

Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities



PROPOSITION H

Shall the City: evaluate making the City the primary provider of electric power in San Francisco; consider options to provide energy to San Francisco residents, businesses and City departments; mandate deadlines for the City to meet its energy needs through clean and renewable energy sources; establish a new Office of the Independent Ratepayer Advocate to make recommendations about utility rates to the City's Public Utilities Commission; and allow the Board of Supervisors to approve the issuance of revenue bonds to pay for any public utility facilities without voter approval?

YES
NO



Digest

by the Ballot Simplification Committee

THE WAY IT IS NOW: The City generates hydroelectric power at its Hetch Hetchy facilities in Tuolumne County. The City uses this power to meet its municipal electric power needs, including MUNI and the airport, and those of other public entities, such as the San Francisco Unified School District. The City sells some Hetch Hetchy electric power to the Modesto and Turlock irrigation districts. The City generally does not sell electric power to San Francisco residents and businesses.

The City's Public Utilities Commission (PUC) operates the City's electric power and water utilities. A state-regulated private company, the Pacific Gas & Electric Company (PG&E), is the primary provider of electric power to San Francisco residents and businesses.

Generally, voter approval is required before a City agency can issue a revenue bond. However, there are some exceptions.

THE PROPOSAL: Proposition H is a Charter Amendment that would:

- require the PUC to evaluate making the City the primary provider of electric power in San Francisco, including a comprehensive study of options for providing clean, secure, cost-effective electricity;
- mandate deadlines for the City to meet its energy needs through clean, renewable power sources; and
- allow the Board of Supervisors to approve the issuance of revenue bonds to pay for any public utility facilities without voter approval.

Proposition H would require the PUC to study:

- Various ways of transmitting Hetch Hetchy electric power to the City,
- Electric power transmission and distribution needs in the City,
- Resources needed to meet the demand for electric power in the City,
- Cost-effective options to reduce and off-set greenhouse gas emissions, and
- Costs and benefits of making the City the primary provider of electric power in San Francisco.

The study would also include a workforce development plan to train and place individuals in jobs related to operating or expanding PUC facilities.

The draft study would be reviewed by independent experts and subject to public hearing. The final draft of the study, with recommendations, would be considered by the Board of Supervisors. If the Board found that public interest demands it, Proposition H would require the Board to direct the PUC to immediately prepare a plan to acquire, construct or complete the electric system that serves the City.

Proposition H would require the PUC to rely on energy efficiency and clean and renewable energy sources, excluding nuclear power, to meet the electricity demand of customers served by the City.

Proposition H would mandate deadlines for the City to meet the following energy needs through the use of clean electric power sources:

- By 2012, at least 107 megawatts
- By 2017, at least 51% of the City's electricity needs
- By 2030, at least 75% of the City's electricity needs
- By 2040, 100% or the greatest possible amount of the City's electricity needs

Proposition H would require that every two years the PUC file a report with the Board of Supervisors describing its efforts to meet these clean energy requirements. The Board of Supervisors could modify these requirements by a 2/3 vote if it found the change serves the public interest.

Proposition H would create an Office of the Independent Ratepayer Advocate to make recommendations about utility rates to the City's PUC. The City Administrator would appoint the Independent Ratepayer Advocate, whose office would have the same powers and duties as the Office of the Independent Ratepayer Advocate described in Proposition I. However, Proposition H would make the appointment and removal of the Independent Ratepayer Advocate subject to Board of Supervisors' approval.

Proposition H would create a new exception to the voter-approval requirement for the issuance of revenue bonds. This exception would allow the Board of Supervisors to approve the issuance of revenue bonds to pay for public utility facilities, not limited to electricity facilities, without voter approval.

A "YES" VOTE MEANS: If you vote "yes," you want to change the Charter to require the City to:

- evaluate making the City the primary provider of electric power in San Francisco, including a comprehensive study of options for providing clean, secure, cost-effective electricity;
- consider options to provide energy to San Francisco residents, businesses and City departments;
- meet certain deadlines for serving energy needs through clean power sources;
- establish a new Office of the Independent Ratepayer Advocate to make recommendations about utility rates to the City's PUC; and
- allow the Board of Supervisors to approve the issuance of revenue bonds to pay for any public utility facilities without voter approval.

A "NO" VOTE MEANS: If you vote "no," you do not want to make these changes to the Charter.

Notice to Voters:

The "Controller's Statement" and "How 'H' Got on the Ballot" information on this measure appear on the opposite (facing) page.

THIS MEASURE REQUIRES 50%+1 AFFIRMATIVE VOTES TO PASS.

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE. THE FULL TEXT BEGINS ON PAGE 245.

SOME OF THE WORDS USED IN THE BALLOT DIGEST ARE EXPLAINED ON PAGE 61.





Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities

Controller's Statement on "H"

City Controller Ben Rosenfield has issued the following statement on the fiscal impact of Proposition H:

Should the proposed Charter amendment be adopted, in my opinion, there could be costs and benefits to the City and County. The costs and benefits would vary widely depending on how the Public Utilities Commission (PUC) implements the amendment.

There will be estimated early costs of between \$825,000 and \$1.75 million for a comprehensive clean and renewable energy study which includes a workforce development component as specified by the amendment. The study would be funded through the rates and charges to current PUC energy customers.

The proposal requires studies of the costs and benefits of various approaches before a decision is made to pursue a particular energy strategy. The most significant cost or savings related to this or any similar power proposal would occur if the PUC, after reviewing the required studies, proposes to buy or build power generation and/or distribution facilities. There are several possible methods for costing the purchase or construction of power facilities and estimates range widely. Under any method, the amounts are certainly substantial—likely in the billions of dollars. The PUC would have the authority to issue revenue bonds to fund the costs of buying or building power facilities. Revenue bonds are paid for through the rates and charges to customers of the utility that issues them.

Other savings or costs to be considered would come from the avoidance of profits, or from the loss of taxes paid by private power companies that would not be incurred by a publicly-owned entity, and the relative value of labor contracts and other efficiencies that might favor public or private power providers. Specific savings or costs cannot be determined at this time for other proposed objectives under the amendment such as generating renewable energy and reducing greenhouse gas production.

How "H" Got on the Ballot

On July 22, 2008 the Board of Supervisors voted 7 to 4 to place Proposition H on the ballot.

The Supervisors voted as follows:

Yes: Supervisors Ammiano, Daly, Dufty, Maxwell, Mirkarimi, Peskin and Sandoval.

No: Supervisors Alioto-Pier, Chu, Elsbernd and McGoldrick.

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This disclaimer applies to the proponent's argument and the rebuttal to the proponent's argument on this page and the opponent's argument and the rebuttal to the opponent's argument on the facing page. *The Board of Supervisors authorized the submission of the following argument. As of the date of the publication of this Voter Information Pamphlet, the following Supervisors endorse the measure: Supervisors Ammiano, Daly, Dufty, Maxwell, McGoldrick, Mirkarimi, Peskin and Sandoval; oppose the measure: Supervisors Alioto-Pier, Chu and Elsbernd.*

PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION H

Yes on Prop H - The San Francisco Clean Energy Act

Prop H will make San Francisco a world leader in the fight against global warming. It mandates that the city switch to 100% clean, renewable and sustainable electricity.

And it won't raise taxes or cost the city a penny.

Prop H requires the city to use electricity generated from renewable sources such as solar and wind. The standards:

- 51% clean electricity by 2017
- 75% by 2030
- 100% by 2040

That's far beyond what the State of California requires of private companies like PG&E – and far beyond what they can deliver. PG&E is supposed to produce 20% renewable electricity by 2010-- they won't/ can't even meet that modest goal.

