

BOARD of SUPERVISORS



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## MEMORANDUM

### BUDGET AND FINANCE SUB-COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Malia Cohen, Chair  
Budget and Finance Sub-Committee

FROM: Linda Wong, Assistant Clerk

DATE: May 22, 2017

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, May 23, 2017

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, May 23, 2017, at 2:00 p.m. This item was acted upon at the Sub-Committee Meeting on Thursday, May 18, 2017, at 10:00 a.m., by the votes indicated.

**Item No. 21                      File No. 170470**

Resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by \$250,000,000 from a principal amount not to exceed \$500,000,000 to a principal amount not to exceed \$750,000,000 such Commercial Paper to be issued from time to time by the San Francisco Public Utilities Commission to finance on an interim basis various capital projects benefitting the Wastewater Enterprise, pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; and ratifying previous actions taken in connection therewith, as defined herein.

#### **RECOMMENDED AS COMMITTEE REPORT**

Vote: Supervisor Malia Cohen - Excused  
Supervisor Norman Yee - Aye  
Supervisor Katy Tang - Aye  
Supervisor Sheehy - Aye

c: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Jon Givner, Deputy City Attorney  
Alisa Somera, Legislative Deputy Director



File No. 170470

Committee Item No. 1  
Board Item No. 21

### COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date May 18, 2017

Board of Supervisors Meeting

Date May 23, 2017

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Public Utilities Commission Resolution</u> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Power Plant Presentation</u>               |
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Completed by: Linda Wong Date May 12, 2017  
Completed by: Linda Wong Date May 22, 2017

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

3 **Resolution authorizing an increase of the principal amount of the Wastewater**  
4 **Enterprise's Commercial Paper Program by \$250,000,000 from a principal amount not**  
5 **to exceed \$500,000,000 to a principal amount not to exceed \$750,000,000 such**  
6 **Commercial Paper to be issued from time to time by the San Francisco Public Utilities**  
7 **Commission to finance on an interim basis various capital projects benefitting the**  
8 **Wastewater Enterprise, pursuant to amendments to the Charter of the City and County**  
9 **of San Francisco enacted by the voters on November 5, 2002, as Proposition E; and**  
10 **ratifying previous actions taken in connection therewith, as defined herein.**

11  
12 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco  
13 (the "City") approved Proposition E (Proposition E), codified as Article VIII B of the Charter of  
14 the City (the "Charter"), which among other things, authorized the San Francisco Public  
15 Utilities Commission (the Commission) to issue revenue bonds, including notes, commercial  
16 paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds  
17 vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding,  
18 repairing or improving water facilities or clean water facilities, or combinations of water and  
19 clean water facilities under the jurisdiction of the Commission (the "Wastewater Enterprise");  
20 and

21 WHEREAS, Pursuant to Section 43.5 of the Administrative Code, enacted by  
22 Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the  
23 City on June 19, 1998, as amended by Ordinance No. 270-06 adopted by the Board on  
24 October 24, 2006, and signed by the Mayor of the City on October 31, 2006 (the "Short Term  
25 Borrowing Ordinance"), the Board established a procedure pursuant to which the Commission

1 may issue short-term indebtedness, including the issuance of commercial paper in  
2 anticipation of the issuance of its revenue bonds; and

3 WHEREAS, Pursuant to the Short Term Borrowing Ordinance and Ordinance No.  
4 378-14, adopted by the Board on September 30, 2014, and signed by the Mayor on  
5 October 9, 2014, the Board has previously authorized the issuance of commercial paper notes  
6 for the Wastewater Enterprise ("Commercial Paper") in an aggregate principal amount not to  
7 exceed \$500,000,000 against Proposition E authorizations for indebtedness, to provide  
8 additional interim financing of capital improvements and related costs for improvements,  
9 betterments and additions to the Wastewater Enterprise; and

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

15 WHEREAS, The Board now wishes to expand the Commission's Wastewater  
16 Enterprise Commercial Paper Program to an aggregate principal amount not to exceed  
17 \$750,000,000 from \$500,000,000 against Proposition E outstanding authorizations of  
18 indebtedness, including bond and other indebtedness authorized pursuant to Ordinance  
19 No. 111-16, adopted by the Board on June 14, 2016, and signed by the Mayor on June 24,  
20 2016, to provide additional short-term financing of capital improvements and related costs for  
21 improvements, betterments and additions to the Wastewater Enterprise; and

22 WHEREAS, Under Section 8B.124 of the Charter, the Board's authority to authorize an  
23 issuance of debt under Proposition E is subject to its receipt of a certification from an  
24 independent engineer that (i) the projects to be financed by such debt meet utility standards  
25

1 and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service  
2 coverage and other indenture or resolution requirements (the "Engineer Certification"); and

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

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

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

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

16 WHEREAS, On June 24, 2016, the Board adopted Ordinance No. 109-16 appropriating  
17 \$1,211,451,280 for the Wastewater Enterprise's Capital Improvement Program and Sewer  
18 System Improvement Program for FYs 2016-2017 and 2017-2018; and

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

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

24 FURTHER RESOLVED, That this Board hereby approves an increase of the principal  
25 amount of the Commission's Wastewater Enterprise Commercial Paper Program

1 authorization to \$750,000,000 from \$500,000,000 pursuant to Section 8B. 124 of the Charter  
2 and the Short Term Borrowing Ordinance, and approves the issuance and sale of Commercial  
3 Paper in one or more series from time to time by the Commission pursuant to the Charter and  
4 in accordance with a resolution of the Commission; provided however that any Commercial  
5 Paper issued by the Commission shall not exceed twelve percent (12%) per annum; and that  
6 the Commission is hereby authorized to determine the timing, amount and manner of sale of  
7 each series of Commercial Paper issued pursuant to this authorization; provided however  
8 Commission's authorization to issue Commercial Paper is subject to the approval, by a  
9 resolution of the Commission, of the form of offering document prepared in connection with  
10 issuance of the Commercial Paper; and, be it

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

15 FURTHER RESOLVED, The General Manager of the Commission, the Controller, the  
16 Director of the Office of Public Finance, the Treasurer, the General Manager of the  
17 Commission, the City Attorney and other officers of the City and their duly authorized deputies  
18 and agents are hereby authorized and directed, jointly and severally, to take such actions and  
19 to execute and deliver such certificates, agreements, requests or other documents, as  
20 necessary or desirable to facilitate the issuance, sale and delivery of any Commercial Paper,  
21 and to otherwise carry out the provisions of this Resolution; and, be it

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

24 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
25 adoption.

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APPROVED AS TO FORM:

DENNIS J. HERRERA  
CITY ATTORNEY

BY:

  
MARK D. BLAKE  
Deputy City Attorney



|   |   |
|---|---|
| <b>Item 1</b><br><b>File 17-0470</b>  | <b>Department:</b><br>San Francisco Public Utilities Commission (SFPUC) |
| <b>EXECUTIVE SUMMARY</b>  |   |
| <b>Legislative Objectives</b>   |   |
| <ul style="list-style-type: none"> <li>Resolution authorizing an increase of Wastewater Enterprise Commercial Paper from a principal amount not-to-exceed \$500,000,000 to a not-to-exceed \$750,000,000, to be issued from time to time by the San Francisco Public Utilities Commission (SFPUC) to finance on an interim basis various capital projects benefiting the Wastewater Enterprise pursuant to amendments to the City's Charter enacted by voters on November 5, 2002 as Proposition E and ratifying previous actions taken in connection therewith.</li> </ul>   |   |
| <b>Key Points</b>   |   |
| <ul style="list-style-type: none"> <li>The SFPUC Wastewater Enterprise operates a combined storm water and sewer system.</li> <li>The SFPUC Sewer System Improvement Program (SSIP) began in 2004 and is estimated to cost \$6.976 billion over approximately 20 years. To date, the Board of Supervisors has appropriated \$1.2 billion for SSIP capital improvement projects.</li> <li>In October 2006, the Board of Supervisors authorized the SFPUC to issue Wastewater Enterprise Commercial Paper for a not to exceed \$150,000,000. In 2012 and 2014, the Board of Supervisors approved two subsequent resolutions to increase this authorization to the current \$500,000,000 authorization for commercial paper.</li> </ul>  |   |
| <b>Fiscal Impact</b>  |   |
| <ul style="list-style-type: none"> <li>The SFPUC is requesting the increased authorization of \$250,000,000, from \$500,000,000 to \$750,000,000 to provide immediate funding for projects in FY 2016-17 and FY 2017-18 and for future fiscal year funding of projects. To date, the SFPUC has expended, encumbered and allocated \$492 million against the existing \$500 million authorization for Wastewater Enterprise Commercial Paper, leaving a remaining authorized balance of approximately \$8 million.</li> <li>Commercial paper interest rates and fees at approximately 1%-1.4% annually are significantly lower than long-term revenue bond interest rates and fees, which are currently approximately 4% annually. Increasing the SFPUC commercial paper program will provide flexibility for the SFPUC to more efficiently finance its capital projects, by reducing the period of paying capitalized interest and allowing the SFPUC to issue bonds at a later date and less often, thereby lowering the SFPUC's debt and debt service costs. Reducing SFPUC debt service costs should result in lower cost increases to Wastewater rate payers.</li> <li>SFPUC estimates the additional \$250 million commercial paper authorization would result in approximately \$8.7 million of savings over the next two years.</li> </ul> |   |
| <b>Recommendation</b>   |   |
| <ul style="list-style-type: none"> <li>Approve the proposed resolution.</li> </ul>  |   |

**MANDATE STATEMENT**

City Charter Section 8B.124 states that the San Francisco Public Utilities Commission (SFPUC) may issue revenue bonds, including notes, commercial paper or other forms of indebtedness in order to reconstruct, replace, expand, repair or improve SFPUC water facilities or clean water facilities and that such debt issuances are subject to two-thirds approval by ordinance by the Board of Supervisors.

The Board of Supervisors authority under Charter Section 8B.124 is subject to receipt of a certification from (1) an independent engineer that (i) the projects to be financed by such debt meet utility standards and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service coverage and other indenture or resolution requirements and (2) the San Francisco Planning Department that facilities financed with such debt will comply with applicable requirements of the California Environmental Quality Act (CEQA).

**BACKGROUND****SFPUC Sewer System Improvement Program (SSIP)**

The SFPUC Wastewater Enterprise currently operates a combined storm water and sewer system. Master planning for the SFPUC Sewer System Improvement Program (SSIP) began in 2004 with the goal of bringing the City's aging sewer system to a state of good repair and ensuring continued regulatory compliance and system reliability.

The SSIP is anticipated to be completed in three phases at a total cost of \$6.976 billion over approximately 20 years. In August 2012, the SFPUC approved Phase 1 of the SSIP for approximately \$2.9 billion. Of the \$2.9 billion for Phase 1, to date, the Board of Supervisors has appropriated \$1.2 billion for SSIP capital improvement projects.

**Commercial Paper and Revenue Bonds**

The SFPUC can issue commercial paper in advance of an anticipated longer-term revenue bond sale in order to provide short-term funding (no more than 270 days) to finance capital projects. Proceeds from the sale of revenue bonds are then used to pay off the shorter-term commercial paper. Ultimately, the SFPUC redeems any revenue bonds, including notes, commercial paper or other forms of indebtedness from revenues collected from sewer service fees charged to San Francisco residents and businesses.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would (a) authorize an increase of \$250,000,000 in the principal amount of the SFPUC's Wastewater Enterprise Commercial Paper Program from the current not-to-exceed principal amount of \$500,000,000 to a principal amount not-to-exceed \$750,000,000, (b) authorize such commercial paper to be issued from time to time by the SFPUC to finance on an interim basis various capital projects benefitting the Wastewater Enterprise pursuant to amendments to the City Charter enacted by San Francisco voters on November 5, 2002 as Proposition E, (c) authorize and direct the SFPUC General Manager,

Controller, Director of the Office of Public Finance, Treasurer, City Attorney and other authorized staff and agents to take actions necessary to execute, issue and deliver the authorized commercial paper, and (d) ratify previous actions taken in connection therewith.

**Authorizations for SFPUC Commercial Paper**

Proposition E, approved by San Francisco voters on November 5, 2002, authorized the SFPUC to issue indebtedness including revenue bonds, notes, or commercial paper, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors to reconstruct, replace, expand, repair or improve the SFPUC's wastewater facilities, and in compliance with City Charter Section 8B.124. In October 2006, the Board of Supervisors approved an ordinance to authorize the SFPUC to issue Wastewater Enterprise Commercial Paper in the aggregate principal amount not-to-exceed \$150,000,000 (File 06-1298). Table 1 below shows this initial authorization, two increased authorizations for a not-to-exceed authorized amount of \$500,000,000 previously approved by the Board of Supervisors and the current request for increased authorization of \$250,000,000 under the proposed resolution.

**Table 1: SFPUC Commercial Paper Authorizations**

| File Number | Date Approved | Not to Exceed Amount Authorized | Increased Amount |
|-------------|---------------|---------------------------------|------------------|
| 06-1298     | October, 2006 | \$150,000,000                   |                  |
| 12-0354     | May, 2012     | 300,000,000                     | \$150,000,000    |
| 14-0955     | October, 2014 | 500,000,000                     | 200,000,000      |
| 17-0470     | May, 2017     | 750,000,000                     | 250,000,000*     |

\*Subject of the proposed resolution.

**Certification by Independent Engineer**

As noted above, the Board of Supervisors authority under Charter Section 8B.124 is subject to receipt of a certification from an independent engineer that the (i) projects to be financed by such debt meet utility standards and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service coverage and other indenture or resolution requirements. AECOM Technical Services, Inc. (AECOM), a private engineering firm was retained by SFPUC to provide this certification. Based on a review of SFPUC's documents, including SFPUC's Wastewater Enterprise Financial Projections produced by Bartle Wells Associates on May 31, 2016, and discussions with SFPUC staff, AECOM certified on October 24, 2016 that

(a) SFPUC's wastewater projects, including prioritization, cost estimates and scheduling, meet generally accepted utility standards.

(b) Estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued and estimated repair and replacement costs.

(c) All projects being funded by notes or bonds are scheduled for completion by 2026.

(d) Cost estimates contained in the SFPUC documents, including budgeted costs for each project, appear reasonable.

(e) The methodology is reasonable, provided the methodology is consistently applied to all projects.

#### **Certification by Planning Department**

Charter Section 8B.124 also requires the San Francisco Planning Department certify that the facilities financed with such debt will comply with applicable requirements of the California Environmental Quality Act (CEQA). On May 17, 2016, the Planning Department certified that the SFPUC projects to be funded with the proceeds from this indebtedness (a) comply with applicable requirements of CEQA, or (b) are not considered to be projects under CEQA at this time and will comply with CEQA if and when they are defined. In addition, Planning reports that pursuant to the provisions of Chapter 31 of the City's Administrative Code, any additional project to be financed will comply with the applicable requirements prior to any draw on any revenue indebtedness process to finance the acquisition of construction of such facilities.

#### **Authorization by Public Utilities Commission**

On April 25, 2017, the SFPUC approved Resolution No. 17-0086, to authorize an increase of an additional \$250,000,000 from the existing authorization of not to exceed \$500,000,000 for a total not-to-exceed authorization of \$750,000,000 of aggregate principal Wastewater Enterprise Commercial Paper and authorize the SFPUC General Manager to issue the Commercial Paper in accordance with the specified terms.

### **FISCAL IMPACT**

The SFPUC is requesting the increased authorization of \$250,000,000, from a not-to-exceed \$500,000,000 to a total authorization not-to-exceed amount of \$750,000,000, in order to provide immediate short-term funding for projects for FY 2016-17, FY 2017-18 and FY 2018-19. On June 24, 2016, the Board of Supervisors approved Ordinance 111-16 which authorized the issuance of \$1.1 billion in SFPUC Wastewater Revenue Bonds, State Revolving Fund Loans and other forms of indebtedness including commercial paper for projects budgeted in FY 2016-17 and FY 2017-18. Without the requested \$250,000,000 increase in the commercial paper program, the SFPUC would issue SFPUC revenue bonds for these capital projects in 2017. However, if the proposed resolution is approved, Mr. Michael Brown, SFPUC Capital Finance advises that the SFPUC would issue commercial paper to fund these capital project costs in 2017 and then delay the issuance of revenue bonds until 2018.

According to Mr. Brown, the SFPUC primarily uses the commercial paper program to encumber and certify contracts. To date, the SFPUC has expended, encumbered and allocated \$492 million against the existing not-to-exceed \$500 million authorization for Wastewater Enterprise Commercial Paper. This leaves a current remaining authorized commercial paper balance of approximately \$8 million.

As shown in Table 2 below, the SFPUC is planning to use the \$8 million balance of previously authorized and available Wastewater Enterprise Commercial Paper, the requested \$250,000,000 additional authorization for Wastewater Enterprise Commercial paper,

\$94,651,953 of State Revolving Fund Loans<sup>1</sup> plus \$1,892,214,727 of proceeds from the issuance of Wastewater Enterprise Revenue Bonds to fund a total estimated \$2,244,866,680 of Wastewater Enterprise capital project needs.

**Table 2: Summary of Projects to Be Funded With Commercial Paper, State Revolving Funds and Wastewater Enterprise Revenue Bonds**

|                                      |                        |
|--------------------------------------|------------------------|
| <b>Sources of Funds</b>              |                        |
| Existing Commercial Paper Authority  | \$8,000,000            |
| Requested Commercial Paper Authority | 250,000,000            |
| State Revolving Fund Loans           | 94,651,953             |
| Revenue Bonds                        | 1,892,214,727          |
| <hr/>                                |                        |
| <b>Total Sources</b>                 | <b>\$2,244,866,680</b> |
| <br>                                 |                        |
| <b>Uses of Funds</b>                 |                        |
| <u>SSIP Project Costs</u>            |                        |
| Phase 1 Treatment Facilities         | \$1,374,173,789        |
| Phase 1 Collection System            | 83,967,457             |
| Storm Water Management               | 14,167,405             |
| Flood Resilience Projects            | 18,611,000             |
| Land Reuse                           | 33,846,569             |
| Phase 1 Program Management           | 20,000,000             |
| Phase 2 Treatment Facilities         | 9,844,735              |
| Phase 2 Collection System            | 690,255,725            |
| <hr/>                                |                        |
| <b>Total Uses</b>                    | <b>\$2,244,866,680</b> |

Once these SFPUC capital projects are completed and long-term revenue bond debt is issued, the commercial paper will be repaid and then reissued to fund other projects. All fund proceeds received by the proposed increased debt borrowing from commercial paper are subject to appropriation approval by the Board of Supervisors for each of the subject capital projects.

**Commercial Paper Interest Rates**

In accordance with the proposed resolution, the interest rate on the commercial paper will not exceed 12% annually. However, according to Mr. Brown, the actual interest rate on commercial paper is currently approximately 1% annually based on 60-day maturities, the typical length of SFPUC commercial paper. In addition to the commercial paper interest rate of 1%, there are bank credit facility fees and dealer fees, which generally result in an additional 0.5% cost or total costs of approximately 1.5% annually for the subject commercial paper under current market conditions. Rates for commercial paper may increase or decrease as the benchmark federal fund rates vary.

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<sup>1</sup> State Revolving Fund Loans, which come from the State Water Resources Control Board, would be provided to the SFPUC at one-half of the State's General Obligation Bond rate, or approximately 1.7%, with 30-year amortization in today's market, with payments starting after the project is completed.

Table 3 below shows the estimated interest and fee expenses that would be incurred totaling \$3,604,890 or approximately 1.4% of the additional \$250,000,000 authorization of Wastewater Enterprise Commercial Paper.

**Table 3: Summary of Principal and Annual Interest and Fees Costs<sup>2</sup>**

|  |                      |
|--|----------------------|
| Principal Amount Available for Projects                                  | \$250,000,000        |
| Bank of America Fees (0.34% on \$150 Million Annually) <sup>3</sup>      | 555,271              |
| Sumitomo Mitsui Bank Fees (0.39% on \$100 Million Annually) <sup>3</sup> | 424,619              |
| Dealer Fees (0.005% Annually)  | 125,000              |
| Interest Payments (1.0% Annually in today's market)                      | 2,500,000            |
| <b>Total Costs</b>   | <b>\$253,604,890</b> |

**Commercial Paper vs Revenue Bonds**

Mr. Brown notes that commercial paper interest rates and fees at approximately 1%-1.4% annually are significantly lower than long-term revenue bond interest rates and fees, which are currently approximately 4% annually. Mr. Brown advises that increasing the SFPUC commercial paper authorization will provide the SFPUC the flexibility to more efficiently finance its capital projects, by reducing the period of paying capitalized interest and allowing the SFPUC to issue bonds at a later date, thereby lowering the SFPUC's debt and debt service costs. Reducing SFPUC debt service costs should result in lower cost increases to water and sewer rate payers.

As shown in Table 4 below, based on the Wastewater Enterprises contract and encumbrance project requirements over the next two years, SFPUC conservatively estimates the additional \$250 million commercial paper authorization would result in approximately \$8.7 million of net debt service savings from issuing a combination of commercial paper and revenue bonds.

**Table 4: Projected Net Debt Service Requirements over Next Two Years**

| Cumulative Net Debt Service Expenses Based on Current \$500 Million Commercial Paper Authorization and Bonding Requirements | Cumulative Net Debt Service Expenses Based on Proposed \$750 Million Commercial Paper Authorization and Bonding Requirements | Cumulative Net Debt Service Savings Based on Increase of \$250 Million Commercial Paper Authorization and Bonding Requirements |
|---|--|--|
| \$11,519,344,000  | \$11,510,644,000   | \$8,700,000  |

Similar savings would likely be realized by the SFPUC in subsequent years, varying with the amount of debt issued and the variance in the interest rates between commercial paper and longer-term revenue bonds.

<sup>2</sup> The actual amount of fees will vary depending on when the SFPUC issues commercial paper; interest and dealer fees accrue only when commercial paper is outstanding.

<sup>3</sup> Calculated based on the stated amount in the letter of credit which includes interest.

**RECOMMENDATION**

Approve the proposed resolution.

**Certificate of the Consulting Engineers**  
**in connection with Section 8B.124 of the Charter of the City and County of San Francisco and**  
**the Indenture of the San Francisco Public Utilities Commission (SFPUC)**  
**authorizing the Sale of Wastewater Revenue Bonds and / or Other Forms of Indebtedness, including**  
**Commercial Paper**

This Certificate has been prepared by AECOM Technical Services, Inc., (AECOM) at the request of the San Francisco Public Utilities Commission (SFPUC) in support of the SFPUC Wastewater Revenue Bonds and/or Commercial Paper Issuance. AECOM is an independent engineering firm retained by the SFPUC to provide the certification.

Proposition E requires certification by an independent consulting engineer that (i) the Projects to be financed with proceeds of bonds under Proposition E, including the prioritization, scheduling and cost estimates thereof, meet generally accepted utility standards and (ii) that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued, and estimated repair and replacement costs.

[Section 3.06(f)(1) of the Indenture, dated as of January 1, 2003, as amended and supplemented (the "Indenture"), by and between the SFPUC and U.S. Bank National Association, requires a Certificate of a Consulting Engineer (as defined under the Indenture) setting forth (i) the estimated completion date for the portion of the Project for which the series of Bonds is being issued and for any other uncompleted portion of the Project, and (ii) an estimate of the cost construction of such Project and any other uncompleted portion of the Project.]

Section A below includes projects in the following categories: Sewer System Improvement Program, Renewal and Replacement, Treasure Island, and Wastewater Facilities and Infrastructure, and certifies that (i) the anticipated projects to be financed by the proposed Revenue Bonds and/or Commercial Paper Notes (the "Notes") including the prioritization, cost estimates and scheduling, meet generally accepted utility standards and (ii) that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued, and estimated repair and replacement costs. Section B below certifies that the estimated net revenue after payment of operating and maintenance expenses and estimated repair and replacement costs, should be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service requirements on the Notes under the proposed plan of finance, as well as debt service on all Parity and Senior Wastewater obligations.

The findings and conclusions in this Certificate are based on AECOM's review of the following references and data:

- Wastewater Enterprise Capital Improvement Program Quarterly Report – (Q2, FY2015-16), dated March 1, 2016.
- Sewer System Improvement Program Phase 1.



- Wastewater Enterprise Revenue Bonds and Other Forms of Indebtedness – FY 2016-17 and FY 2017-18 Capital Improvement Projects (Attachment A).
- Wastewater Enterprise FY 2016-17 and FY 2017-18 Capital Improvement Program (Attachment B).
- Wastewater Enterprise Financial Projections, Qualified Independent Consultant Report, dated May 31, 2016 (Attachment C)
- Discussions with SFPUC staff.

1. Based upon its review of the Documents and in reliance on the information presented in the Documents and in reliance upon conversations and representations of SFPUC staff, the undersigns undersigned certifies that the Projects , including prioritization, cost estimates, and scheduling, meet generally accepted utility standards.
2. Based upon its review of the Documents and in reliance on the information presented in the Documents and in reliance upon conversations and representations of SFPUC staff, the undersigned certifies that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued, and estimated repair and replacement costs.
3. The Documents contain information about the current status of the Projects, including estimated completion dates and the cost of completion of such Projects. Such estimated completion dates and costs of construction referenced in 3.06(f)(1). All Projects being funded by Notes or Bonds are scheduled for completion by 2026.
4. The cost estimates contained in the Documents, including budgeted costs of each Project, appear reasonable.
5. The Engineer has reviewed the methodology used by the Commission to develop the information presented in the Documents, and based upon such review, certifies that the methodology is reasonable, provided the methodology is consistently applied to all Projects.

While developing the Certificate, AECOM reviewed the references and data and consulted with SFPUC staff. This Certification of the CIP is based on the information provided by the SFPUC. The conclusions, observations, and recommendations contained herein constitute only the opinions of AECOM. The various background documents, statements, and other information supplied by the SFPUC, its employees, and other consultants have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by AECOM as to the accuracy of such information. AECOM makes no certification and gives no assurances except as explicitly set forth in this document.

#### **Wastewater Enterprise Program Description**

The responsibilities of the SFPUC's Wastewater Enterprise are to manage, operate, and maintain San Francisco's wastewater collection and treatment system. This is accomplished through four separate but related programs:

- Sewer System Improvement Program
- Renewal and Replacement
- Treasure Island
- Wastewater Facilities and Infrastructure

#### *Sewer System Improvement Program (SSIP)*

The SFPUC has embarked on a comprehensive \$6.976 billion Sewer System Improvement Program to be implemented over approximately twenty (20) years. The SSIP is a series of major capital improvement projects that are intended to bring the City's wastewater and stormwater collection system into a state of good repair, and meet levels of service goals originally endorsed by the Commission in 2012 with revisions endorsed in March 2016.

