

OFFICIAL NOTICE OF SALE

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PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO  
WASTEWATER REVENUE BONDS  
[2016 SERIES A]

NOTICE IS HEREBY GIVEN that proposals will be received in electronic form only and solely through the Parity<sup>®</sup> electronic bid submission system of Ipreo (“Parity”), in the manner described below, by the Public Utilities Commission of the City and County of San Francisco (the “Commission”), at the offices of the Commission, located at 525 Golden Gate Avenue, 4th Floor, San Francisco, California 94102, on:

**[Sale Date], at [8:00] a.m. (California time)**

(subject to postponement or cancellation in accordance with this Official Notice of Sale)

for the purchase of the revenue bonds captioned above (the “Bonds”) of the Commission more particularly described below. See “TERMS OF SALE – *Warning Regarding Electronic Bids.*”

The Commission reserves the right to postpone, from time to time, the date established for receipt and opening of bids with respect to the Bonds. Notice of any postponement will be communicated through Parity as soon as practicable following postponement. See “TERMS OF SALE – *Postponement or Cancellation of Sale.*”

The Commission reserves the right to cancel the sale of the Bonds. Notice of cancellation will be given through Parity as soon as practicable following such cancellation. See “TERMS OF SALE – *Postponement or Cancellation of Sale.*”

Notice of any change in the terms of the sale of the Bonds will be given through Parity by 1:00 p.m. California time the day before the sale. See “TERMS RELATING TO THE BONDS – *Adjustment of Principal Payments*” and “TERMS OF SALE – *Right to Modify or Amend.*” As an accommodation to bidders, telephone, facsimile or electronic notice of any amendment or modification of this Official Notice of Sale will be given to any bidder requesting such notice from either of the Commission’s financial advisors (the “Financial Advisors”):

Public Resources Advisory Group  
11500 West Olympic Boulevard, Suite 502  
Los Angeles, CA 90064  
Attention: Edmund Soong  
Telephone: 310-477-8487  
Facsimile: 310-477-0105  
E-mail: [esoong@pragadvisors.com](mailto:esoong@pragadvisors.com)

First Southwest Company  
1300 Clay Street, Suite 600  
Oakland, California 94612  
Attention: Joseph Yew  
Telephone: (510) 663-3792  
Facsimile: (510) 663-3791  
E-mail: [joseph.yew@firstsw.com](mailto:joseph.yew@firstsw.com)

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\* Subject to adjustment in accordance with this Official Notice of Sale.

Failure of any bidder to receive any such supplemental notice shall not affect the sufficiency of any required notice or the legality of the sale.

Bidders are directed to the Preliminary Official Statement of the Commission dated the date hereof with respect to the Bonds (the "Preliminary Official Statement") for additional information regarding the Commission, the Wastewater Enterprise (as defined in the Preliminary Official Statement), the City and County of San Francisco (the "City"), the Bonds and the security therefor, and other matters. See "TERMS OF SALE – *Official Statement*" below.

**This Official Notice of Sale will be submitted to ImageMaster for posting on its website (www.munios.com) and in the Parity bid delivery system. If any summary of the terms of the sale of the Bonds posted by ImageMaster or Parity conflicts with this Official Notice of Sale in any respect, the terms of this Official Notice of Sale shall control, unless a notice of an amendment to this Official Notice of Sale is given as described herein.**

### TERMS RELATING TO THE BONDS

**THE AUTHORITY FOR ISSUANCE, PURPOSE, PRINCIPAL AND INTEREST REPAYMENT, SECURITY AND SOURCES OF PAYMENT, THE LEGAL OPINION AND ALL OTHER INFORMATION REGARDING THE BONDS ARE PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT, DATED \_\_\_\_\_, 2016 (THE "PRELIMINARY OFFICIAL STATEMENT") WHICH EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED PRIOR TO BIDDING FOR THE BONDS. THIS OFFICIAL NOTICE OF SALE GOVERNS ONLY THE TERMS OF SALE, BIDDING, AWARD AND CLOSING PROCEDURES FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.**

Subject to the foregoing, the Bonds are generally described as follows:

***Authority for the Bonds.*** The Commission is issuing the Bonds under the Charter of the City and under an Indenture, dated as of January 1, 2003 (the "Original Indenture"), by and between the Commission and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented, and as further supplemented by a Fourth Supplemental Indenture, dated as of \_\_\_\_\_ 1, 2016 (the "Fourth Supplemental Indenture"), by and between the Trustee and the Commission (the Original Indenture, as amended and supplemented, is referred to herein as the "Indenture").