Prop H requires a study to determine the best way to achieve the clean energy mandate. The city could decide to issue cost-neutral revenue bonds creating jobs to build renewable energy facilities to deliver sun and wind energy at lower rates than we currently pay to PG&E —all without raising taxes. If the study shows that the

city should expand its energy business to all of San Francisco without risk to our credit or bond rating –the City would be free to pursue that option.

To protect consumers and make sure our electricity bills stay affordable, Prop H creates a truly independent Ratepayer Advocate.

Prop H will boost the green energy industry in San Francisco. It mandates green jobs training that will ensure good union jobs for local residents.

Publicly owned utilities all over California are leading the way toward renewable energy and selling electricity at lower prices than what San Francisco pays to PG&E.

Vote YES on Proposition H!

*Sierra Club
San Francisco Democratic Party
Assemblymember Mark Leno
Aaron Peskin, President, Board of Supervisors
Supervisors Maxwell, Dufty and Mirkarimi
Susan Leal, Former SFPUC General Manager*

REBUTTAL TO PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION H

If Proposition H passes, the Board of Supervisors would have the power to issue **Billions** in revenue bonds to take over utilities - **Without a Vote of the People.**

They claim "no cost to the taxpayers." But, the Controller's report shows this plan could cost **"Billions."** A takeover of just the electric utility will cost taxpayers approximately \$20 million in lost taxes and fees; even the study they seek could cost more than \$1 million.

They claim they will issue "cost-neutral" bonds. **These bonds would be issued without voter approval and must be repaid by you.** Hundreds or thousands of dollars more per year from your checkbook is not "cost neutral."

Proposition H promises "renewable power." But, the proponents have exempted themselves from enforceable state renewable standards. Under the proponent's own deceptive definition, the dirty fossil fuel burning power plants of Potrero Hill could

qualify as "renewable." They define renewable only as **not** "nuclear" power.

The proponents say public power is cleaner. But some of the dirtiest power in California comes from the coal plants of Los Angeles' public system and other dirty public systems.

Our city should focus on cleaning the environment, decreasing the homicide rate, filling potholes and improving services - **not** buying and running a multi billion dollar utility.

Visit www.StopTheBlankCheck.com to learn more about the deceptive falsehoods in the proponent's argument and to read the facts for yourself.

Vote no on H – No Blank Check.

Supervisor Michela Alioto-Pier

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities



OPPONENT'S ARGUMENT AGAINST PROPOSITION H

PROPOSITION H TAKES AWAY YOUR RIGHT TO VOTE ON BILLIONS IN NEW BONDS.

This measure gives the Board of Supervisors and the San Francisco Public Utilities Commission the right to issue bonds in any amount without a vote of the people.

Just look at the actual language of the measure starting at Section 9.107 which states that "...no voter approval shall be required with respect to revenue bonds..." [issued to finance the takeover of utility facilities].

That means politicians and unelected commissioners will have the power to borrow billions to take over utilities and force you to pay the cost. If this measure passes, voters will not have another chance to vote on revenue bonds that could total many billions of dollars.

That is simply too much power to give to any group of elected and appointed officials.

The proponents hide this tremendous new power under a cloak of "green" rhetoric. But the core provision allows the Board and the SFPUC to take over utilities and make you pay for it with higher rates - without your approval.

Initial estimates show a public power takeover will cost at least \$4 billion. In these tough economic times, the last thing San Franciscans need is to pay hundreds of dollars more each year to fund a power system takeover or any other utility takeover. And the "Green" rhetoric is hollow. In fact, a city-owned utility would be EXEMPT from enforceable state regulations mandating renewable energy.

Look beyond the promises and see what's really there: taking away your right to vote on billions in bonds and massive rate increases to fund this new borrowing.

Please join us in voting No on Proposition H.

*Supervisor Michela Alioto-Pier**

Supervisor Sean Elsbernd

*Supervisor Carmen Chu**

US Senator Dianne Feinstein

Mayor Gavin Newsom

*For identification purposes only; author is signing as an individual and not on behalf of an organization.

REBUTTAL TO OPPONENT'S ARGUMENT AGAINST PROPOSITION H

Opponents want to scare you about Proposition H. The facts: San Francisco already pays billions and billions of dollars to an unaccountable, unelected corporation each year - called PG&E.

PG&E is actually going BACKWARDS in its use of renewable energy. With only 1% solar and 2% wind, they will never make the 20% renewables required by 2010. We can and must do better, now.

Publicly-run utilities like the Sacramento Municipal Utility District achieve much, much more *-because* they are accountable to residents, consumers and voters.

Proposition H will have accountability we will never get from PG&E - any revenue bonds issued must be approved by the Board, the Mayor, and satisfy requirements imposed by the Controller.

When did PG&E ask you - or anyone else - before they invested in dirty power like nuclear, coal, or liquefied natural gas? Where was the oversight when PG&E made the deal with Enron that ratepayers ultimately bailed out with \$18 billion?

As our nation debates its energy future - with Republicans urging more offshore drilling and dependence on foreign oil -- San Francisco will lead the country by passing Proposition H.

Don't let PG&E hold us back with their scare tactics and misleading campaign. Join the broad coalition of San Franciscans who know we can and must do better.

Switch **ON** the clean energy. Vote YES on H.

Sierra Club

San Francisco Democratic Party

Assemblymember Mark Leno

Assemblymember Fiona Ma

Supervisor Bevan Dufty

Supervisor Ross Mirkarimi

Susan Leal, former SFPUC General Manager, former San Francisco Treasurer

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PAID ARGUMENTS IN FAVOR OF PROPOSITION H

HANC's highly acclaimed recycling center reduces San Francisco's carbon footprint everyday.

San Francisco Clean Energy Act leads the world to a carbon free energy future by mandating the highest clean energy standards ever set for a major U.S. city.

Vote with us to save our planet.

Haight-Ashbury Neighborhood Council

The true source of funds for the printing fee of this argument is the Haight-Ashbury Neighborhood Council.

Educators Support Proposition H.

Proposition H will bring cheaper electricity to our schools, which are continually facing funding cuts and rising costs. As the cost of fossil fuel-generated electricity continually rises, the cost of green energy drops. Prop H allows us to buy clean energy in bulk and also to build it ourselves.

Switching to clean energy in San Francisco will also set an example for our children and the next generation of citizens to take action. They will either face the catastrophic effects of global warming or will be the beneficiaries of a new green energy economy.

We have the technology and the know-how to move beyond our dependence on polluting power. All we need is the will to switch to clean, safe, and affordable renewable energy.

Mark Sanchez, President, SF Board of Education*
Milton Marks, Trustee, SF Community College Board*
John Rizzo, Trustee, SF Community College Board*

*For identification purposes only; author is signing as an individual and not on behalf of an organization.

The true sources of funds for the printing fee of this argument are John Rizzo, Milton Marks and Mark Sanchez.

Yes on Prop H: Switch to Clean Energy

We can solve global warming –if we act now.

Proposition H answers Al Gore's call for a switch to green energy and green jobs. It transitions San Francisco away from fos-

sil fuels and towards solar, wind, geothermal, and other renewable energies.

The Clean Energy Act makes San Francisco the leader in the fight against global warming, providing 51% of the city's electricity from renewable sources in 10 years, 75% by 2030, and 100% by 2040.

Proposition H also creates a new green energy industry in San Francisco, and ensures green jobs training for local residents.