The SSIP capital projects address specific challenges and deficiencies facing the Wastewater Enterprise, enhance system reliability and flexibility, improve operational and seismic reliability, and address present and future regulatory compliance. The SSIP projects also consider environmental benefits, sustainability, and community benefits in addressing long-term wastewater needs. However, the SFPUC is not subject to any consent decree requiring specific improvements. The implementation of the SSIP projects is being phased over a twenty (20) year period in an effort to maintain ratepayer affordability and minimize impacts throughout the City.

On August 28, 2012, after a series of three public SSIP workshops, the SFPUC Commission officially endorsed the projects in the \$6.933 billion 20-year SSIP and the associated Goals and Level of Service (LOS). The endorsed Goals include:

- Provide a compliant, reliable, resilient, and flexible system that can respond to catastrophic events;
- Integrate green and grey infrastructure to manage stormwater and minimize flooding;
- Provide benefits to impacted communities;
- Modify the system to adapt to climate change;
- Achieve economic and environmental sustainability; and
- Maintain ratepayer affordability.

The scope of the endorsed SSIP is divided into two major project types, namely, treatment plant projects and collection system projects.

On March 22, 2016, the Commission affirmed the above Goals and adopted a baseline SSIP Phase 1 budget of \$2.9 billion and overall program budget of \$6.976 billion.

#### *Renewal and Replacement (R&R)*

The Wastewater Enterprise undertakes renewal and replacement projects to improve performance or extend the service life of an existing asset. These projects are typically annual ongoing projects and fall into two categories: Renewal and Replacement Collection System and Renewal and Replacement Treatment Plants.

The Renewal and Replacement Collection System category includes the following projects: Condition Assessment projects to clean, video inspect, as well as perform condition assessment of sewer facilities;

Sewer Improvement projects to maintain the existing functionality of the collection system and repair and replacement of structurally inadequate sewers; Spot Sewer Replacement projects which consist of as-needed replacement of localized failed sections of existing sewer facilities; Hydraulic Improvement projects to upgrade sewers with hydraulic deficiencies; and, Salt Water Intrusion projects to prevent San Francisco Bay water from entering the wastewater collection system, which can be detrimental to the treatment plant's biological system and result in corrosion of exposed metal.

The Renewal and Replacement Treatment Plant Improvements includes projects to extend the useful life of the Wastewater Enterprise treatment facility assets.

Priority lists are maintained for both collection and treatment projects, with collection system projects identified using an Asset Management approach which considers the current condition of the section in question and applicable risks of failure.

#### *Treasure Island (TI)*

Treasure Island and Yerba Buena Island, located in San Francisco Bay between San Francisco and Oakland, are served by a wastewater system that currently relies on pumping to convey wastewater to a secondary facility for treatment and discharge. The Treasure Island treatment plant is currently owned by the United States Navy, but operated and maintained by the Wastewater Enterprise pursuant to a cooperative agreement with the Navy. However, the SFPUC expects to eventually expand its service area to include Treasure Island (see “– Wastewater Treatment – Contract Services”). In connection with such expansion, the SFPUC anticipates constructing a new treatment plant with additional capacity and associated infrastructure in order to meet the needs at full build-out of the proposed conversion of the former Treasure Island Naval Station to residential and commercial uses, although agreements for the provision and construction of the treatment plant have not yet been finalized. The projected costs for this project are included in the SFPUC's Ten-Year Capital Plan.

The Treasure Island and Yerba Buena Island wastewater collection system consists of 10 miles of sewers and 29 wastewater pump stations. In addition, a stormwater collection system includes 6 stormwater pump stations and a number of shallow water outfalls. With the exception of any new treatment plant constructed by the SFPUC, the SFPUC expects that the developer undertaking the conversion project will construct all other new wastewater infrastructure relating to the development, including collection facilities, prior to transferring such facilities to the SFPUC.

#### *Wastewater Facilities and Infrastructure (WF&I)*

There are three projects in the category of Wastewater Facilities and Infrastructure: (i) the Ocean Beach Protection Project, (ii) the Southeast Community Facility and (iii) the Islais Creek Outfall.

The Ocean Beach Protection Project will facilitate the development of a comprehensive shoreline management and protection plan in partnership with relevant stakeholders and regulatory agencies to provide a long-term solution to the erosion issue along Ocean Beach between Sloat and Skyline Boulevard, in an effort to protect the integrity of critical SFPUC wastewater assets that are jeopardized by the ongoing shoreline erosion and to mitigate potential impacts to the Lake Merced Tunnel and other critical wastewater assets at this location. Such assets include the Lake Merced Transport Tunnel, the Westside Pump Station, the Westside Transport, and the Oceanside Plant.

The Southeast Community Facility was originally built in the 1980s as a community mitigation measure for expansion of the Southeast Plant with the purpose of providing opportunities for residents in the Bayview Hunters Point community to participate in education programs, to establish and expand daycare opportunities and to provide information and resources for the enhancement and growth of the community as a whole. The Southeast Community Facility Project will focus on improving the functional and operational reliability of the facility to ensure it fulfills its goals of providing education and job training needs of the community. Infrastructure improvements/development will be provided. The project will include evaluation of programming and siting of the community facility and associated green houses.

The Islais Creek Outfall Project will replace the effluent pipelines within Islais Creek and rehabilitate the existing upstream, on-shore pipelines, booster pump station pump manifold and isolation valves. This project was included in the capital program following a determination by the SFPUC in 2015 that one of the two pipelines had extensive corrosion and a risk of pipeline failure would continue to exist until the issue could be addressed.

#### **SECTION A: CERTIFICATION OF SSIP, R&R, TI, AND WF&I**

AECOM's review of the references and data for Section A included a "programmatic approach" such that AECOM certifies that the revenue bonds and/or commercial paper proceeds are intended to be used by the SFPUC to fund the capital projects included in the Wastewater Enterprise's SSIP, R&R, TI, and WF&I Programs included in this revenue bonds and/or commercial paper program. Projects may be moved on or off the CIP list, delayed or accelerated as necessary due to scheduling, budgeting, or other constraints.

Based upon our analysis and review of the data and analysis provided by the SFPUC, AECOM certifies that the projects to be financed by the revenue bonds and/or commercial paper program, as identified in the Wastewater Enterprise's SSIP, R&R, TI, and WF&I Programs including the prioritization, cost estimates and scheduling, meet generally accepted utility standards.

#### **SECTION B: CERTIFICATION OF BOND REQUIREMENTS**

Bartle Wells Associates conducted a financial analysis evaluating the adequacy of revenues generated by the SFPUC Wastewater Enterprise to meet annual operating and debt service coverage requirements. The financial analysis was developed based on updated financial data provided by SFPUC, other relevant information, independent calculations of debt service corresponding with the SFPUC's projected wastewater financing needs, and consultations with Financial Services staff.

A 10-year financial projection for the SFPUC Wastewater Enterprise has been developed through FY 2025-26 and is presented in Table 1 of the Wastewater Financial Projections (WWFP). As shown in Table 1, wastewater service charges are projected to be the major source of revenues to cover debt service. Cash Flow Assumptions underlying the financial projections are detailed on page 3 of the WWFP.

Based upon our analysis and review of the data and analysis provided by the SFPUC, Bartle Wells Associates certifies that estimated net revenue after payment of operating and maintenance expenses

will be sufficient to meet debt service coverage and other indenture or resolution requirements (including, specifically, Sections 3.05 and 6.13 of the Indenture), including debt service on the bonds to be issued, and estimated repair and replacement costs.

In the opinion of Bartle Wells Associates, the projected wastewater service charges should provide revenue sufficient to:

- Meet projected costs of operations, maintenance, and routine replacement of sewer system facilities.
- Meet debt service obligations on existing and projected debt, including proposed Revenue Bonds, State Revolving Fund Loans, and/or other financings..
- Provide sufficient revenue to finance the costs of projected sewer system capital improvements through FY 2025-26.
- Meet debt service coverage, additional debt test, and reserve requirements on outstanding and projected debt under the Indenture.
- Meet all other obligations of the SFPUC including charges, liens, or encumbrances on or payable from revenues of the sewer enterprise.

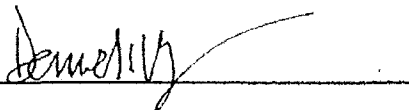
Schedule I hereto sets forth (i) the estimated completion date for the portion of the Project for which the series of Bonds is being issued and for any other uncompleted portion of the Project, and (ii) an estimate of the cost construction of such Project and any other uncompleted portion of the Project.

The complete financial analysis and list of assumptions is included in the aforementioned WWFP.

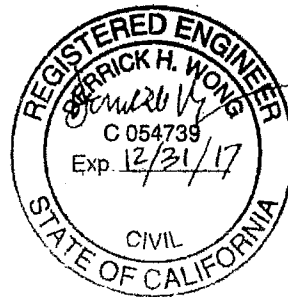
Dated this 24<sup>th</sup> day of October , 2016

AECOM Technical Services, Inc.

By: \_\_\_\_\_



Derrick Wong, P. E.  
Assoc. Vice President



Attachment A

Wastewater Enterprise Revenue Bonds and Other Forms of Indebtedness  
FY 2016-17 and FY 2017-18 Capital Improvement Projects

Attachment B

Wastewater Enterprise FY 2016-17 and FY 2017-18 Capital Improvement Program

Attachment C

Wastewater Financial Projections

**SCHEDULE I**

**Estimated Completion Date and Cost of Construction of Project**

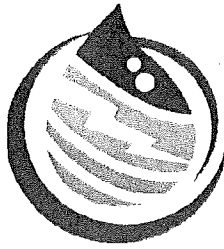
| Project   | Amount<br>(FY 16-17 & 17-18) | Completion<br>Date |
|---|------------------------------|--------------------|
| CWWSIPRPL00 SSIP - Program Wide Management                                      | 12,000,000                   | 7/31/2023          |
| CWWSIPRPL00 SSIP - Land Reuse   | 28,108,000                   | 2/1/2019           |
| CWWSIPDP00 Biosolids Digester Facilities Project                                | 347,528,000                  | 5/1/2025           |
| CWWSIPSE02 Southeast Plant-New Headworks (Grit) Replacement                     | 110,625,000                  | 12/29/2023         |
| CWWSIPSE00 Southeast Plant Improvement  | 101,314,000                  | 8/31/2023          |
| CWWSIPTPNP North Point Facility (NPF)   | 57,287,000                   | 12/31/2020         |
| CWWSIPTPOP00 Oceanside Treatment Plant (OSP) Improvements                       | 86,309,000                   | 4/15/2022          |
| CWWSIPCT00 Central Bayside System Improvements                                  | 38,069,000                   | 6/30/2017          |
| CWWSIPCS00 Collection System Improvements - Interceptors/Tunnels/Odor Control   | 4,407,000                    | 4/9/2020           |
| CWWSIPCSSR Collection System Improvements - Interdepartmental Projects          |                              | 1/24/2023          |
| CWWSIPCSPS00 Pump Stations/Bayside & Westside                                   | 20,105,000                   | 1/21/2021          |
| CWWSIPCSCD00 Reliability Program - Collection System - Combined Sewer Discharge | 7,738,000                    | 12/20/2019         |
| CWWSIPFR00 Flood Resilience/Hydraulic Improvements                              | 29,214,000                   | 5/31/2017          |
| CWWSIPFCDB Green Infrastructure Projects  | 2,478,000                    | 12/21/2021         |
| CWWSIPFCRP00 Advanced Rainfall/Operating Decision System                        | 1,299,000                    | 6/29/2018          |
| CWWRNRCS00 Collection System and Treatment Plant Improvements                   | 95,450,000                   | 3/31/2017          |
| CWP11001 Treasure Island  | 20,463,000                   | 2020               |
| CWWFAC-01 Ocean Beach Protection Project  | 6,000,000                    | 2020               |
| CWWFAC-03 Southeast Community Center Improvements                               | 10,000,000                   | 2021               |
| CWWFAC04 Islais Creek Outfall   | 15,000,000                   | 2018               |

**SCHEDULE II**

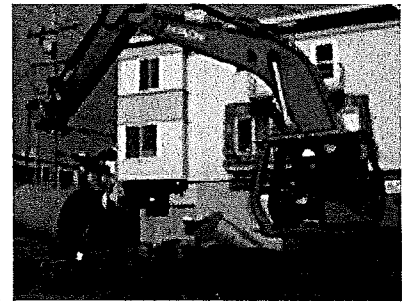
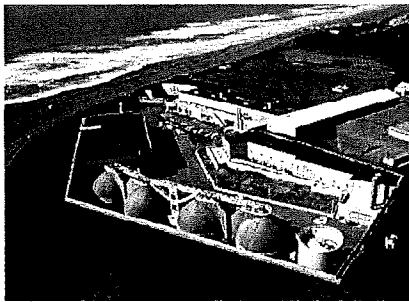
**Estimates of Revenues, Operation and Maintenance Costs and Net Revenues**

**(This information is contained in the Water Financial Projections)**

**[Note: the estimates/projections need to specify whether and to what extent Revenues include available fund balances, as well as if the underlying rate increases are adopted or just assumed]**



San Francisco  
**Water  
Power  
Sewer**



# Wastewater Financial Projections Qualified Independent Consultant Report

May 31, 2016



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



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## **SFPUC Wastewater Enterprise Financial Projections**

### **List of Tables**

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- Table 1 - SFPUC Wastewater Cash Flow Projections
  - Table 2 - 10-Year Capital Improvement Program
  - Table 3 - Outstanding Debt Service
  - Table 4 - Estimated Bond Debt Service
  - Table 5 - Projected Debt Service
  - Table 6 - Projected Debt Service on Future Financings
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Table 1 - SFPUC Wastewater Cash Flow Projections

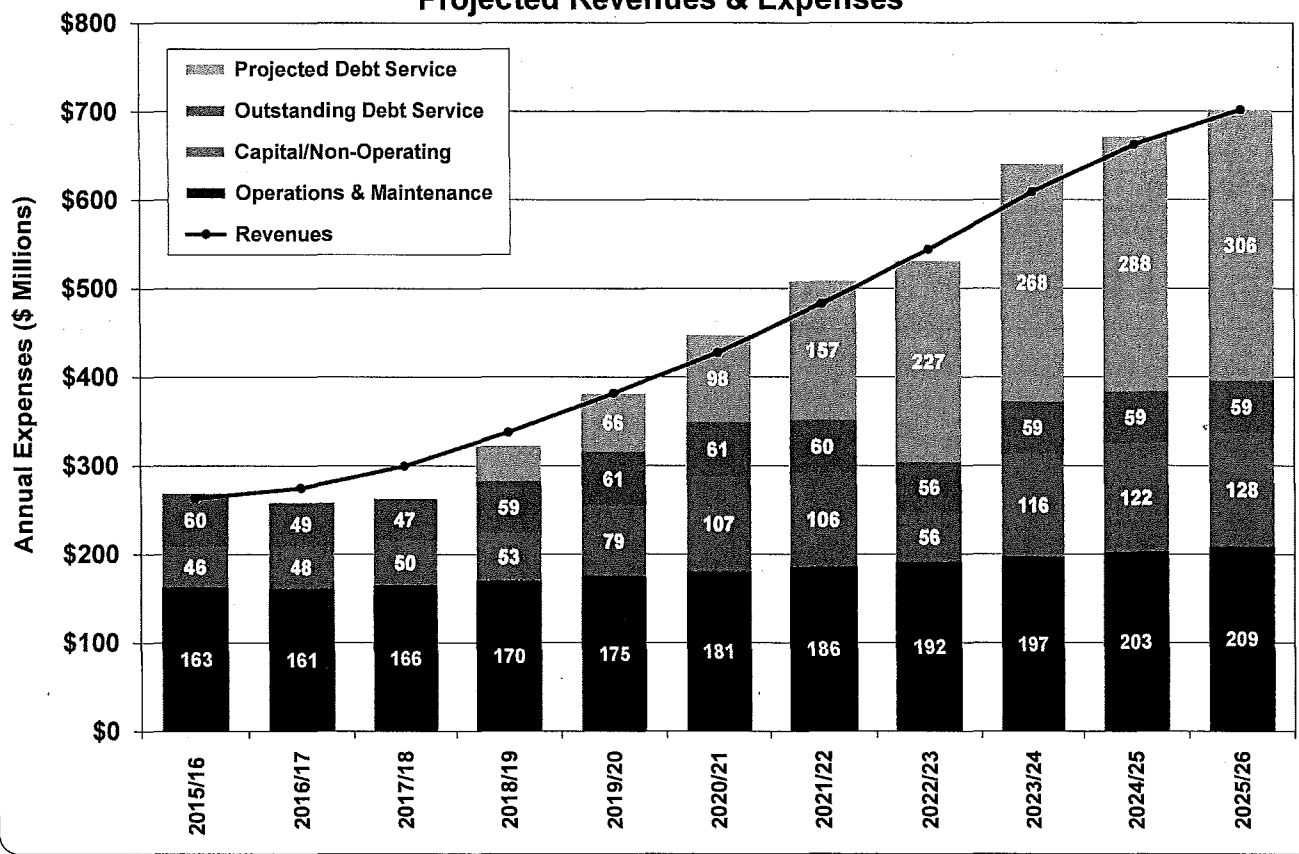
|   | 2015/16            | 2016/17            | 2017/18            | 2018/19            | 2019/20            | 2020/21            | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>ASSUMPTIONS</b>                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Projected Rate Increases                        | 5.0%               | 7.0%               | 9.0%               | 13.0%              | 13.0%              | 13.0%              | 13.0%              | 13.0%              | 12.0%              | 9.0%               | 6.0%               |
| Change in Wastewater Sales                      | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               |
| Interest Earnings Rate                          | 0.5%               | 0.5%               | 1.0%               | 1.0%               | 1.5%               | 1.5%               | 2.0%               | 2.0%               | 2.0%               | 2.0%               | 2.0%               |
| Salary & Benefit Cost Escalator                 | -                  | -                  | -                  | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               |
| O&M Cost Escalator                              | -                  | -                  | -                  | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               | 3.0%               |
| Beginning Fund Reserves                         | 121,246,000        | 124,348,000        | 140,705,000        | 177,627,000        | 193,106,000        | 193,333,000        | 173,714,000        | 148,149,000        | 161,323,000        | 130,022,000        | 121,090,000        |
| <b>REVENUES</b>                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sewer Service Charges                           | 250,007,000        | 267,507,000        | 291,583,000        | 329,489,000        | 372,300,000        | 420,700,000        | 475,400,000        | 537,200,000        | 601,700,000        | 655,900,000        | 695,300,000        |
| Interest Income                                 | 800,000            | 622,000            | 1,407,000          | 1,776,000          | 2,897,000          | 2,900,000          | 3,474,000          | 2,963,000          | 3,226,000          | 2,600,000          | 2,422,000          |
| Other/Miscellaneous                             | 4,604,000          | 1,335,000          | 1,375,000          | 1,416,000          | 1,458,000          | 1,502,000          | 1,547,000          | 1,593,000          | 1,641,000          | 1,690,000          | 1,741,000          |
| Capacity Fees                                   | 7,500,000          | 5,000,000          | 5,000,000          | 5,000,000          | 5,000,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          |
| <b>Total</b>                                    | <b>262,911,000</b> | <b>274,464,000</b> | <b>299,365,000</b> | <b>337,681,000</b> | <b>381,655,000</b> | <b>427,602,000</b> | <b>482,921,000</b> | <b>544,256,000</b> | <b>609,067,000</b> | <b>662,690,000</b> | <b>701,963,000</b> |
| Debt Proceeds/Project Funding                   | 331,454,000        | 738,767,000        | 230,136,000        | 763,258,000        | 1,114,455,000      | 833,067,000        | 467,641,000        | 206,982,000        | 269,274,000        | 297,022,000        | 266,772,000        |
| <b>EXPENSES</b>                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Operating &amp; Maintenance</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Salaries & Benefits                             | 63,600,000         | 68,299,000         | 70,575,000         | 72,692,000         | 74,873,000         | 77,119,000         | 79,433,000         | 81,816,000         | 84,270,000         | 86,798,000         | 89,402,000         |
| Non-Personnel Services                          | 16,800,000         | 17,113,000         | 17,287,000         | 17,806,000         | 18,340,000         | 18,890,000         | 19,457,000         | 20,041,000         | 20,642,000         | 21,261,000         | 21,899,000         |
| Materials & Supplies                            | 10,500,000         | 10,301,000         | 10,444,000         | 10,757,000         | 11,080,000         | 11,412,000         | 11,754,000         | 12,107,000         | 12,470,000         | 12,844,000         | 13,229,000         |
| Equipment                                       | 2,000,000          | 990,000            | 1,000,000          | 1,030,000          | 1,061,000          | 1,093,000          | 1,126,000          | 1,160,000          | 1,195,000          | 1,231,000          | 1,268,000          |
| Light/Heat/Power                                | 9,700,000          | 9,735,000          | 10,529,000         | 10,845,000         | 11,170,000         | 11,505,000         | 11,850,000         | 12,206,000         | 12,572,000         | 12,949,000         | 13,337,000         |
| Services of Other Bureaus                       | 29,900,000         | 27,768,000         | 28,373,000         | 29,224,000         | 30,101,000         | 31,004,000         | 31,934,000         | 32,892,000         | 33,879,000         | 34,895,000         | 35,942,000         |
| Services of Other Depts                         | 25,500,000         | 23,438,000         | 23,438,000         | 24,141,000         | 24,865,000         | 25,611,000         | 26,379,000         | 27,170,000         | 27,985,000         | 28,825,000         | 29,690,000         |
| Programmatic Projects (Net of Lease)            | 4,822,000          | 3,766,000          | 3,858,000          | 3,911,000          | 3,987,000          | 4,066,000          | 4,146,000          | 4,229,000          | 4,269,000          | 4,269,000          | 4,269,000          |
| Incremental O&M for SSIP                        | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Subtotal</b>                                 | <b>162,822,000</b> | <b>161,410,000</b> | <b>165,504,000</b> | <b>170,406,000</b> | <b>175,477,000</b> | <b>180,700,000</b> | <b>186,079,000</b> | <b>191,621,000</b> | <b>197,282,000</b> | <b>203,072,000</b> | <b>209,036,000</b> |
| <b>Debt Service (Net of Cap I &amp; Reimbs)</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 2010A Bonds                                     | 2,276,000          | 9,038,000          | 9,042,000          | 9,042,000          | 9,040,000          | 9,041,000          | 9,041,000          | 0                  | 0                  | 0                  | 0                  |
| 2010B Bonds                                     | 7,200,000          | 7,204,000          | 7,204,000          | 7,204,000          | 7,204,000          | 7,204,000          | 7,204,000          | 14,369,000         | 14,360,000         | 14,352,000         | 14,343,000         |
| 2013A Bonds                                     | 36,109,000         | 18,103,000         | 16,341,000         | 16,398,000         | 16,486,000         | 16,557,000         | 15,995,000         | 13,496,000         | 664,000            | 673,000            | 1,285,000          |
| 2013B Bonds                                     | 14,428,000         | 14,428,000         | 14,428,000         | 14,428,000         | 14,428,000         | 14,428,000         | 14,428,000         | 14,428,000         | 23,042,000         | 23,034,000         | 22,424,000         |
| 2016A Bonds                                     | 0                  | 0                  | 0                  | 9,078,000          | 10,646,000         | 10,646,000         | 10,646,000         | 10,646,000         | 15,984,000         | 15,988,000         | 16,018,000         |
| 2016B Bonds                                     | 0                  | 0                  | 0                  | 2,559,000          | 3,001,000          | 3,001,000          | 3,001,000          | 3,001,000          | 4,507,000          | 4,508,000          | 4,513,000          |
| 2015 SRF Loan                                   | 0                  | 0                  | 0                  | 314,000            | 314,000            | 314,000            | 314,000            | 314,000            | 314,000            | 314,000            | 314,000            |
| Projected Debt Service (Net of Cap I)           | 0                  | 0                  | 0                  | 39,849,000         | 65,908,000         | 98,406,000         | 157,085,000        | 227,475,000        | 268,086,000        | 287,888,000        | 306,236,000        |
| <b>Subtotal</b>                                 | <b>60,013,000</b>  | <b>48,773,000</b>  | <b>47,015,000</b>  | <b>98,872,000</b>  | <b>127,027,000</b> | <b>159,597,000</b> | <b>216,814,000</b> | <b>283,729,000</b> | <b>326,957,000</b> | <b>346,757,000</b> | <b>365,133,000</b> |
| <b>Non-Operating</b>                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Repair & Replacements (Pay-Go)                  | 41,000,000         | 43,000,000         | 45,000,000         | 48,000,000         | 74,000,000         | 102,000,000        | 100,669,000        | 50,808,000         | 111,205,000        | 116,869,000        | 122,815,000        |
| R&R (Pay-Go) Capacity Fee Funded                | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          |
| 525GG Lease                                     | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          | 2,424,000          |
| <b>Subtotal</b>                                 | <b>45,924,000</b>  | <b>47,924,000</b>  | <b>49,924,000</b>  | <b>52,924,000</b>  | <b>78,924,000</b>  | <b>106,924,000</b> | <b>105,593,000</b> | <b>55,732,000</b>  | <b>116,129,000</b> | <b>121,793,000</b> | <b>127,739,000</b> |
| <b>Total Expenses</b>                           | <b>268,759,000</b> | <b>258,107,000</b> | <b>262,443,000</b> | <b>322,202,000</b> | <b>381,428,000</b> | <b>447,221,000</b> | <b>508,486,000</b> | <b>531,082,000</b> | <b>640,368,000</b> | <b>671,622,000</b> | <b>701,908,000</b> |
| Debt Financed Capital Projects                  | 331,454,000        | 738,767,000        | 230,136,000        | 763,258,000        | 1,114,455,000      | 833,067,000        | 467,641,000        | 206,982,000        | 269,274,000        | 297,022,000        | 266,772,000        |
| Transfers In                                    | 8,950,000          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Revenues Less Expenses                          | 3,102,000          | 16,357,000         | 36,922,000         | 15,479,000         | 227,000            | (19,619,000)       | (25,565,000)       | 13,174,000         | (31,301,000)       | (8,932,000)        | 55,000             |
| Ending Fund Reserves                            | 124,348,000        | 140,705,000        | 177,627,000        | 193,106,000        | 193,333,000        | 173,714,000        | 148,149,000        | 161,323,000        | 130,022,000        | 121,090,000        | 121,145,000        |
| <b>Net Revenues</b>                             | <b>100,089,000</b> | <b>113,054,000</b> | <b>133,861,000</b> | <b>167,275,000</b> | <b>206,178,000</b> | <b>246,902,000</b> | <b>296,842,000</b> | <b>352,635,000</b> | <b>411,785,000</b> | <b>459,618,000</b> | <b>492,927,000</b> |
| Net Revs + Available Fund Reserves              | 221,335,000        | 237,402,000        | 274,566,000        | 344,902,000        | 399,284,000        | 420,616,000        | 444,991,000        | 500,784,000        | 541,807,000        | 580,708,000        | 614,017,000        |
| Debt Service Coverage (w/o Rsrvs)               | 1.67               | 2.32               | 2.85               | 1.69               | 1.62               | 1.55               | 1.37               | 1.24               | 1.26               | 1.33               | 1.35               |
| Debt Svc Covg (with Fund Reserves)              | 3.69               | 4.87               | 5.84               | 3.49               | 3.14               | 2.64               | 2.05               | 1.77               | 1.66               | 1.67               | 1.68               |

