

**LEGISLATIVE DIGEST**

**[Ordinance amending Ordinance No. 89-10, to authorize the San Francisco Public Utilities Commission to enter into one or more State of California State Water Resources Control Board Installment Sale Agreements and Grants]**

**Ordinance amending Ordinance No. 89-10, to authorize the San Francisco Public Utilities Commission to enter into one or more State of California State Water Resources Control Board Installment Sale Agreements and Grants in an aggregate principal amount not to exceed the previously authorized amount of \$1,737,724,038 to finance, among other projects, the costs of the San Francisco Westside Recycled Water Project pursuant to the Charter, including Proposition E, an amendment to the Charter enacted by the voters on November 5, 2002; and ratifying previous actions taken in connection therewith..**

**Existing Law**

In April 2010, the Board of Supervisors adopted Ordinance 89-10 to authorize the SFPUC to issue up to \$1,737,724,038 of its water revenue bonds for its Water System Improvement Program and the Capital Improvement Program, including the Commission's Advanced Metering System. The water revenue bonds would be issued under the terms of Proposition E, a voter initiative approved by the voters on November 5, 2002.

**Background Information**

The proposed Ordinance amends Ordinance 89-10 to authorize the execution by the SFPUC of State Revolving Fund Loans secured by one or more Installment Sale Agreements and Grants, entered into with the State of California Water Resources Control Board under the Clean Water State Revolving Fund (referred to herein as the "Installment Sale Agreements"), to pay for certain capital projects, including the costs of the San Francisco Westside Recycled Water Project, costs of issuance and other incidental costs related thereto.

The Installment Sale Agreements will be payable from a pledge of the Net Revenues of the Water Enterprise on a parity lien basis with outstanding Bonds of the Water Enterprise, as such terms as defined in that certain Indenture dated as of August 1, 2002, as amended and supplemented, between the Commission and U. S. Bank National Association, as trustee thereunder. The Ordinance would to authorize the execution from time to time of Installment Sale Agreements by the SFPUC pursuant to Section 8B.124 of the Charter; provided however, the SFPUC is required to file with the Board of Supervisors any and all certifications required by Section 8B.124 of the Charter prior to the execution and delivery of any Installment Sale Agreements. Under the provisions of the proposed amending Ordinance, the SFPUC would not be authorized to issue indebtedness (including Installment Sale Agreements) in an aggregate principal amount exceeding \$1,737,724,038, as originally authorized by Ordinance 89-10.