Don't believe the lies: **Proposition H uses investor money, not taxpayer money**, and creates new safeguards for affordable rates.

Clean energy: Switch it on with Proposition H.

Sierra Club
San Francisco Tomorrow

The true sources of funds for the printing fee of this argument are the Sierra Club and San Francisco Tomorrow.

The time is **now**. The choice is **yours**:

Will San Francisco *lead* America's fight against *Global Warming*?

The San Francisco League of Conservation Voters urges you to **VOTE YES ON H!**

San Francisco League of Conservation Voters

The true source of funds for the printing fee of this argument is the San Francisco League of Conservation Voters.

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- PG&E has only 2% wind, less than 1% solar... that means 98% hot air. (*See PG&E portfolio mix*)
 - PG&E caused more blackouts than any other California utility. (*San Francisco Chronicle 8/10/07*)
 - PG&E wants to raise rates 10% next year and plans to charge customers \$1 billion over 3 years to pay for skyrocketing cost of fossil fuels. (*CPUC 6/10/08*)
 - PG&E is investing \$10 million on misleading ads to buy this election so they can continue avoiding renewable investments. (*Track PG&E funding the opposition at www.LetsGreenWashThisCity.org*)

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PAID ARGUMENTS IN FAVOR OF PROPOSITION H

The only reliable thing about PG&E is its greed.

Vote Yes on Prop H if you want cheaper, cleaner, reliable energy.

— *League of Young Voters and Green Guerrillas Against Greenwash*

The true source of funds for the printing fee of this argument is Aliza Wasserman.

Yes on **H!**

Switching to clean energy is good for workers and good for seniors.

Clean energy brings workers a **Healthy** environment to work in.

Clean energy brings Seniors **Healthy**, fresh air to enjoy.

Workers and Seniors say Yes to Prop **H!**

SEIU 1021 and Senior Action Network working together for a better S.F.

The true source of funds for the printing fee of this argument is SEIU 1021.

Clean Energy Now

With so many in our community living on fixed incomes and sensitive to the effects of air and water pollution, planning a cleaner, greener, less expensive energy future is in all our interest.

Support Prop H.

Harvey Milk LGBT Democratic Club

The true source of funds for the printing fee of this argument is the Harvey Milk LGBT Democratic Club.

Vote Yes. Let's take the first step to get out of doing business with PG&E and make Public Power a reality in San Francisco.

David Campos

The true source of funds for the printing fee of this argument is David Campos.

PG&E has demonstrated that they lack the leadership to manage San Francisco's utility undergrounding program in a fiscally responsible manner, leaving San Francisco in the shade of electrical forests and vulnerable during an earthquake.

The San Francisco Clean Energy Act will put San Francisco in control of its electricity supply. We simply cannot count on PG&E to deliver renewable energy and keep costs low for the people of San Francisco.

Supervisor Bevan Dufty

The true source of funds for the printing fee of this argument is SF Clean Energy.

The contributor to the true source recipient committee is Tom Ammiano.

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities

PAID ARGUMENTS AGAINST PROPOSITION H

While Proposition H proposes laudable goals, there are important reasons to reject it --- cost and reliability.

COST: Proposition H exposes San Franciscans to *billions* of dollars in unnecessary costs to purchase PG&E's infrastructure. Without a vote of the people, the Board of Supervisors can issue an unspecified amount of expensive revenue bonds to buy the utility's infrastructure. Thus, it will crowd out financing of vital city services like public safety, health, and affordable housing. Additionally, San Francisco ratepayers or the city will be assessed a departure fee as required by state law. In the end, we will pay more, not less, for electricity.

RELIABILITY: We should shift as much as possible to renewables. But Proposition H requires specific levels that may not be attainable or affordable. If we cannot practically achieve that mandate, do we restrict electricity deliveries and risk power outages?
Vote No on Proposition H.

Jeff Brown, former California Public Utilities Commissioner, former S.F. Public Defender

The true source of funds for the printing fee of this argument is Jeff Brown.

Making Us Pay Without Our Approval

Proposition H takes away the voters authority to authorize revenue bonds and gives it to the Board of Supervisors allowing them to take by eminent domain, existing utilities like PG&E, Comcast or AT&T and make you pay for it.

And if you like the on time performance of MUNI, you will love the "on time" performance of a City run electrical system. Don't give the Board of Supervisors a blank check. **Vote no on Proposition H.**

San Francisco Chamber of Commerce

The true source of funds for the printing fee of this argument is the San Francisco Chamber of Commerce.

We don't need a bigger San Francisco government! This proposition will allow our politicians to purchase and operate the local electric and gas company. It would be an unnecessary and expensive venture that would most likely drive up our utility costs, and not provide any greater "green" power than would be available

from our current private utility company. The reliability of our electric and gas system is critical to everyone. Do we really want to entrust our gas and electric service to the same folks who run MUNI?

Please stop this power grab by City Hall! Tell our leaders to focus city resources on fixing our streets, parks, public transportation system and public safety first.

Vote No on Prop H.

Building Owners & Managers Association of San Francisco
Ken Cleaveland, Director, Gov't. & Public Affairs

The true source of funds for the printing fee of this argument is the BOMA SF IE PAC - ID#870449.

The three largest contributors to the true source recipient committee are: 1. Harsch Investment Properties, 2. Cushman & Wakefield of California, 3. Capital and Counties USA, Inc.

San Francisco's Neighborhoods oppose Prop H.

San Francisco Supervisors want to control the electric power system. They ask voters for authority to issue bonds without voter approval. **Don't let them!**

While they call it "clean energy", the aim is to take over powerlines and electric power facilities, then provide your electricity. *Public power.* As window dressing, the measure sets *mandates* for renewable (clean) generation--mandates they won't be able to meet!

Electricity rates will be set by the Supervisors. This measure sets no limit on electricity rates!

Proponents claim that the City will buy infrastructure to deliver electricity *at no cost*. Don't be fooled. Probable cost: up to \$4,000,000,000. Rates must cover the cost of infrastructure as well as the cost of generating or purchasing electricity.

The City department that would provide public power is in the middle of rebuilding the Hetch Hetchy water system (\$4.4 billion), and soon starts on the aging sewer system (\$4 billion). Is now the time to undertake more? **It's just too risky.**

Vote No on Prop H.

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PAID ARGUMENTS AGAINST PROPOSITION H

Coalition for San Francisco Neighborhoods

The true source of funds for the printing fee of this argument is the Coalition for San Francisco Neighborhoods.

Proposition H Will Hurt San Francisco residents

The Board of Supervisor's plan to takeover PG&E would force San Franciscans to pay an estimated \$4 billion for the power system through a dramatic increase in monthly utility bills. It will cost more to live in San Francisco. Our apartment residents and their families will face an additional \$400 to \$600 a year expense in utility bills. With economic uncertainty, we don't need our citizens and taxpayers to bear additional financial burden.

Join the *Professional Property Management Association of San Francisco*, *San Francisco Apartment Association* and *Coalition for Better Housing* in Voting No on Proposition H

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PGE.

Public Safety Unions Oppose Proposition H

San Francisco's Firefighters, Deputy Sheriffs and Police Officers urge you to vote no on Proposition H. This proposition would give the City the authority to take over PG&E, this could put our City's electric system at risk.

This is the wrong priority for San Francisco. The \$20 million a year PG&E pays in taxes would disappear if this measure passes. We would need to raise taxes, cut services – or – both to make up for this lost revenue.