## SFPUC Wastewater Financial Projections

### Cash Flow Assumptions

|  |   |
|--|---|
| SFPUC Model Basis                          | FY16 Wastewater Ten Year Plan FY2016-26 Q2 V1   |
| Projected Rate Increases                   | Wastewater rate increases independently projected by BWA as shown on the table.   |
| Wastewater Sales                           | The projections are based on SFPUC estimates for FY 2015/16 and assume no change in the volume of future wastewater sales.  |
| Beginning Fund Reserves                    | Beginning fund reserves on June 30, 2015 based on SFPUC estimates.  |
| Sewer Service Charges                      | Based on SFPUC revenue projections for FY 2015/16 escalating to account for projected rate increases and changes in projected wastewater sales, if any.   |
| Interest Income                            | Interest earnings starting FY 2016/17 are estimated based on the projected interest rate multiplied by beginning fund reserves for each year.   |
| Other Miscellaneous Income                 | Based on SFPUC projections.   |
| Capacity Fees                              | Includes placeholder estimates assuming higher levels of growth through 2019/20.  |
| Operation & Maintenance Expenses           | Based on SFPUC projections through FY 2017/18 and subsequently escalate at the annual rate of 3.0% thereafter.  |
| Capital Projects                           | Based on SFPUC projections.   |
| Debt Financing/Project Funding             | Based on SFPUC projections assuming debt is issued each year to meet annual funding needs identified in the SFPUC's Ten Year Plan.  |
| Debt Service Assumptions                   | Debt assumptions are shown on Tables 4 and 5. Table 4 calculates debt service per \$100 million of project funding and Table 5 applies these estimates to each projected debt issue. Key assumptions include: a) 30-year terms, b) 5% or 3.5% average annual interest rate, c) debt issuance on Jan-1 with Apr-1 and Oct-1 payment dates, d) capitalized interest for 1.25 years, e) principal payments amortized over 28 years starting year 3, f) level annual debt service, and g) no debt service reserve fund. |
| Annual Debt Service                        | Future debt service is based on BWA projections as shown in Table 6.  |
| Other Non-Operating Expenses               | Based on SFPUC projections.   |
| Net Revenues                               | Net Revenues equal total annual Revenues (excluding debt proceeds) less annual Operating and Maintenance Expenses.  |
| Debt Service Coverage (w/o Reserves)       | Coverage based on annual Net Revenues (excluding available fund reserves) divided by total annual debt service.   |
| Debt Service Coverage (with Fund Reserves) | Based on the same calculation described above, with Net Revenues increased to account for the lowest of either beginning or ending fund reserves each year.   |

### SFPUC Wastewater Projected Revenues & Expenses



**Table 2**  
**SFPUC Wastewater Enterprise**  
**10-Year Capital Improvement Program**  
*Includes Construction Cost Inflation*

|  | 2015/16            | 2016/17            | 2017/18            | 2018/19              | 2019/20            | 2020/21            | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            |
|--|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Capital Improvement Program Costs</b>       |                    |                    |                    |                      |                    |                    |                    |                    |                    |                    |                    |
| <b>Sewer System Improvement Program (SSIP)</b> |                    |                    |                    |                      |                    |                    |                    |                    |                    |                    |                    |
| Program Wide & Land Reuse                      | 53,253,000         | 34,108,000         | 6,000,000          | 16,500,000           | 16,500,000         | 16,500,000         | 16,500,000         | 12,500,000         | 11,500,000         | 11,500,000         | 11,500,000         |
| Treatment Facilities                           | 270,861,000        | 130,055,000        | 573,008,000        | 506,841,000          | 377,977,000        | 192,752,000        | 127,452,000        | 110,289,000        | 201,605,000        | 137,005,000        | 100,661,000        |
| Sewer/Collection System                        | 74,500,000         | 0                  | 70,319,000         | 426,764,000          | 348,036,000        | 27,528,000         | 42,770,000         | 52,414,000         | 48,863,000         | 89,004,000         | 61,813,000         |
| Stormwtr Mgmt/Flood Control                    | 23,670,000         | 11,758,000         | 21,233,000         | 58,724,000           | 14,320,000         | 205,336,000        | 20,260,000         | 39,071,000         | 35,054,000         | 29,263,000         | 35,736,000         |
| Renewal & Repl, Collection                     | 77,988,000         | 83,600,000         | 86,333,000         | 89,765,000           | 89,766,000         | 93,352,000         | 85,663,000         | 89,927,000         | 94,404,000         | 99,103,000         | 104,036,000        |
| Renewal & Repl, Treatment                      | 13,063,000         | 13,715,000         | 14,402,000         | 15,121,000           | 15,878,000         | 16,673,000         | 17,506,000         | 18,381,000         | 19,301,000         | 20,266,000         | 21,279,000         |
| Treasure Island                                | 0                  | 0                  | 20,463,000         | 22,240,000           | 21,090,000         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Wastewater Facils & Infrastr                   | 23,300,000         | 12,000,000         | 19,000,000         | 29,000,000           | 26,000,000         | 20,000,000         | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Total</b>                                   | <b>536,635,000</b> | <b>285,236,000</b> | <b>810,758,000</b> | <b>1,164,955,000</b> | <b>909,567,000</b> | <b>572,141,000</b> | <b>310,151,000</b> | <b>322,582,000</b> | <b>410,727,000</b> | <b>386,141,000</b> | <b>335,025,000</b> |
| <b>Funding Sources</b>                         |                    |                    |                    |                      |                    |                    |                    |                    |                    |                    |                    |
| New Debt Funding                               | 482,635,000        | 230,136,000        | 763,258,000        | 1,114,455,000        | 833,067,000        | 467,641,000        | 206,982,000        | 269,274,000        | 297,022,000        | 266,772,000        | 209,710,000        |
| Annual Revenues                                | 41,000,000         | 43,000,000         | 45,000,000         | 48,000,000           | 74,000,000         | 102,000,000        | 100,669,000        | 50,808,000         | 111,205,000        | 116,869,000        | 122,815,000        |
| Capac Fees/Other                               | 13,000,000         | 12,100,000         | 2,500,000          | 2,500,000            | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          |
| <b>Total</b>                                   | <b>536,635,000</b> | <b>285,236,000</b> | <b>810,758,000</b> | <b>1,164,955,000</b> | <b>909,567,000</b> | <b>572,141,000</b> | <b>310,151,000</b> | <b>322,582,000</b> | <b>410,727,000</b> | <b>386,141,000</b> | <b>335,025,000</b> |
| <b>Surplus / (Shortfall)</b>                   | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>             | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |

Table 3  
SFPUC Wastewater Enterprise  
Outstanding Debt Service

| Fiscal Year<br>Ending June 30 | 2010A<br>Bonds | 2010B Bonds |             |            | 2013A<br>Bonds | 2013B<br>Bonds | 2016A Bonds |              |            | 2016B Bonds |             |           | 2016 SRF<br>(Preliminary) | Total<br>Net |
|-------------------------------|----------------|-------------|-------------|------------|----------------|----------------|-------------|--------------|------------|-------------|-------------|-----------|---------------------------|--------------|
|                               |                | Gross       | Reimbs      | Net        |                |                | Bonds       | Cap I        | Net        | Bonds       | Cap I       | Net       |                           |              |
| 2016                          | 2,276,200      | 10,685,426  | (3,485,586) | 7,199,840  | 36,108,500     | 14,428,000     |             |              |            |             |             |           |                           | 60,012,540   |
| 2017                          | 9,037,825      | 10,685,426  | (3,481,846) | 7,203,580  | 18,102,500     | 14,428,000     | 9,078,459   | (9,078,459)  | 0          | 2,559,229   | (2,559,229) | 0         |                           | 48,771,905   |
| 2018                          | 9,042,075      | 10,685,426  | (3,481,846) | 7,203,580  | 16,340,800     | 14,428,000     | 10,645,750  | (10,645,750) | 0          | 3,001,050   | (3,001,050) | 0         |                           | 47,014,455   |
| 2019                          | 9,042,100      | 10,685,426  | (3,481,846) | 7,203,580  | 16,398,300     | 14,428,000     | 10,645,750  | (1,567,291)  | 9,078,459  | 3,001,050   | (441,821)   | 2,559,229 | 314,000                   | 59,023,667   |
| 2020                          | 9,040,000      | 10,685,426  | (3,481,846) | 7,203,580  | 16,486,175     | 14,428,000     | 10,645,750  |              | 10,645,750 | 3,001,050   |             | 3,001,050 | 314,000                   | 61,118,555   |
| 2021                          | 9,040,750      | 10,685,426  | (3,481,846) | 7,203,580  | 16,557,300     | 14,428,000     | 10,645,750  |              | 10,645,750 | 3,001,050   |             | 3,001,050 | 314,000                   | 61,190,430   |
| 2022                          | 9,040,500      | 10,685,426  | (3,481,846) | 7,203,580  | 15,094,550     | 14,428,000     | 10,645,750  |              | 10,645,750 | 3,001,050   |             | 3,001,050 | 314,000                   | 59,727,430   |
| 2023                          |                | 17,796,166  | (3,426,693) | 14,369,473 | 13,495,800     | 14,428,000     | 10,645,750  |              | 10,645,750 | 3,001,050   |             | 3,001,050 | 314,000                   | 56,254,073   |
| 2024                          |                | 17,673,662  | (3,313,458) | 14,360,203 | 664,175        | 23,042,125     | 15,983,875  |              | 15,983,875 | 4,507,425   |             | 4,507,425 | 314,000                   | 58,871,803   |
| 2025                          |                | 17,545,666  | (3,193,547) | 14,352,119 | 672,600        | 23,034,250     | 15,988,000  |              | 15,988,000 | 4,508,175   |             | 4,508,175 | 314,000                   | 58,869,144   |
| 2026                          |                | 17,408,913  | (3,065,894) | 14,343,019 | 1,285,200      | 22,424,000     | 16,017,900  |              | 16,017,900 | 4,513,450   |             | 4,513,450 | 314,000                   | 58,897,569   |
| 2027                          |                | 17,261,893  | (2,930,008) | 14,331,885 |                | 23,707,875     | 16,047,675  |              | 16,047,675 | 4,524,475   |             | 4,524,475 | 314,000                   | 58,925,910   |
| 2028                          |                | 17,110,033  | (2,786,028) | 14,324,005 |                | 23,708,125     | 16,046,300  |              | 16,046,300 | 4,522,475   |             | 4,522,475 | 314,000                   | 58,914,905   |
| 2029                          |                | 16,943,973  | (2,634,163) | 14,309,810 |                | 23,709,625     | 16,048,175  |              | 16,048,175 | 4,520,850   |             | 4,520,850 | 314,000                   | 58,902,460   |
| 2030                          |                | 16,772,303  | (2,473,952) | 14,298,351 |                | 23,706,000     | 16,047,425  |              | 16,047,425 | 4,524,225   |             | 4,524,225 | 314,000                   | 58,890,001   |
| 2031                          |                | 16,593,293  | (2,304,833) | 14,288,460 |                | 23,705,750     | 16,048,175  |              | 16,048,175 | 4,522,350   |             | 4,522,350 | 314,000                   | 58,878,735   |
| 2032                          |                | 16,397,827  | (2,125,463) | 14,272,364 |                | 23,707,125     | 16,044,550  |              | 16,044,550 | 4,524,975   |             | 4,524,975 | 314,000                   | 58,863,014   |
| 2033                          |                | 16,194,233  | (1,936,928) | 14,257,305 |                | 23,708,375     | 16,045,550  |              | 16,045,550 | 4,521,850   |             | 4,521,850 | 314,000                   | 58,847,080   |
| 2034                          |                | 15,983,646  | (1,741,227) | 14,242,419 |                | 23,711,700     | 16,045,050  |              | 16,045,050 | 4,522,725   |             | 4,522,725 | 314,000                   | 58,835,894   |
| 2035                          |                | 15,765,202  | (1,538,078) | 14,227,124 |                | 23,712,500     | 16,046,925  |              | 16,046,925 | 4,522,225   |             | 4,522,225 | 314,000                   | 58,822,774   |
| 2036                          |                | 15,542,896  | (1,327,153) | 14,215,743 |                | 23,707,700     | 16,045,050  |              | 16,045,050 | 4,524,975   |             | 4,524,975 | 314,000                   | 58,807,468   |
| 2037                          |                | 15,306,552  | (1,106,766) | 14,199,786 |                | 23,706,300     | 16,048,175  |              | 16,048,175 | 4,525,600   |             | 4,525,600 | 314,000                   | 58,793,861   |
| 2038                          |                | 15,055,150  | (876,585)   | 14,178,564 |                | 23,712,000     | 16,046,300  |              | 16,046,300 | 4,524,700   |             | 4,524,700 | 314,000                   | 58,775,564   |
| 2039                          |                | 14,801,539  | (637,538)   | 14,164,000 |                | 23,703,800     | 16,048,300  |              | 16,048,300 | 4,523,400   |             | 4,523,400 | 314,000                   | 58,753,500   |
| 2040                          |                | 14,534,555  | (389,246)   | 14,145,309 |                | 23,705,600     | 16,047,000  |              | 16,047,000 | 4,522,000   |             | 4,522,000 | 314,000                   | 58,733,909   |
| 2041                          |                | 14,258,181  | (131,376)   | 14,126,804 |                | 23,706,000     | 16,046,700  |              | 16,046,700 | 4,525,200   |             | 4,525,200 | 314,000                   | 58,718,704   |
| 2042                          |                |             |             |            |                | 37,820,700     | 16,046,600  |              | 16,046,600 | 4,522,800   |             | 4,522,800 | 314,000                   | 58,704,100   |
| 2043                          |                |             |             |            |                | 37,821,600     | 16,045,900  |              | 16,045,900 | 4,524,600   |             | 4,524,600 | 314,000                   | 58,706,100   |
| 2044                          |                |             |             |            |                |                | 16,048,700  |              | 16,048,700 | 4,525,300   |             | 4,525,300 | 314,000                   | 20,888,000   |
| 2045                          |                |             |             |            |                |                | 16,044,200  |              | 16,044,200 | 4,524,700   |             | 4,524,700 | 314,000                   | 20,882,900   |
| 2046                          |                |             |             |            |                |                | 16,046,500  |              | 16,046,500 | 4,522,600   |             | 4,522,600 | 314,000                   | 20,883,100   |
| 2047                          |                |             |             |            |                |                | 16,044,600  |              | 16,044,600 | 4,523,700   |             | 4,523,700 | 314,000                   | 20,882,300   |
| 2048                          |                |             |             |            |                |                |             |              |            |             |             |           | 314,000                   | 314,000      |

Table 4  
 SFPUC Wastewater Enterprise  
 Estimated Bond Debt Service  
 Per \$100 Million of Project Funding

| <b>Funding Source</b>                           |       | <b>Bonds</b>  | <b>Bonds &amp; SRF</b> |
|---|-------|---------------|------------------------|
| <b>Repayment Term</b>                           |       | 30 Years      | 30 Years               |
| <b>Cap I Term</b>                               |       | 1.25 Years    | 1.25 Years             |
| <b>Funding Target</b>                           |       | \$100,000,000 | \$100,000,000          |
| <b>Assumed Issuance &amp; Payment Dates</b>     |       |               |                        |
| Bond Issuance Date                              |       | Jan-1         | Jan-1                  |
| First Interest Payment                          |       | Apr-1         | Apr-1                  |
| Principal & Second Interest Payment             |       | Oct-1         | Oct-1                  |
| <b>Total Debt Issue</b>                         |       | \$107,870,000 | \$105,740,000          |
| <b>Project Funding</b>                          |       | \$100,000,000 | \$100,000,000          |
| <b>Issuance Costs &amp; Reserve Requirement</b> |       |               |                        |
| Underwriter Discount                            | 0.75% | \$809,000     | \$793,000              |
| Issuance Costs                                  | Est.  | 300,000       | 300,000                |
| Reserve Requirement                             |       | 0             | 0                      |
| Capitalized Interest*                           |       | 6,743,000     | 4,626,000              |
| Rounding/Contingency                            |       | <u>18,000</u> | <u>21,000</u>          |
| Total   |       | 7,870,000     | 5,740,000              |
| <b>Financing Terms</b>                          |       |               |                        |
| Term (Years)                                    |       | 30            | 30                     |
| Interest Only (Years)                           |       | 1.25          | 1.25                   |
| Principal Amortization (Years)                  |       | 28            | 28                     |
| Est. Average Interest Rate                      |       | 5.00%         | 3.50%                  |
| <b>Annual Debt Service</b>                      |       |               |                        |
| Interest Only Period                            |       | 5,394,000     | 3,701,000              |
| Principal Amortization Period                   |       | 7,241,000     | 5,985,000              |

\* Assumes Cap I funds annual interest payments for 2 years.  
 Financing costs and interest rates estimated for financial planning purposes.

Table 5  
SFPUC Wastewater Enterprise  
Projected Debt Service

| Debt Issuance by FY            | 2016/17       | 2017/18       | 2018/19       | 2019/20       | 2020/21       | 2021/22       | 2022/23       | 2023/24       | 2024/25       | 2025/26       |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Financing Terms</b>         | Bonds         | Bonds         | Bonds/SRF     | Bonds/SRF     | Bonds         | Bonds         | Bonds         | Bonds         | Bonds         | Bonds         |
| CIP Project Funding Target     | 738,767,000   | 230,136,000   | 763,258,000   | 1,114,455,000 | 833,067,000   | 467,641,000   | 206,982,000   | 269,274,000   | 297,022,000   | 266,772,000   |
| Total Issue Size               | 796,910,000   | 248,250,000   | 807,070,000   | 1,178,420,000 | 898,630,000   | 504,440,000   | 223,270,000   | 290,470,000   | 320,400,000   | 287,770,000   |
| Issuance Date                  | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         | Jan-1         |
| Issuance Year                  | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026          |
| Interest Payments              | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 | Apr-1 & Oct-1 |
| Principal Payments (Year 3+)   | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         | Oct-1         |
| Average Interest Rate          | 5.0%          | 5.0%          | 3.5%          | 3.5%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          | 5.0%          |
| Repayment Term (Years)         | 30            | 30            | 30            | 30            | 30            | 30            | 30            | 30            | 30            | 30            |
| Capitalized Interest (Years)   | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          | 1.25          |
| <b>Debt Service per \$100M</b> |               |               |               |               |               |               |               |               |               |               |
| Interest Only Period           | 5,394,000     | 5,394,000     | 3,701,000     | 3,701,000     | 5,394,000     | 5,394,000     | 5,394,000     | 5,394,000     | 5,394,000     | 5,394,000     |
| Principal Amort Period         | 7,241,000     | 7,241,000     | 5,985,000     | 5,985,000     | 7,241,000     | 7,241,000     | 7,241,000     | 7,241,000     | 7,241,000     | 7,241,000     |
| <b>Annual Debt Service</b>     |               |               |               |               |               |               |               |               |               |               |
| Interest Only Period           | 39,849,000    | 12,414,000    | 28,248,000    | 41,246,000    | 44,936,000    | 25,225,000    | 11,165,000    | 14,525,000    | 16,021,000    | 14,390,000    |
| Principal Amort Period         | 53,494,000    | 16,664,000    | 45,681,000    | 66,700,000    | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    |
| <b>Cumulative MADS</b>         | 53,494,000    | 70,158,000    | 115,839,000   | 182,539,000   | 242,861,000   | 276,723,000   | 291,711,000   | 311,209,000   | 332,716,000   | 352,033,000   |



Table 6  
 SFPUC Wastewater Enterprise  
 Projected Debt Service on Future Financings

| Fiscal Year<br>Ending June 30 | 2017<br>Bonds | 2018<br>Bonds | 2019<br>Bonds/SRF | 2020<br>Bonds/SRF | 2021<br>Bonds | 2022<br>Bonds | 2023<br>Bonds | 2024<br>Bonds | 2025<br>Bonds | 2026<br>Bonds | Total<br>Net of Cap I |
|-------------------------------|---------------|---------------|-------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------|
| 2017                          | Cap I (3 mos) |               |                   |                   |               |               |               |               |               |               | 0                     |
| 2018                          | Cap I         | Cap I (3 mos) |                   |                   |               |               |               |               |               |               | 0                     |
| 2019                          | 39,849,000    | Cap I         | Cap I (3 mos)     |                   |               |               |               |               |               |               | 39,849,000            |
| 2020                          | 53,494,000    | 12,414,000    | Cap I             | Cap I (3 mos)     |               |               |               |               |               |               | 65,908,000            |
| 2021                          | 53,494,000    | 16,664,000    | 28,248,000        | Cap I             | Cap I (3 mos) |               |               |               |               |               | 98,406,000            |
| 2022                          | 53,494,000    | 16,664,000    | 45,681,000        | 41,246,000        | Cap I         | Cap I (3 mos) |               |               |               |               | 157,085,000           |
| 2023                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 44,936,000    | Cap I         | Cap I (3 mos) |               |               |               | 227,475,000           |
| 2024                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 60,322,000    | 25,225,000    | Cap I (3 mos) |               |               | 268,086,000           |
| 2025                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 11,165,000    | Cap I         | Cap I (3 mos) |               | 287,888,000           |
| 2026                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 14,525,000    | Cap I         | Cap I (3 mos) | 306,236,000           |
| 2027                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 16,021,000    | Cap I         | 327,230,000           |
| 2028                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 14,390,000    | 347,106,000           |
| 2029                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2030                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2031                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2032                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2033                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2034                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2035                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2036                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2037                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2038                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2039                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2040                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2041                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2042                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2043                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2044                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2045                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2046                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2047                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2048                          | 53,494,000    | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 352,033,000           |
| 2049                          |               | 16,664,000    | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 298,539,000           |
| 2050                          |               |               | 45,681,000        | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 281,875,000           |
| 2051                          |               |               |                   | 66,700,000        | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 236,194,000           |
| 2052                          |               |               |                   |                   | 60,322,000    | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 169,494,000           |
| 2053                          |               |               |                   |                   |               | 33,862,000    | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 109,172,000           |
| 2054                          |               |               |                   |                   |               |               | 14,988,000    | 19,498,000    | 21,507,000    | 19,317,000    | 75,310,000            |
| 2055                          |               |               |                   |                   |               |               |               | 19,498,000    | 21,507,000    | 19,317,000    | 60,322,000            |
| 2056                          |               |               |                   |                   |               |               |               |               | 21,507,000    | 19,317,000    | 40,824,000            |
| 2057                          |               |               |                   |                   |               |               |               |               |               | 19,317,000    | 19,317,000            |



# SAN FRANCISCO PLANNING DEPARTMENT

Certificate of City and County of San Francisco Planning Department Regarding Proposed Sale of Wastewater Revenue Bonds and / or Other Forms of Indebtedness, including Commercial Paper, as has been authorized by the Board of Supervisors pursuant to Ordinances 93-10 and 115-12, with a combined not to exceed issuance amount of \$1,112, 601,280 for Capital Projects budgeted in Fiscal Years 2016-17 to 2017-18

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

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415.558.6409

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Information:  
415.558.6377

I, Sarah B. Jones, Environmental Review Officer of the Planning Department of the City and County of San Francisco (the Planning Department), hereby certify as follows:

1. As the Environmental Review Officer (ERO) of the Planning Department, I am authorized to certify as to the compliance of the San Francisco Public Utilities Commission (SFPUC) with applicable requirements of the California Environmental Quality Act. (CEQA).
2. After consultation with the SFPUC, I understand that the SFPUC proposes to sell Wastewater Revenue Bonds and / or other forms of Indebtedness (the "Revenue Indebtedness") to finance certain improvements to the Wastewater Enterprise of the City and County of San Francisco (the "City"). The improvements proposed for financing include those projects described in the following document, attached to this Certificate as Exhibit A and may represent a subset of the total available authorization
3. I understand that Section 8B.124 of the City Charter grants authority to the City's Board of Supervisors to approve the issuance of Revenue Indebtedness, including revenue bonds and commercial paper, by ordinance upon two-thirds vote of its members and under certain conditions. The two ordinances related to the debt issuance, 93-10 and 115-12, are attached hereto as Exhibit B (the Ordinances.)
4. I understand that one of the conditions to the Board of Supervisor's authorization of such Revenue Indebtedness is the delivery of a certificate of the Planning Department regarding the projects or additional to be financed under the authorization provided in Exhibit B, the Ordinances
5. The San Francisco Planning Commission certifies Environmental Impact Reports as they are completed pursuant to CEQA. In addition, the Planning Department approves Initial Study/Mitigated Negative Declarations, and the ERO approves Categorical Exemptions.
6. Based on a preliminary review of the Projects, and discussions with the SFPUC regarding the requirements for undertaking such additional Projects, I certify that the Projects under the jurisdiction of the SFPUC to be funded with proceeds of the Revenue Indebtedness, as described in the Ordinances, (a) comply with applicable requirements of CEQA, or (b) are not considered to be projects under CEQA at this time and will comply with CEQA if and when they are defined. Pursuant to the provisions of Chapter 31 of the San Francisco Administrative Code, any additional Project to be financed will comply with such applicable requirements prior to any draw on any Revenue Indebtedness proceeds to finance the acquisition or construction of such facilities.

