[Power Revenue Bond Issuance and Sale - San Francisco Public Utilities Commission - Not to Exceed $154,928,059]

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 (Commission) in an aggregate principal amount not to exceed $154,928,059 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; 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.

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 hereby finds and declares as follows:

A. Pursuant to Charter Sections 9.107(6) and 9.107(8), the San Francisco Public Utilities Commission (the "Commission") is authorized to issue revenue bonds, without a vote of the voters, to finance or refinance the acquisition, construction, installation, equipping, improvement or rehabilitation of electric power facilities as well as equipment or facilities for renewable energy and energy conservation; and
B. The Commission adopted the Trust Indenture dated as of May 1, 2015, as further amended and supplemented from time to time (the "Indenture"), between the Commission and U. S. Bank National Association and in connection therewith, has from time to time issued revenue bonds to finance projects benefitting the Power Enterprise; and

C. By Resolution 18-0023 adopted by the Commission on February 13, 2018 (the "Commission Resolution") the Commission has determined to issue Power Revenue Bonds (the "Power Revenue Bonds") and other forms of indebtedness, including commercial paper, revolving credit notes and other forms of notes, to finance the costs of various capital Power projects benefitting the Power Enterprise (the "Capital Improvement Projects" such projects being more fully described in the Commission Resolution), pursuant to Charter Sections 9.107(6) and 9.107(8), and has formally requested this Board to authorize the issuance and sale of Power Revenue Bonds for such purposes, such Commission Resolution being on file with the Clerk of the Board of Supervisors in File No. 180450; and

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

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

F. This Board is concurrently considering with this ordinance another Ordinance approving a Capital Improvement Program related supplemental appropriations totaling $340,106,951 for fiscal years ending 2019 and 2020, such amount being inclusive of the
Power Revenue Bonds and other forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes) approved hereby; and

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

Section 2. Authorization to Issue Power Revenue Bonds. The Board hereby authorizes the issuance and sale of Power Revenue Bonds and other forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes) in one or more series from time to time by the Commission pursuant to the Charter and in accordance with the Commission Resolution in an aggregate principal amount not to exceed $154,928,059 (inclusive of financing costs but exclusive of refunding indebtedness), bearing a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion of the costs of the design, acquisition and construction of the Capital Improvement Projects. The Commission is hereby authorized to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each series of Power Revenue Bonds or the delivery of other forms of indebtedness pursuant to this authorization; provided however, the Commission’s authorization to issue Power Revenue Bonds or incur other forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes), is subject to 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.
The Commission shall also file, within 30 days of any bond sale authorized hereby, with the Clerk of the Board of Supervisors a report showing the results of the sale of Power Revenue Bonds or other form of indebtedness including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization under this Ordinance (the "Report"); provided that failure to provide such Report shall not affect the validity of any debt authorized hereby.

Section 3. Authorization to Issue Refunding Power Revenue Bonds. The Board further authorizes and approves the issuance by the Commission of Refunding Power Revenue Bonds and other forms of indebtedness (the "Refunding Bonds") to refund any outstanding obligations of the Power Enterprise, without limitation as to principal amount, in one or more series on one or more dates, at a maximum interest rate or rates of interest not to exceed twelve percent (12%) per annum, provided that each such Refunding Bond issue or obligation is permitted under the applicable policies and procedures of the City and authorized by either Section 9.109 of the Charter (including related ordinances and resolutions of the Board). The Refunding Bonds may be issued as tax-exempt or taxable obligations, or any combination thereof. Refunding Bonds authorized hereunder shall be subject to the further following conditions, that: (i) 3% net present value debt service savings or greater is achieved to ensure ratepayer savings (exclusive of any issuance to refund commercial paper, revolving credit notes or bond anticipation notes); (ii) this authorization is subject to a 2-year term through June 30, 2020, at which time this Board may consider an extension; principal payments and term may be adjusted, where permitted under federal and state tax law, only if and when the underlying capital asset funded through said refunded bonds has a useful life not in excess of any limit permitted under federal and state tax law than the refunded term; and (iii) the Commission shall within 30 days of any executed refunding transaction provide a savings
report prepared by its financial advisor (that reflects at least a 3% net present value debt service savings) to the Board, together with a copy of the final Official Statement with respect to such series of Refunding Bonds, provided that failure to provide such savings report shall not affect the validity of any Refunding Bonds.

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

Section 5. General Authority. The Controller, Treasurer, 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 the Power Revenue Bonds or other
forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds,
Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond
anticipation notes), any Power Refunding Bonds, and to obtain bond insurance or other credit
or liquidity enhancements with respect to any such obligations and otherwise to carry out the
provisions of this Ordinance. The Commission is hereby directed to provide the final form to
the Clerk of the Board of any disclosure document prepared in connection with the execution
of any Power Revenue Bonds and other forms of indebtedness (including, without limitation,
New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds, commercial
paper, revolving credit notes, and bond anticipation notes) or Refunding Bonds, or other
document reflecting the incurrence of another obligation payable from the Power Enterprise,
within 30 days of the closing of such transactions, provided that the failure to deliver such
report shall not affect the validity of the obligations authorized hereunder.

- The Commission is further directed as a part of the two-year budget review to provide to this
Board of Supervisors a written report about Power Revenue Bonds authorized under the Charter or
Proposition E (as applicable), detailing the total amount authorized, the total amount sold, the
remaining authorized but unissued amount, and the bond authorization no longer necessary due to
changes in projects and project financing, beginning in May 2020.
Section 6. Ratification of Prior Actions. All actions authorized and directed by this Ordinance in connection with the issuance of the Power Revenue Bonds and other forms of indebtedness (including, without limitation, New Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, commercial paper, revolving credit notes, and bond anticipation notes), and Refunding Power Revenue Bonds, and heretofore taken are hereby ratified, approved and confirmed by this Board.

Section 7. File Documents. All documents referred to as on file with the Clerk of the Board are in File Nos. 180450.

Section 8. Effective Date. Pursuant to Charter Section 8B.124, 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: 180450  Date Passed: June 12, 2018

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 (Commission) in an aggregate principal amount not to exceed $154,928,059 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; 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.

May 24, 2018 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

May 24, 2018 Budget and Finance Committee - RECOMMENDED AS AMENDED

June 05, 2018 Board of Supervisors - PASSED ON FIRST READING
   Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

June 12, 2018 Board of Supervisors - FINALLY PASSED
   Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180450

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/12/2018 by the Board of Supervisors of the City and County of San Francisco.

Peggy Nevin
Clerk of the Board

Mark E. Farrell
Mayor

Date Approved 6/12/18