Because PG&E serves all of Northern California, in an emergency—like an earthquake—employees and resources can be brought in from throughout the region. Just like they did after the 1989 Loma Prieta earthquake.

Protect our City's electric system and vote No on Proposition H

San Francisco Firefighters Local 798

San Francisco Police Officers Association

*David Wong, President, Deputy Sheriff's Association**

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The contributor to the true source recipient committee is PGE.

Proposition H Could Force Cuts in City Services

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue or basic services, like libraries, police and fire services would need to be cut.

Protect City Services Vote No on Proposition H

The San Francisco Republican Party

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PGE.

Proposition H Could Cost you \$400 A Year.

Proposition H gives the Board of Supervisors a massive credit card to grab control of the City's power grid. This poorly conceived and wasteful takeover scheme will force the City to borrow billions to buy electrical distribution facilities. Repaying that huge debt could increase your annual utility bill by more than \$400 dollars for decades. This could be a tax hike without limits.

The Supervisors can't fix our streets' potholes; we cannot trust them to run a reliable power company.

*Doug Chan, S.F. Human Rights Commissioner and former Police Commissioner**

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PAID ARGUMENTS AGAINST PROPOSITION H

Proposition H Could Force Cuts in City Services

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue or basic services, like libraries, police, fire and emergency services would need to be cut. Many of the people we work with are on fixed incomes and the \$400 per year that this would cost them would mean missed meals, difficulty in paying rent and great hardship.

Protect San Francisco 's Seniors and City Services Vote No on Proposition H

Anni Chung, Senior Activist*

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The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PGE.

Proposition H Could Force Cuts in Critical City Services

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue and we would face cuts to services for the disabled as well as libraries, police, fire and other emergency services.

Join the FDR Democratic Club to Protect City Services Vote No on Proposition H

The FDR Democratic Club

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

Protect Taxpayers from the Blank Check!

Proposition H will allow the Board of Supervisors virtually **unlimited power to spend \$4 Billion of our money without** voter approval to takeover PG&E - using the guise of "clean" energy.

Keep the Board of Supervisors from taking away your rights as taxpayers and ratepayers. Let's not give them a "blank check". Vote NO on Prop H!

Elsa Cheung

Vice-Chair, California Chinese American Republican Association*

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The contributor to the true source recipient committee is PGE.

Making Us Pay Without Our Approval

If Proposition H passes the San Francisco PUC (SFPUC) could then issue bonds in any amount to take over PG&E without another vote of the people, giving the SFPUC and the Board of Supervisors a virtual blank check.

Don't give the Board of Supervisors a blank check. Please join the San Francisco Hispanic Chamber of Commerce in voting no on Proposition H

San Francisco Hispanic Chamber of Commerce

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

Proposition H is not about clean energy

Be warned, Proposition H has the devil in the details.

Not only will you pay \$400 a year more for electricity, the city will lose \$20 million a year in taxes and fees jeopardizing fire, library and other city services. The takeover of PG&E will cost the city \$4 Billion over the next thirty years and the electricity generated IS NOT guaranteed to be clean.

Search for the truth before voting for this proposition. Vote No on Proposition H.

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PAID ARGUMENTS AGAINST PROPOSITION H

The Rev. Sally G. Bingham,
Canon for the Environment for the Diocese of California*

Nadine Weil
Environmentalist*

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The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

The Bay Area Council has analyzed Proposition H and strongly urges a NO vote. San Franciscans benefit from a reliable delivery system of increasingly renewable energy. A taxpayer price tag of \$4 billion or more to disrupt this is pure fiscal folly. Well-considered public policy requires a NO vote on Prop H.

Bay Area Council

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

Prop H gives the Board of Supervisors unlimited authority to spend \$4 billion in taxpayer money to take over PG&E without going back to the people for a final vote.

This ill-conceived scheme will force taxpayers and business owners to pay much more in monthly utility bills for years to come. The City will also lose \$20 million in tax revenue that PG&E provides San Francisco every year. In a time of economic uncertainty, we should not hand the Board of Supervisors a "blank check" to drive San Francisco and its citizens deeper into debt.

Vote No on H.

Citizens for a Better San Francisco
(For more information, please visit www.CBSF.net.)

Edward Poole
Michael Antonini
Harmeet Dhillon

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

Oppose the Takeover of PG&E

The Golden Gate Restaurant Association opposes the potential takeover of P G &E by the City government. P G &E currently provides reliable power. This is a classic example of a solution in search of a problem. Do you believe the City could provide more reliable service during intense periods of energy consumption?

The estimated cost of the buyout is \$4 billion dollars which will cost our members \$400 to \$600 extra per year at a time of increasing economic uncertainty and shrinking tourist dollars. Proposition H will hurt families, business owners and further burden our city with a needless expense. We believe the City should focus on affordable housing, reducing crime, running an efficient Muni, fixing the potholes, etc. instead of taking over a utility system that currently operates efficiently.

Join the Golden Gate Restaurant Association and Vote No on Proposition H - let's work together to "Stop The Blank Check".

Golden Gate Restaurant Association

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The contributor to the true source recipient committee is PG&E.

Proposition H is not the answer for Potrero Hill

As residents of the Potrero Hill community, we are urging you to vote NO on Proposition H.

Proposition H is bad for San Francisco's ratepayers because you will now pay \$400 a year more for electricity. This is bad for taxpayers because the city will lose \$20 million a year in taxes and fees jeopardizing emergency services, library and other important city services. This is bad for San Francisco's future because the takeover of PG&E will cost the city \$4 Billion over the next thirty years. To top it all off, this is bad for our community and San Francisco because the energy generated is not guaranteed to be "clean".

As residents of Potrero Hill, we urge to take a closer look and Vote No on Proposition H.

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities

PAID ARGUMENTS AGAINST PROPOSITION H

Lorena Hernandez
Resident of Potrero Hill

Joe Manzo
Resident of Potrero Hill

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PGE.

If Proposition H Passes Our Community Will Be Paying More

If Proposition H passes the City pays \$4 billion to take over PG&E. Our taxes will increase to pay for lost corporate tax revenue, and basic services will be cut - street cleaning, police, fire and other emergency services. The average San Franciscan will see their utility bill increase \$500 dollars per year for at least 30 years.

Don't give the Board of Supervisors a blank check. Join the Asian Pacific Democratic Club and vote No on Proposition H

Asian Pacific Democratic Club

The true source of funds for the printing fee of this argument is the Committee to "Stop The Blank Check".

The contributor to the true source recipient committee is PGE.

Proposition H Could Force Cuts in City Services

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue or basic services, like libraries, police and fire services would need to be cut.

Protect City Services Vote No on Proposition H

Thom Lynch, Principal, Lynch Pin Ass.*
Don Cecil, Bd. Member San Francisco LGBT Community Center*

*For identification purposes only; author is signing as an individual and not on behalf of an organization.

The true source of funds for the printing fee of this argument is "Stop the Blank Check".

The contributor to the true source recipient committee is PGE.

As former SF Public Utilities Commission members, we urge you to vote NO on Proposition H. Don't be fooled. It's really all about giving the Board of Supervisor the power to spend an unspecified and unlimited amount of our money to buy out and take over PG&E. PG&E says it would cost San Franciscans \$4 billion to take over the company's SF electric lines and substations. That would cost every resident who pays an electric bill an additional \$400 per year for the next 30 years to pay off the \$4 billion in bonds.

The wording is so broad and ludicrous that it would allow the City to take over the Diablo Canyon Nuclear plant --even if the city's own studies said this was a bad idea.