In witness whereof, the undersigned has executed this certification as of this 17 day of May, 2016

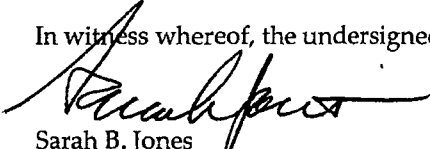
  
Sarah B. Jones  
Environmental Review Officer

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program                                 | Project Number | Project Title  | CEQA Compliance  |
|---|----------------|--|--|
| Sewer System Improvement Program (SSIP) | CWWSIPRPL00    | SSIP - Program Wide Management                       | Source Funding, not a "project" under CEQA §15378, Individual projects will be subject to CEQA compliance,   |
| SSIP                                    | CWWSIPRPL00    | SSIP – Land Reuse                                    | Categorical Exemption Determination issued October 28, 2015 for acquisition and relocation of Central Shops and Asphalt Plant from 1800 Jerrold Avenue and 1801 Jerrold Avenue adjacent to Southeast Plant |
| SSIP                                    | CWWSIPDP00     | Biosolids Digester Facilities Project                | Preparation of an Environmental Impact Report (EIR) is in process  |
| SSIP                                    | CWWSIPSSE02    | Southeast Plant-<br>New Headworks (Grit) Replacement | Preparation of a Mitigated Negative Declaration (MND) is in process, Final MND scheduled for issuance December 2016  |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title               | CEQA Compliance   |
|---------|----------------|-----------------------------|---|
| SSIP    | CWWSIPSE00     | Southeast Plant Improvement | <p>SEP Oxygen Generation Plant – A categorical exemption determination was issued August 23, 2012.</p> <p>SEP Oxygen Generation Plant 01 – Issuance of a categorical exemption determination is anticipated.</p> <p>SEP Existing Digester Roof Repairs – An emergency statutory exemption concurrence was received April 19, 2013.</p> <p>SEP Primary and Secondary Clarifiers Upgrades - A categorical exemption determination was issued on August 17, 2015.</p> <p>SEP 521/522 and Disinfection Upgrades – A categorical exemption determination was issued August 18, 2015.</p> <p>SEP Facility Wide DCS Control Upgrades - Planning and Design Phases only, not a “project” under CEQA §15378.</p> <p>SEP Seismic Reliability and Condition Assessment – A categorical exemption determination was issued March 25, 2016.</p> <p>SEP Existing Digester Gas Handling Improvements – A categorical exemption determination was issued January 29, 2016.</p> <p>SEP Power Feed and Primary Switchgear Upgrade – Issuance of A categorical exemption determination is anticipated for this project by December 2016.</p> |
| SSIP    | CWWSIPTPNP     | North Point Facility (NPF)  | <p>North Shore Wet Weather Pump Station Improvement and Disinfection – Planning and Design Phases only, not a “project” under CEQA §15378.</p> <p>NPF Outfall System Rehabilitation – A categorical exemption was issued September 18, 2015.</p>  |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title                                | CEQA Compliance  |
|---------|----------------|--|--|
| SSIP    | CWWSIPTPOP00   | Oceanside Treatment Plant (OSP) Improvements | OSP Digester Gas Utilization Upgrade - Issuance of a categorical exemption determination is anticipated in December 2016.<br>OSP Condition Assessment Repairs - Planning and Design Phases only, not a "project" under CEQA §15378.<br>OSP Odor Control Optimization - Planning and Design Phases only, not a "project" under CEQA §15378.<br>Westside PS Reliability Improvements - Planning and Design Phases only, not a "project" under CEQA §15378; Preparation of an MND is anticipated. |
| SSIP    | CWWSIPCT00     | Central Bayside System Improvements          | Planning and Design Phases only, not a "project" under CEQA §15378, Initiation of preparation of an Environmental Impact Report (EIR) for CEQA compliance is anticipated.  |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title   | CEQA Compliance   |
|---------|----------------|---|---|
| SSIP    | CWWSIPCS00     | Collection System Improvements -- Interceptors/Tunnels/Odor Control | <p>As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations or MNDs.</p> <p>Collection System Condition Assessment – It is anticipated this project will qualify for an exemption determination or a “not a project” determination.</p> <p>Kansas and Marin Streets Sewer Improvements – A categorical exemption determination was issued April 21, 2015.</p> <p>Drumm and Jackson Streets Sewer System Improvement – Issuance of a categorical exemption determination is anticipated by October 2016.</p> <p>Cargo Way Sewer Box Odor Reduction – Issuance of a categorical exemption determination is anticipated by August 2017.</p> <p>Rutland Sewer Improvements – A Mitigated Negative Declaration was issued April 5, 2010 under the Sunnydale Sewer Improvement Project.</p> <p>SSIP Sewer Improvement Projects - It is anticipated this project will qualify for an exemption determination.</p> |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title   | CEQA Compliance  |
|---------|----------------|---|--|
| SSIP    | CWWSIPCSSR     | Collection System Improvements – Interdepartmental Projects | <p>Van Ness Bus Rapid Transit (BRT) Sewer Improvements – The San Francisco County Transportation Authority issued a Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) June 27, 2013.</p> <p>Better Market Street Sewer Improvements - Planning and Design Phases only, not a “project” under CEQA §15378; The San Francisco Planning Department issued an initial study March 30, 2016; Subsequent environmental review will be required once the preferred project alternative (including utility improvements) is selected.</p> <p>Geary BRT Sewer Improvements Phase 1 - Issuance of a categorical exemption determination is anticipated by October 2016.</p> <p>Central Subway Sewer Improvements – The San Francisco County Transportation Authority issued a Final EIR/EIS in 2008.</p> <p>Mission Bay Loop Sewer Improvements – A court challenge is currently in process to the CEQA document for this project; the construction contract is on hold.</p> <p>Masonic Avenue Sewer Improvements – A categorical exemption determination was issued December 18, 2014.</p> <p>Geary BRT Sewer Improvements Phase 2 - Planning and Design Phases only, not a “project” under CEQA §15378; Initiation of environmental review in January 2017.</p> <p>Taraval Sewer Improvements - Initiation of environmental review in July 2016, Issuance of an exemption determination is anticipated.</p> |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title                    | CEQA Compliance   |
|---------|----------------|----------------------------------|---|
| SSIP    | CWWSIPCSPS00   | Pump Stations/Bayside & Westside | <p>As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations or MNDs.</p> <p>Hudson Avenue Pump Station and Outfall Improvements – Initiation of environmental review in November 2016.</p> <p>Force Main Rehab at Embarcadero and Jackson –Anticipate issuance of a categorical exemption determination by July 2016.</p> <p>Mariposa Dry Weather Pump Station &amp; Force Main – Anticipate issuance of a categorical exemption determination by October 2017.</p> <p>Cesar Chavez Pump Station – Environmental review has not been initiated; Issuance of a categorical exemption determination is anticipated.</p> <p>Marin Street Sewer Replacement – A categorical exemption determination was issued October 5, 2015.</p> <p>Griffith Pump Station Improvements - Environmental review has not been initiated; Issuance of a categorical exemption determination is anticipated.</p> |



EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title   | CEQA Compliance  |
|---------|----------------|---|--|
| SSIP    | CWWSIPCSCD00   | Reliability Program - Collection System – Combined Sewer Discharge (CSD) Structures and Transport/Storage Boxes | <p>As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations or MNDs.</p> <p>Richmond Transport/Storage Tunnel Rehabilitation – Environmental review has not been initiated; Issuance of a categorical exemption determination in November 2016 is anticipated.</p> <p>Beach and Sansome Streets CSD Rehabilitation - Environmental review has not been initiated; Issuance of a categorical exemption determination in March 2017 is anticipated.</p> <p>CSD Backflow Prevention and Monitoring - Planning and Design Phases only, not a “project” under CEQA §15378; Environmental review has not been initiated.</p> <p>5<sup>th</sup>, North 6<sup>th</sup> and Division Streets CSD Rehabilitation - Planning and Design Phases only, not a “project” under CEQA §15378; Environmental review has not been initiated.</p> |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title                           | CEQA Compliance  |
|---------|----------------|---|--|
| SSIP    | CWWSIPFR00     | Flood Resilience/Hydraulic Improvements | <p>As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations or MNDs.</p> <p>17<sup>th</sup> and Folsom Wet Weather Storage – Planning and Design Phases only, not a “project” under CEQA §15378.</p> <p>Flood Resilience Analysis (Planning Phase Only) and Flood Resilience – Early Projects (Planning Phase Only) - Planning and Design Phases only, not a “project” under CEQA §15378.</p> <p>Wawona St and 15<sup>th</sup> Ave Stormwater Detection - Planning and Design Phases only, not a “project” under CEQA §15378; Environmental review has not been initiated, Issuance of a categorical exemption determination is anticipated in June 2017.</p> <p>Cayuga Avenue Stormwater Detention - Planning and Design Phases only, not a “project” under CEQA §15378; Environmental review has not been initiated, Issuance of a categorical exemption determination is anticipated in June 2017.</p> <p>Folsom Area Stormwater Improvement - Planning and Design Phases only, not a “project” under CEQA §15378; Environmental review has not been initiated, Preparation of a categorical exemption request or an MND is anticipated.</p> <p>17<sup>th</sup> and Folsom Permanent Barriers - Environmental review has not been initiated, Issuance of a categorical exemption determination is anticipated in October 2016.</p> <p>Hydraulic and Drainage Sewer Improvements - As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations.</p> |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program                       | Project Number | Project Title                               | CEQA Compliance   |
|-------------------------------|----------------|---|---|
| SSIP                          | CWWSIPFCDB     | Green Infrastructure Projects               | Islais Creek Green Infrastructure – Environmental review was completed for the Infrastructure Project under the Final MND for the Mission District Streetscape Project.<br>Sunset Green Infrastructure – A categorical exemption determination was issued December 5, 2014.<br>North Shore Green Infrastructure – A categorical exemption determination was issued October 6, 2015.<br>Lake Merced Green Infrastructure – A categorical exemption determination was issued August 28, 2014.<br>Sunnydale Green Infrastructure – A categorical exemption determination was issued August 28, 2014.<br>Richmond Green Infrastructure – A categorical exemption determination was issued June 4, 2015.<br>Yosemite Green Infrastructure – Issuance of a categorical exemption determination is anticipated in June 2017.<br>Channel Green Infrastructure – A categorical exemption determination was issued. |
| SSIP                          | CWWSIPFCRP00   | Advanced Rainfall/Operating Decision System | A draft MND for issuance by the Planning Department is being prepared; Compliance with the National Environmental Policy Act (NEPA) will also be required with the National Oceanic and Atmospheric Administration (NOAA) acting as the NEPA lead agency; It is anticipated preparation of an Environmental Assessment (EA) will be required under NEPA.  |
| Renewal and Replacement (R&R) | CWWRNRCS00     | Collection System                           | As the individual projects are defined, the appropriate CEQA compliance document will be prepared; It is anticipated that the individual projects will qualify for exemption determinations.  |
| Capital                       | CWP11001       | Treasure Island                             | Final Environmental Impact Report Certified June 7, 2011, No further CEQA compliance required.  |

EXHIBIT A  
WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS  
FY 2016-2017 AND FY 2017-2018 CAPITAL IMPROVEMENT PROJECTS

| Program | Project Number | Project Title                           | CEQA Compliance   |
|---------|----------------|---|---|
| Capital | CWWFAC-01      | Ocean Beach Visioning Process           | Planning and Design Phases only, not a "project" under CEQA §15378; A Local Coastal Program Amendment is currently in process at the San Francisco Planning Department. |
| Capital | CWWFAC-03      | Southeast Community Center Improvements | Planning and Design Phases only, not a "project" under CEQA §15378; As the individual projects are defined, the appropriate CEQA compliance document will be prepared.  |
| Capital | CWWFAC04       | Islais Creek Outfall                    | Preparation of an MND is in process.  |

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO.: 17-0086

WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco (the "City") approved Proposition E, which among other things, authorized the San Francisco Public Utilities Commission (the "Commission") to issue indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the "Board"), for the purpose of reconstructing, replacing, expanding, repairing or improving wastewater facilities under the jurisdiction of the Commission (the "Wastewater Enterprise"); and

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

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

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

WHEREAS, The Commission has previously authorized pursuant to Resolution No. 06-0164, approved by the Commission on September 26, 2006, and the Board has previously approved pursuant to Ordinance No. 266-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006, the establishment of a commercial paper program for the Wastewater Enterprise (the "Wastewater CP Program") and the issuance of up to \$150 million in aggregate principal amount of commercial paper notes outstanding at any one time; and

WHEREAS, The Commission has authorized pursuant to Resolution No. 11-0197, approved by the Commission on December 13, 2011, and the Board has approved pursuant to Ordinance No. 91-12, adopted by the Board on May 1, 2012, and signed by the Mayor on May 14, 2012, an ordinance to authorize, an increase in the Wastewater CP Program from an aggregate principal amount not to exceed \$150 million of commercial paper notes outstanding at

any one time to an aggregate principal amount not to exceed \$300 million of commercial paper notes outstanding at any one time; and

WHEREAS, The Commission has authorized pursuant to Resolution No. 14-0139, approved by the Commission on August 26, 2014, and the Board has approved pursuant to Resolution No. 378-14, adopted by the Board on September 30, 2014, and signed by the Mayor on October 9, 2014, a resolution to authorize, an increase in the Wastewater CP Program from an aggregate principal amount not to exceed \$300 million of commercial paper notes outstanding at any one time to an aggregate principal amount not to exceed \$500 million of commercial paper notes outstanding at any one time; and

WHEREAS, The Board has previously approved pursuant to Ordinance No. 111-16, adopted by the Board on June 14, 2016, and signed by the Mayor on June 24, 2016 (together with Ordinance No. 266-06 and Ordinance No. 91-12, the "Ordinances"), the issuance of up to \$1,112,601,280 (inclusive of finance costs) in aggregate principal amount of Wastewater Revenue Bonds and other forms of indebtedness of the Commission; and

WHEREAS, The Commission has determined that it is desirable to provide \$250,000,000 additional short-term financing of capital improvements, capitalized interest and related costs for improvements, betterments and additions to the Wastewater Enterprise of the City through the increase in the amount which may be outstanding at any one time, increasing authorization to \$750,000,000 from \$500,000,000 of commercial paper notes, exclusive of interest reserve, if applicable (the "CP Notes") or bank notes (the "Bank Notes"), contingent upon a resolution proposed for consideration and approval by the Board (the "Anticipated Resolution"); and

WHEREAS, Pursuant to Article V and Ordinance No. 266-06 the Commission is authorized to negotiate and execute credit or liquidity facilities to support the CP Notes and any additional agreements related thereto; and

WHEREAS, The Commission issued a request for bids from qualified banks to provide for one or more letters of credit or revolving lines of credit to secure the payment of the CP Notes; and

WHEREAS, After an evaluation of the responses to such request for bids, the Commission staff determined that the following were most advantageous to the Commission: (i) a letter of credit supporting the principal amount of \$100 million of the CP Notes (the "Sumitomo Letter of Credit"), offered by Sumitomo Mitsui Banking Corporation, acting through its New York Branch ("Sumitomo"), and (ii) a letter of credit supporting the principal amount of \$150 million of the CP Notes (the "Bank of America Letter of Credit" and together with the Sumitomo Letter of Credit, the "Letters of Credit"), offered by Bank of America, N.A. ("Bank of America" and together with Sumitomo, the "Banks"); and

WHEREAS, Each proposed form of the Reimbursement Agreement, which includes the form of the Sumitomo Letter of Credit and the Bank of America Letter of Credit, as applicable, as an appendix thereto, and its related Fee Agreement (each, a "Reimbursement Agreement" and "Fee Agreement", respectively) to be entered into by the Commission and the Bank have been

presented to the Commission and filed with the Secretary, and the Commission finds it in its best interest to enter into such agreements; and

WHEREAS, In order to accommodate the use of the Letters of Credit, the Commission finds it appropriate and in its best interest to execute a new issuing and paying agent agreement in connection with each Letter of Credit (each a "Paying Agent Agreement"), each with U.S. Bank National Association, as issuing and paying agent (the "Paying Agent") for the CP Notes; and

WHEREAS The forms of the proposed Paying Agent Agreements have also been submitted to the Commission and filed with the Secretary; and

WHEREAS, Pursuant to Resolutions No. 06-0164, No. 11-0197, No. 14-0139 and No. 17-0027 and the Ordinances, and contingent upon adoption by the Board of the Anticipated Resolution, the Commission is authorized to take any and all necessary action in connection with the issuance of the CP Notes and the expansion of the Wastewater CP Program, including, the execution of one or more commercial paper dealer agreements entered into in connection with the sale and issuance of the CP Notes; and

WHEREAS, The Commission finds it necessary to execute one or more commercial paper dealer agreements for the CP Notes and to deliver an offering memorandum in connection with the sale and issuance of the CP Notes; and

WHEREAS, The proposed form of dealer agreement (the "Dealer Agreement") has been presented to the Commission and filed with the Secretary, and the Commission finds it in its best interest to enter into such agreement with one or more qualified commercial paper dealers; and

WHEREAS, The proposed form of offering memorandum (the "Offering Memorandum") has been presented to the Commission and filed with the Secretary; and,

WHEREAS, on May 17, 2016, the Environmental Review Officer issued a Certificate of the City and County of San Francisco Planning Department (pursuant to Section 8B.124(b) of the Charter of the City) (the "Planning Department Certificate") and under Proposition E, granting authority for the issuance of debt to the Board of Supervisors. By this certification the ERO concluded that the projects to be funded through the sale of Wastewater Revenue Bonds and/or Other Forms of Indebtedness, including Commercial Paper, either comply with the requirements of the California Environmental Quality Act (CEQA) or will undergo CEQA review when they are defined; and

WHEREAS, The Proposition E Certificates meeting the Proposition E requirements are, or will be, on file with the Clerk of the Board in accordance with Proposition E prior to the issuance of any CP Notes; now, therefore, be it

RESOLVED by the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Increase of Authorized Amount of CP Notes. The Commission hereby approves the \$250 million increase in the Wastewater CP Program to a not to exceed amount of \$750 million from \$500 million, contingent upon adoption by the Board of the Anticipated

Resolution. The General Manager of the Commission (the "General Manager") or his or her designee is authorized to issue up to \$750 million of CP Notes in accordance with the terms hereof.

Section 2. Approval of Reimbursement Agreements, Letters of Credit and Fee Agreements. The Reimbursement Agreements, Letters of Credit, and Fee Agreements, in substantially the forms submitted to this Commission, are hereby approved and recommended to the Director of the City's Office of Public Finance (the "Director") for approval pursuant to Article V of the City's Administrative Code. The General Manager of the Commission (the "General Manager") or his or her designee is authorized and directed to execute and deliver the Reimbursement Agreements and Fee Agreements, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of each such Reimbursement Agreement and Fee Agreement.

Section 3. Approval of Paying Agent Agreements. The proposed forms of the Paying Agent Agreements between the Commission and the Paying Agent, submitted to this Commission, is hereby approved and recommended to the Director for approval pursuant to Article V of the City's Administrative Code. The General Manager or his or her designee is authorized and directed to execute and deliver to Paying Agent Agreements, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of each such Paying Agent Agreement.

Section 4. Limitations. This Resolution shall be ineffective unless and until the Anticipated Resolution is adopted by the Board, and approved by the Mayor. Consistent with Ordinance No. 266-06, in no event shall the CP Notes exceed \$750,000,000 in aggregate principal amount and in no event shall the interest rate or interest rates cause the aggregate average interest cost to exceed 12% per annum, and in no event shall the term of any bank reimbursement obligation exceed 10 years.

Section 5. Offering Memorandum. Consistent with Ordinance No. 266-06, the General Manager or his or her designee, in consultation with the City Attorney and the Director, is hereby authorized and directed to prepare and cause the distribution of an Offering Memorandum relating to the Wastewater CP Program, in substantially the form on file with the Commission, subject to such additions thereto and changes therein, and any amendments or supplements thereto from time to time which the General Manager, in consultation with the City Attorney and the Director, shall approve.

Section 6. Approval of Dealer Agreements. The Dealer Agreement, in substantially the form submitted to this Commission, is hereby approved and recommended to the Director for approval pursuant to Article V of the City's Administrative Code. The General Manager or his or her designee is authorized and directed to execute and deliver one or more of Dealer Agreements in substantially said form, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of such Dealer Agreements.



Section 7. Further Actions. The General Manager or his or her designee, and in consultation with the City Attorney and the Director, is hereby authorized and directed to execute such other agreements, certifications or documents and to take any and all necessary action in furtherance of the issuance of the Letters of Credit and the marketing and sale of the CP Notes.

Section 8. Extensions of Term of Letters of Credit. The General Manager is further authorized, in consultation with the City Attorney and the Director, to execute one or more amendments to extend the initial three or five-year term, as applicable, of each Letter of Credit authorized hereunder for an aggregate period not to exceed seven years from the commencement date of the initial term, provided further that the annual facility fee payable to Bank of America shall not exceed \$1 million per year and the annual facility fee payable to Sumitomo shall not exceed \$1 million, and the amendments shall otherwise comply with Section 3 hereof.

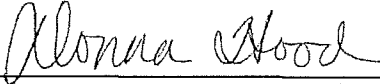
Section 9. Extensions of Term of Dealer Agreement. The General Manager is further authorized, in consultation with the City Attorney and the Director, to execute one or more amendments to extend the term of any Dealer Agreement authorized hereunder for a period not to exceed five years, with optional annual extensions not to exceed seven years from the commencement date of the initial term, so long as the total compensation to the commercial paper dealer(s) shall not exceed an aggregate of \$250,000 per year.

Section 10. Delegation. The General Manager is authorized to delegate any of the responsibilities or duties set forth in this resolution to the Assistant General Manager, Business Services and Chief Financial Officer of the Commission.

Section 11. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to the issuance of the Letters of Credit for the Wastewater CP Program, are hereby approved, confirmed and ratified.

Section 12. Effective Date. This resolution shall take effect from and after its adoption.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting on April 25, 2017.*

  
\_\_\_\_\_  
Secretary, Public Utilities Commission

AMENDED IN COMMITTEE

5/25/16

FILE NO. 160471

ORDINANCE NO. 111-16

1 [Public Utilities Commission - Issuance Wastewater Revenue Bonds - Not to Exceed  
2 \$1,112,601,280]

3 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater**  
4 **Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities**  
5 **Commission (Commission) in an aggregate principal amount not to exceed**  
6 **\$1,112,601,280 to finance the costs of various capital wastewater projects benefitting**  
7 **the Wastewater Enterprise pursuant to amendments to the Charter of the City and**  
8 **County of San Francisco enacted by the voters on November 5, 2002, as Proposition E;**  
9 **authorizing the issuance of Wastewater Revenue Refunding Bonds; declaring the**  
10 **Official Intent of the Commission to Reimburse Itself with one or more issues of tax-**  
11 **exempt or taxable bonds or other forms of indebtedness; and ratifying previous**  
12 **actions taken in connection therewith, as defined herein.**

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

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

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

22 A. On November 5, 2002, the voters of the City and County of San Francisco (the  
23 "City") approved Proposition E ("Proposition E"), which among other things, authorized the  
24 San Francisco Public Utilities Commission (the "Commission") to issue revenue bonds,  
25 including notes, commercial paper or other forms of indebtedness, when authorized by

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

5 B. The Commission adopted the Indenture dated as of January 1, 2003, as further  
6 amended and supplemented from time to time (the "Indenture"), between the Commission and  
7 U. S. Bank National Association and in connection therewith, has from time to time issued  
8 revenue bonds to finance projects benefitting the Wastewater Enterprise; and

9 C. By Resolution 16-0035 adopted by the Commission on February 9, 2016 (the  
10 "Commission Resolution") the Commission has determined to issue Wastewater Revenue  
11 Bonds (the "Wastewater Revenue Bonds") and other forms of indebtedness (including SRF  
12 Loans, as described below) to finance the costs of various capital wastewater projects  
13 benefitting the Wastewater Enterprise (the "Capital Improvement Projects" such projects  
14 being more fully described in the Commission Resolution), pursuant to Proposition E, and has  
15 formally requested this Board to authorize the issuance and sale of Wastewater Revenue  
16 Bonds for such purposes, such Commission Resolution being on file with the Clerk of the  
17 Board of Supervisors in File No. 160471, which is hereby declared to be a part of this  
18 Ordinance as if set forth fully herein; and

19 D. In order to finance the costs of the Capital Improvement Projects, the Board now  
20 desires to authorize the issuance and sale of Wastewater Revenue Bonds and other forms of  
21 indebtedness for such purposes, including obtaining State Revolving Fund Loans and/or  
22 grants from the State Water Resources Control Board (collectively "SRF Loans"); and

23 E. The Commission has paid, beginning no earlier than 60 days prior to the  
24 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures (the  
25

1 "Expenditures") in connection with the acquisition, construction and/or equipping of the Capital  
2 Improvement Projects, and

3 F. This Board is concurrently considering with this Ordinance a Capital  
4 Improvement Program related supplemental appropriations Ordinance totaling  
5 \$1,215,201,280 for fiscal years ending 2017 and 2018, such amount being inclusive of the  
6 Wastewater Revenue Bonds and other forms of indebtedness (including SRF Loans).

7 G. This Board, on behalf of the Commission, adopts this Ordinance as official  
8 action of the Commission in order to comply with Treasury Regulation §1.150-2 and any other  
9 regulations of the Internal Revenue Service relating to the qualification for reimbursement of  
10 Commission expenditures incurred prior to the date of issue of the Wastewater Revenue  
11 Bonds, and

12 Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of  
13 indebtedness. The Board hereby authorizes the issuance and sale of Wastewater Revenue  
14 Bonds in one or more series from time to time by the Commission pursuant to Proposition E  
15 and in accordance with the Commission Resolution, and the execution and delivery of SRF  
16 Loan agreements, in an aggregate principal amount not to exceed \$1,112,601,280 (inclusive  
17 of financing costs), at a maximum rate or rates of interest of not to exceed twelve percent  
18 (12%) per annum to finance a portion of the costs of the design, acquisition and construction  
19 of the Capital Improvement Projects. Without limiting the foregoing, the Commission shall  
20 also be authorized to enter into agreements to obtain State Revolving Fund Loans and/or  
21 grants (collectively "SRF Loans") from the State Water Resources Control Board on such  
22 terms as the Commission may deem advantageous. The Commission is hereby authorized to  
23 determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each  
24 series of Wastewater Revenue Bonds or the delivery of other forms of indebtedness (including  
25 SRF Loans) pursuant to this authorization; provided however, the Commission's authorization

1 to issue Wastewater Revenue Bonds or incur other forms of indebtedness (including SRF  
2 Loans) is subject to approval by the Commission of the form of substantially final offering  
3 document related to such Bonds (if any) and the approval of any related agreements,  
4 financing documents and the filing with its Board and the Clerk of the Board any certifications  
5 required by Proposition E prior to the issuance of any bonds herein authorized. The  
6 Commission shall also file, within 30 days of any bond sale authorized hereby, with the Clerk of the  
7 Board of Supervisors a report showing the results of the sale of bonds or other form of indebtedness  
8 including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv)  
9 the facilities constructed and/or improved, and (v) a statement about the remaining bonding  
10 authorization under this Ordinance (the "Report").