***Issue.*** The Bonds are fully registered bonds without coupons in book-entry form in denominations of \$5,000 or any integral multiple thereof, as designated by the successful bidder thereof (the "Purchaser"), all dated the date of their original issuance. **Potential bidders will be notified via Parity, not later than 1:00 p.m. (California time) on the business day prior to the time prescribed for the receipt of bids, of any change to the principal payment schedule for the Bonds or other terms to be used for the bidding process. In addition, the Commission reserves the right, following the determination of the best bid for the Bonds, to adjust the actual principal payment schedule.** See "TERMS RELATING TO THE BONDS – *Principal Payments*" and "– *Adjustment of Principal Payments*" below.

**Interest Rates.** Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing \_\_\_\_\_ 1, 2016 (each, an “Interest Payment Date”). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day consecutive months.

Bidders must specify the rate or rates of interest that the Bonds for which they are bidding will bear; provided, that the following limitations apply:

(i) the maximum interest rate bid may not exceed 12% per annum;

(ii) the minimum interest rate bid for Bonds maturing on or before October 1, 20\_\_ may not be less than \_\_% per annum, and the minimum interest rate bid for Bonds maturing on or after October 1, 20\_\_ may not be less than \_\_% per annum;

(iii) each interest rate specified in any bid must be a multiple of 1/8 or 1/20 of 1% per annum and a zero rate of interest cannot be named;

(iv) each Bond shall bear interest from its date to its stated maturity date at the single rate of interest specified in the bid; and

(v) all Bonds maturing at any one time shall bear the same rate of interest.

**Premium and Discount.** No bid offering to pay an amount less than [103] percent or more than [117] percent of the par value of the Bonds will be considered.

**Principal Payments.** The Bonds maturing on October 1 in any or all years 20\_\_ through 20\_\_, both inclusive, shall be serial and/or term bonds, as specified by each bidder. The principal amount of Bonds maturing or subject to mandatory sinking fund redemption in any year shall be in integral multiples of \$5,000. For any term Bonds specified, the principal amount for a given year may be allocated only to a single term bond and must be part of an uninterrupted annual sequence from the first mandatory sinking fund payment to the term bond maturity. In addition, Bonds maturing on or before October 1, 20\_\_ may not be combined with Bonds maturing on or after October 1, 20\_\_ to form a term bond.

An estimate of the principal payment schedule for the Bonds is set forth below.

Date (October 1)	Principal Payment*
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\*Preliminary, subject to change.

Information related to the principal payment schedule of the Bonds may be updated on Parity one day prior to the sale of the Bonds. See “—*Adjustment of Principal Payments*” below.

***Adjustment of Principal Payments.*** The principal payment amounts set forth in this Official Notice of Sale reflect certain estimates of the Commission with respect to the likely interest rates of the winning bid and the premium contained in the winning bid. **Potential bidders will be notified via Parity not later than 1:00 p.m. (California time) on the business day preceding the date then prescribed for the receipt of bids of any change to the principal payment schedule for the Bonds to be utilized for the bidding process. The Commission reserves the right to change the principal payment schedule set forth in this Official Notice of Sale for the Bonds after the determination of the winning bidder for the Bonds, by adjusting one or more principal payments of the Bonds in increments of \$5,000 by not more than [10]% for any maturity in order to achieve its financing objectives.**

NO PURCHASER MAY WITHDRAW ANY BID OR CHANGE THE INTEREST RATES BID OR THE REOFFERING PRICES IN ITS REOFFERING PRICE CERTIFICATE AS A RESULT OF ANY CHANGE MADE TO THE PRINCIPAL PAYMENTS OF THE BONDS IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE. FURTHER, IF THE COMMISSION

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\* Preliminary, subject to change.

CHANGES THE PRINCIPAL PAYMENT SCHEDULE FOR THE BONDS AFTER THE RECEIPT OF BIDS, THE UNDERWRITER'S DISCOUNT, EXPRESSED IN DOLLARS PER THOUSAND DOLLAR OF BONDS, WILL BE HELD CONSTANT. THE COMMISSION WILL NOT BE RESPONSIBLE, IF AND TO THE EXTENT THAT, ANY ADJUSTMENT AFFECTS (i) THE NET COMPENSATION TO BE REALIZED BY THE PURCHASER OR (ii) THE TRUE INTEREST COST OF THE WINNING BID OR THE RANKING OF ANY BID RELATIVE TO OTHER BIDS.

