

File No. 230667

Committee Item No. 22

Board Item No. 39

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date June 14, 2023

Board of Supervisors Meeting Date July 25, 2023

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR Budget Submission Letter 6/1/2023</u> |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR 30-Day Waiver Request</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo - 30-Day Waiver 6/5/2023</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PUC Reso No. 23-0038 2/14/2023</u> |
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Completed by: Brent Jalipa Date June 7, 2023

Completed by: Brent Jalipa Date June 26, 2023

1 [San Francisco Public Utilities Commission Power Revenue Bond and Other Forms of
2 Indebtedness Issuance - Various Capital Projects Benefitting the Power Enterprise - Not
3 to Exceed \$41,031,367]

4 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Power**
5 **Revenue Bonds and other forms of indebtedness (as described below) by the San**
6 **Francisco Public Utilities Commission (“Commission”) in an aggregate principal**
7 **amount not to exceed \$41,031,367 to finance the costs of various capital projects**
8 **benefitting the Power Enterprise under the Charter, including amendments to the**
9 **Charter enacted by the voters on June 5, 2018 commonly referred to as Proposition**
10 **A; authorizing the issuance of Power Revenue Refunding Bonds; declaring the**
11 **Official Intent of the Commission to Reimburse Itself with one or more issues of**
12 **tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous**
13 **actions taken in connection therewith, as defined herein.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain
15 Arial font. **Additions to Codes** are in *single-underline italics Times*
16 *New Roman font*. **Deletions to Codes** are in *strikethrough italics*
17 *Times New Roman font*. **Board amendment additions** are in
18 double-underlined Arial font. **Board amendment deletions** are in
~~strikethrough Arial font~~. **Asterisks (* * * *)** indicate the
omission of unchanged Code subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20
21 Section 1. Findings. The Board of Supervisors (“Board”) of the City hereby finds
22 and declares as follows:

23 A. On June 5, 2018, the voters of the City and County of San Francisco (“City”)
24 approved Proposition A (“Proposition A”), which among other things, authorized the
25 Commission to issue revenue bonds, including notes, commercial paper or other forms of

1 indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board
2 of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or
3 improving water facilities, clean water facilities or power facilities or combinations of
4 water, clean water facilities and power facilities under the jurisdiction of the Commission,
5 or for any lawful purpose of the water, clean water and power facilities; and

6 B. The Commission adopted the Indenture dated as of May 1, 2015, as further
7 amended and supplemented from time to time ("Indenture"), between the Commission
8 and U. S. Bank National Association and in connection therewith, has from time to time
9 issued power revenue bonds to finance projects benefitting the Power Enterprise; and

10 C. By Resolution 23-0038, adopted by the Commission on February 14, 2023
11 ("Commission Resolution") the Commission has determined to issue Power Revenue
12 Bonds ("Power Revenue Bonds") and other forms of indebtedness (including without
13 limitation state and federal loan programs as described below), as well as interim funding
14 vehicles such as commercial paper, revolving credit agreements, bond anticipation notes
15 or other forms of notes, which interim funding vehicles will be issued in advance of being
16 paid off by either Power Revenue Bonds and other forms of indebtedness (including
17 without limitation state and federal loan programs) to finance the costs of various capital
18 projects benefitting the Power Enterprise (the "Capital Improvement Projects" such
19 projects being more fully described in the Commission Resolution), pursuant to
20 Proposition A, and has formally requested this Board to authorize the issuance and sale
21 of Power Revenue Bonds and other forms of indebtedness for such purposes, such
22 Commission Resolution being on file with the Clerk of the Board in File No. 230667; and

23 D. In order to finance the costs of the Capital Improvement Projects, the Board now
24 desires to authorize the issuance and sale of Power Revenue Bonds and other forms of
25 indebtedness, as described above, for such purposes, including obtaining SRF Loans

1 and/or grants from the State Water Resources Control Board, or other loans under other
2 federal loan programs;

3 E. This Board, on behalf of the Commission, adopts this Ordinance as official
4 action of the Commission in order to comply with Treasury Regulation §1.150-2 and any
5 other regulations of the Internal Revenue Service relating to the qualification for
6 reimbursement of Commission expenditures incurred prior to the date of issue of the
7 Power Revenue Bonds and other forms of indebtedness (including, without limitation and
8 for illustrative purposes only, SRF Loans, commercial paper, revolving credit agreements,
9 and bond anticipation notes).

10 Section 2. Authorization to Issue Power Revenue Bonds and other forms of
11 indebtedness. The Board hereby authorize the issuance and sale of taxable or tax-
12 exempt Power Revenue Bonds and other forms of indebtedness (including, without
13 limitation and for illustrative purposes only, SRF Loans, commercial paper, revolving
14 credit agreements, and bond anticipation notes) in one or more series from time to time
15 by the Commission pursuant the Charter, including Proposition A, in an aggregate
16 principal amount not to exceed \$41,031,367 (inclusive of financing costs), at a maximum
17 rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a
18 portion of the costs of the design, acquisition and construction of the Capital Improvement
19 Projects.

20 Section 3. Authorization to Issue Power Revenue Refunding Bonds; Commercial
21 Paper Retirement. Notwithstanding Section 2 immediately above, the Board further
22 authorizes and approves the issuance by the Commission of Power Revenue Refunding
23 Bonds (“Refunding Bonds”) without limitation as to principal amount, in one or more series
24 on one or more dates, at a maximum interest rate or rates of interest not to exceed twelve
25 percent (12%) per annum, provided that each such Refunding Bond issue is permitted

1 under the applicable policies and procedures of the City and authorized by Section 9.109
2 of the Charter (including related ordinances and resolutions of the Board). The Refunding
3 Bonds may be issued as taxable or tax-exempt obligations, or any combination thereof.
4 Refunding Bonds authorized hereunder shall be subject to the further following conditions,
5 that: (i) three percent (3%) net present value debt service savings or greater is achieved
6 to ensure ratepayer savings (exclusive of any issuance to refund commercial paper,
7 revolving credit notes, or bond anticipation notes); (ii) that the maturity of the refunded
8 bonds is not extended; (iii) this authorization is subject to a 5-year term through June 30,
9 2028, at which time this Board may consider an extension; (iv) principal payments and
10 term may be adjusted, where permitted under federal and state tax law, only if and when
11 the underlying capital asset funded through said refunded bonds has a useful life not in
12 excess of any limit permitted under federal and state tax law than the refunded term; and
13 (v) the Commission shall within 30 days of any executed refunding transaction provide a
14 refunding savings report (“Bond Refunding Savings Report”) prepared by its municipal
15 advisors (that reflects at least a three percent (3%) net present value debt service
16 savings) to the Board, together with a copy of the final Official Statement (if any) with
17 respect to such series of Refunding Bonds, provided that the failure to deliver such Bond
18 Refunding Savings Report shall in no way affect the validity of any Refunding Bonds.
19 Notwithstanding the foregoing, the Commission is authorized to issue Refunding Bonds
20 that do not meet all of the foregoing conditions provided that the Commission makes a
21 finding, by resolution, that significant non-economic factors exist that justify the waiver of
22 the three percent (3%) net present value debt service savings test and other conditions
23 set forth above. Such non-economic factors may include, by way of illustration and not
24 limitation, eliminating onerous covenants and obsolete provisions contained in the
25 Commission’s indenture or other security documents, or restructuring a series of bonds in

1 response to then-current market conditions. In furtherance of the purpose of managing
2 the Commission outstanding indebtedness, the General Manager is hereby authorized
3 and directed, in consultation the City Attorney, from Available Power Enterprise Revenues
4 to retire outstanding Power Enterprise Commercial Paper at such times and in such
5 amounts advantageous to the Commission.