11 Section 3. Authorization to Issue Wastewater Revenue Refunding Bonds. The Board  
12 further authorizes and approves the issuance by the Commission of Wastewater Revenue  
13 Refunding Bonds and other forms of indebtedness (including SRF Loans) (the "Refunding  
14 Bonds") to refund any outstanding obligations of the Wastewater Enterprise, without limitation  
15 as to principal amount, in one or more series on one or more dates, at a maximum interest  
16 rate or rates of interest not to exceed twelve percent (12%) per annum, provided that each  
17 such Refunding Bond issue or obligation is permitted under the applicable policies and  
18 procedures of the City and authorized by either Section 9.109 of the Charter or Proposition E  
19 of 2002 (including related ordinances and resolutions of the Board). The Refunding Bonds  
20 may be issued as tax-exempt or taxable bonds, or any combination thereof. Refunding Bonds  
21 authorized hereunder shall be subject to the further following conditions, that: (i) three percent  
22 (3%) net present value debt service savings or greater is achieved to ensure ratepayer  
23 savings; (ii) this authorization is subject to a 2-year term through June 30, 2018, at which time  
24 this Board may consider an extension; principal payments and term may be adjusted, where  
25 permitted under federal and state tax law, only if and when the underlying capital asset funded

1 through said refunded bonds has a useful life not in excess of any limit permitted under  
2 federal and state tax law than the refunded term; and (iii) the Commission shall within 30 days  
3 of any executed refunding transaction provide a savings report prepared by its financial  
4 advisors (that reflects at least a three percent (3%) net present value debt service savings) to  
5 the Board, together with a copy of the final Official Statement with respect to such series of  
6 Refunding Bonds.

7           Section 4.   Declaration of Official Intent. The Board, on behalf of the Commission,  
8 hereby declares the official intent of the Commission to reimburse the Commission with  
9 proceeds of the Wastewater Revenue Bonds or other forms of indebtedness (including SRF  
10 Loans) for the Expenditures with respect to the Capital Improvement Projects made on and  
11 after a date that is no more than 60 days prior to the adoption of this Ordinance. The  
12 Commission reasonably expects on the date hereof that it will reimburse the Expenditures  
13 with proceeds of the Wastewater Revenue Bonds or other forms of indebtedness (including  
14 SRF Loans). Each said Expenditure was and will be either (A) of a type properly chargeable  
15 to a capital account under general federal income tax principles (determined in each case as  
16 of the date of the Expenditure), (B) a cost of issuance with respect to the Wastewater  
17 Revenue Bonds or other forms of indebtedness (including SRF Loans), (C) a nonrecurring  
18 item that is not customarily payable from current revenues, or (D) a grant to pay a party that is  
19 not related to or an agent of the issuer so long as such grant does not impose any obligation  
20 or condition (directly or indirectly) to repay any amount to or for the benefit of the Commission.  
21 The maximum principal amount of the Wastewater Revenue Bonds or other forms of  
22 indebtedness (including SRF Loans) to be issued for the Capital Improvement Projects is  
23 \$1,112,601,280 (inclusive of financing costs).

24           The Commission will make a reimbursement allocation, which is a written allocation by  
25 the Issuer that evidences the Commission's use of proceeds of the Wastewater Revenue

1 Bonds or other forms of indebtedness (including SRF Loans) to reimburse an Expenditure, no  
2 later than 18 months after the later of the date on which the Expenditure is paid or the  
3 component of the Capital Improvement Projects is placed in service or abandoned, but in no  
4 event more than three years after the date on which the Expenditure is paid. The Commission  
5 recognizes that exceptions are available for certain "preliminary expenditures," costs of  
6 issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of  
7 issuance and not the year of expenditure) and expenditures for construction projects of at  
8 least 5 years.

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

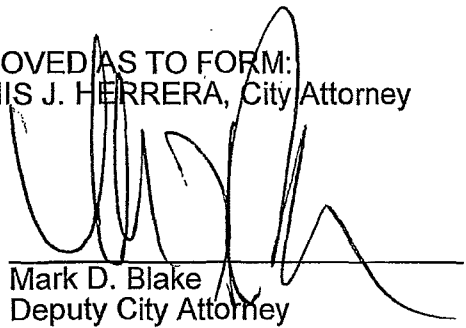
21 Section 6. Ratification of Prior Actions. All actions authorized and directed by this  
22 Ordinance in connection with the issuance of the Wastewater Revenue Bonds or other forms  
23 of indebtedness (including SRF Loans), Refunding Bonds, and heretofore taken are hereby  
24 ratified, approved and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

1 Section 7. File Documents. All documents referred to as on file with the Clerk of the  
2 Board are in File Nos. 160471.

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

5  
6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8  
9 By:



10 Mark D. Blake  
11 Deputy City Attorney  
12 n:\financlas2016\1300183\01109126.docx





City and County of San Francisco

Tails  
Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 160471

Date Passed: June 14, 2016

Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed \$1,112,601,280 to finance the costs of various capital wastewater projects benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater 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.

May 25, 2016 Budget and Finance Committee - AMENDED

May 25, 2016 Budget and Finance Committee - RECOMMENDED AS AMENDED

June 07, 2016 Board of Supervisors - PASSED, ON FIRST READING

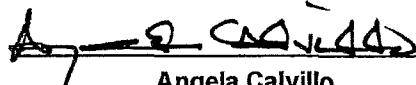
Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

June 14, 2016 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160471

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/14/2016 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved

1 [Appropriation - Revenue Bonds, State Loans or Grants, Wastewater Revenues and  
2 Capacity Fees of \$1,215,201,280 - Re-Appropriation of \$7,000,000, and De-  
3 Appropriation of \$10,750,000 - Wastewater Capital Improvements - FYs 2016-2017 and  
4 2017-2018]

4 Ordinance appropriating a total of \$1,215,201,280 of proceeds from revenue  
5 bonds, State of California Water Resources Control Board's revolving loan funds  
6 (State Loan Funds) or grant funds (State Grant Funds), wastewater revenue and  
7 capacity fees for the San Francisco Public Utilities Commission (SFPUC)  
8 Wastewater Enterprise's Capital Improvement Program for FY2016-2017 at  
9 \$312,852,320 and for FY2017-2018 at \$902,348,960; re-appropriation of \$7,000,000  
10 and de-appropriation of \$10,750,000 Wastewater Revenue Bond projects in  
11 FY2016-2017; and placing \$1,112,601,280 in Revenue Bonds or State Loan or  
12 Grant Funds and \$14,600,000 in capacity fees by project on Controller's reserve  
13 subject to the Controller's certification of funds availability, including proceeds of  
14 indebtedness, and for construction related expenditures (excluding program  
15 management, planning, and design) for these projects, as applicable, is also  
16 subject to the prior occurrence of the SFPUC's and the Board of Supervisors'  
17 discretionary adoption of California Environmental Quality Act (CEQA) Findings  
18 for projects, following review and consideration of completed project related  
19 environmental analysis, where required.

20 Note: **Unchanged Code text and uncodified text** are in plain Arial font.  
21 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
22 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
23 **Board amendment additions** are in double-underlined Arial font.  
24 **Board amendment deletions** are in ~~strikethrough-Arial font~~.  
25 **Asterisks (\*\*\* )** indicate the omission of unchanged Code  
subsections or parts of tables.

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

2  
3 Section 1. The sources of funding outlined below are herein appropriated to reflect the  
4 funding available for Fiscal Year 2016-2017.

5  
6 **SOURCES Appropriation**

| Fund   | Index Code /<br>Project Code | Subobject | Description                         | Amount                      |
|--|------------------------------|-----------|-------------------------------------|-----------------------------|
| 9 5C CPF 17A - WWE-<br>10 Capital Projects-2017A<br>11 Bond Fund | *CWP5CCPF17A /<br>WWE30001   | 80111     | Proceeds Sale<br>of Bonds           | \$257,752,320               |
| 13 5C CPF RNR – WWE<br>14 Renewal &<br>15 Replacement Fund       | *CWWPZZZC505C /<br>CWWRNRC00 | 9505C     | Wastewater<br>Enterprise<br>Revenue | \$43,000,000                |
| 17 5C CPF CAP –<br>18 Wastewater Capacity<br>19 Fee              | *CWP5CCPFCAP /<br>CWWRNRC00  | 79993     | Wastewater<br>Capacity Fee          | \$12,100,000                |
| 21 <b>Total SOURCES Appropriation</b>                            |                              |           |                                     | <u><u>\$312,852,320</u></u> |

22  
23 Section 2. The uses of funding outlined below are herein appropriated in Subobject  
24 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4  
25 Internal Audits and 06700 Revenue Bond Oversight Committee, 07311 Financing Costs

1 and reflects the projected uses of funding to support the Wastewater Capital  
 2 Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year  
 3 2016-2017.

4  
 5 **USES Appropriation**

| Fund  | Index Code /<br>Project Code   | Subobject   | Description                                    | Amount       |
|---|--------------------------------|---|--|--------------|
| 5C CPF 17A - WWE-<br>Capital Projects-<br>2017A Bond Fund | CWPX5CCPF17A /<br>CWWSSIPRPL00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Program-<br>Wide Management             | \$6,000,000  |
| 5C CPF 17A - WWE-<br>Capital Projects-<br>2017A Bond Fund | CWPX5CCPF17A /<br>CWWSSIPRPL00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Land Reuse                              | \$28,108,000 |
| 5C CPF 17A - WWE-<br>Capital Projects-<br>2017A Bond Fund | CWPX5CCPF17A /<br>CWWSSIPDP00  | 06700 Buildings,<br>Structures, and<br>Improvements | Biosolids/Digester<br>Project                  | \$89,976,000 |
| 5C CPF 17A - WWE-<br>Capital Projects-<br>2017A Bond Fund | CWPX5CCPF17A /<br>CWWSSIPSE00  | 06700 Buildings,<br>Structures, and<br>Improvements | Treatment Plant<br>Improvements –<br>Headworks | \$34,198,000 |

| 1  | Fund              | Index Code /   | Subobject        | Description        | Amount       |
|----|-------------------|----------------|------------------|--------------------|--------------|
| 2  |                   | Project Code   |                  |                    |              |
| 3  | 5C CPF 17A - WWE- | CWPX5CCPF17A / | 06700 Buildings, | Treatment Plant    | \$5,881,000  |
| 4  | Capital Projects- | CWWSIPSE00     | Structures, and  | Improvements -     |              |
| 5  | 2017A Bond Fund   |                | Improvements     | Southeast          |              |
| 6  |                   |                |                  |                    |              |
| 7  | 5C CPF 17A - WWE- | CWPX5CCPF17A / | 06700 Buildings, | Flood              | \$10,438,000 |
| 8  | Capital Projects- | CWWSIPFR00     | Structures, and  | Resilience/Hydraul |              |
| 9  | 2017A Bond Fund   |                | Improvements     | c Improvements     |              |
| 10 |                   |                |                  |                    |              |
| 11 | 5C CPF 17A - WWE- | CWPX5CCPF17A / | 06700 Buildings, | Green              | \$1,320,000  |
| 12 | Capital Projects- | CWWSIPFCDB00   | Structures, and  | Infrastructure     |              |
| 13 | 2017A Bond Fund   |                | Improvements     | Projects           |              |
| 14 |                   |                |                  |                    |              |
| 15 | 5C CPF 17A - WWE- | CWPX5CCPF17A / | 06700 Buildings, | Renewal &          | \$42,215,000 |
| 16 | Capital Projects- | CWWRNRCS00     | Structures, and  | Replacement -      |              |
| 17 | 2017A Bond Fund   |                | Improvements     | Collection System  |              |
| 18 |                   |                |                  |                    |              |
| 19 | 5C CPF RNR - WWE  | WWECS5CPFRNR   | 06R00 Capital    | Renewal &          | \$29,285,000 |
| 20 | Renewal &         | / CWWNRNCS00   | Renewal Projects | Replacement -      |              |
| 21 | Replacement Fund  |                |                  | Collection System  |              |
| 22 |                   |                |                  |                    |              |
| 23 | 5C CPF CAP -      | CWPX5CCPFCAP / | 06R00 Capital    | Renewal &          | \$12,100,000 |
| 24 | Capacity Fee      | CWWRNRCS00     | Renewal Projects | Replacement -      |              |
| 25 |                   |                |                  | Collection System  |              |

|    | <b>Fund</b>       | <b>Index Code /<br/>Project Code</b> | <b>Subobject</b> | <b>Description</b>   | <b>Amount</b> |
|----|-------------------|--------------------------------------|------------------|----------------------|---------------|
| 3  | 5C CPF RNR – WWE  | WWETF5CPFRNR                         | 06R00 Capital    | Renewal &            | \$13,715,000  |
| 4  | Renewal &         | / CWWRNRTF00                         | Renewal Projects | Replacement –        |               |
| 5  | Replacement Fund  |                                      |                  | Treatment Facilities |               |
| 7  | 5C CPF 17A - WWE- | CWPX5CCPF17A/                        | 06700 Buildings, | Ocean Beach          | \$2,000,000   |
| 8  | Capital Projects- | CWWFAC01                             | Structures, and  | Projects             |               |
| 9  | 2017A Bond Fund   |                                      | Improvements     |                      |               |
| 11 | 5C CPF 17A - WWE- | CWPX5CCPF17A /                       | 06700 Buildings, | Southeast            | \$5,000,000   |
| 12 | Capital Projects- | CWWFAC03                             | Structures, and  | Community Center     |               |
| 13 | 2017A Bond Fund   |                                      | Improvements     | Improvements         |               |
| 15 | 5C CPF 17A - WWE- | CWPX5CCPF17A /                       | 06700 Buildings, | Islais Creek Outlet  | \$5,000,000   |
| 16 | Capital Projects- | CWWFAC04                             | Structures, and  |                      |               |
| 17 | 2017A Bond Fund   |                                      | Improvements     |                      |               |
| 19 | 5C CPF 17A - WWE- | CWPX5CCPF17A /                       | 07311 Bond       | Financing Costs      | \$26,916,972  |
| 20 | Capital Projects- | CWW30001                             | Issuance Cost    |                      |               |
| 21 | 2017A Bond Fund   |                                      |                  |                      |               |
| 23 | 5C CPF 17A - WWE- | CWPX5CCPF17A /                       | 081C4 Internal   | City Services        | \$570,472     |
| 24 | Capital Projects- | CWW30001                             | Audits           | Auditor              |               |
| 25 | 2017A Bond Fund   |                                      |                  |                      |               |

| 1 | Fund                            | Index Code /   | Subobject        | Description  | Amount                      |
|---|---------------------------------|----------------|------------------|--------------|-----------------------------|
| 2 |                                 | Project Code   |                  |              |                             |
| 3 | 5C CPF 17A - WWE-               | CWPX5CCPF17A / | 06700 Buildings, | Revenue Bond | \$128,876                   |
| 4 | Capital Projects-               | CWW30001       | Structures, and  | Oversight    |                             |
| 5 | 2017A Bond Fund                 |                | Improvements     | Committee    |                             |
| 6 |                                 |                |                  |              |                             |
| 7 | <b>Total USES Appropriation</b> |                |                  |              | <u><b>\$312,852,320</b></u> |

8

9 Section 3. Of the above appropriated amount, \$570,472 representing 0.2% of the

10 expenditure budget net of bond financing and audit costs, is to be allocated and

11 available to support the Controller's Audit Fund, pursuant to Charter Appendix F1.113;

12 and \$128,876 representing 0.05% of gross bond proceeds is to be allocated and

13 available to support the Public Utilities Commission Revenue Bond Oversight

14 Committee, pursuant to Administrative Code Section 5A.31. These appropriations may

15 be increased or decreased by the Controller based on changes to expenditure

16 appropriations or actual gross bond proceeds to conform to the applicable Charter and

17 Administrative Code formulas.

18

19 Section 4. \$269,852,320 of the total appropriation is hereby placed on Controller's

20 Appropriation Reserve by project. Release of appropriation reserves by the Controller

21 is subject to the Controller's certification of funds availability, including proceeds of

22 indebtedness, and for construction related expenditures (excluding program

23 management, planning and design) for these projects, as applicable, is also subject to

24 the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary

25 adoption of California Environmental Quality Act (CEQA) Findings for projects, following

1 review and consideration of completed project related environmental analysis, where  
2 required.

3

4 Section 5. Associated Bond financing costs up to \$26,916,972 is also hereby  
5 appropriated, including but not limited to, issuance costs, debt service reserve,  
6 capitalized interest, rating agency, and disclosure costs, all on Controller's reserve  
7 pending receipt of bond proceeds. To the extent that net available bond proceeds after  
8 financing costs are more than budgeted, the Department may use such surplus bond  
9 proceeds as a substitute for other sources budgeted in this appropriation.

10

11 Section 6. The Controller is authorized to record transfers between funds and adjust  
12 the accounting treatment of sources and uses appropriated in this ordinance as  
13 necessary to conform to Generally Accepted Accounting Principles.

14

15 Section 7. The sources of funding outlined below are herein appropriated to reflect the  
16 funding available for Fiscal Year 2017-2018.

17

18 **SOURCES Appropriation**

| 19 | Fund              | Index Code /   | Subobject | Description      | Amount        |
|----|-------------------|----------------|-----------|------------------|---------------|
| 20 |                   | Project Code   |           |                  |               |
| 21 | 5C CPF 17A - WWE- | *CWP5CCPF17A / | 80111     | Proceeds Sale of | \$854,848,960 |
| 22 | Capital Projects- | WWE30001       |           | Bonds            |               |
| 23 | 2017A Bond Fund   |                |           |                  |               |

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| Fund  | Index Code /<br>Project Code | Subobject | Description                         | Amount                      |
|---|------------------------------|-----------|-------------------------------------|-----------------------------|
| 5C CPF RNR – WWE<br>Renewal &<br>Replacement Fund | *CWWPZZZC505C /<br>CWWNRCS00 | 9505C     | Wastewater<br>Enterprise<br>Revenue | \$45,000,000                |
| 5C CPF CAP –<br>Wastewater Capacity<br>Fee        | *CWP5CCPFCAP /<br>CWWNRCS00  | 79993     | Wastewater<br>Capacity Fee          | \$2,500,000                 |
| <b>Total SOURCES Appropriation</b>                |                              |           |                                     | <u><u>\$902,348,960</u></u> |

Section 8. The uses of funding outlined below are herein appropriated in Subobject 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits, 06700 Revenue Bond Oversight Committee and 07311 Financing Costs, and reflects the projected uses of funding to support the Wastewater Capital Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year 2017-2018.

1 **USES Appropriation**

| 2  | Fund           | Index Code /   | Subobject        | Description        | Amount        |
|----|----------------|----------------|------------------|--------------------|---------------|
| 3  |                | Project Code   |                  |                    |               |
| 4  | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | SSIP – Program-    | \$6,000,000   |
| 5  | WWE-Capital    | CWWSIPRPL00    | Structures, and  | wide Management    |               |
| 6  | Projects-2017A |                | Improvements     |                    |               |
| 7  | Bond Fund      |                |                  |                    |               |
| 8  |                |                |                  |                    |               |
| 9  | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Biosolids/Digester | \$257,552,000 |
| 10 | WWE-Capital    | CWWSIPDP00     | Structures, and  | Project            |               |
| 11 | Projects-2017A |                | Improvements     |                    |               |
| 12 | Bond Fund      |                |                  |                    |               |
| 13 |                |                |                  |                    |               |
| 14 | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Treatment Plant    | \$76,427,000  |
| 15 | WWE-Capital    | CWWSIPSE00     | Structures, and  | Improvements -     |               |
| 16 | Projects-2017A |                | Improvements     | Headworks          |               |
| 17 | Bond Fund      |                |                  |                    |               |
| 18 |                |                |                  |                    |               |
| 19 | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Treatment Plant    | \$95,433,000  |
| 20 | WWE-Capital    | CWWSIPSE00     | Structures, and  | Improvements -     |               |
| 21 | Projects-2017A |                | Improvements     | Southeast          |               |
| 22 | Bond Fund      |                |                  |                    |               |

|    | <b>Fund</b>    | <b>Index Code /<br/>Project Code</b> | <b>Subobject</b> | <b>Description</b> | <b>Amount</b> |
|----|----------------|--------------------------------------|------------------|--------------------|---------------|
| 1  |                |                                      |                  |                    |               |
| 2  |                |                                      |                  |                    |               |
| 3  | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Treatment Plant    | \$57,287,000  |
| 4  | WWE-Capital    | CWWSIPTPNP00                         | Structures, and  | Improvements -     |               |
| 5  | Projects-2017A |                                      | Improvements     | North Point        |               |
| 6  | Bond Fund      |                                      |                  |                    |               |
| 7  |                |                                      |                  |                    |               |
| 8  | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Treatment Plant    | \$86,309,000  |
| 9  | WWE-Capital    | CWWSIPTPOP00                         | Structures, and  | Improvements -     |               |
| 10 | Projects-2017A |                                      | Improvements     | Oceanside          |               |
| 11 | Bond Fund      |                                      |                  |                    |               |
| 12 |                |                                      |                  |                    |               |
| 13 | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Central Bayside    | \$38,069,000  |
| 14 | WWE-Capital    | CWWSIPCT00                           | Structures, and  | System             |               |
| 15 | Projects-2017A |                                      | Improvements     | Improvements       |               |
| 16 | Bond Fund      |                                      |                  |                    |               |
| 17 |                |                                      |                  |                    |               |
| 18 | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Collection System  | \$4,407,000   |
| 19 | WWE-Capital    | CWWSIPCS00                           | Structures, and  | Improvements       |               |
| 20 | Projects-2017A |                                      | Improvements     |                    |               |
| 21 | Bond Fund      |                                      |                  |                    |               |
| 22 |                |                                      |                  |                    |               |
| 23 |                |                                      |                  |                    |               |
| 24 |                |                                      |                  |                    |               |
| 25 |                |                                      |                  |                    |               |

| 1  | Fund           | Index Code /   | Subobject        | Description         | Amount       |
|----|----------------|----------------|------------------|---------------------|--------------|
| 2  | Project Code   |                |                  |                     |              |
| 3  | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Reliability Program | \$7,738,000  |
| 4  | WWE-Capital    | CWWSIPCSCD00   | Structures, and  |                     |              |
| 5  | Projects-2017A |                | Improvements     |                     |              |
| 6  | Bond Fund      |                |                  |                     |              |
| 7  |                |                |                  |                     |              |
| 8  | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Pump                | \$20,105,000 |
| 9  | WWE-Capital    | CWWSIPCSPS00   | Structures, and  | Stations/Bayside &  |              |
| 10 | Projects-2017A |                | Improvements     | Westside            |              |
| 11 | Bond Fund      |                |                  |                     |              |
| 12 |                |                |                  |                     |              |
| 13 | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Flood               | \$18,776,000 |
| 14 | WWE-Capital    | CWWSIPFR00     | Structures, and  | Resilience/Hydrauli |              |
| 15 | Projects-2017A |                | Improvements     | c Improvements      |              |
| 16 | Bond Fund      |                |                  |                     |              |
| 17 |                |                |                  |                     |              |
| 18 | 5C CPF 17A -   | CWPX5CCPF17A / | 06700 Buildings, | Green               | \$1,158,000  |
| 19 | WWE-Capital    | CWWSIPFCDB00   | Structures, and  | Infrastructure      |              |
| 20 | Projects-2017A |                | Improvements     | Projects            |              |
| 21 | Bond Fund      |                |                  |                     |              |
| 22 |                |                |                  |                     |              |
| 23 |                |                |                  |                     |              |
| 24 |                |                |                  |                     |              |
| 25 |                |                |                  |                     |              |

|    | <b>Fund</b>    | <b>Index Code /<br/>Project Code</b> | <b>Subobject</b> | <b>Description</b>   | <b>Amount</b> |
|----|----------------|--------------------------------------|------------------|----------------------|---------------|
| 1  |                |                                      |                  |                      |               |
| 2  |                |                                      |                  |                      |               |
| 3  | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Advanced Rainfall/   | \$1,299,000   |
| 4  | WWE-Capital    | CWWSIPFCRP00                         | Structures, and  | Operating Decision   |               |
| 5  | Projects-2017A |                                      | Improvements     | System               |               |
| 6  | Bond Fund      |                                      |                  |                      |               |
| 7  |                |                                      |                  |                      |               |
| 8  | 5C CPF 17A -   | CWPX5CCPF17A /                       | 06700 Buildings, | Renewal &            | \$53,235,000  |
| 9  | WWE-Capital    | CWWRNRCS00                           | Structures, and  | Replacement -        |               |
| 10 | Projects-2017A |                                      | Improvements     | Collection System    |               |
| 11 | Bond Fund      |                                      |                  |                      |               |
| 12 |                |                                      |                  |                      |               |
| 13 | 5C CPF RNR -   | WWECS5CPFRNR /                       | 06R00 Capital    | Renewal &            | \$30,598,000  |
| 14 | WWE Renewal &  | CWWRNRCS00                           | Renewal Projects | Replacement -        |               |
| 15 | Replacement    |                                      |                  | Collection System    |               |
| 16 | Fund           |                                      |                  |                      |               |
| 17 |                |                                      |                  |                      |               |
| 18 | 5C CPF CAP -   | CWPX5CCPFCAP /                       | 06R00 Capital    | Renewal &            | \$2,500,000   |
| 19 | Capacity Fee   | CWWRNRCS00                           | Renewal Projects | Replacement -        |               |
| 20 |                |                                      |                  | Collection System    |               |
| 21 |                |                                      |                  |                      |               |
| 22 | 5C CPF RNR -   | WWETF5CPFRNR /                       | 06R00 Capital    | Renewal &            | \$14,402,000  |
| 23 | WWE Renewal &  | CWWRNRRTF00                          | Renewal Projects | Replacement -        |               |
| 24 | Replacement    |                                      |                  | Treatment Facilities |               |
| 25 | Fund           |                                      |                  |                      |               |

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| Fund   | Index Code /<br>Project Code | Subobject   | Description                                   | Amount       |
|--|------------------------------|---|---|--------------|
| 5C CPF 17A -<br>WWE-Capital<br>Projects-2017A<br>Bond Fund | CWPX5CCPF17A /<br>CWP11001   | 06700 Buildings,<br>Structures, and<br>Improvements | Treasure Island                               | \$20,463,000 |
| 5C CPF 17A -<br>WWE-Capital<br>Projects-2017A<br>Bond Fund | CWPX5CCPF17A /<br>CWWFAC01   | 06R00 Capital<br>Renewal Projects                   | Ocean Beach<br>Projects                       | \$4,000,000  |
| 5C CPF 17A -<br>WWE-Capital<br>Projects-2017A<br>Bond Fund | CWPX5CCPF17A /<br>CWWFAC03   | 06700 Buildings,<br>Structures, and<br>Improvements | Southeast<br>Community Center<br>Improvements | \$5,000,000  |
| 5C CPF 17A -<br>WWE-Capital<br>Projects-2017A<br>Bond Fund | CWPX5CCPF17A /<br>CWWFAC04   | 06700 Buildings,<br>Structures, and<br>Improvements | Islais Creek Outlet                           | \$10,000,000 |

| 1  | Fund                            | Index Code /   | Subobject        | Description          | Amount                      |
|----|---------------------------------|----------------|------------------|----------------------|-----------------------------|
| 2  |                                 | Project Code   |                  |                      |                             |
| 3  | 5C CPF 17A -                    | CWPX5CCPF17A / | 07311 Bond       | Financing Costs      | \$89,542,020                |
| 4  | WWE-Capital                     | CWW30001       | Issuance Cost    |                      |                             |
| 5  | Projects-2017A                  |                |                  |                      |                             |
| 6  | Bond Fund                       |                |                  |                      |                             |
| 7  |                                 |                |                  |                      |                             |
| 8  | 5C CPF 17A -                    | CWPX5CCPF17A / | 081C4 Internal   | City Service Auditor | \$1,621,516                 |
| 9  | WWE-Capital                     | CWW30001       | Audits           |                      |                             |
| 10 | Projects-2017A                  |                |                  |                      |                             |
| 11 | Bond Fund                       |                |                  |                      |                             |
| 12 |                                 |                |                  |                      |                             |
| 13 | 5C CPF 17A -                    | CWPX5CCPF17A / | 06700 Buildings, | Revenue Bond         | \$427,424                   |
| 14 | WWE-Capital                     | CWW30001       | Structures, and  | Oversight            |                             |
| 15 | Projects-2017A                  |                | Improvements     | Committee            |                             |
| 16 | Bond Fund                       |                |                  |                      |                             |
| 17 |                                 |                |                  |                      |                             |
| 18 | <b>Total USES Appropriation</b> |                |                  |                      | <b><u>\$902,348,960</u></b> |

20 Section 9. Of the above appropriated amount, \$1,621,516 representing 0.2% of the  
21 expenditure budget net of bond financing and audit costs, is to be allocated and  
22 available to support the Controller's Audit Fund, pursuant to Charter Appendix F1.113;  
23 and \$427,424, representing 0.05% of gross bond proceeds is to be allocated and  
24 available to support the Public Utilities Commission Revenue Bond Oversight  
25 Committee, pursuant to Administrative Code Section 5A.31. These appropriations may

1 be increased or decreased by the Controller based on changes to expenditure  
2 appropriations or actual gross bond proceeds to conform to the applicable Charter and  
3 Administrative Code formulas.

