

Public Utilities Revenue Bonds *

Digest by the Ballot Simplification Committee

Status: Draft for Consideration
On: Monday, February 26, 2018
Members: Packard, Anderson, Patterson

Deadline to Request Reconsideration: TBD

The Way It Is Now: The City owns several public utilities, including power, water and sewer systems. Under the City's Charter, the San Francisco Public Utilities Commission (PUC) operates these utilities. The PUC uses money customers pay for power, water and sewer service to operate each of these utilities. The PUC may also use customer funds to repay bonds the City has issued to build and improve sewer and water facilities benefiting those customers.

A revenue bond is a bond that the City sells to members of the public as a way of borrowing money, generally to finance constructing public infrastructure. When the City issues revenue bonds to pay for PUC facilities, the City pays back the money with interest over time using revenues the PUC collects, including customer funds.

In 2002 the voters passed Proposition E to provide authority for the PUC to issue revenue bonds to build or improve water and sewer facilities, with approval by two-thirds of the Board of Supervisors. Other revenue bonds to support the PUC, including revenue bonds to build or improve power facilities, must be approved by the voters.

The Proposal: Proposition ___ would amend the Charter to authorize the PUC to issue revenue bonds to build or improve power facilities, in addition to water and sewer facilities, with approval by two-thirds of the Board of Supervisors. Also, Proposition ___ would make clear that the PUC may issue revenue bonds with approval by two-thirds of the Board of Supervisors for any other lawful purposes associated with the PUC's utilities.

Proposition ___ would require the PUC in issuing revenue bonds for power facilities to make efforts to finance constructing new power facilities that produce electricity from renewable sources, enhance reliability and safety, and increase sustainability. The measure would also prohibit the PUC from financing the construction of power plants that generate electricity using fossil fuels or nuclear power.

A "YES" Vote Means: If you vote "yes," you want to authorize the City to issue revenue bonds to build or improve the City's power utilities, with a two-thirds vote of the Board of Supervisors, and to prohibit the PUC from financing the construction of power plants that generate electricity using fossil fuels or nuclear power.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*