6 Section 4. Declaration of Official Intent. The Board, on behalf of the Commission,
7 hereby declares the official intent of the Commission to reimburse the Commission with
8 proceeds of the Power Revenue Bonds or other forms of indebtedness (including SRF
9 Loans or other federal loans, commercial paper, revolving credit notes, or bond
10 anticipation notes) for the Expenditures with respect to the Capital Improvement Projects
11 made on and after a date that is no more than 60 days prior to the adoption of this
12 Ordinance. The Commission reasonably expects on the date hereof that it will reimburse
13 the Expenditures with proceeds of the Power Revenue Bonds or other forms of
14 indebtedness (including, without limitation and for illustrative purposes only, SRF Loans,
15 commercial paper, revolving credit notes or bond anticipation notes). Each said
16 Expenditure was and will be either (A) of a type properly chargeable to a capital account
17 under general federal income tax principles (determined in each case as of the date of the
18 Expenditure), (B) a cost of issuance with respect to such obligations, (C) a nonrecurring
19 item that is not customarily payable from current revenues, or (D) a grant to pay a party
20 that is not related to or an agent of the issuer so long as such grant does not impose any
21 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
22 Commission. The Commission will make a reimbursement allocation, which is a written
23 allocation by the Issuer that evidences the Commission's use of proceeds of the Power
24 Revenue Bonds or other forms of indebtedness to reimburse an Expenditure, no later than
25 18 months after the later of the date on which the Expenditure is paid or the component of

1 the Capital Improvement Projects is placed in service or abandoned, but in no event more
2 than three years after the date on which the Expenditure is paid. The Commission
3 recognizes that exceptions are available for certain “preliminary expenditures,” costs of
4 issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year
5 of issuance and not the year of expenditure) and expenditures for construction projects of
6 at least 5 years.

7 Section 5. General Authority. The Controller, Treasurer, the City Attorney and
8 other officers of the City and their duly authorized deputies and agents are hereby
9 authorized and directed, jointly and severally, to take such actions and to execute and
10 deliver such certificates, agreements, requests or other documents, as they may deem
11 necessary or desirable to facilitate the issuance, sale and delivery of the Power Revenue
12 Bonds, Refunding Bonds, to obtain bond insurance or other credit enhancements with
13 respect to such obligations, to obtain surety, to obtain title and other insurance with
14 respect to the facilities to be financed, and otherwise to carry out the provisions of this
15 Ordinance. The Commission is hereby directed to provide the final form to the Clerk of
16 the Board of any disclosure document prepared in connection with the execution of any
17 Power Revenue Bonds or Refunding Bonds, and the final executed Installment Sale
18 Agreement or other document reflecting the incurrence of an SRF Loan or loan under
19 eligible federal program, within 30 days of the closing of such transactions.

20 Section 6. Ratification of Prior Actions. All actions authorized and directed
21 by this Ordinance in connection with the issuance of the Power Revenue Bonds or
22 other forms of indebtedness, Refunding Bonds, and heretofore taken are hereby
23 ratified, approved and confirmed by this Board.

24 Section 7. File Documents. All documents referred to as on file with the Clerk of
25 the Board are in File Nos. 230667.

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Section 8.

Effective Date. Pursuant to Charter Section 8B.124, this Ordinance shall take effect thirty (30) days after its adoption.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Mark D. Blake
Mark D. Blake
Deputy City Attorney

LEGISLATIVE DIGEST

[San Francisco Public Utilities Commission Power Revenue Bond and Other Forms of Indebtedness Issuance - Various Capital Projects Benefitting the Power Enterprise - Not to Exceed \$41,031,367]

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (“Commission”) in an aggregate principal amount not to exceed \$41,031,367 to finance the costs of various capital projects benefitting the Power Enterprise under the Charter, including amendments to the Charter enacted by the voters on June 5, 2018 commonly referred to as Proposition A; authorizing the issuance of Power Revenue Refunding Bonds; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new law.

Background Information

On November 5, 2002, the voters of the City and County of San Francisco approved Proposition E (“Proposition E”) which authorized 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 proposed Ordinance authorizes the issuance of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness in an amount not to exceed \$41,031,367. Proceeds of the Power Revenue Bonds will be used to provide funds to pay the costs to finance of projects benefitting the Power Enterprise, as more fully set forth in the staff report accompanying the proposed Ordinance.

The Power Revenue Bonds will be issued under an Indenture dated as of May 1, 2015 (as further amended and supplemented from time to time (“Indenture”), between the Commission and U. S. Bank National Association, as the trustee.

The proposed Ordinance also authorizes the issuance of Refunding Power Revenue Bonds to refund outstanding indebtedness of the Power Enterprise subject to the following conditions,

among others i) three percent (3%) net present value debt service savings or greater is achieved; (ii) the maturity of the refunded bonds is not extended; (iii) the refunding authorization sunsets on June 30, 2028, unless extended by the Commission. Staff is required to provide a savings report within 30 days following the bond sale.

The proposed Ordinance also authorizes the Commission to issue Refunding Bonds for non-economic factors which may include, by way of illustration, eliminating onerous covenants and obsolete provisions contained in the Commission's Indenture or other security documents, or restructuring a series of bonds in response to then-current market conditions.

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| <p>Items 16 & 22 Files 23-0652 & 23-0667</p> | <p>Department: Public Utilities Commission</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> | |
| <ul style="list-style-type: none"> • File 23-0667 is an ordinance authorizing the San Francisco Public Utilities Commission (SFPUC) to issue \$41,031,367 in Power Revenue Bonds to fund Hetch Hetchy Water and Power Enterprise capital projects. • File 23-0652 is an ordinance appropriating \$124,020,472 of Water Revenue Bonds, Power Revenue Bonds, Cap and Trade revenues, and Power Revenues. | |
| <p style="text-align: center;">Key Points</p> | |
| <ul style="list-style-type: none"> • Of the \$124 million appropriation, \$46.9 million are allocated to Power projects, \$77.1 million are allocated to Water projects. • The ordinance also de-appropriates \$6.9 million from the Rim Fire project and returns the funding to Power Enterprise’s operating fund balance. According to PUC staff, Rim Fire repairs are complete and federal reimbursements have offset a portion of PUC costs, allowing the revenues to be transferred to fund balance. • The Board of Supervisors has authorized \$695,933,229 in Power Revenue Bonds, of which \$279,907,000 were issued (including outstanding commercial paper) and \$416,026,229 were authorized to be issued in future years. The PUC plans to issue approximately \$116 million (to retire currently outstanding commercial paper), \$424 million, and \$372 million in Fiscal Year 2023-24, 2025-26, and 2028-29. • Unlike the pending Water and Wastewater debt issuances (Files 23-0655 & 23-0666), the proposed ordinance does not include a reporting requirement. | |
| <p style="text-align: center;">Fiscal Impact</p> | |
| <ul style="list-style-type: none"> • SFPUC expects Hetch Hetchy customer rates, which includes rates charged to City agencies, to increase by 6.6 percent in FY 2022-23 and 14 percent in FY 2023-24, an increase from the 8.4 percent rate increase projected last year for FY 2023-24. • Annual retail rate increases are 10, 9.0, and 8.5 in FY 2024-25 to FY 2026-27 and then decline in subsequent years between 7.0 and 3.0 percent per year through FY 2032-33. | |
| <p style="text-align: center;">Recommendations</p> | |
| <ul style="list-style-type: none"> • Amend File 23-0667 to require PUC provide to the Board of Supervisors within 30 days of each bond sale or other debt transaction a report detailing the: i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization under the proposed ordinance and include the report in the legislative file for the bond authorization. • Approve Files 23-0667 and 23-0652, as amended. | |

MANDATE STATEMENT

Charter Section 8B.124 states that the Public Utilities Commission is authorized to issue revenue bonds and other forms of indebtedness, when authorized by two-thirds vote of the Board of Supervisors.