Right now the City and the SF Public Utilities Commission have enough to do spending billions of dollars to make sure our water and sewer systems survive an earthquake.

Vote NO on Prop H.

Nancy Lenvin, Former P.U.C. Commissioner*
Claire Pitcher, Former Past President San Francisco P.U.C.*

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The contributor to the true source recipient committee is PG&E.

Proposition H Could Force Cuts in City Services

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue meaning while basic services including libraries, parks and emergency services will see dramatic budget cuts.

Protect San Francisco's Critical City Services Vote No on Proposition H

Mel Lee
Public Library Commissioner*

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities



PAID ARGUMENTS AGAINST PROPOSITION H

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The contributor to the true source recipient committee is PGE.

Join Labor in Voting No on Proposition H

This flawed proposal would put the pensions and benefits of hundreds of workers at risk, cost ratepayers hundreds of dollars each year and it will not address the problems it claims to solve.

Labor stands opposed to this measure. Taking over PG&E will put pensions at risk and cost the City more than \$20 million in tax revenue each year. It could cost the City \$4 billion to take over PG&E's electric system --and this measure does not stop there --it takes away voters right to approve revenue bond and gives this authority to the Board of Supervisors.

The Board of Supervisors could issue revenue bonds, with out limit for any utility in the City.

Join Labor in voting No on Proposition H

*Plumbers and Pipefitters, Local 38, San Francisco
International Brotherhood of Electrical Workers, Local 6, San Francisco*

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

Proposition H Will Hurt San Francisco Small Business Owners

The Board of Supervisor's plan to takeover PG&E would force San Franciscans to pay an estimated \$4 billion for the power system through a dramatic increase in monthly utility bills. If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue or basic services, like libraries, street cleaning, police and fire services, will be cut. It will cost more to do business in San Francisco as small business owners and their families will face an additional \$400 to \$600 a year expense in utility bills.

Join San Francisco's Small Business Community in Voting No on Proposition H

San Francisco Small Business Network

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PGE.

If Proposition H Passes Our Utility Rate and Taxes Could Go Up.

If Proposition H passes the City would lose the more than \$20 million a year that PG&E pays in taxes and fees. That means our taxes would need to go up to pay for this lost revenue or basic services, like libraries, police and fire services would need to be cut.

This plan to take over PG&E would cost more than \$4 billion. That would mean a utility bill increase of over \$400 dollars per customer per year for at least 30 years.

Please join the Asian American Community and vote No on Proposition H

Sandy Mori

Jeff Mori

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The contributor to the true source recipient committee is PG&E.

African American Community Leaders Say NO on H

If Proposition H passes, the City will be paying more than \$4 billion to takeover PG&E, and losing \$20 million in annual tax and fee revenue. Our rates will increase and our city services will decrease.

Proposition H will also take away our right to vote. It gives the Board of Supervisors a blank check to raise billions of dollars without our approval.

With so many African Americans leaving San Francisco because of the high cost of living, we need to prevent unnecessary costs that will drive even more of us out.

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities

PAID ARGUMENTS AGAINST PROPOSITION H

The city has more important priorities, and this dangerous legislation will make it even more expensive to live in San Francisco.

We urge you to vote NO on Proposition H!

Rev. Amos Brown, Senior Pastor
*Rev. Calvin Jones**

*For identification purposes only; author is signing as an individual and not on behalf of an organization.

The true source of funds for the printing fee of this argument is the Committee to Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.

VOTE NO ON H!

Prop H is cloaked as a “study”, but is designed to set up a takeover of PG&E at a cost of up to \$4 billion to City taxpayers. If this measure passes, the Board of Supervisors will have the authority to issue revenue bonds, in **any amount** and for the takeover of **any utility** (cable, power, phone, etc), **without voter approval!** This could mean higher fees for anyone who pays a utility bill. San Francisco can’t even make its buses run on time - should we be spending billions of dollars to take on another complex and expensive business with no prior experience?

Let’s spend our money on schools, parks, public safety and healthcare - and avoid this expensive quagmire.

Vote **NO** on H!

Plan C San Francisco

www.plancsf.org

The true sources of funds for the printing fee of this argument are Robert Gain and Michael Sullivan.

Proposition H masquerades as a “green” initiative. But it isn’t. It is yet another attempt by some supervisors to buy out PG&E. Here’s the problem: the City will have to spend up to **\$4 billion** to acquire PG&E’s electric system --\$4 billion that won’t be available to invest in renewable power, energy efficiency and other green initiatives.

Adding insult to injury, the proponents will make City residents more vulnerable to spikes in the cost of electricity. Why? Because Hetch Hetchy provides only 15% of the power City residents consume. The rest of the electricity would have to be purchased in an energy market that is often volatile.

Taking over PG&E isn’t just a matter of changing ownership at the top. The workers who provide your electricity on a day-to-day basis will lose their jobs and face a lose-lose choice: They can go to work for the new City utility (and lose their pension and other benefits), or they can stay with PG&E and be relocated to another area of California. The new City utility would have to start from scratch. Given the acute nationwide shortage of qualified lineworkers, how would San Francisco find the workers needed to keep electric service safe and reliable?

Green energy is a critical priority. If Proposition H was truly a green energy initiative, we could support it. Unfortunately, it is not.

Please vote NO on Proposition H.

International Brotherhood of Electrical Workers Local Union 1245

The true source of funds for the printing fee of this argument is the International Brotherhood of Electrical Workers Local 1245.

Please join me in opposing Proposition H. Throughout San Francisco’s history, Asian American’s have gratefully, selflessly given of ourselves so that our home, San Francisco, can be great. Today, with over one third of the City’s population being Asian American and with our substantial economic contribution to the city as home owners and consumers, we continue to desire not only greatness, but to also be part of the major decisions that will affect us as San Franciscans.

Proposition H, which will not only fundamentally change how we and all San Franciscans receive power but also seriously and adversely affect our check books was drafted without any input from our community. Where was our voice when this was being considered? Don’t Asian Americans deserve the right to be part of this process?

Honestly, given media reports of over time abuse and government waste, does anybody really believe that government operation of our utilities will lower our rates or provide better service? To make matters even worse, under Proposition H, the people of San

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Setting Clean Energy Deadlines; Studying Options for Providing Energy; Changing Revenue Bond Authority to Pay for Public Utility Facilities



PAID ARGUMENTS AGAINST PROPOSITION H

Francisco, again, remember, we are over one-third of San Francisco's population, will have to pay PG&E \$4 billion dollars in order for the City to have the right to operate our utilities. While I never claim to be a mathematician, but how can have lower if we first have to pay a whopping 4 billion dollars!

The bedrock question remains however: as San Franciscans of Asian ancestry, who love and work in this wonderful city, where was our input when this was drafted? Until there is more participation at the drafting level, City Hall shouldn't take us for granted and assume we as San Franciscans of Asian ancestry or any San Franciscan should take their word as fact.

Please join me in opposing Proposition H.

James Fang
BART Director*

*For identification purposes only; author is signing as an individual and not on behalf of an organization.

The true source of funds for the printing fee of this argument is Fang for BART Board FPPC# 902200.

The three largest contributors to the true source recipient committee are 1. Law Offices of Alex Park, 2. Law of Crowley, Stringer & Fenske, 3. Ms. Soreta Wong.

Our city should concentrate on existing projects.

Let's improve our infrastructure and transit.

Then we can consider creating a new municipal enterprise.

Harold M. Hoogasian

The true source of funds for the printing fee of this argument is Harold M. Hoogasian.