**Redemption.\*** The Bonds shall be subject to redemption prior to their stated maturity, at the option of the Commission, from and to the extent of any source of available funds, as a whole or in part, on any date on or after \_\_\_\_\_ 1, 20\_\_, and if in part by lot within such maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

**Tax Matters and Legal Opinion.** Upon delivery of the Bonds, Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Sacramento, California, and Amira Jackmon, Attorney at Law, Berkeley, California ("Co-Bond Counsel"), will deliver to the Commission an opinion to the effect that based on existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants in the documents pertaining to the Bonds and requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes. In the further opinion of Co-Bond Counsel, interest on the Bonds is not treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations. Interest on the Bonds, however, is included as an adjustment in the calculation of federal corporate alternative minimum taxable income and may, therefore, affect a corporation's alternative minimum tax liability. In the further opinion of Co-Bond Counsel, interest on the Bonds is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" in the Preliminary Official Statement.

A complete copy of the proposed form of the approving legal opinion of Co-Bond Counsel with respect to the Bonds is set forth in Appendix D to the Preliminary Official Statement. A copy of the approving legal opinion of Co-Bond Counsel will be furnished to the Purchaser upon delivery of the Bonds. Copies of said opinion will be filed with the Depository Trust Company ("DTC") and with the City Treasurer.

## TERMS OF SALE

**Single Bid for the Bonds.** Each bid for the Bonds must be for all, and not less than all, of the Bonds hereby offered for sale, and for not less than the aggregate principal amount thereof, less any discount or plus any premium as permitted herein, as may be specified in the bid. All bids must be unconditional.

**Only Electronic Bids Through Parity Will Be Accepted.** Only electronic bids submitted through Parity will be accepted. All such bids must conform with the procedures established by Parity.

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\* Preliminary, subject to change.

No bid will be accepted after the time specified for receiving bids. To the extent any instructions or directions set forth in Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control, unless a notice of an amendment to this Official Notice of Sale is given as described herein.

For further information about Parity, potential bidders may contact:

Ipreo  
1359 Broadway, 2nd Floor  
New York, New York 10018  
Telephone: (212) 849-5023  
munis@ipreo.com

See “TERMS OF SALE – *Warning Regarding Electronic Bids.*”

THE COMMISSION RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY AND COMPLETE AND CONFORMS TO THIS OFFICIAL NOTICE OF SALE. THE COMMISSION TAKES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE TIME FOR RECEIVING BIDS THAT ANY BID IS INCOMPLETE OR NONCONFORMING OR HAS NOT BEEN RECEIVED.

***WARNING REGARDING ELECTRONIC BIDS:*** THE COMMISSION WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE COMMISSION. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY AND THE COMMISSION ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE COMMISSION SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE CITY, THE COMMISSION, THE CITY ATTORNEY, THE FINANCIAL ADVISORS AND CO-BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. EACH BIDDER EXPRESSLY ASSUMES THE RISK OF ANY INCOMPLETE, ILLEGIBLE, UNTIMELY OR NONCONFORMING BID SUBMITTED BY ELECTRONIC TRANSMISSION BY SUCH BIDDER, INCLUDING WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSIONS, MECHANICAL FAILURE, ENGAGED TELECOMMUNICATIONS LINES, OR ANY OTHER CAUSE ARISING FROM OR RELATING TO SUBMISSION BY ELECTRONIC TRANSMISSION. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE COMMISSION AT THE PLACE OF BID OPENING, AND THE COMMISSION SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME.

***Additional Terms and Conditions.*** By submitting a bid, each bidder thereby agrees to the following terms and conditions:

(1) if any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments or modifications issued through Parity, will control;

(2) each bidder will be solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale;

(3) neither the Commission nor the City will have any duty or obligation to provide or assure access to Parity to any bidder, and neither the Commission nor the City will be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted by any bidder through Parity;

(4) the Commission is permitting use of Parity as a communication mechanism, and not as an agent of the Commission or the City, to facilitate the submission of electronic bids for the Bonds, Parity is acting as an independent contractor, and is not acting for or on behalf of the Commission or the City;

(5) neither the Commission nor the City is responsible for ensuring or verifying bidder compliance with any procedures established by Parity;

(6) the Commission may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Bonds or the interest rates for any maturity of the Bonds) as though the information were physically submitted and executed on the bidder's behalf by a duly authorized signatory;

(7) if a bidder's bid is accepted by the Commission, such bid, this Official Notice of Sale and the information that is transmitted electronically through Parity will form a contract, and the bidder will be bound by the terms of such contract; and

(8) information provided by Parity to bidders will form no part of any bid or of any contract between the Purchaser and the Commission unless that information is included in this Official Notice of Sale or the bid of the Purchaser with respect to the winning bid.