Charter Section F1.113 states that 0.2 percent of the City's budget, excluding bond debt, must be set-aside for the Controller's audit fund.

Charter Section 5A.31(d) states that one-twentieth of one percent (0.05%) from the proceeds of each issuance or sale of public utility revenue bonds must be set aside for use by the Public Utilities Commission Revenue Bond Oversight Committee to cover the costs of Committee activities.

Charter Section 9.105 states that the Board of Supervisors shall approve by ordinance all amendments to the Annual Appropriation Ordinance after the Controller certifies the availability of funds.

BACKGROUND

The Hetch Hetchy Enterprise is composed of Hetch Hetchy Water, which manages the water system in and around the Hetch Hetchy Reservoir, and Hetch Hetchy Power, which is responsible for power generation.¹ Because power is generated hydroelectrically, some capital projects benefit both Hetch Hetchy Water and Hetch Hetchy Power operations. Hetch Hetchy Power primarily provides electricity to City agencies and other government entities.

DETAILS OF PROPOSED LEGISLATION

File 23-0667 is an ordinance authorizing (a) the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (SFPUC) in an aggregate principal amount not to exceed \$41,031,367 to finance the costs of various Hetch Hetchy Power Enterprise capital projects; (b) the issuance of Power Revenue Refunding Bonds; (c) declaring the intent of SFPUC to reimburse itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and (d) ratifying previous actions taken for purpose of issuing the bonds.

File 23-0652 is an ordinance appropriating \$124,020,472, consisting of Power Revenue Bonds, Water Revenue Bonds, Hetch Hetchy revenues, and Cap and Trade revenues. \$41,031,367 of Power Bond proceeds and \$77,084,105 of Water Bond proceeds are placed on Controller's Reserve pending Controller certification of the availability of funds.

¹ CleanPowerSF, which provides renewable electricity to residential and commercial customers in San Francisco, is also part of the Hetch Hetchy Enterprise, and the subject of File 23-0653.

The proposed ordinance also de-appropriates \$18,436,483 for Hetch Hetchy Enterprise projects and places the funding on Controller's Reserve and de-appropriates \$6,935,995 in Hetch Hetchy Enterprise projects and returns the funding to FY 2022-23 fund balance.

Sources and uses of the funds are shown in Table 1 below.

Projects funded by the appropriated funds are subject to final approval by the SFPUC and the Board of Supervisors of the California Environmental Quality Act (CEQA) findings.

Power Revenue Bond Issuance

At the February 14, 2023 Commission meeting, the SFPUC approved the issuance of new Power Revenue Bonds to finance Power capital projects in FY 2022-23. The proposed ordinance allows the issuance of commercial paper or other interim debt to finance the projects prior to the issuance of the revenue bonds and provides for SFPUC to access California Water Resources Control Board revolving loan funds or grant funds. The SFPUC may issue taxable or tax-exempt bonds in one or more series through either a negotiated or competitive sale.

In addition, the SFPUC may issue refunding bonds to repay outstanding Power Revenue Bond debt if the issuance of the refunding bonds results in net present value debt service savings of 3 percent and does not extend the maturity date. If the SFPUC issues refunding bonds, then the SFPUC needs to submit to the Board of Supervisors the final official statement for the refunding bonds and a statement from the financial advisor on the 3 percent net present value debt service savings. SFPUC may request authorization to issue refunding bonds for other reasons than debt service savings if other benefits accrue, such as removal of bond covenants deemed to be onerous to the SFPUC. The authorization to issue refunding bonds extends through June 2028.

Reporting

Unlike the pending Water and Wastewater debt issuances (Files 23-0655 & 23-0666), the proposed ordinance does not include a reporting requirement. The proposed ordinance should be amended to require PUC to provide, within days of each bond sale or other form of indebtedness, a report to the Board of Supervisors showing the results of the transaction, including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization under the proposed ordinance and include the report in the legislative file for the bond authorization.

FY 2023-24 Capital Budget

The proposed ordinance appropriates \$77.1 million in new bonds to fund Water Enterprise projects and \$46.9 million in Power projects in the 10-Year Capital Plan for FY 2023-24 through FY 2032-33, shown in Table 1 below.

Table 1: Sources and Uses of Funds

| | Power Bond Proceeds | Water Bond Proceeds (File 23- 0665) | Hetch Hetchy Revenue | Cap & Trade | Total |
|--|--------------------------------|--|-------------------------------------|----------------------------|----------------------|
| Sources | \$41,031,367 | \$77,084,105 | \$5,015,000 | \$890,000 | \$124,020,472 |
| Uses | | | | | \$0 |
| Retail Power Distribution | \$9,122,894 | | | | \$9,122,894 |
| Public Power Expansion | \$5,387,000 | | \$2,200,000 | | \$7,587,000 |
| Streetlight Replacement | | | \$2,815,000 | | \$2,815,000 |
| General Fund Energy Efficiency | | | | \$890,000 | \$890,000 |
| Hetch Hetchy Water Infrastructure | | \$48,857,770 | | | \$48,857,770 |
| Hetch Hetchy Joint Projects - Water | | \$16,663,719 | | | \$16,663,719 |
| Hetch Hetchy Joint Project - Power | \$20,366,768 | \$11,393,031 | | | \$31,759,799 |
| Bond Financing Costs | \$6,134,189 | \$131,043 | | | \$6,265,232 |
| City Services Auditor | | \$38,542 | | | \$38,542 |
| Revenue Bond Oversight Committee | \$20,516 | | | | \$20,516 |
| Total Uses | \$41,031,367 | \$77,084,105 | \$5,015,000 | \$890,000 | \$124,020,472 |

Source: Appropriation Ordinance

^a Bond financing costs include the costs of interim, short-term funding for projects by the Commercial Paper Program, such as accrued interest and credit bank and dealer fees associated with outstanding commercial notes as well as capitalized interest and other issuance costs.

Changes in Appropriations

The proposed ordinance re-appropriates \$18.4 million from Alice Griffith/Candlestick Point and Treasure Island Improvement projects and places the funding on Controller's Reserve. The re-appropriation changes the accounting of the funds, not the total amount allocated to each project.

The ordinance also de-appropriates \$6.9 million from the Rim Fire project and returns the funding to Power Enterprise's operating fund balance. According to PUC staff, Rim Fire repairs are complete and federal reimbursements have offset a portion of PUC costs, allowing the revenues to be transferred to fund balance.

Projects summaries are included in Attachment I to this report.

Power Revenue Bonds

The Board of Supervisors has authorized \$695,933,229 in Power Revenue Bonds, of which \$279,907,000 were issued (including outstanding commercial paper) and \$416,026,229 were authorized to be issued in future years. The PUC plans to issue approximately \$116 million (to

retire currently outstanding commercial paper), \$424 million, and \$372 million in Fiscal Year 2023-24, 2025-26, and 2028-29, respectively as per the 10-year Financial Plan (amounts are preliminary are subject to change due to market conditions and actual project spending).

FISCAL IMPACT

Debt Issuance

SFPUC anticipates issuing \$41 million in Power Revenue Bonds at 5 percent interest and for a 30-year term. Interim financing and issuance costs are \$6.1 million² for net bond proceeds of approximately \$34.9 million. Average annual debt service over 30 years is approximately \$2.7 million.

According to the SFPUC 10-Year Capital Plan, SFPUC plans to issue \$116 million in Power Revenue Bonds in FY 2023-24; total bond issuance over the 10 years through FY 2032-33 is \$912 million. Annual Power Enterprise debt service for outstanding debt is \$4.0 million in FY 2022-23, increasing to \$71.6 million in FY 2032-33.

