FILE NO. 171010

ORDINANCE NO. 219-17

[Ordinance Amendment - Increasing the Public Utilities Commission Water Revenue Bond Issuance - Not to Exceed $286,730,430]

Ordinance amending Ordinance No. 112-16, as amended by Ordinance No. 154-17, to authorize an increase of the issuance and sale of tax-exempt or taxable Water Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed $286,730,430 to finance the costs of various capital water projects benefitting the Water Enterprise, including in addition to the purposes heretofore approved, certain Bioregional Habitat Restoration costs (as described below) pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Water Revenue Refunding Bonds; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken 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 hereby finds and declares as follows:

A. On November 5, 2002, the voters of the City and County of San Francisco (the "City") approved Proposition E ("Proposition E"), which among other things, authorized the
San Francisco Public Utilities Commission (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. The Commission adopted the Amended and Restated Indenture dated as of January 1, 2002, 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 Water Enterprise; and

C. This Board adopted Ordinance No. 112-16 to authorize the issuance of not to exceed $264,997,468 of the Commission’s Water Revenue Bonds and other forms of indebtedness (including SRF Loans, as defined therein) (the “Initial Ordinance”) to finance the costs of various capital projects benefitting the Water Enterprise (the "Capital Improvement Projects" such projects being more fully described in the Commission Resolution 16-0035):

and

D. In order to finance the costs of the purchase of property located at 1657-1663 Rollins Road, Burlingame, California (the “Rollins Road Property”) that served as the primary work location for SFPUC staff from Water Quality Division, the Natural Resources & Land Management Division, and the Water Supply & Treatment Division, the Board amended the Initial Ordinance and adopted Ordinance No. 154-17 to increase the bonding authorization by $9,132,962 to provide funds to acquire the Rollins Road Property; and

E. In order to comply with federal and state permit requirements to compensate for impacts to a broad range of habitats and special-status species associated primarily with the
Calaveras Dam Replacement Project, the Lower Crystal Springs Dam Improvement Project, the Crystal Springs/ San Andreas Transmission Upgrade Project, and the Bay Division Pipeline No. 5 Project, the SFPUC is required, among other things, to undertake activities required by the Bioregional Habitat Restoration (BHR) program.

F. In order to finance costs related to the BHR program, the Board has determined to increase the bonding authorization of the Initial Ordinance, as amended, by $12,600,000 to provide funds for constructing wetlands, removing non-native species, and planting native species on watershed lands owned by the SFPUC ("BHR Costs").

Section 2. Authorization to Issue Water Revenue Bonds and other forms of indebtedness. The Board hereby amends the Ordinance No. 112-16, as amended by Ordinance 154-17, to increase the authorization of the issuance and sale of Water Revenue Bonds in one or more series from time to time by the Commission pursuant to Proposition E and in accordance with the Commission Resolution, and the execution and delivery of SRF Loan agreements, in an aggregate principal amount not to exceed $286,730,430 (inclusive of financing costs), at 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, including in addition to the purposes heretofore approved, the BHR Costs. All other terms and conditions of Ordinance No. 112-16, as amended by Ordinance 154-17, are hereby incorporated by reference as if set forth in full herein, and except as amended by the terms of this Ordinance remain in full force and effect.

Section 3. 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 Water Revenue Bonds, Refunding
Bonds, to obtain bond insurance or other credit enhancements with respect to such obligations, to obtain surety, to obtain title and other insurance with respect to the facilities to be financed, 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 Water Revenue Bonds or Refunding Bonds, and the final executed Installment Sale Agreement or other document reflecting the incurrence of an SRF Loan, within 30 days of the closing of such transactions.

Section 4. Ratification of Prior Actions. All actions authorized and directed by this Ordinance in connection with the issuance of the Water Revenue Bonds or other forms of indebtedness (including SRF Loans), Refunding Bonds, and heretofore taken are hereby ratified, approved and confirmed by this Board.

Section 5. File Documents. All documents referred to as on file with the Clerk of the Board are in File Nos. 160472.

Section 6. 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

Public Utilities Commission
BOARD OF SUPERVISORS
Ordinance amending Ordinance No. 112-16, as amended by Ordinance No. 154-17, to authorize an increase of the issuance and sale of tax-exempt or taxable Water Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed $286,730,430 to finance the costs of various capital water projects benefitting the Water Enterprise, including in addition to the purposes heretofore approved, certain Bioregional Habitat Restoration costs (as described below) pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Water Revenue Refunding Bonds; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith.

October 19, 2017 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT

October 24, 2017 Board of Supervisors - PASSED ON FIRST READING
Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

October 31, 2017 Board of Supervisors - FINALLY PASSED
Ayes: 10 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Sheehy, Tang and Yee
Absent: 1 - Safai

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved 11/03/17