**Multiple Bids.** If multiple bids with respect to the Bonds are received from a single bidder, the Commission will have the right to accept the bid representing the lowest true interest cost ("TIC") to the Commission, and each bidder agrees by submitting any bid to be bound by such best bid.

**Good Faith Deposit.** A good faith deposit (a "Deposit") in the amount of \$\_\_\_\_\_, payable to the order of the Commission, is required from the Purchaser subsequent to the award of the sale. The Purchaser is required to pay the Deposit to the Trustee, on behalf of the Commission, by wire transfer within two (2) hours after the Commission has communicated the acceptance of an award. Wire instructions will be provided to the Purchaser after the verbal award.

If the Deposit is not received by that time, the Commission may rescind the award of sale. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. If the Purchaser fails to honor its accepted bid, the Deposit will be retained by the Commission as and for full liquidated damages.

If the Purchaser fails to provide the Reoffering Price Certificate, described below, by \_\_\_\_\_, 2016, the Deposit will be retained by the Commission.

***Basis of Award.*** Unless all bids with respect to the Bonds are rejected, as described below under “– *Right of Rejection and Waiver of Irregularity*,” the Bonds will be awarded to the responsible bidder whose bid represents the lowest TIC to the Commission with respect to the Bonds prior to any change to the principal payment schedule in accordance with this Official Notice of Sale. The TIC will be that nominal annual interest rate which, when compounded semiannually using a 360-day year and used to discount to the dated date of the Bonds all payments of principal and interest payable on the Bonds, results in an amount equal to the purchase price of the Bonds to be received by the Commission. If two or more bidders offer bids for the Bonds at the same lowest TIC, the Commission will determine by lot which bidder will be awarded the Bonds. Bid evaluations or rankings made by Parity are not binding on the Commission.

***Estimate of True Interest Cost.*** Each bidder is requested, but not required, to state in each bid the amount of interest payable on the Bonds during the life of the issue and the percentage TIC to the Commission (determined as described above), which will be considered as informative only and not binding on either the bidder or the Commission.

***Right of Rejection and Waiver of Irregularity.*** The Commission reserves the right, in its sole and absolute discretion, to reject any and all bids for the Bonds, for any reason. The Commission also reserves the right to waive any irregularity or informality in any bid.

***Time of Award.*** The Commission, acting through its General Manager or its Assistant General Manager/Chief Financial Officer, Business and Financial Services, or a designee of the General Manager, will take action awarding the Bonds or rejecting all bids not later than two (2) hours after the date and time at which bids with respect to the Bonds are received, unless such period for award is waived by the Purchaser. Prompt notice of the award will be given to the Purchaser.

***Confirmation of Bond Sizing.*** As described herein under “TERMS RELATING TO THE BONDS – Adjustment of Principal Payments” the actual principal amount of the Bonds and the actual maturity schedule (or sinking account payment schedule for term bonds) for the Bonds may be changed by the Commission after the determination of the winning bid. Any such changes will be reported to the Purchaser by 2:00 p.m. (California time) on the date and time the bids are received. Any such increase or decrease will be in \$5,000 increments with respect to each maturity date or sinking account payment date. If any such adjustment occurs, no rebidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The Purchaser will not be permitted to change the interest rates in its bid. The dollar amount bid by the Purchaser will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued.

***Qualification for Sale; Compliance with Blue Sky Laws.*** Compliance with Blue Sky and other securities laws and regulations, including the payment of any applicable fees, shall be the sole responsibility of the Purchaser. The Commission will furnish such information and take such action not inconsistent with law as the Purchaser may request and the Commission may deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; provided, however, that the Commission will not execute a general or



special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction.

**The Purchaser may not sell, offer to sell or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for the Purchaser to make such sale, offer or solicitation, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Bonds.**

*Delivery and Payment.* Delivery of the Bonds, in the form of one certificate for each maturity, will be made to the Purchaser through the facilities of DTC in New York, New York, or at any other location mutually agreeable to both the Commission and the Purchaser, as soon as practicable. The anticipated date of delivery of the Bonds is \_\_\_\_\_, 2016. Payment for the Bonds (including any premium) must be made by wire transfer in immediately available funds. Any expense for making payment in immediately available funds shall be borne by the Purchaser.