The year-end Hetch Hetchy Enterprise fund balance is estimated to increase from \$123.3 million in FY 2022-23 to \$239.1 million in FY 2032-33. The SFPUC fund balance reserve policy is for fund balance to equal at least 25 percent of annual operating and maintenance expenses. According to the 10-Year Financial Plan, the Hetch Hetchy Enterprise fund balance is estimated to range between 28 and 63 percent of operating expenses over the ten-year period.

The SFPUC 10-Year Financial Plan projects that the Power Enterprise will have sufficient net revenues and unrestricted fund balance to maintain debt service coverage ratios in compliance with its financial policies.

Power Rates

According to the 10-Year Financial Plan, SFPUC expects Hetch Hetchy customer rates, which includes rates charged to City agencies, to increase by 6.6 percent in FY 2022-23 and 14 percent in FY 2023-24, an increase from the 8.4 percent rate increase projected last year for FY 2023-24.

Annual retail rate increases are 10, 9.0, and 8.5 in FY 2024-25 to FY 2026-27 and then decline in subsequent years between 7.0 and 3.0 percent per year through FY 2032-33.

RECOMMENDATIONS

1. Amend File 23-0667 to require PUC provide to the Board of Supervisors within 30 days of each bond sale or other debt transaction a report detailing the: i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization under the proposed ordinance and include the report in the legislative file for the bond authorization.

² Issuance costs include underwriting fees, legal fees, financial advisory fees, credit enhancement fees, and other miscellaneous fees typically associated with a bond financing.

2. Approve Files 23-0667 and 23-0652, as amended.

Attachment: Ten-Year Capital Plan Hetch Hetchy Water and Power Projects**Transmission & Distribution Program:**

These projects are consistent with San Francisco Administrative Code Section 99.3 establishing the SFPUC's role as the exclusive electric service provider for existing and new City facilities, and redevelopment and development projects.


Alice Griffith/Candlestick Point - This project provides for the second phase of development at Hunters Point Shipyard, Candlestick Point, and the Alice Griffith Housing Complex. The Development Team comprised of the Office of Community Investment and Infrastructure and Developer will pay for the installation of the infrastructure and substructure required for the new 12-kV underground electrical distribution system. The SFPUC as the electric utility provider will install the conductors in the conduits, transformers, switches, and metering equipment required for the electric distribution system.

Streetlights: \$37.2 million

Hetchy provides power to all of San Francisco's 44,528 streetlights, maintains the 25,509 streetlights owned by the City, and funds the maintenance of the 19,019 streetlights owned by Pacific Gas & Electric Company (PG&E). Street lighting area improvements, the conversion of high voltage series loop circuits into multiple standard voltage service and Lighting Emitting Diode (LED) lighting, holiday and festivity pole use, assessments to determine the severity of pole deterioration, streetlight pole rehabilitation, and replacement of poles are all funded through this program.

Energy Efficiency: \$10.0 million

Energy efficiency improvements reduce facility operating costs and electric bills for customers, improve system functionality, and reduce the environmental impact of energy use. This program funds energy efficiency investments in City facilities covering the planning, design, and construction of "direct install" projects, as well as technical assistance and project assistance for departments utilizing their own capital funds. Energy retrofits include lighting, heating and ventilation, retro-commissioning, and energy management systems projects. The SFPUC performs three to five energy efficiency projects each year. The budget funds efficiency projects in municipal facilities for departments such as Police, Real Estate, Recreation and Parks, SFMTA, Yerba Buena Center, and Fine Arts. Planned funding for lighting and mechanical system efficiency upgrades are consistent with state policies that place emphasis on energy efficiency and that support greenhouse gas reduction.



SFPUC 23-24 Operating Budget midcycle changes and Capital Budget

June 14, 2023



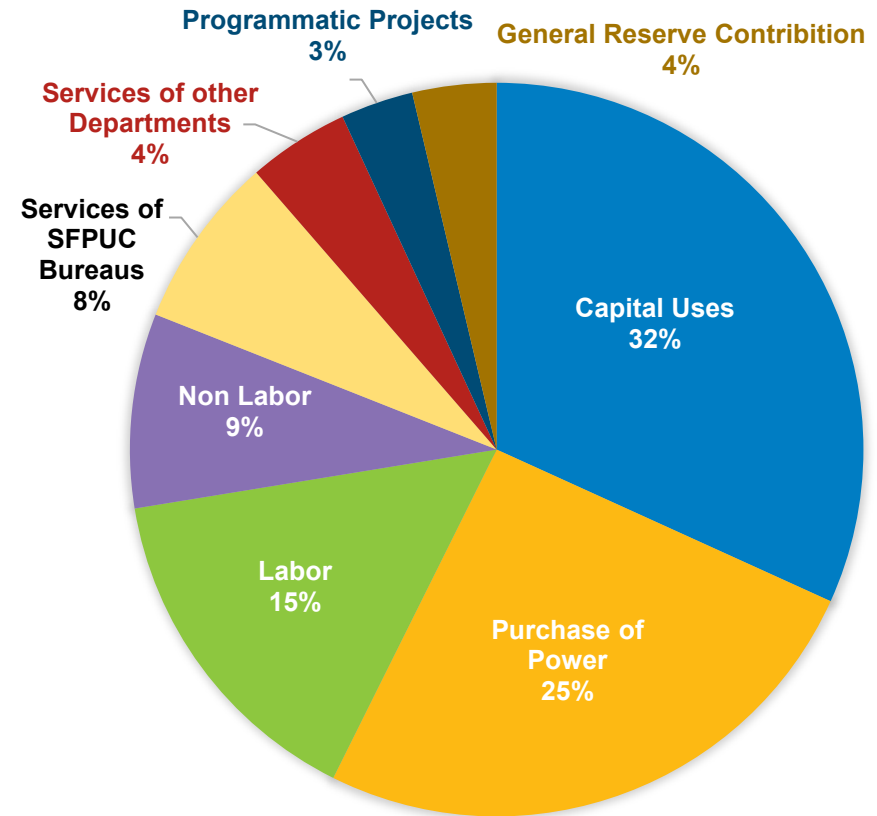
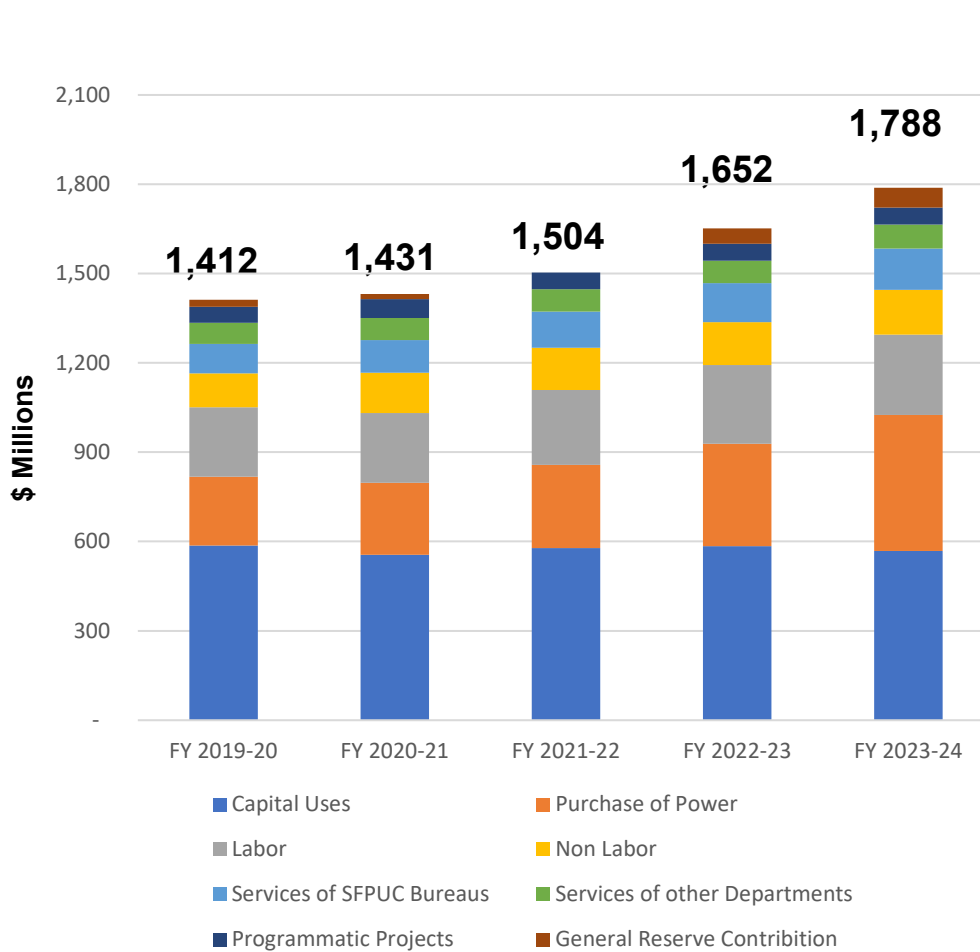
San Francisco
**Water
Power
Sewer**