4  
5 Section 10. \$857,348,960 of the total appropriation is hereby placed on Controller's  
6 Appropriation Reserve by project. Release of appropriation reserves by the Controller is  
7 subject to the Controller's certification of funds availability, including proceeds of  
8 indebtedness, and for construction related expenditures (excluding program  
9 management, planning and design) for these projects, as applicable, is also subject to  
10 the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary  
11 adoption of California Environmental Quality Act (CEQA) Findings for projects, following  
12 review and consideration of completed project related environmental analysis, where  
13 required..

14  
15 Section 11. Associated Bond financing costs up to \$89,542,020 is also hereby  
16 appropriated, including but not limited to, issuance costs, debt service reserve,  
17 capitalized interest, rating agency, and disclosure costs, all on Controller's reserve  
18 pending receipt of bond proceeds. To the extent that net available bond proceeds after  
19 financing costs are more than budgeted, the Department may use such surplus bond  
20 proceeds as a substitute for other sources budgeted in this appropriation.

21  
22 Section 12. The Controller is authorized to record transfers between funds and adjust  
23 the accounting treatment of sources and uses appropriated in this ordinance as  
24 necessary to conform to Generally Accepted Accounting Principles.



1 Section 13. The funding below was previously appropriated and no additional funding is  
 2 requested in this supplemental appropriation ordinance.

3  
 4 **Sources De - Appropriation**

| Fund  | Index Code /<br>Project Code | Subsubject                | Description                    | Amount             |
|---|------------------------------|---------------------------|--------------------------------|--------------------|
| 5C CPF 12A - WWE-<br>Capital Projects-<br>2012A Bond Fund | *CWP5CCPF12A /<br>CWWBAE00   | 80111<br>Sale of<br>Bonds | Proceeds from Sale<br>of Bonds | \$2,000,000        |
| 5C CPF 13A - WWE-<br>Capital Projects-<br>2013A Bond Fund | *CWP5CCPF13A /<br>WWE30001   | 80111<br>Sale of<br>Bonds | Proceeds from Sale<br>of Bonds | \$5,000,000        |
| <b>Total Sources De - Appropriation</b>                   |                              |                           |                                | <b>\$7,000,000</b> |

17 **Sources Re - Appropriation**

| Fund  | Index Code /<br>Project Code   | Subsubject                | Description                    | Amount      |
|---|--------------------------------|---------------------------|--------------------------------|-------------|
| 5C CPF 12A - WWE-<br>Capital Projects-<br>2012A Bond Fund | *CWP5CCPF12A /<br>CWWSIPPRPL00 | 80111<br>Sale of<br>Bonds | Proceeds from<br>Sale of Bonds | \$2,000,000 |

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| Fund  | Index Code /<br>Project Code  | Subobject | Description                       | Amount                    |
|---|-------------------------------|-----------|-----------------------------------|---------------------------|
| 5C CPF 13A - WWE-<br>Capital Projects-<br>2013A Bond Fund | *CWP5CCPF13A /<br>CWWSIPRPL00 | 80111     | Proceeds from<br>Sale of<br>Bonds | \$5,000,000               |
| <b>Total Sources Re - Appropriation</b>                   |                               |           |                                   | <u><u>\$7,000,000</u></u> |

Section 14. The uses of funding outlined below are herein re-appropriated in Subobject 06700 (Buildings, Structures, and Improvement Project-Budget) and reflects the use of funds to support the Wastewater Capital Improvement Program at the San Francisco Public Utilities Commission for FY 2016-2017.

**Uses De - Appropriation**

| Fund  | Index Code /<br>Project Code | Subobject | Description  | Amount      |
|---|------------------------------|-----------|--|-------------|
| 5C CPF 12A - WWE-<br>Capital Projects-<br>2012A Bond Fund | *CWP5CCPF12A /<br>CWWBAE00   | 06700     | SSIP -Biosolids /<br>Buildings,<br>Digesters, and<br>Structures, and<br>Improvements | \$2,000,000 |

| 1 | Fund                                 | Index Code / | Subobject       | Description       | Amount                    |
|---|--------------------------------------|--------------|-----------------|-------------------|---------------------------|
| 2 |                                      | Project Code |                 |                   |                           |
| 3 | 5C CPF 13A - WWE-                    | CWPX5CCPF13A | 06700           | SSIP -Biosolids / | \$5,000,000               |
| 4 | Capital Projects-                    | / CWWBAE00   | Buildings,      | Digester Project  |                           |
| 5 | 2013A Bond Fund                      |              | Structures, and |                   |                           |
| 6 |                                      |              | Improvements    |                   |                           |
| 7 |                                      |              |                 |                   |                           |
| 8 | <b>Total Uses De – Appropriation</b> |              |                 |                   | <u><u>\$7,000,000</u></u> |

9  
10 **Uses Re - Appropriation**

| 11 | Fund                                 | Index Code /   | Subobject        | Description    | Amount                    |
|----|--------------------------------------|----------------|------------------|----------------|---------------------------|
| 12 |                                      | Project Code   |                  |                |                           |
| 13 | 5C CPF 12A - WWE-                    | *CWP5CCPF12A / | 06700 Buildings, | SSIP – Program | \$2,000,000               |
| 14 | Capital Projects-                    | CWWSIPPRPL00   | Structures, and  | Wide Efforts   |                           |
| 15 | 2012A Bond Fund                      |                | Improvements     |                |                           |
| 16 |                                      |                |                  |                |                           |
| 17 | 5C CPF 13A - WWE-                    | CWPX5CCPF13A   | 06700 Buildings, | SSIP – Program | \$5,000,000               |
| 18 | Capital Projects-                    | / CWW5IPPRPL00 | Structures, and  | Wide Efforts   |                           |
| 19 | 2013A Bond Fund                      |                | Improvements     |                |                           |
| 20 |                                      |                |                  |                |                           |
| 21 | <b>Total Uses Re – Appropriation</b> |                |                  |                | <u><u>\$7,000,000</u></u> |

1 Section 15. De-Appropriation of \$10,750,000 of Wastewater Revenue Bond funds.

3 **Sources De-Appropriation**

| Fund                                  | Index Code /   | Subobject | Description           | Amount                     |
|---------------------------------------|----------------|-----------|-----------------------|----------------------------|
| Project Code                          |                |           |                       |                            |
| 5C CPF LOC – CWP                      | *CWP5CCPFLOC / | 80111     | Proceeds from Sale of | \$7,088,685                |
| -Capital Projects-                    | CWW10000       |           | Bonds                 |                            |
| Local Fund                            |                |           |                       |                            |
| 5C CPF 11A - WWE-                     | *CWP5CCPF11A / | 80111     | Proceeds from Sale of | \$3,661,315                |
| Capital Projects-                     | CWW10000       |           | Bonds                 |                            |
| 2011A Bond Fund                       |                |           |                       |                            |
| <b>Total Sources De-Appropriation</b> |                |           |                       | <b><u>\$10,750,000</u></b> |

16 Section 16. De-Appropriation of uses \$10,750,000 in 06C00 Capital Projects Budget  
 17 Carryforward and requesting release of \$10,750,000 of Wastewater Enterprise Bond  
 18 Funds on Controllers Reserve.

20 **Uses De-Appropriation**

| Fund               | Index Code /   | Subobject | Description       | Amount      |
|--------------------|----------------|-----------|-------------------|-------------|
| Project Code       |                |           |                   |             |
| 5C CPF LOC – CWP   | *CWP5CCPFLOC / | 06C00     | Property Purchase | \$7,088,685 |
| -Capital Projects- | CWW10000       |           |                   |             |
| Local Fund         |                |           |                   |             |

| 1 | Fund                               | Index Code /   | Subobject | Description       | Amount              |
|---|------------------------------------|----------------|-----------|-------------------|---------------------|
| 2 |                                    | Project Code   |           |                   |                     |
| 3 | 5C CPF 11A - WWE-                  | *CWP5CCPF11A / | 06C00     | Property Purchase | \$3,661,315         |
| 4 | Capital Projects-                  | CWW10000       |           |                   |                     |
| 5 | 2011A Bond Fund                    |                |           |                   |                     |
| 6 | <b>Total Uses De-Appropriation</b> |                |           |                   | <b>\$10,750,000</b> |

7

8 Section 17. PUC Capital Improvements for the Sewer System Improvement Program  
9 shall be budgeted and approved by program (Program Wide Management, Treatment  
10 Facilities, Sewer/Collection System, Storm Water/Flood Control Management), and may  
11 be defined based on functional improvements, and may contain sub-projects to further  
12 define components of capital improvements. Appropriations to capital improvements  
13 shall be monitored and controlled by the Controller at the program level. The PUC is  
14 authorized to transfer funds within sub-projects with approval of the Controller.

15

16 Section 18. This Board, by Ordinance No. 89-15, authorized the SFPUC to enter into  
17 one or more State of California State Water Resources Control Board Installment Sale  
18 Agreements under the Clean Water State Revolving Fund (State Loan Funds), and  
19 amended and supplemented Ordinance No. 107-14 to authorize, in addition to the  
20 issuance of Waste Water revenue bonds, the execution and delivery of State Loan  
21 Funds to finance projects, provided that any such indebtedness shall not exceed in an  
22 aggregate principal amount \$819,035,941. The Board is concurrently considering with  
23 this Ordinance a SFPUC Waste Water Revenue Bond issuance, including authorization  
24 to obtain State Loan Funds and State Grant Funds, not to exceed \$1,112,601,280. The  
25 Sources of Funds herein appropriated in Section 1 and Section 7 of this Ordinance, or

1 previously appropriated by Ordinance 105-14, may include State Loan Funds or State  
2 Grant Funds when available, subject to compliance with the terms of the authorizing  
3 legislation for such Funds. The Controller is authorized to record substitution of the  
4 source of funds appropriated with State Loan Funds or State Grant Funds, as  
5 necessary to conform to Generally Accepted Accounting Principles.  
6  
7

8 APPROVED AS TO FORM:  
9 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE  
BEN ROSENFELD, Controller

10 By:

  
THOMAS OWEN  
Deputy City Attorney

By:

  
BEN ROSENFELD  
Controller



**City and County of San Francisco**  
**Tails**  
**Ordinance**

City Hall  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102-4689

**File Number:** 160469

**Date Passed:** June 14, 2016

Ordinance appropriating a total of \$1,215,201,280 of proceeds from revenue bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), wastewater revenue and capacity fees for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise's Capital Improvement Program for FY2016-2017 at \$312,852,320 and for FY2017-2018 at \$902,348,960; re-appropriation of \$7,000,000 and de-appropriation of \$10,750,000 Wastewater Revenue Bond projects in FY2016-2017; and placing \$1,112,601,280 in Revenue Bonds or State Loan or Grant Funds and \$14,600,000 in capacity fees by project on Controller's reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning, and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act (CEQA) Findings for projects, following review and consideration of completed project related environmental analysis, where required.

May 25, 2016 Budget and Finance Committee - RECOMMENDED

June 07, 2016 Board of Supervisors - PASSED, ON FIRST READING


Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

June 14, 2016 Board of Supervisors - FINALLY PASSED

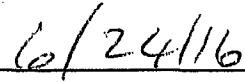
Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160469

**I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/14/2016 by the Board of Supervisors of the City and County of San Francisco.**

  
 \_\_\_\_\_  
**Angela Calvillo**  
 Clerk of the Board

  
 \_\_\_\_\_  
**Mayor**

  
 \_\_\_\_\_  
**Date Approved**

1 [Appropriation - Proceeds from Revenue Bonds, Wastewater Revenues and Capacity Fees of  
2 \$950,906,000 for Wastewater Capital Improvements, and Amending Ordinance No. 108-12 -  
3 FYs 2014-2015 and 2015-2016]

4 Ordinance appropriating \$950,906,000 of proceeds from revenue bonds, wastewater  
5 revenue and capacity fees for the San Francisco Public Utilities Commission (SFPUC)  
6 Wastewater Enterprise's Capital Improvement Program for FY2014-2015 at  
7 \$342,775,000 and FY2015-2016 at \$608,131,000; and placing \$846,906,000 by functional  
8 improvement area for the Sewer System Improvement Program (SSIP) at \$629,504,000  
9 and the non-SSIP project at \$217,402,000 on Controller's reserve subject to SFPUC's  
10 and the Board of Supervisors' approval following completion of project-related analysis  
11 pursuant to the California Environmental Quality Act, where required; receipt of  
12 proceeds of indebtedness; and amending Ordinance No. 108-12.

13  
14 Note: **Unchanged Code text and uncodified text** are in plain Arial font.  
15 **Additions to Codes** are in single-underline italics Times New Roman font.  
16 **Deletions to Codes** are in ~~strikethrough italics Times New Roman font~~.  
17 **Board amendment additions** are in double underlined Arial font.  
18 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
19 **Asterisks (\* \* \*)** indicate the omission of unchanged Code  
20 subsections or parts of tables.

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

22 Section 1. The sources of funding outlined below are herein appropriated to reflect the  
23 funding available for FY2014-2015.  
24  
25



1 **SOURCES Appropriation**

| 2  | Fund                               | Index Code /    | Subobject | Description   | Amount                      |
|----|------------------------------------|-----------------|-----------|---------------|-----------------------------|
| 3  |                                    | Project Code    |           |               |                             |
| 4  | 5C CPF 15A - WWE-                  | *CWP5CCPF15A /  | 80111     | Proceeds Sale | \$292,775,000               |
| 5  | Capital Projects-2015A             | WWE30001        |           | of Bonds      |                             |
| 6  | Bond Fund                          |                 |           |               |                             |
| 7  |                                    |                 |           |               |                             |
| 8  | 5C CPF R&R - WWE                   | *CWWPZZZC505C / | 9505C     | Wastewater    | \$39,000,000                |
| 9  | Renewal &                          | CWWRNRC500      |           | Enterprise    |                             |
| 10 | Replacement Fund                   |                 |           | Revenue       |                             |
| 11 |                                    |                 |           |               |                             |
| 12 | 5C CPF CAP -                       | *CWP5CCPFCAP /  | 99999B    | Wastewater    | \$11,000,000                |
| 13 | Wastewater Capacity                | CWWRNRC500      |           | Capacity Fee  |                             |
| 14 | Fee                                |                 |           |               |                             |
| 15 |                                    |                 |           |               |                             |
| 16 | <b>Total SOURCES Appropriation</b> |                 |           |               | <b><u>\$342,775,000</u></b> |

17

18 Section 2. The uses of funding outlined below are herein appropriated by functional

19 improvement area in the designated functional Subobject 06700 Buildings Structures and

20 Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits and 081XX Revenue

21 Bond Oversight Committee, and reflects the projected uses of funding to support the

22 Wastewater Capital Improvement Program at the San Francisco Public Utilities Commission

23 for FY2014-2015. The Controller may reallocate funds between projects within functional

24 improvement areas, and is authorized to recategorize projects in the functional improvement

25 areas as necessary to conform to Generally Accepted Accounting Principles. The Controller

1 shall report to the Board of Supervisors on any transfers of appropriation authority between  
 2 projects within functional program areas that exceed the receiving project appropriation by  
 3 more than 10%.

4  
 5 **USES Appropriation**

6 **Functional Improvement Area - SSIP Program-Wide Management:**

| Fund  | Index Code /<br>Project Code | Subobject   | Description                        | Amount              |
|---|------------------------------|---|------------------------------------|---------------------|
| 5C CPF 15A - WWE-<br>Capital Projects-<br>2015A Bond Fund | CWPX5CCPF15A /<br>CWWSIPPR00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Program-<br>Wide Management | \$23,000,000        |
| 5C CPF 15A - WWE-<br>Capital Projects-<br>2015A Bond Fund | CWPX5CCPF15A /<br>CWWSIPPR00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Land Reuse                  | \$5,000,000         |
| <b>Subtotal - SSIP Program-Wide Management</b>            |                              |   |                                    | <b>\$28,000,000</b> |

18  
 19 **Functional Improvement Area - SSIP Treatment Facilities Program:**

| Fund  | Index Code /<br>Project Code | Subobject   | Description                   | Amount       |
|---|------------------------------|---|-------------------------------|--------------|
| 5C CPF 15A - WWE-<br>Capital Projects-<br>2015A Bond Fund | CWPX5CCPF15A /<br>CWWSIPDP00 | 06700 Buildings,<br>Structures, and<br>Improvements | Biosolids/Digester<br>Project | \$42,600,000 |

| 1  | Fund  | Index Code /   | Subobject        | Description     | Amount               |
|----|---|----------------|------------------|-----------------|----------------------|
| 2  |   | Project Code   |                  |                 |                      |
| 3  |   |                |                  |                 |                      |
| 4  | 5C CPF 15A - WWE-                                   | CWPX5CCPF15A / | 06700 Buildings, | Treatment Plant | \$42,420,000         |
| 5  | Capital Projects-                                   | CWWSIPSE00     | Structures, and  | Improvements -  |                      |
| 6  | 2015A Bond Fund                                     |                | Improvements     | Southeast       |                      |
| 7  | 5C CPF 15A - WWE-                                   | CWPX5CCPF15A / | 06700 Buildings, | Treatment Plant | \$22,100,000         |
| 8  | Capital Projects-                                   | CWWSIPTP00     | Structures, and  | Improvements    |                      |
| 9  | 2015A Bond Fund                                     |                | Improvements     |                 |                      |
| 10 |   |                |                  |                 |                      |
| 11 | <b>Subtotal - SSIP Treatment Facilities Program</b> |                |                  |                 | <b>\$107,120,000</b> |

12

13 **Functional Improvement Area - SSIP Sewer/Collection System Program:**

| 15 | Fund              | Index Code /   | Subobject        | Description       | Amount       |
|----|-------------------|----------------|------------------|-------------------|--------------|
| 16 |                   | Project Code   |                  |                   |              |
| 17 | 5C CPF 15A - WWE- | CWPX5CCPF15A / | 06700 Buildings, | Central Bayside   | \$14,000,000 |
| 18 | Capital Projects- | CWWSIPCT00     | Structures, and  | System            |              |
| 19 | 2015A Bond Fund   |                | Improvements     | Improvements      |              |
| 20 |                   |                |                  |                   |              |
| 21 | 5C CPF 15A - WWE- | CWPX5CCPF15A / | 06700 Buildings, | Collection System | \$16,500,000 |
| 22 | Capital Projects- | CWWSIPCS00     | Structures, and  | Improvements      |              |
| 23 | 2015A Bond Fund   |                | Improvements     |                   |              |

24

25

| 1  | Fund   | Index Code /   | Subobject        | Description        | Amount              |
|----|--|----------------|------------------|--------------------|---------------------|
| 2  |  | Project Code   |                  |                    |                     |
| 3  | 5C CPF 15A - WWE-  | CWPX5CCPF15A / | 06700 Buildings, | Pump Stations /    | \$1,300,000         |
| 4  | Capital Projects-  | CWWSIPCSPS00   | Structures, and  | Bayside & Westside |                     |
| 5  | 2015A Bond Fund  |                | Improvements     |                    |                     |
| 6  |  |                |                  |                    |                     |
| 7  | <b>Subtotal - SSIP Sewer/Collection System Program</b>                       |                |                  |                    | <b>\$31,800,000</b> |
| 8  |  |                |                  |                    |                     |
| 9  | <b>Functional Improvement Area - SSIP Storm Water/Flood Control Program:</b> |                |                  |                    |                     |
| 10 |  |                |                  |                    |                     |
| 11 | 5C CPF 15A - WWE-  | CWPX5CCPF15A / | 06700 Buildings, | Storm Water        | \$37,300,000        |
| 12 | Capital Projects-  | CWWSIPFC00     | Structures, and  | Management         |                     |
| 13 | 2015A Bond Fund  |                | Improvements     |                    |                     |
| 14 |  |                |                  |                    |                     |
| 15 | 5C CPF 15A - WWE-  | CWPX5CCPF15A / | 06700 Buildings, | Urban Watershed    | \$3,000,000         |
| 16 | Capital Projects-  | CWWSIPUW00     | Structures, and  | Assessment         |                     |
| 17 | 2015A Bond Fund  |                | Improvements     |                    |                     |
| 18 |  |                |                  |                    |                     |
| 19 | <b>Subtotal - SSIP Storm Water/Flood Control Program</b>                     |                |                  |                    | <b>\$40,300,000</b> |
| 20 |  |                |                  |                    |                     |
| 21 | <b>Functional Improvement Area – Non SSIP WASTEWATER:</b>                    |                |                  |                    |                     |
| 22 | 5C CPF 15A - WWE-  | CWPX5CCPF15A / | 06700 Buildings, | Renewal &          | \$40,422,000        |
| 23 | Capital Projects-  | CWWRNRCS00     | Structures, and  | Replacement –      |                     |
| 24 | 2015A Bond Fund  |                | Improvements     | Collection System  |                     |
| 25 |  |                |                  |                    |                     |

| 1  | Fund                                  | Index Code /   | Subobject        | Description          | Amount              |
|----|---------------------------------------|----------------|------------------|----------------------|---------------------|
| 2  |                                       | Project Code   |                  |                      |                     |
| 3  | 5C CPF R&R – WWE                      | WWECS5CPFRNR / | 06R00 Capital    | Renewal &            | \$23,858,000        |
| 4  | Renewal &                             | CWWRNRCS00     | Renewal Projects | Replacement –        |                     |
| 5  | Replacement Fund                      |                |                  | Collection System    |                     |
| 6  |                                       |                |                  |                      |                     |
| 7  | 5C CPF CAP –                          | CWPX5CCPFCAP / | 06R00 Capital    | Renewal &            | \$11,000,000        |
| 8  | Capacity Fee                          | CWWRNRCS00     | Renewal Projects | Replacement –        |                     |
| 9  |                                       |                |                  | Collection System    |                     |
| 10 |                                       |                |                  |                      |                     |
| 11 | 5C CPF R&R – WWE                      | WWEF5CPFRNR /  | 06R00 Capital    | Renewal &            | \$12,442,000        |
| 12 | Renewal &                             | CWWRNRTF00     | Renewal Projects | Replacement –        |                     |
| 13 | Replacement Fund                      |                |                  | Treatment Facilities |                     |
| 14 |                                       |                |                  |                      |                     |
| 15 | 5C CPF R&R – WWE                      | WWECS5CPFRNR/  | 06R00 Capital    | Ocean Beach          | \$2,700,000         |
| 16 | Renewal &                             | CWWFAC01       | Renewal Projects | Visioning Process    |                     |
| 17 | Replacement Fund                      |                |                  |                      |                     |
| 18 |                                       |                |                  |                      |                     |
| 19 | 5C CPF 15A - WWE-                     | CWPX5CCPF15A / | 06700 Buildings, | Southeast            | \$7,000,000         |
| 20 | Capital Projects-                     | CWWFAC03       | Structures, and  | Community Center     |                     |
| 21 | 2015A Bond Fund                       |                | Improvements     | Improvements         |                     |
| 22 |                                       |                |                  |                      |                     |
| 23 | <b>Subtotal - Non SSIP WASTEWATER</b> |                |                  |                      | <b>\$97,422,000</b> |
| 24 |                                       |                |                  |                      |                     |
| 25 |                                       |                |                  |                      |                     |

| 1  | Fund                            | Index Code /   | Subobject        | Description     | Amount                      |
|----|---------------------------------|----------------|------------------|-----------------|-----------------------------|
| 2  |                                 | Project Code   |                  |                 |                             |
| 3  | 5C CPF 15A - WWE-               | CWPX5CCPF15A / | 06700 Buildings, | Financing Costs | \$37,377,329                |
| 4  | Capital Projects-               | CWW30001       | Structures, and  |                 |                             |
| 5  | 2015A Bond Fund                 |                | Improvements     |                 |                             |
| 6  |                                 |                |                  |                 |                             |
| 7  | 5C CPF 15A - WWE-               | CWPX5CCPF15A / | 081C4 Internal   | City Services   | \$609,284                   |
| 8  | Capital Projects-               | CWW30001       | Audits           | Auditor         |                             |
| 9  | 2015A Bond Fund                 |                |                  |                 |                             |
| 10 |                                 |                |                  |                 |                             |
| 11 | 5C CPF 15A - WWE-               | CWPX5CCPF15A / | 081XX            | Revenue Bond    | \$146,387                   |
| 12 | Capital Projects-               | CWW30001       |                  | Oversight       |                             |
| 13 | 2015A Bond Fund                 |                |                  | Committee       |                             |
| 14 |                                 |                |                  |                 |                             |
| 15 | <b>Total USES Appropriation</b> |                |                  |                 | <b><u>\$342,775,000</u></b> |

17 Section 3: Of the above appropriated amount, \$609,284, representing 0.2% of the  
18 expenditure budget net of bond financing and audit costs, is to be allocated and available to  
19 support the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$146,387,  
20 representing 0.05% of gross bond proceeds is to be allocated and available to support the  
21 Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative  
22 Code Section 5A.31. These appropriations may be increased or decreased by the Controller  
23 based on changes to expenditure appropriations or actual gross bond proceeds to conform to  
24 the applicable Charter and Administrative Code formulas.

