[Increase of Wastewater Enterprise Commercial Paper Program - Not to Exceed $750,000,000]

Resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by $250,000,000 from a principal amount not to exceed $500,000,000 to a principal amount not to exceed $750,000,000 such Commercial Paper to be issued from time to time by the San Francisco Public Utilities Commission to finance on an interim basis various capital projects benefitting the Wastewater Enterprise, 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; and ratifying previous actions taken in connection therewith, as defined herein.

WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco (the "City") approved Proposition E (Proposition E), codified as Article VIIIIB of the Charter of the City (the "Charter"), 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 (the "Wastewater Enterprise"); and

WHEREAS, Pursuant to Section 43.5 of the Administrative Code, enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the City on June 19, 1998, as amended by Ordinance No. 270-06 adopted by the Board on October 24, 2006, and signed by the Mayor of the City on October 31, 2006 (the “Short Term Borrowing Ordinance”), the Board established a procedure pursuant to which the Commission
may issue short-term indebtedness, including the issuance of commercial paper in
anticipation of the issuance of its revenue bonds; and

WHEREAS, Pursuant to the Short Term Borrowing Ordinance and Ordinance No.
378-14, adopted by the Board on September 30, 2014, and signed by the Mayor on
October 9, 2014, the Board has previously authorized the issuance of commercial paper notes
for the Wastewater Enterprise ("Commercial Paper") in an aggregate principal amount not to
exceed $500,000,000 against Proposition E authorizations for indebtedness, to provide
additional interim financing of capital improvements and related costs for improvements,
betterments and additions to the Wastewater Enterprise; and

WHEREAS, On April 25, 2017, the Commission approved Resolution No. 17-0086 to
authorize an increase in the principal amount of the Commission's Wastewater Enterprise
Commercial Paper Program to $750,000,000 from $500,000,000, together with approval of
security documents related thereto and the appointment of professionals therefor, contingent
upon approval of this Resolution; and

WHEREAS, The Board now wishes to expand the Commission's Wastewater
Enterprise Commercial Paper Program to an aggregate principal amount not to exceed
$750,000,000 from $500,000,000 against Proposition E outstanding authorizations of
indebtedness, including bond and other indebtedness authorized pursuant to Ordinance
No. 111-16, adopted by the Board on June 14, 2016, and signed by the Mayor on June 24,
2016, to provide additional short-term financing of capital improvements and related costs for
improvements, betterments and additions to the Wastewater Enterprise; and

WHEREAS, Under Section 8B.124 of the Charter, the Board's authority to authorize an
issuance of debt under Proposition E is subject to its receipt of a certification from an
independent engineer that (i) the projects to be financed by such debt meet utility standards
and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service
coverage and other indenture or resolution requirements (the "Engineer Certification"); and

WHEREAS, Under Section 8B.124 of the Charter, the Board's authority to authorize an
issuance of debt under Proposition E is also subject to its receipt of a certification from the
Planning Department that facilities financed with such debt will comply with applicable
requirements of the California Environmental Quality Act (together with the Engineer
Certification, the "Proposition E Certificates"); and

WHEREAS, The Proposition E Certificates required to support the issuance of the
Commercial Paper under the expanded program are on file with the Clerk of the Board; and

WHEREAS, Pursuant to the Short Term Borrowing Ordinance, the proceeds of
commercial paper may only be used to fund projects that have been approved as part of the
Commission's annual budget or otherwise approved; and

WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 105-14 appropriating
$950,906,000 for the Wastewater Enterprise's Capital Improvement Program and Sewer
System Improvement Program for FYs 2014-2015 and 2015-2016; and

WHEREAS, On June 24, 2016, the Board adopted Ordinance No. 109-16 appropriating
$1,211,451,280 for the Wastewater Enterprise's Capital Improvement Program and Sewer
System Improvement Program for FYs 2016-2017 and 2017-2018; and

WHEREAS, The projects expected to be financed with the proceeds of the Commercial
Paper have been approved in Ordinance No. 105-14 and Ordinance No. 109-16; now,
therefore be it

RESOLVED, That this Board hereby finds and declares the above recitals are true and
correct; and, be it

FURTHER RESOLVED, That this Board hereby approves an increase of the principal
amount of the Commission's Wastewater Enterprise Commercial Paper Program
authorization to $750,000,000 from $500,000,000 pursuant to Section 8B.124 of the Charter and the Short Term Borrowing Ordinance, and approves the issuance and sale of Commercial Paper in one or more series from time to time by the Commission pursuant to the Charter and in accordance with a resolution of the Commission; provided however that any Commercial Paper issued by the Commission shall not exceed twelve percent (12%) per annum; and that the Commission is hereby authorized to determine the timing, amount and manner of sale of each series of Commercial Paper issued pursuant to this authorization; provided however Commission's authorization to issue Commercial Paper is subject to the approval, by a resolution of the Commission, of the form of offering document prepared in connection with issuance of the Commercial Paper; and, be it

FURTHER RESOLVED, That this Board hereby declares that the Proposition E Certificates on file with the Clerk of the Board of Supervisors in File No. 170470 satisfy the requirements of Section 8B.124 of the Charter for the issuance of any additional Commercial Paper authorized hereunder; and, be it

FURTHER RESOLVED, The General Manager of the Commission, 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 necessary or desirable to facilitate the issuance, sale and delivery of any Commercial Paper, and to otherwise carry out the provisions of this Resolution; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board; and, be it

FURTHER RESOLVED, That this Resolution shall take effect immediately upon its adoption.
APPROVED AS TO FORM:

DENNIS J. HERRERA
CITY ATTORNEY

BY: 
MARK D. BLAKE
Deputy City Attorney
Resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by $250,000,000 from a principal amount not to exceed $500,000,000 to a principal amount not to exceed $750,000,000 such Commercial Paper to be issued from time to time by the San Francisco Public Utilities Commission to finance on an interim basis various capital projects benefitting the Wastewater Enterprise, 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; and ratifying previous actions taken in connection therewith, as defined herein.

May 18, 2017 Budget and Finance Sub-Committee - RECOMMENDED AS COMMITTEE REPORT

May 23, 2017 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 5/23/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved 5/23/17