Budget Update

- Fixed 2-year operating budget was adopted last year. Now making minimal mid-cycle changes
- Last year we only adopted a 1-year capital budget so we could work intensively on rightsizing our capital plan for ratepayer affordability and deliverability
- That work is done, and we reduced our capital plan by over \$1 billion
- Asking for approval of FY 23-24 Capital Budget

Operating Budget Overview



FY 2023-24



Midcycle Operating Budget Changes

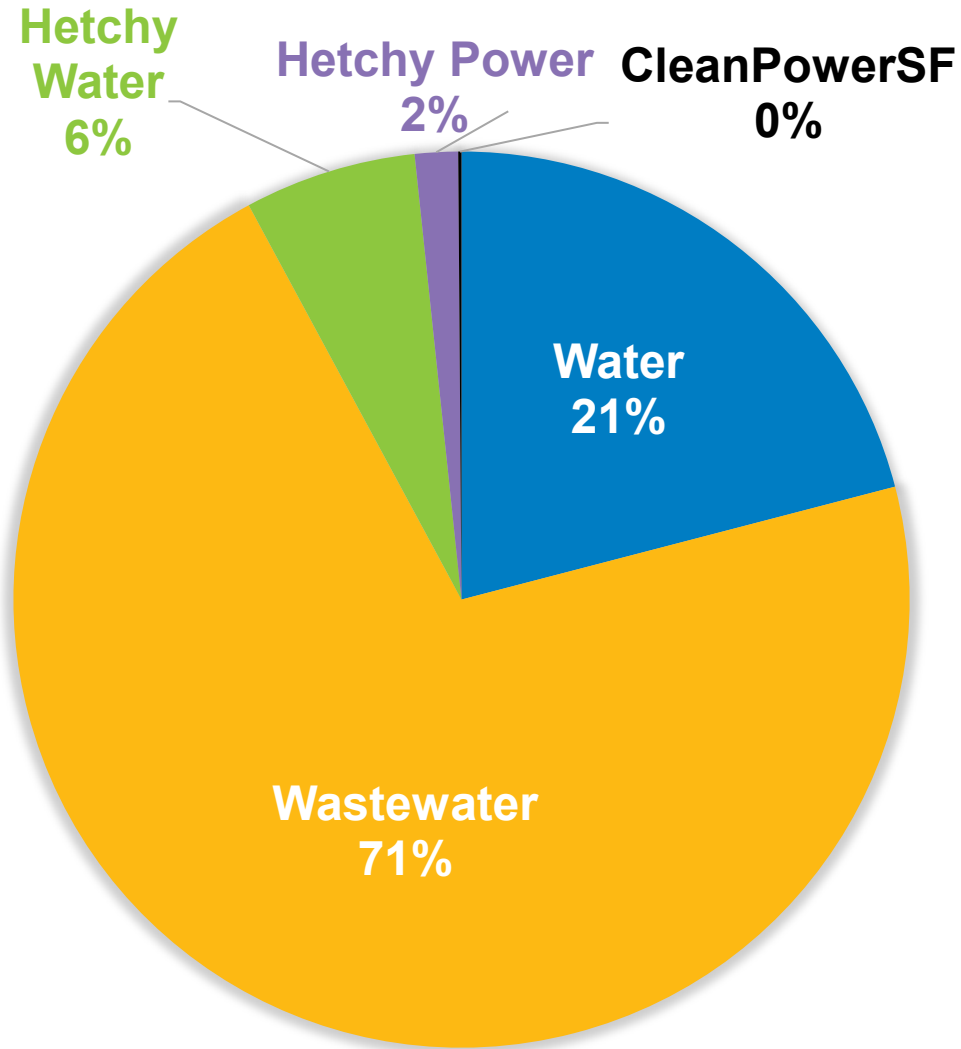
List of major changes from original FY 2023-24 budget

| Item | \$ |
|--|---------------------|
| Increases in power purchase costs | 123.7 |
| Debt Service savings | (27.7) |
| Savings in Revenue Funded Capital | (14.2) |
| Increase to COWCAP | 2.4 |
| Recycled Water Plant operating costs | 2.1 |
| Mandatory Fringe Benefit increases | 1.8 |
| Other changes | (0.7) |
| Change in General Reserve contribution | 9.3 |
| Total | \$97 Million |



FY 2023-24 Capital Budget

| \$ million | FY 23-24 Capital Budget |
|--------------------|-------------------------|
| Water | 290.0 |
| Wastewater | 985.5 |
| Hetchy-Water | 85.9 |
| Hetchy-Local Power | 21.5 |
| CleanPowerSF | 1.6 |
| Total | 1,384.5 |



+ Bond Financing Authorizations



Key Capital Projects

- Southeast Plant Biosolids Digester Facilities
- Treasure Island Wastewater Treatment
- Repair and replacement of sewer and water mains
- Folsom and Lower Alemany stormwater upgrades
- Mountain Tunnel Improvements
- San Joaquin Pipeline Life Extension
- Sunol Valley Treatment Plant Improvements
- Millbrae Yard Improvements
- Redevelopment Power Distribution
- Public Power Expansion



Constraining Costs

- Capital is largest – and growing – share of operating costs
- Growing power purchase costs put pressure on Power's rates

Cost saving measures:

- No rate increases in FY 2022-23 in response to pandemic
- Massive agency-wide effort over last year to prioritize capital plan
 - Reduced 10-year capital plan by **over a billion dollars** compared to prior plan
- Successfully applying for low-interest state and federal loans
 - Results in interest savings vs. issuing our own bonds
 - \$2.4 billion in executed loans and grants, resulting in potential projected **savings of up to \$1.5 billion**
 - \$804 million in additional loan applications pending



SFPUC Capital Supplemental and Debt Authorization Legislation

1. [File 230656](#): AAO Amendment for the SFPUC FY 2023-2024 Operating Budget
2. [File 230652](#): Supplemental Appropriations for the Hetch Hetchy Water & Power Capital Program
3. [File 230653](#): Supplemental Appropriations for CleanPowerSF Capital Program
4. [File 230654](#): Supplemental Appropriations for Water Capital Program
5. [File 230655](#): Supplemental Appropriations for Wastewater Capital Program
6. [File 230665](#): Authorization to issue Water Revenue Bonds
7. [File 230666](#): Authorization to issue Wastewater Revenue Bonds
8. [File 230667](#): Authorization to issue Power Revenue Bonds

Questions?



PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 23-0038

WHEREAS, On December 13, 2022 and January 30, 2023, this Commission heard and considered budget priorities for the department and the San Francisco Public Utilities Commission (SFPUC) General Manager and staff presented the preliminary proposed FY 2023-24 Capital Budget for the Water Enterprise, Wastewater Enterprise, and Hetch Hetchy Water & Power, including the Power Enterprise and CleanPowerSF (“Capital Budget”) including the list of projects, cost estimates, and schedules to the Commission; and

WHEREAS, An overview of the proposed FY 2023-24 Capital Budget for each SFPUC Enterprise is set forth as Attachment A and is on file with the Commission Secretary; and

WHEREAS, As a preliminary step to development of the FY 2023-24 Capital Budget, a baseline review of all existing project appropriations was completed for potential closeout or repurposing to new capital budget needs; and

WHEREAS, The FY 2023-24 Capital Budget submittals went through a quality review to assure the budget addresses the immediate capital improvement needs of each Enterprise and reflects a sound project prioritization process which included a validation of costs and schedule of all proposed projects and an assessment of the ability to deliver the projects within FY 2023-24; and

WHEREAS, The proposed FY 2023-24 Capital Budget must be submitted to, and approved by the Mayor and the Board of Supervisors; and

WHEREAS, The SFPUC General Manager recommends that the Commission request a supplemental appropriation ordinance for the capital expenditures for each of the three Enterprises presented in the proposed FY 2023-24 Capital Budget to timely implement public improvement projects; and

WHEREAS, This action does not constitute a project under the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c) and 15378(b)(4), because adoption of the Capital Budget involves creation of a government funding mechanism or other fiscal activities and does not involve any commitment to any specific project which may result in a potentially significant impact on the environment; and the SFPUC will consider approval of projects to be funded through this Capital Budget only after completing any environmental review required by CEQA, Administrative Code Chapter 31, and Proposition E (approved by the voters in 2002 for Water and Wastewater projects); and

WHEREAS, This Commission has considered the proposed FY 2023-24 Capital Budget for the Water Enterprise, Wastewater Enterprise, and Hetch Hetchy Water and Power, including the Power Enterprise and CleanPowerSF, which totals \$1,601,613,100, as set forth in Attachment A to the February 14, 2023 staff report; now, therefore, be it

RESOLVED, That this Commission hereby adopts the FY 2023-24 SFPUC Capital Budget in the amount of \$1,601,613,100 for the Water Enterprise, the Wastewater Enterprise, and Hetch Hetchy Water and Power, including the Power Enterprise and CleanPowerSF as presented at the public hearings on January 30, 2023 and as set forth in the attached Attachment A, as follows:

| FY 2023-24 Capital Budget | Amount | Financing Costs | Total |
|--------------------------------------|------------------------|----------------------------|------------------------|
| Wastewater | 985,504,159 | 157,093,243 | 1,142,597,402 |
| Water | 289,992,804 | 42,285,202 | 332,278,006 |
| Hetchy Water | 85,888,257 | 11,562,616 | 97,450,873 |
| Hetchy Power | 21,524,894 | 6,154,705 | 27,679,599 |
| CleanPowerSF | 1,607,220 | 0 | 1,607,220 |
| Total | \$1,384,517,334 | \$217,095,766 | \$1,601,613,100 |

and be it;

FURTHER RESOLVED, That the SFPUC General Manager is authorized to reallocate funds within an Authority Code as provided in the staff report and Attachment A appended to this Resolution and to make further technical adjustments to these approved amounts as may be necessary, or upon further direction from the Commission, the Mayor, or the Board of Supervisors; and, be it

FURTHER RESOLVED, The General Manager is hereby authorized and directed to submit to the Board of Supervisors proposed ordinances authorizing the issuance of (1) not to exceed \$358,985,453 aggregate principal amount of Water Revenue Bonds and other forms of indebtedness, including commercial paper and State Revolving Fund (SRF) loans, (2) \$1,047,288,286 aggregate principal amount of Wastewater Revenue Bonds and other forms of indebtedness, including commercial paper and SRF loans, under the terms of Proposition E (approved by the voters November 2002), and (3) \$41,031,367 aggregate principal amount of Power Revenue Bonds and other forms of indebtedness, including commercial paper and loans, subject to the terms of Charter Sections 9.107(6) and 9.107(8). The General Manager shall return to this Commission for a subsequent discretionary approval of any disclosure and transaction related documents prepared in connection with the issuance of such Bonds and other forms of indebtedness.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of February 14, 2023.


 Secretary, Public Utilities Commission

Attachment A

FY 2023-24 SFPUC Capital Budget

Attachment A Wastewater Enterprise

| Authority | Funding Source \$ | FY 2023-24 |
|------------------|---|----------------------|
| | Description of Appropriation or Fund | |
| 19471 | Proceeds Sale of Bonds | 1,047,288,286 |
| 19141 | Wastewater Revenue | 81,338,116 |
| 19141 | Wastewater Capacity Fee | 13,971,000 |
| | TOTAL - Funding Source | 1,142,597,402 |
| | | |
| Authority | Use of Funds \$ | FY 2023-24 |
| | Description of Appropriation or Fund | |
| SSIP | | |
| 19142 | Program Management | 18,000,000 |
| 19142 | Biosolids/Digester Project | 535,788,474 |
| 19142 | Treatment Plant Improvements - Southeast | 47,996,135 |
| 19142 | Treatment Plant Improvements - Other | 25,443,455 |
| | SSIP - Treatment Facilities Program | <u>609,228,064</u> |
| 19142 | Collection System Improvements | 83,121,607 |
| | Stormwater Management/Green | |
| 19142 | Infrastructure | 24,836,303 |
| 19142 | Flood Resilience/Hydraulic Improvements | 43,349,386 |
| | TOTAL - SSIP | 778,535,360 |
| Non-SSIP | | |
| 19141 | Renewal & Replacement-Collection System | 89,097,199 |
| 19141 | Renewal & Replacement-Treatment Facilities | 6,211,917 |
| 19134 | Treasure Island | 111,659,683 |
| | TOTAL - Non SSIP | 206,968,799 |
| 19471 | Financing Cost | 157,093,243 |
| | TOTAL - Use of Funds | 1,142,597,402 |

Attachment A Water Enterprise

| Authority | Funding Source \$ Description of Appropriation or Fund | FY 2023-24 |
|-----------|---|--------------------|
| 17731 | Proceeds Sale of Bonds | 281,901,348 |
| 19133 | Water Enterprise Revenue | 45,579,658 |
| 19063 | Water Capacity Fee | 4,797,000 |
| | TOTAL - Funding Source | 332,278,006 |

| Authority | Use Of Funds \$ Description of Appropriation or Fund | FY 2023-24 |
|-----------|---|--------------------|
| 19056 | Regional Water Treatment Program | 153,057,848 |
| 19058 | Water Supply and Storage | 4,764,596 |
| 19059 | Watershed & Land Management | 12,158,483 |
| 19060 | Communications and Monitoring | 1,998,767 |
| 19061 | Buildings & Grounds Regional | 9,096,882 |
| 19069 | Long Term Monitoring & Permit Program | 400,000 |
| | Total Regional Water | 181,476,576 |

| Local Water | Description of Appropriation or Fund | FY 2023-24 |
|-------------|--------------------------------------|--------------------|
| 80119 | Water Supply Projects | 2,336,692 |
| 19063 | Local Water Conveyance/Distribution | 87,789,810 |
| 19065 | System Monitoring & Control | 3,833,442 |
| 19066 | Local Reservoir & Tank Improvements | 10,582,000 |
| 19067 | Pump Station Improvements | 859,859 |
| 19112 | Automated Meter Reading System | 3,114,425 |
| | TOTAL - Local Water | 108,516,228 |

| | | |
|-------|-----------------------------|--------------------|
| 17731 | Financing Costs | 42,285,202 |
| | TOTAL - Use of Funds | 332,278,006 |