25

1           Section 4: \$292,775,000 of the total appropriation is hereby placed on Controller's  
2 Appropriation Reserve by program for the SSIP at \$207,220,000, and by non-SSIP project at  
3 \$85,555,000. Release of appropriation reserves by the Controller is subject to the prior  
4 occurrence of: 1) the SFPUC's and the Board of Supervisors' discretionary adoption of CEQA  
5 findings for projects, following review and consideration of completed project-related  
6 environmental analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and  
7 Chapter 31 of the San Francisco Administrative Code, and 2) the Controller's certification of  
8 funds availability, including proceeds of indebtedness including Commercial Paper capacity.

9  
10           Section 5: Associated Bond financing costs up to \$37,377,329 are also hereby  
11 appropriated, including but not limited to, issuance costs, debt service reserve, capitalized  
12 interest, rating agency, and disclosure costs. These costs shall be pleased on Controller's  
13 reserve pending receipt of bond proceeds. To the extent that net available bond proceeds  
14 after financing costs are more than budgeted, the Controller may approve the use of such  
15 surplus bond proceeds as a substitute for other sources budgeted in this appropriation.

16  
17           Section 6: The Controller is authorized to record transfers between funds and adjust  
18 the accounting treatment of sources and uses appropriated in this ordinance as necessary to  
19 conform to Generally Accepted Accounting Principles.

20  
21           Section 7. The sources of funding outlined below are herein appropriated to reflect the  
22 funding available for FY2015-2016.

1 **SOURCES Appropriation**

| 2  | Fund                               | Index Code /   | Subobject | Description   | Amount                      |
|----|------------------------------------|----------------|-----------|---------------|-----------------------------|
| 3  |                                    | Project Code   |           |               |                             |
| 4  | 5C CPF 16A - WWE-                  | *CWP5CCPF16A / | 80111     | Proceeds Sale | \$554,131,000               |
| 5  | Capital Projects-2016A             | WWE30001       |           | of Bonds      |                             |
| 6  | Bond Fund                          |                |           |               |                             |
| 8  | 5C CPF R&R – WWE                   | CWWPZZZC505C / | 9505C     | Wastewater    | \$41,000,000                |
| 9  | Renewal &                          | CWWRNRCS00     |           | Enterprise    |                             |
| 10 | Replacement Fund                   |                |           | Revenue       |                             |
| 12 | 5C CPF CAP –                       | *CWP5CCPFCAP / | 99999B    | Wastewater    | \$13,000,000                |
| 13 | Wastewater Capacity                | CWWRNRCS00     |           | Capacity Fee  |                             |
| 14 | Fee                                |                |           |               |                             |
| 16 | <b>Total SOURCES Appropriation</b> |                |           |               | <u><u>\$608,131,000</u></u> |

18 Section 8. The uses of funding outlined below are herein appropriated by project and  
 19 functional improvement area, in Subobject 06700 Buildings Structures and Improvements,  
 20 06R00 Capital Renewal Projects, 081C4 Internal Audits and 081XX Revenue Bond Oversight  
 21 Committee, and reflects the projected uses of funding to support the Wastewater Capital  
 22 Improvement Program at the San Francisco Public Utilities Commission for FY2015-2016.  
 23 The Controller may reallocate funds between projects within functional improvement areas,  
 24 and is authorized to recategorize projects in the functional improvement areas as necessary  
 25 to conform to Generally Accepted Accounting Principles. The Controller shall report to the



1 Board of Supervisors on any transfers of appropriation authority between projects within  
 2 functional program areas that exceed the receiving project appropriation by more than 10%.

3  
 4 **USES Appropriation**

| Fund  | Index Code /<br>Project Code | Subobject   | Description                        | Amount              |
|---|------------------------------|---|------------------------------------|---------------------|
| <b>Functional Improvement Area - SSIP Program-Wide Management:</b>      |                              |   |                                    |                     |
| 5C CPF 16A - WWE-<br>Capital Projects-<br>2016A Bond Fund               | CWPX5CCPF16A /<br>CWWSIPPR00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Program-<br>wide Management | \$24,000,000        |
| 5C CPF 16A - WWE-<br>Capital Projects-<br>2016A Bond Fund               | CWPX5CCPF16A /<br>CWWSIPPR00 | 06700 Buildings,<br>Structures, and<br>Improvements | SSIP – Land Reuse                  | \$29,253,000        |
| <b>Subtotal - SSIP Program-Wide Management</b>                          |                              |   |                                    | <b>\$52,253,000</b> |
| <b>Functional Improvement Area - SSIP Treatment Facilities Program:</b> |                              |   |                                    |                     |
| 5C CPF 16A - WWE-<br>Capital Projects-<br>2016A Bond Fund               | CWPX5CCPF16A /<br>CWWSIPDP00 | 06700 Buildings,<br>Structures, and<br>Improvements | Biosolids/Digester<br>Project      | \$122,600,000       |

| 1  | Fund   | Index Code /   | Subobject        | Description        | Amount               |
|----|--|----------------|------------------|--------------------|----------------------|
| 2  |  | Project Code   |                  |                    |                      |
| 3  | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Treatment Plant    | \$102,981,000        |
| 4  | Capital Projects-  | CWWSIPSE00     | Structures, and  | Improvements -     |                      |
| 5  | 2016A Bond Fund  |                | Improvements     | Southeast          |                      |
| 6  |  |                |                  |                    |                      |
| 7  | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Treatment Plant    | \$45,280,000         |
| 8  | Capital Projects-  | CWWSIPTP00     | Structures, and  | Improvements       |                      |
| 9  | 2016A Bond Fund  |                | Improvements     |                    |                      |
| 10 | <b>Subtotal - SSIP Treatment Facilities Program</b>                        |                |                  |                    | <b>\$270,861,000</b> |
| 11 |  |                |                  |                    |                      |
| 12 | <b>Functional Improvement Area - SSIP Sewer/Collection System Program:</b> |                |                  |                    |                      |
| 13 |  |                |                  |                    |                      |
| 14 | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Central Bayside    | \$24,800,000         |
| 15 | Capital Projects-  | CWWSIPCT00     | Structures, and  | System             |                      |
| 16 | 2016A Bond Fund  |                | Improvements     | Improvements       |                      |
| 17 |  |                |                  |                    |                      |
| 18 | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Collection System  | \$41,100,000         |
| 19 | Capital Projects-  | CWWSIPCS00     | Structures, and  | Improvements       |                      |
| 20 | 2016A Bond Fund  |                | Improvements     |                    |                      |
| 21 |  |                |                  |                    |                      |
| 22 | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Pump Stations /    | \$8,600,000          |
| 23 | Capital Projects-  | CWWSIPCSPS00   | Structures, and  | Bayside & Westside |                      |
| 24 | 2016A Bond Fund  |                | Improvements     |                    |                      |
| 25 | <b>Subtotal - SSIP Sewer/Collection System Program</b>                     |                |                  |                    | <b>\$74,500,000</b>  |

| 1  | Fund   | Index Code /   | Subobject        | Description       | Amount              |
|----|--|----------------|------------------|-------------------|---------------------|
| 2  |  | Project Code   |                  |                   |                     |
| 3  | <b>Functional Improvement Area - SSIP Storm Water/Flood Control Program:</b> |                |                  |                   |                     |
| 4  |  |                |                  |                   |                     |
| 5  | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Storm Water       | \$23,670,000        |
| 6  | Capital Projects-  | CWWSIPFC00     | Structures, and  | Management        |                     |
| 7  | 2016A Bond Fund  |                | Improvements     |                   |                     |
| 8  | <b>Subtotal - SSIP Storm Water/Flood Control Program</b>                     |                |                  |                   | <b>\$23,670,000</b> |
| 9  |  |                |                  |                   |                     |
| 10 | <b>Functional Improvement Area – Non SSIP WASTEWATER:</b>                    |                |                  |                   |                     |
| 11 |  |                |                  |                   |                     |
| 12 | 5C CPF 16A - WWE-  | CWPX5CCPF16A / | 06700 Buildings, | Renewal &         | \$40,351,000        |
| 13 | Capital Projects-  | CWWRNRCS00     | Structures, and  | Replacement –     |                     |
| 14 | 2016A Bond Fund  |                | Improvements     | Collection System |                     |
| 15 |  |                |                  |                   |                     |
| 16 | 5C CPF R&R – WWE   | WWECS5CPFRNR / | 06R00 Capital    | Renewal &         | \$24,637,000        |
| 17 | Renewal &  | CWWRNRCS00     | Renewal Projects | Replacement –     |                     |
| 18 | Replacement Fund   |                |                  | Collection System |                     |
| 19 |  |                |                  |                   |                     |
| 20 | 5C CPF CAP –   | CWPX5CCPFCAP / | 06R00 Capital    | Renewal &         | \$13,000,000        |
| 21 | Capacity Fee   | CWWRNRCS00     | Renewal Projects | Replacement –     |                     |
| 22 |  |                |                  | Collection System |                     |
| 23 |  |                |                  |                   |                     |
| 24 |  |                |                  |                   |                     |
| 25 |  |                |                  |                   |                     |

| 1  | Fund                                  | Index Code /   | Subobject        | Description          | Amount               |
|----|---------------------------------------|----------------|------------------|----------------------|----------------------|
| 2  |                                       | Project Code   |                  |                      |                      |
| 3  | 5C CPF R&R – WWE                      | WWETF5CPFRNR / | 06R00 Capital    | Renewal &            | \$13,063,000         |
| 4  | Renewal &                             | CWWRNRTF00     | Renewal Projects | Replacement –        |                      |
| 5  | Replacement Fund                      |                |                  | Treatment Facilities |                      |
| 6  |                                       |                |                  |                      |                      |
| 7  | 5C CPF R&R – WWE                      | WWECS5CPFRNR / | 06R00 Capital    | Ocean Beach          | \$3,300,000          |
| 8  | Renewal &                             | CWWFAC01       | Renewal Projects | Visioning Process    |                      |
| 9  | Replacement Fund                      |                |                  |                      |                      |
| 10 |                                       |                |                  |                      |                      |
| 11 | 5C CPF 16A - WWE-                     | CWPX5CCPF16A / | 06700 Buildings, | Collection Division  | \$20,000,000         |
| 12 | Capital Projects-                     | CWWFAC02       | Structures, and  | Consolidation        |                      |
| 13 | 2016A Bond Fund                       |                | Improvements     |                      |                      |
| 14 | <b>Subtotal - Non SSIP WASTEWATER</b> |                |                  |                      | <b>\$114,351,000</b> |
| 15 |                                       |                |                  |                      |                      |
| 16 | 5C CPF 16A - WWE-                     | CWPX5CCPF16A / | 06700 Buildings, | Financing Costs      | \$70,145,665         |
| 17 | Capital Projects-                     | CWW30001       | Structures, and  |                      |                      |
| 18 | 2016A Bond Fund                       |                | Improvements     |                      |                      |
| 19 |                                       |                |                  |                      |                      |
| 20 | 5C CPF 16A - WWE-                     | CWPX5CCPF16A / | 081C4 Internal   | City Service Auditor | \$1,073,270          |
| 21 | Capital Projects-                     | CWW30001       | Audits           |                      |                      |
| 22 | 2016A Bond Fund                       |                |                  |                      |                      |
| 23 |                                       |                |                  |                      |                      |
| 24 |                                       |                |                  |                      |                      |
| 25 |                                       |                |                  |                      |                      |

| 1 | Fund                            | Index Code /   | Subobject | Description  | Amount               |
|---|---------------------------------|----------------|-----------|--------------|----------------------|
| 2 |                                 | Project Code   |           |              |                      |
| 3 | 5C CPF 16A - WWE-               | CWPX5CCPF16A / | 081XX     | Revenue Bond | \$277,065            |
| 4 | Capital Projects-               | CWW30001       |           | Oversight    |                      |
| 5 | 2016A Bond Fund                 |                |           | Committee    |                      |
| 6 |                                 |                |           |              |                      |
| 7 | <b>Total USES Appropriation</b> |                |           |              | <b>\$608,131,000</b> |

8

9 Section 9: Of the above appropriated amount, \$1,073,270, representing 0.2% of the

10 expenditure budget net of bond financing and audit costs, is to be allocated and available to

11 support the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$277,065,

12 representing 0.05% of gross bond proceeds is to be allocated and available to support the

13 Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative

14 Code Section 5A.31. These appropriations may be increased or decreased by the Controller

15 based on changes to expenditure appropriations or actual gross bond proceeds to conform to

16 the applicable Charter and Administrative Code formulas.

17

18 Section 10: \$554,131,000 of the total appropriation is hereby placed on Controller's

19 Appropriation Reserve by program for the SSIP at \$422,284,000 and for non-SSIP projects at

20 \$131,847,000. Release of appropriation reserves by the Controller is subject to the prior

21 occurrence of: 1) the SFPUC's and the Board of Supervisors' adoption of CEQA findings for

22 projects, following review and consideration of completed project-related environmental

23 analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of

24 the San Francisco Administrative Code, and 2) the Controller's certification of funds

25 availability, including proceeds of indebtedness including Commercial Paper capacity.

1           Section 11: Associated Bond financing costs up to \$70,145,665 is also hereby  
2 appropriated, including but not limited to, issuance costs, debt service reserve, capitalized  
3 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of  
4 bond proceeds. To the extent that net available bond proceeds after financing costs are more  
5 than budgeted, the Controller may approve the use of such surplus bond proceeds as a  
6 substitute for other sources budgeted in this appropriation

7  
8           Section 12: The Controller is authorized to record transfers between funds and adjust  
9 the accounting treatment of sources and uses appropriated in this ordinance, including but not  
10 limited to recategorization of projects within functional improvement areas, as necessary to  
11 conform to Generally Accepted Accounting Principles.

12  
13           Section 13. The funding below was previously appropriated and no additional funding is  
14 requested in this supplemental appropriation ordinance.

15  
16           Section 14. The uses of funding outlined below are herein re-appropriated in Subobject  
17 06700 (Buildings, Structures, and Improvement Project-Budget) and reflects a reallocation of  
18 funding previously approved in the FY 2013-14 Wastewater Supplemental Appropriation  
19 Ordinance 108-12.

1 **Uses De-appropriation**

| 2 | Fund                               | Index Code /   | Subobject        | Description       | Amount              |
|---|------------------------------------|----------------|------------------|-------------------|---------------------|
| 3 |                                    | Project Code   |                  |                   |                     |
| 4 | 5C CPF 13A - WWE-                  | CWPX5CCPF13A / | 06700 Buildings, | SSIP -Biosolids / | \$35,000,000        |
| 5 | Capital Projects-                  | CWWSIPDP00     | Structures, and  | Digester Project  |                     |
| 6 | 2013A Bond Fund                    |                | Improvements     |                   |                     |
| 7 |                                    |                |                  |                   |                     |
| 8 | <b>Total USES De-Appropriation</b> |                |                  |                   | <b>\$35,000,000</b> |

9  
10  
11 **Uses Re-Appropriation**

| 12 | Fund                               | Index Code /   | Subobject        | Description       | Amount              |
|----|------------------------------------|----------------|------------------|-------------------|---------------------|
| 13 |                                    | Project Code   |                  |                   |                     |
| 14 | 5C CPF 13A - WWE-                  | CWPX5CCPF13A / | 06700 Buildings, | SSIP – Land Reuse | \$35,000,000        |
| 15 | Capital Projects-                  | CWWSIPPR00     | Structures, and  |                   |                     |
| 16 | 2013A Bond Fund                    |                | Improvements     |                   |                     |
| 17 |                                    |                |                  |                   |                     |
| 18 | <b>Total USES Re-Appropriation</b> |                |                  |                   | <b>\$35,000,000</b> |

19  
20 Section 15. PUC capital improvements for the Sewer System Improvement Program  
21 shall be budgeted and approved by functional improvement area (Program Wide  
22 Management, Treatment Facilities, Sewer/Collection System, Storm Water/Flood Control  
23 Management), and may be defined based on functional improvements. The Controller may  
24 reallocate funds between projects within functional improvement areas, and is authorized to  
25 recategorize projects in the functional improvement areas as necessary to conform to

FILE NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

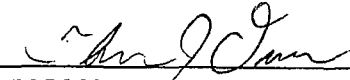
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SA#40-02

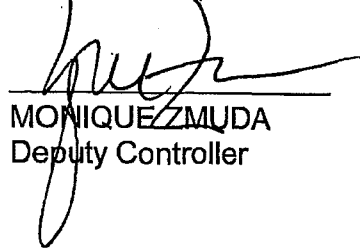
1 Generally Accepted Accounting Principles. The Controller shall report to the Board of  
2 Supervisors on any transfers of appropriation authority between projects within functional  
3 program areas that exceed the receiving project appropriation by more than 10%.

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APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE  
BEN ROSENFELD, Controller

By:   
THOMAS OWEN  
Deputy City Attorney

By:   
MONIQUE ZMUDA  
Deputy Controller





City and County of San Francisco

Tails  
Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 140481

Date Passed: June 24, 2014

Ordinance appropriating \$950,906,000 of proceeds from revenue bonds, wastewater revenue and capacity fees for the Public Utilities Commission (PUC) Wastewater Enterprise's Capital Improvement Program for FY2014-2015 at \$342,775,000 and FY2015-2016 at \$608,131,000; and placing \$846,906,000 by functional improvement area for the Sewer System Improvement Program (SSIP) at \$629,504,000 and the non-SSIP project at \$217,402,000 on Controller's reserve subject to PUC's and the Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required; receipt of proceeds of indebtedness; and amending Ordinance No. 108-12.

May 21, 2014 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

June 11, 2014 Budget and Finance Committee - RECOMMENDED

June 17, 2014 Board of Supervisors - PASSED, ON FIRST READING

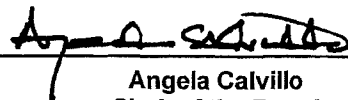
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

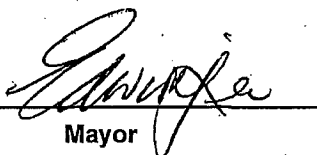
June 24, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140481

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/24/2014 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

7/2/2014  
Date Approved

1 [Increase of Wastewater Enterprise Commercial Paper Program - Not to Exceed  
2 \$500,000,000]

3 **Resolution authorizing an increase of the principal amount of the Wastewater**  
4 **Enterprise's Commercial Paper Program by \$200,000,000 from a principal amount not**  
5 **to exceed \$300,000,000 to a principal amount not to exceed \$500,000,000 to be issued**  
6 **from time to time by the Public Utilities Commission to finance various capital projects**  
7 **benefitting the Wastewater Enterprise, each pursuant to amendments to the Charter of**  
8 **the City and County of San Francisco enacted by the voters on November 5, 2002, as**  
9 **Proposition E; and ratifying previous actions taken in connection therewith.**

10  
11 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco  
12 (the "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the  
13 "Charter"), which among other things, authorized the Commission to issue revenue bonds,  
14 including notes, commercial paper or other forms of indebtedness, when authorized by  
15 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of  
16 reconstructing, replacing, expanding, repairing or improving water facilities or clean water  
17 facilities, or combinations of water and clean water facilities under the jurisdiction of the  
18 Commission; and

19 WHEREAS, Pursuant to Section 43.5 of the San Francisco Administrative Code,  
20 enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the  
21 Mayor of the City on June 19, 1998, the Board established a procedure pursuant to which the  
22 Commission may issue short-term indebtedness, including the issuance of commercial paper  
23 in anticipation of the issuance of its revenue bonds; and

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

7           WHEREAS, The Board's authority to authorize an issuance of debt under Proposition E  
8 is also subject to its receipt of a certification from the San Francisco Planning Department that  
9 facilities financed with such debt will comply with applicable requirements of the California  
10 Environmental Quality Act (together with the Engineer Certification, the "Proposition E  
11 Certificates"); and

12           WHEREAS, The Commission (Resolution No. 11-0197) and the Board (Ordinance No.  
13 91-12) have previously authorized the issuance of commercial paper notes for the  
14 Wastewater Enterprise in an aggregate principal amount not to exceed \$300,000,000 against  
15 Proposition E authorization, to provide additional short-term financing of capital improvements  
16 and related costs for improvements, betterments and additions to the Wastewater Enterprise;  
17 and

18           WHEREAS, The Proposition E Certificates for the prior \$300,000,000 authorization are  
19 on file with the Clerk of the Board in File No. 061298 and are part of Ordinance No. 266-06  
20 and Ordinance No. 91-12. The Proposition E Certificates describing additional improvements  
21 to the facilities of the Wastewater Enterprise are on file with the Clerk of the Board, in  
22 accordance with Proposition E, in File No. 120354 and support the issuance of additional  
23 wastewater commercial paper, revenue bonds and other forms of indebtedness authorized by  
24 this Ordinance; and

1           WHEREAS, The Commission has determined that it is necessary and desirable to  
2 make certain additional improvements to the facilities of the Wastewater Enterprise (the  
3 "Improvements"), and has further determined to finance the Improvements through the  
4 issuance of wastewater revenue bonds, and in anticipation of the issuance of such  
5 wastewater revenue bonds, through the expansion of the use of the Commission's  
6 commercial paper program and the issuance and reissuance of its commercial paper notes  
7 from time to time; and

8           WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 105-14 appropriating  
9 \$950,906,000 for the Wastewater Enterprise's Capital Improvement Program and Sewer  
10 System Improvement Program for Fiscal Years 2014-2015 and 2015-2016; and

11           WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 107-14 approving  
12 the issuance and sale of wastewater revenue bonds in an aggregate principal amount not to  
13 exceed \$819,035,941, inclusive of financing costs; and

14           WHEREAS, On August 26, 2014 the Commission approved resolution 14-0139 to  
15 authorize an increase in the principal amount of the Commission's Wastewater Enterprise  
16 Commercial Paper Program from \$300,000,000 to \$500,000,000, together with the approval  
17 of security documents related thereto and the appointment of professionals therefor; and

18           WHEREAS, The Board now desires to authorize an increase in the aggregate principal  
19 amount outstanding for the Commission's Wastewater Enterprise Commercial Paper Program  
20 pursuant to said Section 8B.124; now, therefore be it

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

23           FURTHER RESOLVED, That this Board hereby declares that the Proposition E  
24 Certificates on file with the Clerk of the Board in File No. 120354 satisfy the requirements of  
25

1 Section 8B.124 of the Charter, and in accordance therewith, the Commission is hereby  
2 authorized to issue additional debt pursuant to this authorization; and, be it

3 FURTHER RESOLVED, That this Board hereby approves a \$200,000,000 increase of  
4 the principal amount of the Commission's Wastewater Enterprise Commercial Paper Program  
5 commercial paper authorization to \$500,000,000 from \$300,000,000 pursuant to Section 8B.  
6 124 of the Charter and approves the issuance and sale of Commercial Paper in one or more  
7 series from time to time by the Commission pursuant to the Charter and in accordance with a  
8 resolution of the Commission; provided however that any Commercial Paper issued by the  
9 Commission shall not exceed twelve percent (12%) per annum; and that the Commission is  
10 hereby authorized to determine the timing, amount and manner of sale of each series of  
11 Commercial Paper issued pursuant to this authorization; provided however Commission's  
12 authorization to issue Commercial Paper is subject to the approval, by a resolution of the  
13 Commission, of the form of offering document prepared in connection with issuance of the  
14 Commercial Paper; and, be it

15 FURTHER RESOLVED, The General Manager of the Commission, the Controller, the  
16 Director of the Office of Public Finance, the Treasurer, the General Manager of the  
17 Commission, the City Attorney and other officers of the City and their duly authorized deputies  
18 and agents are hereby authorized and directed, jointly and severally, to take such actions and  
19 to execute and deliver such certificates, agreements, requests or other documents, as they  
20 may deem necessary or desirable to facilitate the issuance, sale and delivery of the  
21 Wastewater Commercial Paper Notes, and otherwise to carry out the provisions of this  
22 Resolution; and, be it

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

1           FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
2 adoption.

3  
4 APPROVED AS TO FORM:

5  
6 DENNIS J. HERRERA  
7 CITY ATTORNEY

8 BY:   
9       MARK D. BLAKE  
10       Deputy City Attorney

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City and County of San Francisco

Tails

Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 140955

Date Passed: September 30, 2014

Resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by \$200,000,000 from a principal amount not to exceed \$300,000,000 to a principal amount not to exceed \$500,000,000 to be issued from time to time by the Public Utilities Commission to finance various capital projects benefitting the Wastewater Enterprise, each pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; and ratifying previous actions taken in connection therewith.

