set forth in the Indenture, Bond Purchase Contract and Charter Sections 9.107(6) and 9.107(8), in compliance with CEQA, and in consultation with the City Attorney. The Board hereby adopts the determinations by the Commission as if set forth in full herein.

Section 7. General Authority. The City Controller, Treasurer, the City Attorney and such other appropriate officers of the City, and their duly authorized deputies and agents and Authorized Commission Officials are hereby authorized and directed, jointly and severally, to...
take such actions as are necessary or desirable to facilitate the issuance, sale and delivery of
the Bonds and to otherwise accomplish the intents and purposes of this Ordinance, in
consultation with the City Attorney, including but not limited to the execution and delivery of
such other documents and agreements as they may deem necessary or advisable.

Section 8. Ratification of Prior Actions. All actions authorized and directed by this
Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

Section 9. File Documents. All documents referred to as on file with the Clerk of the
Board are in File No. 150079.

Section 10. Effective Date. Pursuant to Charter Section 2.105, this Ordinance shall
become effective immediately on the date of its adoption.

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

By: MARK D. BLAKE
Deputy City Attorney

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BOARD OF SUPERVISORS
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March 11, 2015 Budget and Finance Sub-Committee - RECOMMENDED

March 17, 2015 Board of Supervisors - PASSED ON FIRST READING
Ayes: 10 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang and Yee
Excused: 1 - Wiener

March 24, 2015 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 150079

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 3/24/2015 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved: 3/24/15