Attachment A Hetch Hetchy

| Authority | Funding Source \$ Description of Appropriation or Fund | FY 2023-24 |
|-----------|---|--------------------|
| 15366 | Proceeds Sale Power Bonds | 41,031,367 |
| 15366 | Proceeds Sale Water Bonds | 77,084,105 |
| 15405 | Hetch Hetchy Revenue Funds | 5,015,000 |
| 15404 | Cap and Trade Revenue | 890,000 |
| 21284 | Low Carbon Fuel Standard | 1,110,000 |
| | TOTAL - Funding Source | 125,130,472 |

| Authority | Use of Funds \$ Description of Appropriation or Fund | FY 2023-24 |
|-----------|---|--------------------|
| 15372 | Distribution Services Retail - SFO Substation | 9,122,894 |
| 15377 | Streetlights | 2,815,000 |
| 15400 | Small Renewables | 1,000,000 |
| 15404 | Energy Efficiency - General Fund | 1,000,000 |
| 15383 | Power Asset Acquisition | 7,587,000 |
| | TOTAL - Power | 21,524,894 |
| 15363 | Water Infrastructure Projects | 48,857,770 |
| 15365 | Joint Water/Power Projects | 37,030,487 |
| | TOTAL - Water | 85,888,257 |
| 15366 | Financing Cost Power | 6,154,705 |
| 15366 | Financing Cost Water | 11,562,616 |
| | TOTAL - Use of Funds | 125,130,472 |

Attachment A CleanPowerSF

| Authority | Funding Source \$ Description of Appropriation or Fund | FY 2023-24 |
|------------------|---|-------------------|
| 80233 | ITI from CleanPowerSF Funds | 759,000 |
| 80444 | DAC Program | 848,220 |
| | TOTAL-Source of Fund | 1,607,220 |

| Authority | Use of Funds \$ Description of Appropriation or Fund | FY 2023-24 |
|------------------|---|-------------------|
| 80233 | Local Renewable Energy Program | 759,000 |
| 80444 | DAC Solar Program | 848,220 |
| | Total-Uses of Fund | 1,607,220 |

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED
LONDON N. BREED
SAN FRANCISCO MAYOR
2023 MAY 32 9:05 AM
PH 2:31
BY *[Signature]*

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Anna Duning, Mayor's Budget Director
Date: June 1, 2023
Re: Mayor's FY 2023-24 and FY 2024-25 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1st, corresponding legislation, and related materials for Fiscal Year (FY) 2023-24 and FY 2024-25.

In addition to the Mayor's Proposed FY 2023-24 and FY 2024-25 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2023-24
- The Airport Annual Salary Ordinance Supplemental for FY 2023-24
- The Port of San Francisco Annual Salary Ordinance Supplemental for FY 2023-24 and Annual Appropriation Ordinance Supplemental for FY 2023-24
- The Public Utilities Commission Capital Budget for FY 2023-24 and Annual Appropriation Ordinance Supplemental for FY 2023-24
- 34 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- Memo to the Board President requesting for 30-day rule waivers on ordinances

Please note the following:

- Technical adjustments to the June 1 budget are being prepared, but are not submitted with this set of materials.

Sincerely,

[Signature]
Anna Duning
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2023 JUN -1 PM 2:34
BY *[Signature]*

| DEPT | Item | Description | Type of Legislation | File # |
|-------------|---|---|----------------------------|---------------|
| ADM | Code Amendment | Amending the Administrative Code to eliminate the Annual Joint Fundraising Drive | Ordinance | 230648 |
| ADM | Code Amendment | Amending the Administrative and Environment Codes to reduce reporting burdens, so as to update insurance manuals when requested or necessary, instead of on an annual basis, and eliminating some scheduled reports | Ordinance | 230647 |
| ADM | Code Amendment | Amending the Administrative Code relating to Technology Commodities and Services Procurements, to eliminate the Tech Marketplace fee | Ordinance | 230649 |
| ADM | Continuing Prop J | City Administrator's Office convention facility management services, Real Estate custodial services, and Fleet and Real Estate security services | Resolution | 230672 |
| BOS | Continuing Prop J | Board of Supervisors Budget and Legislative Analyst Services for FY 2023-24 | Resolution | 230672 |
| CON | Access Line Tax (ALT) Tax Rates | Sets Access Line Tax in line with 2023 Consumer Price Index. Revenues assumed in budget. | Ordinance | 230676 |
| CON | Neighborhood Beautification Fund | Neighborhood Beautification and Graffiti Clean-Up Fund Option (now known as the Community Challenge Grant Program) | Ordinance | 230668 |
| DBI | Department of Building Inspection Fee Changes | Changing the fee structure for DBI fees that are charged for permitting and inspection | Ordinance | 230658 |
| DEC | Early Care and Education Commercial Rents Tax Baseline | Amending the baseline funding requirements for early care and education programs to enable the City to use Early Care and Education Commercial Rents Tax revenues for those programs | Ordinance | 230661 |
| DEC | Early Care and Education, Commercial Rents Tax Deductions | Amending the Business and Tax Regulations Code relating to the Early Care and Education Commercial Rents Tax Sublessor Deduction | Ordinance | 230660 |
| DEM | EMSA Fee Changes | Updating medical services fees due to annual adjustments for the purposes of funding trauma and pediatric centers. Fees also required for certain additional services. | Ordinance | 230659 |

| | | | | |
|-----|--|--|------------|--------|
| DPH | Patient Rates | Amending the Health Code to set patient rates and rates for other services provided by the Department of Public Health. | Ordinance | 230662 |
| DPH | Recurring State Grants | Accept and expend for annual, recurring state grant funds. | Resolution | 230677 |
| DPH | Managed Care Rates | Amending the Health Code to set managed care rates provided by the Department of Public Health. | Ordinance | 230650 |
| DPH | Public Health Foundation MOU | MOU between DPH and San Francisco Public Health Foundation to establish roles and responsibilities for purposes of fundraising and capital projects | Resolution | 230673 |
| DPH | Hospital Foundation MOU | MOU between DPH and San Francisco General Hospital Foundation to establish roles and responsibilities for purposes of fundraising and capital projects | Resolution | 230674 |
| DPH | Mobile Crisis Grant | Grant agreement between DPH and Advocates for Human Potential Inc. for anticipated revenue that support behavioral health mobile crisis and non-mobile crisis services | Resolution | 230679 |
| DPH | Continuing Prop J | Department of Public Health Security Services | Resolution | 230672 |
| DPW | Continuing Prop J | Department of Public Works Security Services for FY 2023-24 | Resolution | 230672 |
| ECN | Contract Amendment - MidMarket Foundation | Contract amendment to reflect budgeted funding levels for the Mid-Market Foundation - Mid-Market/Tenderloin Community-Based Safety Program | Resolution | 230681 |
| ECN | Contract Amendment – San Francisco Tourism Improvement District Management Corporation | Contract amendment to reflect budgeted funding levels for the San Francisco Tourism Improvement District Management Corporation – Downtown Welcome Ambassador Program | Resolution | 230680 |
| ECN | Film Commission Fee Changes | Increase of filming fees for the SF Film Commission | Ordinance | 230651 |
| HOM | CAAP Legislation | Annual legislation for CAAP housing, required if appropriations for HSH fund exceed \$11.9 million, including expenditure details and explanation of benefits provided | Resolution | 230675 |
| HOM | Continuing Prop J | Homelessness and Supportive Housing security services | Resolution | 230672 |