*Reoffering Price Certificate.* The Purchaser must reoffer all of the Bonds to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers). For this purpose, sales of Bonds to other securities brokers or dealers will not be considered sales to the general public.

Not later than the close of business on the third business day following the date on which the sale of the Bonds is awarded, the Purchaser must deliver to the Commission a certificate in the form attached hereto as Exhibit A (the "Reoffering Price Certificate").

The Purchaser will also be required to provide to the Commission and Co-Bond Counsel such additional information as may be requested by Co-Bond Counsel. If the Reoffering Price Certificate is sent by fax transmission, a hard copy must also be promptly sent by mail or courier service.

**Failure to demonstrate compliance with this requirement with respect to the Bonds will constitute a default by the Purchaser, entitling the Commission to retain the Purchaser's Deposit even though in such event the Commission will not deliver the Bonds to the Purchaser.**

**The Commission and the Financial Advisors will be relying on the indication of the reoffering prices set forth in the Reoffering Price Certificate in determining the arbitrage yield on the Bonds.**

*No Litigation.* The Commission will deliver a certificate of the Commission with respect to the Bonds stating that no litigation is pending with service of process having been accomplished, or, to the knowledge of the officer of the Commission executing such certificate, threatened, concerning the validity of the Bonds, the existence of the Commission, or the title of the officers of the Commission who will execute the Bonds to their respective offices.

*CUSIP Numbers.* It is anticipated that CUSIP numbers will be printed on the Bonds and in the Official Statement, but neither the failure to print such numbers nor any error with respect thereto will constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The expenses associated with printing CUSIP numbers on the Bonds will be paid by the Commission; however, the CUSIP Service Bureau charge for the assignment of CUSIP numbers will be paid by the Purchaser. CUSIP data is provided by CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of The American Bankers Association. CUSIP numbers will be provided for convenience of

reference only. Neither the Commission nor the City will take any responsibility for the accuracy of such numbers.

**California Debt and Investment Advisory Commission Fee.** The attention of bidders is directed to California Government Code Section 8856, which provides that the Purchaser of the Bonds will be charged the California Debt and Investment Advisory Commission fee. The Purchaser is responsible for determining the actual fee due. The Commission expects the Purchaser to pay the applicable fee promptly upon receipt of the invoice.

**Certificate Regarding Official Statement.** At the time of delivery of the Bonds, the Purchaser will receive a certificate, signed by an officer of the Commission, confirming to the Purchaser that, to the best knowledge of said officer, the final Official Statement relating to the Bonds (the "Official Statement") (excluding information regarding underwriting and The Depository Trust Company and its book-entry only system, as to which no view will be expressed) as of the date of sale of the Bonds and as of the date of delivery thereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

**Official Statement.** Electronic copies of the Preliminary Official Statement prepared by the Commission will be furnished to any interested bidder upon request to the Financial Advisors. In accordance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the Commission deems such Preliminary Official Statement final as of its date, except for the omission of certain information permitted by Rule 15c2-12. Within seven (7) business days after the date of award of the Bonds, the Purchaser of the Bonds will be furnished with a reasonable number of copies (not to exceed 50) of the Official Statement, without charge. If the Purchaser requests additional copies of the Official Statement within two (2) days after the award of the Bonds, the Commission will supply such requested additional copies of the Official Statement at the expense of the Purchaser.

By making a bid for the Bonds, the bidder agrees, if awarded the Bonds, (i) to disseminate to all members of the underwriting syndicate, if any, copies of the Official Statement, including any supplements prepared by the Commission, and (ii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers, including without limitation the delivery of an Official Statement to each investor who purchases Bonds.

The form and content of the Official Statement of the Commission is within the sole discretion of the Commission. The Purchaser's name will not appear on the cover of the Official Statement.

**Continuing Disclosure.** In order to assist the Purchaser in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the Commission will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking and a form of the Continuing Disclosure Certificate are set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

**Right to Modify or Amend.** The Commission reserves the right to modify or amend this Official Notice of Sale in any respect; provided, however, that any such modification or amendment will be communicated to potential bidders through Parity not later than 1:00 p.m. (California time) on

the business day preceding the date for receiving bids. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice, the modification or amendment to which such notice relates, or the legality of the sale.