Please join me in opposing Proposition H. We do not want the city to run our utility system. The takeover of PG & E would cost more than \$4 billion and the City would lose more than \$20 million a year in taxes and fees. Furthermore, Asian and Filipino American community groups and non-profits that benefit from PG & E's financial support will no longer be able to count on PG & E's generosity.

In its long history PG & E has been a good friend and supporter of the Asian and Filipino American Community and small businesses throughout San Francisco.

Rudy Asercion, Executive Director, WestBay Filipino Multi-Service Center*

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The true source of funds for the printing fee of this argument is the Committee To Stop the Blank Check.

The contributor to the true source recipient committee is PG&E.



Legal Text of Measure H Follows

transferred to his or her Section A8.598 account or, if previously refunded, are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the retirement board. The retirement board shall require that said member execute a waiver so that any paramedic service covered by Section A8.598 is not also covered by other pension provisions in this charter. Members of the fire department on January 1, 2003, who are members of the retirement system under Section A8.598, shall execute and file said waiver on or before June 30, 2003. Persons who become members of the fire department, as defined in Section A8.598-1, after January 1, 2003, shall execute and file said waiver within 90 days after their effective date of membership. Failure to file a timely waiver shall bar any application to have such paramedic service treated as safety service under this subsection.

(d) Time during which said member is absent from a status included in Subsection (a) next preceding, by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the retirement system or for which the City and County contributed or contributes on his or her account.

(e) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

SEC. A8.598-11. SOURCES OF FUNDS.

All payments provided for members under Section A8.598 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.598 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the retirement system. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the board of supervisors for crediting interest to contributions of other members of the retirement system, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her estate or beneficiary as provided in Section A8.598-8, A8.598-9 and A8.598-10. A member's individual account under Section A8.598 shall include all monies previously credited to the member's account under Section A8.588. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the retirement system such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.598-11, to provide the benefits payable to members under Section A8.598. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.598 in accordance with the provisions of Section A8.510.

(c) To promote the stability of the retirement system through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.598, shall be a part of the fund in which all other assets of said system are included.

(d) Any year in which, based upon the retirement system's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the retirement system of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the retirement system, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this charter.

The meet and confer process, including all impasse procedures under section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1. The retirement board's authority under charter section 12.100 and in section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under section A8.590-1 et seq.

PROPOSITION H

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County by amending Sections 8B.120, 8B.123, and 9.107, and adding Sections 8B.128 through 8B.131, to: (i) address the crisis of global climate change by moving San Francisco from fossil fuels to clean, sustainable energy production, (ii) ensure environmentally sustainable and affordable electric supplies for residents, businesses, and City departments, (iii) require the Public Utilities Commission to determine the most effective means of providing clean, sustainable, reliable and reasonably-priced electric service to San Francisco residents, businesses and City departments, and (iv) establish an Independent Ratepayer Advocate to represent the interests of San Franciscans that purchase utility services from the City by evaluating and making recommendations on utility rate proposals prepared by the San Francisco Public Utilities Commission under Charter section 8B.125.

The Board of Supervisors hereby submits to the qualified voters of the City at an election to be held on November 4, 2008, a proposal to amend the Charter of the City by amending Sections 8B.120, 8B.123, and 9.107, and adding Sections 8B.128 through 8B.131, to read as follows:

Note: Additions are single-underline italics Times New Roman.
Deletions are ~~strikethrough-italics Times New Roman~~.

SEC. 8B.120. PREAMBLE.

(a) The Public Utilities Commission operates the Water, Clean Water and Power Utilities of the City and County of San Francisco. Hetch Hetchy Water and Power System is an irreplaceable asset of the people of the City and County of San Francisco. The system is fundamental to the economic vitality of San Francisco and the Bay Area. The voters of the City and County of San Francisco are committed to preserving and protecting the system as well as safeguarding the extraordinary quality of the water from Yosemite and local watersheds. The voters find that the protection, maintenance and repair of the system are among their highest priorities.

San Francisco faces an unprecedented challenge: to restore its aging water system to ensure a reliable Bay Area water supply through the next century. Repairs must be accomplished as quickly as possible to avoid system outages, which could be caused by natural disasters such as earthquake. In planning for its future needs and those of its wholesale customers, the City must promote water conservation and responsible stewardship of its natural resources. The effectiveness of the City's Public Utilities Commission, which has jurisdiction over the system, is essential to achieving these goals.

In addition, San Francisco must upgrade and repair its clean water system to meet changes in state and federal water quality requirements, and to ensure reliability of the system, parts of which are outdated, aged or seismically vulnerable. The voters find that the operation of the clean



LEGAL TEXT OF PROPOSITION H

water system should not unnecessarily place a disproportionate environmental burden on any community.

This measure is intended to enhance public confidence in the City's stewardship of public utilities by:

1. Clarifying that the Public Utilities Commission has exclusive control of water, clean water and power assets owned or maintained by the City and County of San Francisco;

2. Establishing rates sufficient to meet operation, maintenance and financial needs of the system based on costs and sound budgeting and auditing procedures to protect retail ratepayers and reduce interest paid on bonds and other indebtedness while ensuring public review;

3. Establishing the Public Utilities Commission as an independent revenue department not subject to undue financial pressures to contribute to the City's general fund;

4. Requiring the development of long term Capital, Financial and Strategic Plans to ensure that the utilities are operated efficiently in accordance with best public utility practice;

5. Authorizing the Public Utilities Commission to independently enter into certain contracts;

6. Giving the Public Utilities Commission the ability to finance needed capital improvements through revenue bonds or other financing methods consistent with the powers of other major public utilities in California; and

7. Promoting labor stability to ensure that the Capital Improvement Plan is completed expeditiously and efficiently.

8. Evaluating the benefits of local control over electric service, including cost savings and control over development of clean energy and energy efficiency.

9. Evaluating the benefits of a full-service 100% clean public power system in the City to sell power directly to consumers consistent with the U.S. Supreme Court's 1940 interpretation of the Raker Act.

(b) The City has recognized the imperative to change electricity use and production to ensure environmentally sustainable and affordable electric supplies for residents, businesses, and City departments. The voters find that it is a priority to reduce greenhouse gas emissions and invest in clean energy infrastructure and further find that a publicly-owned electric utility may be best suited to carry out that mandate. The Mayor, Board of Supervisors, Public Utilities Commission, and Department of the Environment have adopted various initiatives to promote energy conservation measures, greenhouse gas reduction, renewable energy and environmental justice. The City spends millions of dollars each year on these initiatives. These measures and programs would be more effective as part of a long-term integrated resource plan that sets forth in one document the City's requirements for transmission, distribution and electricity resources over the next ten years, and the most effective and economic plan to meet those requirements.

The electricity generated by the City's Hetch Hetchy project for City facilities pursuant to the Raker Act is clean and reasonably priced. The City pays millions of dollars each year to ensure delivery of this electricity to City facilities. The City faces substantial cost increases for delivery of Hetch Hetchy electricity in 2015 when the current transmission contract expires. It is imperative that the City commence now to explore alternatives to deliver the Hetch Hetchy electricity to the City after the contract expires.

Residents and businesses in San Francisco pay hundreds of millions of dollars in electricity costs each year. The rates for such customers are established by the state of California, and include costs related to energy efficiency, renewable energy, and greenhouse gas emission reduction. The City continues to investigate ways to improve electric service and reduce costs to these customers, including through measures such as Community Choice Aggregation.

