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

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

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:

WHEREAS, Pursuant to Article V of Chapter 43 ("Article V") of the San Francisco Administrative Code ("City’s Administrative Code"), enacted by Ordinance No. 203-98, adopted by the Board of Supervisors ("Board") of the City and County of San Francisco (the "City") on June 8, 1998, and signed by the Mayor of the City ("Mayor") on June 19, 1998 ("Ordinance No. 203-98"), as amended by Ordinance No. 270-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006 ("Ordinance No. 270-06" and, together with Ordinance No. 203-98, the "Short-Term Borrowing Ordinance"), the Board established a procedure pursuant to which the San Francisco Public Utilities Commission
(“Commission”) may issue short-term indebtedness, including the issuance and reissuance of
commercial paper notes in anticipation of the issuance of revenue bonds; and

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

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

WHEREAS, The Board’s authority to authorize issuance of debt under Section 8B.124
of the Charter is subject to (i) receipt of certification from an independent engineer that (x) the
projects to be financed by such debt meet utility standards and (y) estimated net revenue will
be sufficient to meet operating, maintenance, debt service coverage and other indenture or
resolution requirements; and (ii) receipt of certification from the San Francisco Planning
Department that facilities financed with such debt will comply with applicable requirements of
the California Environmental Quality Act (collectively, the “Proposition A Certifications”); and

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

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

WHEREAS, The Board has previously authorized under the provisions of Sections
9.107(6) and 9.107(8) of the Charter the issuance and sale of power revenue bonds and other forms of indebtedness to finance the costs of various capital projects benefitting the Power
Enterprise pursuant to Ordinance No. 106-14, adopted by the Board on June 24, 2014, and
signed by the Mayor on July 2, 2014, Ordinance 113-16, adopted by the Board on June 14,
2016, and signed by the Mayor on June 24, 2016, and Ordinance 142-18, adopted by the
Board on June 12, 2018, and signed by the Mayor on June 20, 2018; and
WHEREAS, Pursuant to the Short-Term Borrowing Ordinance, the proceeds of the Commercial Paper Notes may only be used to fund projects that have been approved as part of the Commission’s annual budget or otherwise approved; and

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

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

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

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

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

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

Section 2. Approval of Increase in Commercial Paper Notes Authorization. The Board hereby authorizes and approves an increase of the principal amount of the Power CP Program authorization to $250,000,000 from $90,000,000 pursuant to the City Authorizations.
The Board further approves the issuance and sale of Commercial Paper Notes in one or more series from time to time by or on behalf of the Commission in accordance with a resolution of the Commission; provided, however, that the interest rate on any Commercial Paper Notes issued by or on behalf of the Commission shall not exceed twelve percent (12%) per annum. The Commission is hereby authorized to determine the timing, amount and manner of sale of each series of Commercial Paper Notes issued pursuant to this authorization; provided, however, that the Commission’s authorization to issue or cause the issuance of Commercial Paper Notes is subject to the approval, by a resolution of the Commission, of the form of offering document prepared in connection with the issuance of the Commercial Paper Notes and, in the case of any projects to be financed under Section 8B.124 of the Charter, filing with the Clerk of the Board of the necessary Proposition A Certifications.

Section 3. General Authority. The Controller, the Director of the Office of Public Finance, the Treasurer, the General Manager of the Commission, the City Attorney and other officers of the City and their duly authorized deputies and agents are hereby authorized and directed, jointly and severally, to take such actions and to execute and deliver such certificates, agreements, requests or other documents, as they may deem necessary or desirable to facilitate the issuance, sale and delivery of any Commercial Paper Notes, and to otherwise carry out the provisions of this Ordinance.

Section 4. 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 5. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance shall take effect thirty (30) days after its adoption.

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

By:__________________________________________
Mark D. Blake
Deputy City Attorney
File Number: 181109  Date Passed: January 15, 2019

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

December 06, 2018 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT

December 11, 2018 Board of Supervisors - PASSED ON FIRST READING
  Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

January 15, 2019 Board of Supervisors - FINALLY PASSED
  Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani and Yee
  Excused: 1 - Walton

File No. 181109 I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/15/2019 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