***Postponement or Cancellation of Sale.*** The Commission reserves the right, in its sole discretion, to postpone or cancel the sale of the Bonds at or prior to the time bids are to be received with respect to the Bonds. Notice of such postponement or cancellation will be given through Parity as soon as practicable following such postponement or cancellation. If the sale is postponed, notice of a new sale date will be given through Parity prior to the time that bids are to be received. On any new sale date, any bidder may submit a bid for the purchase of the Bonds, which shall be in conformity in all respects with the provisions of this Official Notice of Sale except for the time or date and time of sale and any other changes announced through Parity.

Failure of any potential bidder to receive notice of cancellation or postponement shall not affect the sufficiency of any such notice, or affect the right of the Commission to cancel or postpone the sale. If a sale is postponed only, any subsequent bid submitted by a bidder with respect to such sale will supersede any prior bid made. If a sale is cancelled, all bids with respect to such sale will be deemed cancelled.

***Equal Opportunity.*** Pursuant to the spirit and intent of the City's Local Business Enterprise ("LBE") Ordinance, Chapter 14B of the Administrative Code of the City, the Commission strongly encourages the inclusion of Local Business Enterprises certified by the San Francisco Human Rights Commission on prospective proposing syndicate/teams. A list of certified LBEs can be obtained by contacting the San Francisco Human Rights Commission at 25 Van Ness Avenue, Room 800, San Francisco, California 94102, (415) 252-2500.

Dated: \_\_\_\_\_, 2016

**EXHIBIT A**

**REOFFERING PRICE CERTIFICATE**

**PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO  
WASTEWATER REVENUE BONDS  
[2016 SERIES A]**

**(TO BE DELIVERED BY THE ORIGINAL PURCHASER AS DESCRIBED IN THE  
OFFICIAL NOTICE OF SALE UNDER “TERMS OF SALE – REOFFERING PRICE  
CERTIFICATE”)**

This Certificate is furnished by \_\_\_\_\_, as original purchaser (the “Original Purchaser”) of \$\_\_\_\_\_ aggregate principal amount of the revenue bonds captioned above (the “**Bonds**”), to establish the initial offering price of said portion of the Bonds for purposes of determining the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “**Code**”).

The Original Purchaser DOES HEREBY CERTIFY as follows:

1. The Original Purchaser made a bona fide offering, beginning on \_\_\_\_\_, 2016, the date on which the Original Purchaser agreed to purchase the Bonds (the “**Sale Date**”), of all of the Bonds of each maturity to the General Public (hereinafter defined) at their respective initial offering prices, as set forth in Schedule 1 hereto (each, an “**Initial Public Offering Price**”), and reasonably expected on the Sale Date to sell the Bonds of each maturity to the General Public at their respective Initial Public Offering Prices.

2. The aggregate of the Initial Public Offering Prices is \$\_\_\_\_\_ (representing \$\_\_\_\_\_ aggregate principal amount of the Bonds, [plus] [minus] [net] original issue [premium] [discount] of \$\_\_\_\_\_).

3. [Except for Bonds maturing on \_\_\_\_\_, 20\_\_, \_\_\_\_\_, 20\_\_, and \_\_\_\_\_, 20\_\_ (the “**Undersold Bonds**”), with] [With] respect to each maturity of the Bonds, the Original Purchaser first sold for cash at least 10% of the aggregate principal amount of the Bonds to the General Public at their Initial Public Offering Price.

[4.] With respect to [each maturity of] the Undersold Bonds, despite the reasonable expectation of the Original Purchaser to sell the Bonds at their [respective] Initial Public Offering Price[s], the Original Purchaser did not sell at least 10% of the Bonds [of the maturity] to the General Public at their [respective] Initial Public Offering Price[s]. [PROVIDE EXPLANATION].<sup>§</sup>

[4.] [5.] For purposes of this Certificate, the term “**General Public**” excludes bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers.

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<sup>§</sup> For any maturity of Undersold Bonds, the successful bidder will be required to supply an explanation, satisfactory to the issuer, as to why the successful bidder did not sell at least 10% of each such maturity.

Nothing herein represents the Original Purchaser's interpretation of any laws, and in particular, regulations under Section 148 of the Code.

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Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Indenture dated as of January 1, 2003, by and between the Commission and U.S. Bank National Association, as amended and supplemented to date.

Dated: \_\_\_\_\_, 2016

[NAME OF PURCHASER]

By: \_\_\_\_\_  
[NAME]  
[TITLE]

## SCHEDULE 1 TO REOFFERING PRICE CERTIFICATE

Maturity Date <u>(October 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	Reoffering <u>Price</u> <sup>*</sup>
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\* Stated as a percentage of par.