The City has an aggressive goal to reduce its greenhouse gas emissions by 20% below 1990 levels by 2012 and to procure 51% of the City's energy needs through renewable energy and conservation by 2017. The City shall analyze, identify and pursue strategies that maximize greenhouse gas reductions from the electricity sector at the minimum cost.

SEC. 8B.123. PLANNING AND REPORTING.

(A) Planning and Reporting

The Public Utilities Commission shall annually hold public hearings to review, update and adopt:

(1) A Long-Term Capital Improvement Program, covering projects during the next 10-year period; including cost estimates and schedules.

(2) A Long-Range Financial Plan, for a 10-year period, including estimates of operation and maintenance expenses, repair and replacement costs, debt costs and rate increase requirements.

(3) A Long-Term Strategic Plan, setting forth strategic goals and objectives and establishing performance standards as appropriate.

The Capital Improvement Program and Long-Range Financial Plan shall serve as a basis and supporting documentation for the Commission's capital budget, the issuance of revenue bonds, other forms of indebtedness and execution of governmental loans under this Charter.

(B) Citizens' Advisory Committee

The Board of Supervisors, in consultation with the General Manager of the Public Utilities Commission, shall establish by ordinance a Citizens' Advisory Committee to provide recommendations to the General Manager of the Public Utilities Commission, the Public Utilities Commission and the Board of Supervisors.

(C) Clean and Renewable Energy Resource Planning and Implementation.

(1) Within 180 days after the effective date of this measure, the Public Utilities Commission shall produce a draft comprehensive study of the options for providing clean, secure, cost effective electricity for City departments and residents and businesses of San Francisco. The study shall identify the most effective and economic means of implementing the goals of this measure over the short and long term. The study shall consider, without limitation, the following:

(a) Transmission needs to transport Hetch Hetchy generation and cost-effective clean resources into the City. Alternatives evaluated will include at a minimum, construction of City owned transmission lines, contracts or joint transmission projects with other municipalities and participation in the California Independent System Operator transmission markets.

(b) Transmission and distribution needs within the City to support reliability and facilitate distributed generation and renewables, including without limitation connections between substations and the 115 and 230 kV transmission systems within the City, and transmission and distribution needs to meet new City developments.

(c) Resources needed to meet municipal electric loads, Community Choice Aggregation loads, and other potential City loads, including options to maximize cost-effective energy efficiency and demand-reduction and local and remote renewable and clean resources. The analysis shall include without limitation alternatives for use of renewable fuels, clean and flexible resources, and storage alternatives as needed to meet the requirements of Section 8B.129 and meet the City's resource adequacy capacity obligations. The draft study shall include specific projections of electric demand, energy efficiency achievements, and clean and renewable resource development.

(d) Cost-effective options to reduce greenhouse gas emissions from the electricity sector and to offset greenhouse gas emissions from other sectors.

(e) Costs and benefits of municipalization of the electric system in San Francisco, including the acquisition, construction, or completion of any public utility pursuant to Charter Section 16.101.

(f) Options for integration of long-term measures such as municipalization, with shorter-term measures such as Community Choice Aggregation.

(2) The study shall include a workforce development component to train and place individuals in jobs related to the operation, acquisition, reconstruction, replacement, expansion, repair, or improvement of



energy facilities under the jurisdiction of the Public Utilities Commission.

(3) After publication of the draft study, the Commission shall do the following:

(a) Hold at least one public hearing on the draft study not sooner than 30 days or longer than 60 days after issuing it.

(b) Provide for peer review of the study by at least three independent experts and publish the expert reviews within 60 days after issuing the draft report. The independent experts shall have significant expertise in one or more of the following areas, and the Commission shall ensure that each of the following areas is represented by one or more of the experts: consumer advocacy, utility operations, environmental justice, renewable energy, public sector finance.

(c) Within 120 days after issuing the draft study, issue a revised version of the study, which shall document and consider the public review and the expert reviews of the draft study. With this revised study, the Commission shall set forth recommendations with respect to the options considered in the study and a schedule for the expeditious implementation of the selected options. The Commission shall identify those actions that it has taken or plans to take to implement its recommendations, and those measures that require action by the Board of Supervisors or other agencies or officials.

(d) Within 30 days after issuing the revised study with recommendations, conduct a hearing on the revised study and recommendations and then promptly transmit a final study and recommendations to the Board of Supervisors, which shall conduct a hearing on the matter within 30 days of receipt.

(4) Consistent with the language and intent of this measure and Charter Section 16.101, if the Board of Supervisors finds, after reviewing the Commission's report and recommendations of the independent experts, that the public interest or necessity demands, the Board of Supervisors shall direct the Commission to immediately prepare a plan to acquire, construct, or complete the electric facilities serving the City.

(5) Nothing in this measure shall alter the existing authority of the Board of Supervisors over decisions regarding Community Choice Aggregation.

SEC. 8B.128. EMPLOYEES OF INCUMBENT UTILITY.

(a) Employees of the incumbent utility who become City employees as a result of this measure shall not suffer any loss or reduction of compensation or seniority to which they were entitled as of the effective date of this measure.

(b) Employees of the incumbent utility who become City employees as a result of this measure shall be granted by the City the date of hire seniority they possessed with the incumbent utility on the date of the City's acquisition for purposes of calculating vacation and sick leave.

(c) Employees of the incumbent utility who become City employees as a result of this measure shall not involuntarily forfeit any rights or benefits under incumbent utility's defined benefit plan to which they are entitled on the date of the City's acquisition of incumbent utility facilities or commencement of service previously provided by incumbent utility.

SEC. 8B.129. CLEAN AND RENEWABLE ENERGY MANDATES.

(a) The Commission shall rely on energy efficiency, clean, and renewable energy resources to meet the City's electric needs. For purposes of this measure, (i) renewable and/or clean resources shall exclude nuclear power, and (ii) the "City's electric needs" shall mean the electricity demand of customers served electricity by the City.

(b) The Commission shall develop and implement aggressive energy efficiency measures to reduce the City's electric needs.

(c) The City hereby establishes the following requirements for reliance on energy efficiency, clean, and renewable energy resources to produce electricity:

(1) By the year 2012, the Commission shall ensure that at least 107 megawatts of the City's electricity needs are met through the use of clean resources;

(2) By the year 2017, the Commission shall ensure that at least 51% of the City's electricity needs are met through the use of clean resources;

(3) By the year 2030, the Commission shall ensure that at least 75% of the City's electricity needs are met through the use of clean energy resources; and

(4) By the year 2040, the Commission shall ensure that 100% or the greatest amount technologically feasible or practicable of the City's electricity needs are met through the use of clean energy resources.

(d) Every two years beginning in the year 2010, the Commission shall file a report with the Board of Supervisors setting forth all of its efforts to meet the requirements for using clean energy resources set forth in this Section. The report shall include projections of electricity demand, energy efficiency achievements, and renewable resource development.

(e) The Board of Supervisors by a two-thirds vote may modify the mandates established by this section of the Board finds that such modification is in the public interest.

SEC. 8B.130. INDEPENDENT RATEPAYER ADVOCATE.

(a) The Office of the Independent Ratepayer Advocate shall evaluate, analyze, provide comments and make recommendations on the efficiency, equity, and fiscal feasibility of utility rate proposals prepared by the San Francisco Public Utilities Commission under Charter section 8B.125, independent of the San Francisco Public Utilities Commission and from the ratepayers' perspective. The Office of the Independent Ratepayer Advocate may evaluate and comment on the efficiency, equity, and fiscal feasibility of the San Francisco Public Utilities Commission's contracts, investments, program expenditures and operations.