| | | | | |
|-------------|---|---|------------------------|-----------------|
| HSA | Continuing Prop J | Human Services Agency Security Services for FY 2023-24 | Resolution | 230672 |
| HSH/ DPH | Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax | Ordinance reallocating approximately \$60,000,000 in unencumbered revenues from the Our City, Our Home Fund to allow the City to use revenues from the Homelessness Gross Receipts Tax to provide services to prevent homelessness. | Ordinance | 230657 |
| LIB | Friends of the Library A&E | Annual Accept & Expend legislation for the SFPL's Friends of the Library Fund | Resolution | 230678 |
| MOHCD | Continuing Prop J | Mayor's Office of Housing and Community Development security services for undeveloped real property | Resolution | 230672 |
| OCII | OCII Interim Budget Resolution | OCII Interim Budget Resolution | Resolution | 230670 |
| | Citywide Tax Changes | Gross Receipts Tax Rate Increase Postponement and Credits for Opening City Location | Ordinance (Introduced) | File No. 230155 |
| REG | Continuing Prop J | Department of Elections Envelope Assembly Services for FY 2023-24 | Resolution | 230672 |
| REG | Ballot Arguments Opt-Out | Legislation for CCSF opt out of arguments on ballots required in AB 1416 | Ordinance | 230663 |
| SHF | Continuing Prop J | Sheriff's Department County Jails Food Services for FY 2023-24 | Resolution | 230672 |
| TTX | First Year Free | Continues waiving certain small business first-year permit, license, and business registration fees | Ordinance | 230664 |

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Aaron Peskin, President of the Board of Supervisors; Angela Calvillo, Clerk of
the Board of Supervisors
FROM: Tom Paulino
RE: 30-day Waiver Request for 7 Ordinances Related to Budget
DATE: June 2, 2023

A formal request to waive the 30-day hold on the following 7 ordinances introduced along with the budget on Thursday, June 1, 2023:

- Interim AAO
- Interim ASO
- Proposed AAO
- Proposed ASO
- Airport ASO Supplemental
- Port ASO Supplemental
- PUC Capital Budget and AAO Supplemental

Should you have any questions, please contact Tom Paulino at 415-554-6153.

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-6546

Aaron Peskin

PRESIDENTIAL ACTION

Date:

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

(Primary Sponsor)

Title.

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

Meeting

(Date)

(Committee)

Start Time:

End Time:

Temporary Assignment: Partial

Full Meeting

Aaron Peskin, President
Board of Supervisors

**Board of Supervisors
Legislation Introduced**

| Legislation Introductions - 6/6/23 | | | | | |
|---|-----------------------|-----------------|----------------|------------------|--|
| Number | Requests or IA | File No. | Sponsor | File Type | Description |
| | 30-Day | 230642 | Mayor | O | Proposed Interim Budget and Annual Appropriation Ordinance (AAO) |
| | 30-Day | 230643 | Mayor | O | Proposed Interim Annual Salary Ordinance (ASO) |
| | 30-Day | 230644 | Mayor | O | Proposed Budget and Annual Appropriation Ordinance (AAO) |
| | 30-Day | 230645 | Mayor | O | Proposed Annual Salary Ordinance (ASO) |
| | 30 Day Waiver | 230646 | Mayor | O | Admin Code - Minimum Compensation Ordinance |
| | 30 Day Waiver | 230647 | Mayor | O | Admin & Environment Codes - Reducing Reporting Burdens |
| | 30 Day Waiver | 230648 | Mayor | O | Admin Code - Eliminating Annual Joint Fundraising Drive |
| | 30 Day Waiver | 230649 | Mayor | O | Admin Code - Technology Commodities and Services Procurements |
| | 30 Day Waiver | 230650 | Mayor | O | Admin Code - DPH Managed Care Contracts |
| | 30 Day Waiver | 230651 | Mayor | O | Admin Code - Film Commission Programs |
| | 30-Day | 230652 | Mayor | O | Appropriation - \$124,020,472 in Proceeds from Revenue Bonds, Hetch Hetchy Revenue, Cap and Trade Allowance - FY 2023-24 |
| | 30-Day | 230653 | Mayor | O | Appropriation - Proceeds from CleanPowerSF Revenue and CPUC Grant Funds for CleanPowerSF Capital Improvements - \$1,607,220 - FY2023-24 |
| | 30-Day | 230654 | Mayor | O | Appropriation - \$332,278,006 in Proceeds from Revenue Bonds, State Loan or Grant Funds, Water Revenues, and Water Capacity Fees - FY2023-24 |
| | 30-Day | 230655 | Mayor | O | Appropriation - Proceeds from Revenue Bonds, State Loans or Grant Funds, Wastewater Revenues, and Wastewater Capacity Fees for Wastewater Capital Improvements - \$1,142,597,402 - FY2023-24 |
| | 30-day | 230656 | Mayor | O | Appropriation - Port Commission - \$501,908 - PUC - \$97,057,341 - FY2023-24 |
| | 30 Day Waiver | 230657 | Mayor | O | Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax |
| | 30 Day Waiver | 230658 | Mayor | O | Building Code - Fees |
| | 30 Day Waiver | 230659 | Mayor | O | Business & Tax Regulations, Health Codes - Emergency Medical Services Fees |
| | 30 Day Waiver | 230660 | Mayor | O | Business & Tax Regulations Code - Early Care and Education Commerical Rents Tax Sublessor Deduction |
| | 30 Day Waiver | 230661 | Mayor | O | Business & Tax Regulations Code - Early Care and Education Commerical Rents Tax Baseline |
| | 30 Day Waiver | 230662 | Mayor | O | Health Code - Patient Rates for FY 2023-24 and 2024-25 |
| | 30 Day Waiver | 230663 | Mayor | O | Municipal Elections Code - Supporters and Opponents in Ballot Questions for Local Measures |
| | 30 Day Waiver | 230664 | Mayor | O | Business & Tax Regulations Code - Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses |

**Board of Supervisors
Legislation Introduced**

| Legislation Introductions - 6/6/23 | | | | | |
|---|-----------------------|-----------------|----------------|------------------|--|
| Number | Requests or IA | File No. | Sponsor | File Type | Description |
| | 30-Day | 230665 | Mayor | O | SFPUC Water Revenue Bond and Other Forms of Indebtedness Issuance - NTE \$358,985,453 |
| | 30-Day | 230666 | Mayor | O | SFPUC Wastewater Revenue Bond Issuance - NTE \$1,047,288,286 |
| | 30-Day | 230667 | Mayor | O | SFPUC Power Revenue Bond and Other Forms of Indebtedness Issuance - NTE \$41,031,367 |
| | 30 Day Waiver | 230668 | Mayor | O | Neighborhood Beautification and Graffiti Clean-Up Fund Tax Designation Ceiling |
| | 30-Day | 230669 | Mayor | O | Public Employment - Amendment to the Salary Ordinance for the Port Commission and the Airport Commission - FY2023-24 |

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Tom Paulino, Liaison to the Board of Supervisors
RE: San Francisco Public Utilities Commission Power Revenue Bond and Other
Forms of Indebtedness Issuance----Not to Exceed \$41,031,367
DATE: June 1, 2023

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (“Commission”) in an aggregate principal amount not to exceed \$41,031,367 to finance the costs of various capital projects benefitting the Power Enterprise under the Charter, including amendments to the Charter enacted by the voters on June 5, 2018 commonly referred to as Proposition A; authorizing the issuance of Power Revenue Refunding Bonds; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith.

Should you have any questions, please contact Tom Paulino at 415-554-6153.