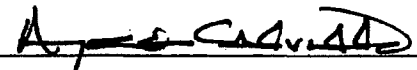
September 24, 2014 Budget and Finance Committee - RECOMMENDED


September 30; 2014 Board of Supervisors - ADOPTED

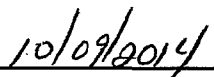
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140955

I hereby certify that the foregoing Resolution was ADOPTED on 9/30/2014 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved

270-06

FILE NO. 061297

ORDINANCE NO.

1 [Public Utilities Commission Short-Term Indebtedness.]

2  
3 **Ordinance amending Sections 43.5.1 through 43.5.4, inclusive, of the San Francisco**  
4 **Administrative Code to authorize the Director of Public Finance to designate an**  
5 **alternate, to implement the provisions of Article VIII B of the Charter and to make other**  
6 **clarifying revisions.**

7 Note: Additions are *single-underline italics Times New Roman*;  
8 deletions are *strikethrough italics Times New Roman*.  
9 Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

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

11 Section 1. The San Francisco Administrative Code is hereby amended by amending  
12 Sections 43.5.1, 43.5.2, 43.5.3 and 43.5.4, to read as follows:

13 Sec. 43.5.1. DEFINITIONS.

14 For purposes of this Article, the following terms shall have the meanings given below:

- 15 (a) The term "Board" shall mean the Board of Supervisors of the City.  
16 (b) The term "Charter" shall mean the Charter of this City.  
17 (c) The term "City" shall mean the City and County of San Francisco.  
18 (d) The term "Commission" shall mean the Public Utilities Commission of the City.  
19 (e) The term "Director" shall mean Director of the ~~Mayor's~~ City's Office of Public

20 Finance, or her/his designee, or any successor to that Office.

21  
22 Sec. 43.5.2 AUTHORIZATION OF SHORT-TERM INDEBTEDNESS.

23 Following voter approval or Board approval, as the case may be, of the issuance of  
24 revenue bonds by the Commission pursuant to Section 9.107 of the Charter or following Board  
25 approval of any revenue bonds or other obligations pursuant to Article VIII B of the Charter, the



1 ~~commission, in anticipation of the issuance of such revenue bonds,~~ Commission may incur short-term  
2 indebtedness in the form of commercial paper, temporary notes or other forms of  
3 indebtedness subject to the limitations set forth below. In the case of revenue bond authority  
4 obtained by the Commission pursuant to Section 9.107 of the Charter, such short-term indebtedness  
5 would be incurred in anticipation of the issuance of such revenue bonds.

6 The issuance of such short-term indebtedness, ~~and certain of the terms and conditions~~  
7 ~~thereof,~~ shall be subject to prior authorization by the Board.

8 Except as provided in Section 43.5.5, use of the proceeds of any such short-term  
9 indebtedness shall be limited to the purposes for which the applicable revenue bonds or other  
10 indebtedness were approved by the voters or by the Board, as the case may be. Short-term  
11 indebtedness incurred pursuant to this Article shall not result in interest costs or a maturity  
12 date exceeding the limits, if any, fixed by the voters or the Board, as the case may be, with  
13 respect to the applicable revenue bond or indebtedness approval(s).

14 Such short-term indebtedness shall be payable solely from the proceeds of the  
15 applicable revenue bonds, or revenues of the Commission pledged, or to be pledged, to the  
16 payment of such revenue bonds or other Board-authorized indebtedness. In the case of revenue  
17 bonds authorized under Section 9.107 of the Charter, if any of the principal of such short-term  
18 indebtedness is paid from revenues of the Commission (other than revenues derived from  
19 grants) rather than from the proceeds of revenue bonds, the principal amount of revenue  
20 bonds the Commission is thereafter authorized to issue shall be reduced by the principal  
21 amount of short-term indebtedness paid from revenues (other than revenues derived from  
22 grants).

1 Any pledge of revenues by the Commission for the payment of short-term  
2 indebtedness may, in the sole discretion of the Director upon recommendation of the  
3 Commission, be subordinate to any pledge of the Commission for its revenue bonds.

4 All indebtedness incurred pursuant to this Article shall not constitute or evidence a debt  
5 of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of  
6 the City, or upon any income, receipt, revenue of the City, except the revenues or funds, if  
7 any, pledged by the Commission.

8 All short-term indebtedness incurred pursuant to this Article must additionally comply  
9 with each of the following provisions:

10 (a) Shall be evidenced by notes, warrants, commercial paper or other evidences of  
11 indebtedness maturing not later than five years from their issuance date; and

12 (b) Any draw on such short-term indebtedness *(other than a draw to refund other*  
13 *short-term indebtedness)* shall be subject to approval by the Director; and

14 (c) The proceeds of such short-term indebtedness may only be used to fund  
15 projects that have been approved by the Board of Supervisors, either as part of the Public  
16 Utilities Commission's annual budget or as the subject of a separate approval.

17 Such short-term indebtedness may be sold at the discretion of the Director, upon  
18 recommendation of the Commission, by public or private sale. All other terms and conditions  
19 for such short-term indebtedness shall be determined by the Director, upon recommendation  
20 of the Commission.

21  
22 **SEC. 43.5.3. CREDIT OR LIQUIDITY SUPPORT.**

23 The Director, upon recommendation of the Commission, may arrange for credit or  
24 liquidity support for short-term indebtedness issued pursuant to this Article or may arrange for  
25

1 credit or liquidity support to provide an additional source of repayment for such short-term  
2 indebtedness.

3 Notwithstanding anything to the contrary in this Article, any monies paid by a financial  
4 institution under any agreement for credit or liquidity support (a "credit facility") shall:

5 (a) Be repaid over a period not exceeding the maximum maturity, if any, fixed by the  
6 voters or the Board, as the case may be, ~~with respect to~~ in connection with the applicable  
7 approval of revenue bonds or other indebtedness approval;


8 (b) Bear interest at a rate that does not cause the aggregate average interest cost to  
9 exceed the maximum approved interest cost on such short-term indebtedness over the entire  
10 period such short-term indebtedness is outstanding; and

11 (c) Have such other terms and conditions as the Director, upon the recommendation  
12 of the Commission, shall fix.

13  
14 SEC. 43.5.4. MAXIMUM SHORT-TERM INDEBTEDNESS.

15 The maximum principal amount of all short-term indebtedness outstanding and  
16 incurred under this Article, including any amounts outstanding under any credit facility,  
17 together with the outstanding principal amount of related revenue bonds, shall not at any time  
18 exceed the maximum principal amount of the applicable revenue bonds or other indebtedness  
19 approved by the voters or the Board, as the case may be.  
20

21  
22 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

23 By:   
24 Michael J. Martin  
25 Deputy City Attorney

PUBLIC UTILITIES COMMISSION  
BOARD OF SUPERVISORS



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails

## Ordinance

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**File Number:** 061297

**Date Passed:**

Ordinance amending Sections 43.5.1 through 43.5.4, inclusive, of the San Francisco Administrative Code to authorize the Director of Public Finance to designate an alternate, to implement the provisions of Article VIII B of the Charter and to make other clarifying revisions.

---

October 17, 2006 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,  
McGoldrick, Mirkarimi, Peskin, Sandoval

October 24, 2006 Board of Supervisors — FINALLY PASSED

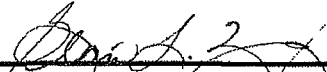
Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,  
Mirkarimi, Peskin, Sandoval  
Excused: 1 - McGoldrick

File No. 061297

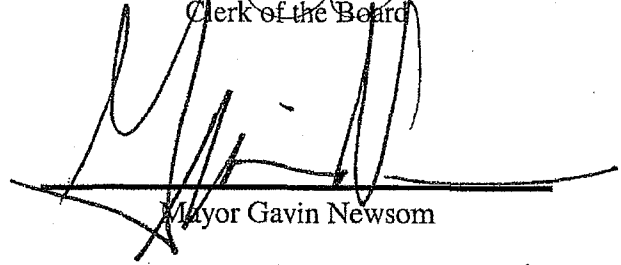
I hereby certify that the foregoing Ordinance  
was FINALLY PASSED on October 24, 2006  
by the Board of Supervisors of the City and  
County of San Francisco.

Oct. 31, 2006

Date Approved

  
\_\_\_\_\_

Gloria L. Young  
Clerk of the Board

  
\_\_\_\_\_

Mayor Gavin Newsom

FILE NO. 98-0738

ORDINANCE NO. 203-98

1 [Public Utilities Commission Short-Term Indebtedness]

2 AMENDING PART I OF THE SAN FRANCISCO MUNICIPAL CODE (THE SAN FRANCISCO  
3 ADMINISTRATIVE CODE) BY ADDING CHAPTER 84, SECTIONS 84.1 THROUGH 84.6 TO  
4 PROVIDE A PROCEDURE FOR THE ISSUANCE BY THE PUBLIC UTILITIES  
5 COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO OF COMMERCIAL  
6 PAPER AND OTHER SHORT-TERM INDEBTEDNESS IN ANTICIPATION OF THE  
7 ISSUANCE OF REVENUE BONDS

8 NOTE: This Chapter is new.

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

10 Section 1. FINDINGS. The Board of Supervisors of the City and County of San  
11 Francisco hereby finds and declares as follows:

12 A. Section 9.107 of the Charter of the City and County of San Francisco provides  
13 for the issuance of revenue bonds by the Public Utilities Commission of the City and County  
14 of San Francisco following the approval of the issuance of such revenue bonds by a majority  
15 of the voters, or, in the case of revenue bonds issued for the purposes set forth in clauses 1  
16 and 6 of such Section, following approval by at least a three-fourths affirmative vote of the  
17 members of the Board.

18 B. Pursuant to Section 4.102 of the Charter, the Commission is authorized to  
19 execute such powers and duties as shall be prescribed by the Board.

20 C. Pursuant to Section 9.107 of the Charter, except as otherwise provided in the  
21 Charter, all revenue bonds may be issued and sold in accordance with state law or any  
22 procedure provided by City ordinance.

23 D. Pursuant to Section 9.113 of the Charter, the Board is authorized to borrow  
24 money by the issuance of tax anticipation notes, temporary notes, commercial paper or any  
25 other short-term debt instruments in the manner provided by state law or City ordinance.

PUBLIC UTILITIES COMMISSION  
BOARD OF SUPERVISORS

1 E. The Board wishes to establish a procedure pursuant to which the Commission  
2 may issue or incur short-term indebtedness in anticipation of the issuance of revenue bonds  
3 which have been authorized in accordance with the Charter.

4 Section 2. Part I of the San Francisco Municipal Code (the San Francisco  
5 Administrative Code) is hereby amended by adding Chapter 84, to read as follows:

6 SEC. 84.1 DEFINITIONS. For purposes of this Chapter, the following terms shall  
7 have the meanings given below:

8 (a) The term "Board" shall mean the Board of Supervisors of the City.

9 (b) The term "Charter" shall mean the Charter of this City.

10 (c) The term "City" shall mean the City and County of San Francisco.

11 (d) The term "Commission" shall mean the Public Utilities Commission of the City.

12 (e) The term "Director" shall mean Director of the Mayor's Office of Public Finance  
13 or any successor to that office.

14 SEC. 84.2 AUTHORIZATION OF SHORT-TERM INDEBTEDNESS. Following voter  
15 approval or Board approval, as the case may be, of the issuance of revenue bonds by the  
16 Commission pursuant to Section 9.107 of the Charter, the Commission, in anticipation of the  
17 issuance of such revenue bonds, may incur short-term indebtedness in the form of  
18 commercial paper, temporary notes or other forms of indebtedness subject to the limitations  
19 set forth below.

20 The issuance of such short-term indebtedness, and certain of the terms and conditions  
21 thereof, shall be subject to prior authorization by the Board.

22 Except as provided in Section 84.5, use of the proceeds of any such short-term  
23 indebtedness shall be limited to the purposes for which the applicable revenue bonds were  
24 approved by the voters or by the Board, as the case may be. Short-term indebtedness  
25 incurred pursuant to this Chapter shall not result in interest costs or a maturity date exceeding

1 the limits, if any, fixed by the voters or the Board, as the case may be, with respect to the  
2 applicable revenue bond approval(s).

3 Such short-term indebtedness shall be payable solely from the proceeds of the  
4 applicable revenue bonds, or revenues of the Commission pledged, or to be pledged, to the  
5 payment of such revenue bonds. If any of the principal of such short-term indebtedness is  
6 paid from revenues of the Commission (other than revenues derived from grants) rather than  
7 from the proceeds of revenue bonds, the principal amount of revenue bonds the Commission  
8 is thereafter authorized to issue shall be reduced by the principal amount of short-term  
9 indebtedness paid from revenues (other than revenues derived from grants).

10 Any pledge of revenues by the Commission for the payment of short-term  
11 indebtedness may, in the sole discretion of the Director upon recommendation of the  
12 Commission, be subordinate to any pledge of the Commission for its revenue bonds.

13 All indebtedness incurred pursuant to this Chapter shall not constitute or evidence a  
14 debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any  
15 property of the City, or upon any income, receipt, revenue of the City, except the revenues or  
16 funds, if any, pledged by the Commission.

17 All short-term indebtedness incurred pursuant to this Chapter must additionally comply  
18 with each of the following provisions:

19 (a) shall be evidenced by notes, warrants, commercial paper or other  
20 evidences of indebtedness maturing not later than five (5) years from  
21 their issuance date; and

22 (b) any draw on such short-term indebtedness shall be subject to approval  
23 by the Director.

24 Such short-term indebtedness may be sold at the discretion of the Director, upon  
25 recommendation of the Commission, by public or private sale. All other terms and conditions



1 for such short-term indebtedness shall be determined by the Director, upon recommendation  
2 of the Commission.

3       SEC. 84.3 CREDIT OR LIQUIDITY SUPPORT. The Director, upon  
4 recommendation of the Commission, may arrange for credit or liquidity support for short-term  
5 indebtedness issued pursuant to this Chapter or may arrange for credit or liquidity support to  
6 provide an additional source of repayment for such short-term indebtedness.

7       Notwithstanding anything to the contrary in this Chapter, any monies paid by a  
8 financial institution under any agreement for credit or liquidity support (a "Credit Facility")  
9 shall:

- 10           (a) be repaid over a period not exceeding the maximum maturity, if any,  
11           fixed by the voters or the Board, as the case may be, with respect to the  
12           applicable revenue bond approval;
- 13           (b) bear interest at a rate that does not cause the aggregate average  
14           interest cost to exceed the maximum approved interest cost on such  
15           short-term indebtedness over the entire period such short-term  
16           indebtedness is outstanding; and
- 17           (c) have such other terms and conditions as the Director, upon the  
18           recommendation of the Commission, shall fix.

19       SEC. 84.4 MAXIMUM SHORT-TERM INDEBTEDNESS. The maximum principal  
20 amount of all short-term indebtedness outstanding and incurred under this Chapter, including  
21 any amounts outstanding under any Credit Facility, together with the outstanding principal  
22 amount of related revenue bonds, shall not at any time exceed the maximum principal  
23 amount of the applicable revenue bonds approved by the voters or the Board, as the case  
24 may be.

25 ///

1           SEC. 84.5   REFUNDING SHORT-TERM INDEBTEDNESS. The Commission, with  
2 the prior approval of the Director, may issue commercial paper, refunding notes, warrants, or  
3 other evidences of short-term indebtedness, in anticipation of the issuance of revenue bonds,  
4 for the purpose of paying and redeeming, at or prior to maturity, outstanding short-term  
5 indebtedness issued in accordance with this Chapter. Notwithstanding the preceding  
6 sentence, any short-term indebtedness issued to refund outstanding short-term indebtedness  
7 may not:

- 8           (a)   exceed the interest cost limitation set forth in Section 84.2; and
- 9           (b)   exceed the limitation on the maximum principal amount of short-term  
10           indebtedness set forth in Section 84.4; and
- 11           (c)   mature more than five (5) years from the original date of issuance of the  
12           original short-term indebtedness it is refunding.

13 Short-term indebtedness issued to refund outstanding short-term indebtedness may be  
14 refunded by the Commission in accordance with this Section 84.5.

15           SEC. 84.6.   CONSTRUCTION. The powers conferred by the provisions of this  
16 Chapter are in addition to and supplemental to the powers conferred by the Charter or any  
17 other ordinance or law.

18  
19 APPROVED AS TO FORM:

20 LOUISE H. RENNE, City Attorney

21  
22  
23 By: 

24           DAVE ANGELO SANCHEZ  
25           Deputy City Attorney

PUBLIC UTILITIES COMMISSION  
BOARD OF SUPERVISORS

Page 5  
6/1/98

Board of Supervisors, San Francisco

Passed on First Reading

June 1, 1998

Ayes: Supervisors Ammiano Bierman  
Brown Katz Kaufman Leno Medina  
Newsom Teng Yaki

Noes: Supervisor Yee

§ Finally Passed

§

§ June 8, 1998

§

§

§ Ayes: Supervisors Ammiano Brown  
§ Katz Kaufman Leno Medina Newsom  
§ Teng Yaki

§

§ Noes: Supervisor Yee

§

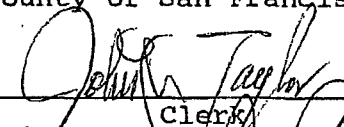
§ Absent: Supervisor Bierman

I hereby certify that the foregoing ordinance  
was finally passed by the Board of Supervisors  
of the City and County of San Francisco

File No.  
98-0738

JUN 19 1998

Date Approved

  
Clerk

  
Mayor



San Francisco  
Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 4th Floor  
San Francisco, CA 94102  
T 415.551.2973  
F 415.487.5258  
TTY 415.554.3488

April 28, 2017

Angela Calvillo  
Clerk of the Board  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA. 94102-4689

Dear Ms. Calvillo:

Please see the enclosed Certificates as required under 2002 Proposition E related to the following bond authorizing legislation:

- Wastewater Enterprise: File No. 160471 and Board of Supervisors Ordinance No. 0111-16.

Should you have any questions, please feel free to contact me.

Best regards,

Richard Morales  
Debt Manager  
Tel: 415-551-2973

**Edwin M. Lee**  
Mayor

**Anson Moran**  
President

**Ike Kwon**  
Vice President

**Ann Moller Caen**  
Commissioner

**Francesca Vietor**  
Commissioner

**Vince Courtney**  
Commissioner

**Harlan L. Kelly, Jr.**  
General Manager





**TO: Angela Calvillo, Clerk of the Board**

**FROM: John Scarpulla, Policy and Government Affairs**

**DATE: April 28, 2017**

**SUBJECT: Wastewater Enterprise Commercial Paper Program – Not to Exceed \$750,000,000**

Attached please find an original and one copy of a proposed resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by \$250,000,000 from a principal amount not to exceed \$500,000,000 to a principal amount not to exceed \$750,000,000, such Commercial Paper to be issued from time to time by the San Francisco Public Utilities Commission (the Commission) to finance on an interim basis various capital projects benefitting the Wastewater Enterprise pursuant to amendments to the Charter (the Charter) of the City and County of San Francisco (the City) enacted by the voters on November 5, 2002, as Proposition E (Proposition E); and ratifying previous actions taken in connection therewith.

The following is a list of accompanying documents (2 sets):

1. Board of Supervisors Resolution
2. Board Ordinance No. 203-98
3. Board Ordinance No. 270-06
4. Board Ordinance No. 378-14
5. SFPUC Resolution No. 17-0086
6. Board Ordinance No. 111-16
7. Proposition E Certificates
8. Board Ordinance No. 105-14
9. Board Ordinance No. 109-16

Please contact John Scarpulla at (415) 934-5782 if you need additional information on these items.

RECEIVED  
 BOARD OF SUPERVISORS  
 SAN FRANCISCO

2017 APR 28 AM 8:11

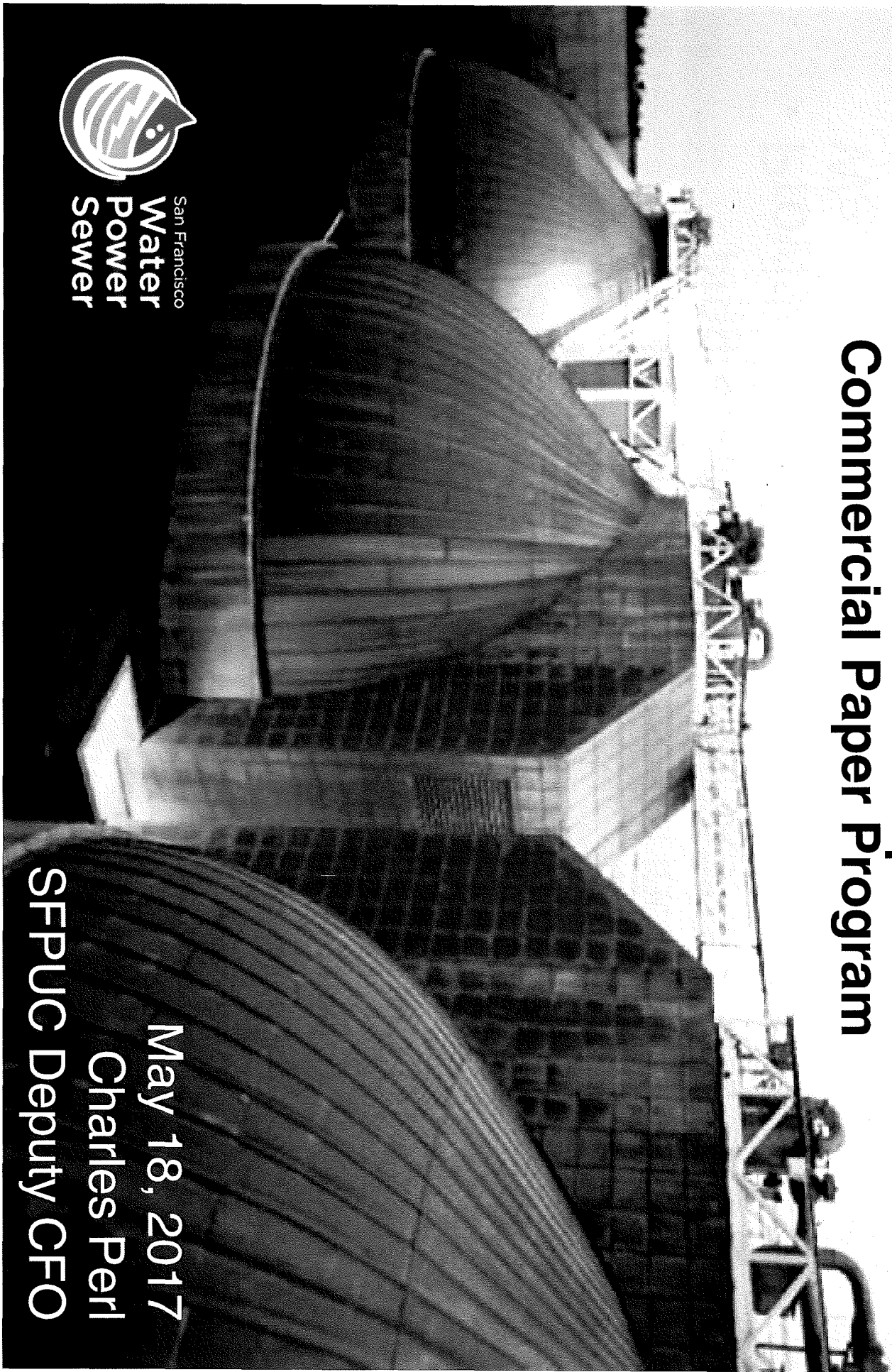
- Edwin M. Lee**  
Mayor
- Anson Moran**  
President
- Ike Kwon**  
Vice President
- Ann Moller Caen**  
Commissioner
- Francesca Vietor**  
Commissioner
- Vince Courtney**  
Commissioner
- Harlan L. Kelly, Jr.**  
General Manager





File #170470  
Received on 5/18/17  
JMS

# Approve \$250 Million Expansion for Wastewater Enterprise Commercial Paper Program



May 18, 2017  
Charles Perl  
SFPUC Deputy CFO



## Wastewater Commercial Paper Program, Current \$500M Authorization

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- \$500M currently authorized Wastewater Commercial Paper (CP) Program under Prop E
  - October 2006 – Board established CP program of \$150M
  - May 2012 – Board increased CP program from \$150M to \$300M
  - September 2014 – Board increased CP program from \$300M to \$500M
- Provides low-cost, short-term financing for Wastewater capital projects in advance of long-term financing, < 1.5%





# Wastewater Commercial Paper Program, Proposed \$250M Increase

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- Proposed \$250M increase, from \$500M to \$750M, approved by the Commission on April 25, 2017
- Increased CP program will fund WW capital needs into FY 2018, postponing more expensive revenue bond issuance
- Wastewater 10-Year Capital Plan is large, including \$940M SSIP Biosolids Digester project at the Southeast Plant and nearly \$3B over next three years:

| Wastewater 10-Year Capital Plan, FY18 – FY20 |                 |               |                 |
|--|-----------------|---------------|-----------------|
| FY 2018                                      | FY 2019         | FY 2020       | Total           |
| \$810,758,000                                | \$1,164,955,000 | \$909,567,000 | \$2,885,280,000 |



# Pending Wastewater Contracts

| Commission Meeting Date | Project   | Amount                       |
|-------------------------|---|------------------------------|
| 5/9/2017                | Biosolids Digester Facilities CM/GC Pre-Construction  | \$7M (total contract \$939M) |
| 6/26/2017               | Southeast Plant (SEP) Oxygen Generation Plant   | \$5.5M                       |
| 8/8/2017                | Combined Contract: Force Main Rehab at Embarcadero and Jackson Street & Drumm and Jackson Streets Sewer System Improvements | \$8M                         |
| 8/22/2017               | Griffith Pump Station Improvements  | \$4M                         |



San Francisco  
Water  
Power  
Sewer

# Questions

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