(b) Notwithstanding Charter section 3.104(6), the City Administrator shall appoint an Independent Ratepayer Advocate, who shall perform and manage the functions of the Office of Independent Ratepayer Advocate. The Independent Rate Payer Advocate shall have at least ten years of experience in utility rates methodology and analysis, and at least ten years of experience relevant to the operation of water, wastewater or power utilities. The City Administrator shall provide sufficient staff and resources to perform the functions defined in this Section.

(c) The Office of the Independent Ratepayer Advocate may, at its discretion, hold public meetings and provide timely recommendations to the Rate Fairness Board, the San Francisco Public Utilities Commission, and the Board of Supervisors regarding rate proposals, budgets, bond issuance, contracts, investments, program expenditures and operations.

(d) The Office of the Independent Ratepayer Advocate shall have the opportunity to comment on utility rates proposed by the San Francisco Public Utilities Commission at any meeting of Rate Fairness Board, San Francisco Public Utilities Commission and Board of Supervisors where the meeting agenda includes the discussion of utility rates proposed by the San Francisco Public Utilities Commission. The Office of the Independent Ratepayer Advocate shall have at least the same amount of time at such meetings to provide such comments as the Boards or Commission allocate to the San Francisco Public Utilities Commission staff representatives.

(e) The Office of the Independent Ratepayer Advocate may accept ratepayer inquiries, and provide appropriate explanations regarding proposed rates designed to enhance ratepayer understanding of rate-setting methodologies, requirements and procedures. The Office of the Independent Ratepayer Advocate may conduct ratepayer outreach activities.

(f) The San Francisco Public Utilities Commission shall fully cooperate with the Office of the Independent Ratepayer Advocate by providing prompt access to documents and other information reasonably related to proposed utilities rates.

(g) Failure to comply with any provision of this Section will not invalidate, or serve as grounds to challenge or invalidate any rates adopted pursuant to Charter Section 8B.125.



LEGAL TEXT OF PROPOSITIONS H AND I

(h) The costs of providing the services of the Office of the Independent Rate Payer Advocate shall be paid from revenues of the utility rates that are the subject matter of those services, as adopted by the Public Utilities Commission under Section 8B.125, that have been appropriated for such services by the San Francisco Public Utilities Commission, the Mayor and the Board of Supervisors in accordance with the budget and fiscal provisions of the Charter.

(i) Notwithstanding any other provision of this Charter, the Ratepayer Advocate shall be subject to confirmation by the Board of Supervisors within 60 days of receiving notice of the appointment from the City Administrator. The Ratepayer Advocate appointment shall become effective unless the Board disapproves the appointment not later than 50 days from the date that the Clerk of the Board receives the notice of appointment. The City Administrator may remove the Ratepayer Advocate subject to approval by the Board of Supervisors.

SEC. 8B.131. SEVERABILITY.

If any part or provision of the amendments to the Charter provided herein, or their application to any person or circumstance is held invalid, the remainder of the amendments, including their application to other persons or circumstances, shall not be affected by such a holding and shall continue in force and effect. To this end, these amendments are severable.

SEC. 9.107. REVENUE BONDS.

The Board of Supervisors is hereby authorized to provide for the issuance of revenue bonds. Revenue bonds shall be issued only with the assent of a majority of the voters upon any proposition for the issuance of revenue bonds, except that no voter approval shall be required with respect to revenue bonds:

1. Approved by three-fourths of all the Board of Supervisors if the bonds are to finance buildings, fixtures or equipment which are deemed necessary by the Board of Supervisors to comply with an order of a duly constituted state or federal authority having jurisdiction over the subject matter;
2. Approved by the Board of Supervisors prior to January 1, 1977;
3. Approved by the Board of Supervisors if the bonds are to establish a fund for the purpose of financing or refinancing for acquisition, construction or rehabilitation of housing in the City and County;
4. Authorized and issued by the Port Commission for any Port-related purpose and secured solely by Port revenues, or authorized and issued for any Airport-related purpose and secured solely by Airport revenues;
5. Issued for the proposes of assisting private parties and not-for-profit entities in the financing and refinancing of the acquisition, construction, reconstruction or equipping of any improvement for industrial, manufacturing, research and development, commercial and energy uses or other facilities and activities incidental thereto, provided the bonds are not secured or payable from any monies of the City and County or its commissions.
6. Issued for the purpose of the reconstruction or replacement of existing water facilities or electric power facilities or combinations of water and electric power facilities under the jurisdiction of the Public Utilities Commission, when authorized by resolution adopted by a three-fourths affirmative vote of all members of the Board of Supervisors.
7. Approved and authorized by the Board of Supervisors and secured solely by an assessment imposed by the City.
8. Issued to finance or refinance the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy con-

servation, or other utility facilities pursuant to Section 16.101 of this Charter.

Except as expressly provided in this Charter, all revenue bonds may be issued and sold in accordance with state law or any procedure provided for by ordinance.

PROPOSITION I

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by adding Section 8B.128, to create an Office of the Independent Ratepayer Advocate to evaluate, analyze, provide comments and make recommendations on the efficiency, equity, and fiscal feasibility, from the ratepayers' perspective, of utility rate proposals prepared by the San Francisco Public Utilities Commission under Charter section 8B.125; to require the City Administrator to appoint an Independent Ratepayer Advocate; and prescribing the duties and responsibilities of the Office of the Independent Ratepayer Advocate.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 4, 2008, a proposal to amend the Charter of the City and County by adding Section 8B.128 to read as follows:

Note: Additions are *single-underline italics Times New Roman*.

Deletions are ~~*strikethrough italics Times New Roman*~~.

SEC. 8B.128. *INDEPENDENT RATEPAYER ADVOCATE*

(a) The Office of the Independent Ratepayer Advocate shall evaluate, analyze, provide comments and make recommendations on the efficiency, equity, and fiscal feasibility of utility rate proposals prepared by the San Francisco Public Utilities Commission under Charter section 8B.125, independent of the San Francisco Public Utilities Commission and from the ratepayers' perspective. The Office of the Independent Ratepayer Advocate may evaluate and comment on the efficiency, equity, and fiscal feasibility of the San Francisco Public Utilities Commission's contracts, investments, program expenditures and operations.

(b) Notwithstanding Charter section 3.104(6), the City Administrator shall appoint an Independent Ratepayer Advocate, who shall perform and manage the functions of the Office of Independent Ratepayer Advocate and serve at the pleasure of the City Administrator. The Independent Rate Payer Advocate shall have at least ten years of experience in utility rates methodology and analysis, and at least ten years of experience relevant to the operation of water, wastewater or power utilities. The City Administrator shall provide sufficient staff and resources to perform the functions defined in this Section.

(c) The Office of the Independent Ratepayer Advocate may, at its discretion, hold public meetings and provide timely recommendations to the Rate Fairness Board, the San Francisco Public Utilities Commission, and the Board of Supervisors regarding rate proposals, budgets, bond issuance, contracts, investments, program expenditures and operations.

(d) The Office of the Independent Ratepayer Advocate shall have the opportunity to provide comment on utility rates proposed by the San Francisco Public Utilities Commission at any meeting of Rate Fairness Board, San Francisco Public Utilities Commission and Board of Supervisors where the meeting agenda includes the discussion of utility rates proposed by the San Francisco Public Utilities Commission. The Office of the Independent Ratepayer Advocate shall have at least the same amount of time at such meetings to provide such comments as the Boards or Commission allocate to the San Francisco Public Utilities Commission staff representatives.

