

File No. 160317

Committee Item No. 10

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 20, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

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OTHER

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Completed by: Linda Wong Date April 15, 2016

Completed by: Linda Wong Date _____

1 [Public Utilities Commission - Issuance Wastewater Revenue Bonds - Not to Exceed
2 \$621,000,000]

3 **Resolution approving the issuance of wastewater revenue bonds to be issued by the**
4 **Public Utilities Commission of the City and County of San Francisco in an aggregate**
5 **principal amount not to exceed \$621,000,000 to finance and refinance capital projects**
6 **benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the**
7 **City and County of San Francisco enacted by voters on November 5, 2002, as**
8 **Proposition E; affirming covenants contained in the indenture pursuant to which the**
9 **wastewater revenue bonds are issued; authorizing the taking of appropriate actions in**
10 **connection therewith; and related matters.**

11
12 WHEREAS, At a duly called and held election on November 5, 2002, a majority of voters
13 voting on the measure approved Proposition E ("Proposition E of 2002") to authorize the San
14 Francisco Public Utilities Commission (the "Commission") of the City to issue its revenue bonds,
15 including notes, commercial paper or other forms of indebtedness, when authorized by
16 ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the "Board"),
17 for the purpose of reconstructing, replacing, expanding, repairing or improving water and clean
18 water facilities under the jurisdiction of the Commission and subject to the provision of certain
19 certifications of an independent engineer retained by the Commission and certain certifications
20 by the San Francisco Planning Department, which certifications make the findings and
21 determinations set forth in Section 8B.124 of the Charter; and

22 WHEREAS, On June 12, 2012, the Board passed by a two-thirds vote Ordinance No.
23 115-12 ("Ordinance No. 115-12") approving the issuance and sale of wastewater revenue
24 bonds by the Commission pursuant to Proposition E of 2002, in an aggregate principal amount
25

1 not to exceed \$522,810,000, to finance capital projects benefiting the Wastewater Enterprise,
2 which ordinance became effective on July 12, 2012; and

3 WHEREAS, On June 25, 2013, the Board passed by two-thirds vote Ordinance No.
4 123-13, which revised the fiscal year 2013-14 capital improvement project of the Commission
5 and reduced appropriations under Ordinance No. 115-12 by \$27,870,059; and

6 WHEREAS, After the issuance of certain amounts of Public Utilities Commission of the
7 City and County of San Francisco Wastewater Revenue Bonds, 2013 Series B, an aggregate
8 principal amount not to exceed \$388,027,346 remains authorized and unissued under
9 Ordinance No. 115-12; and

10 WHEREAS, On July 2, 2014, the Board passed by a two-thirds vote Ordinance No.
11 107-14 ("Ordinance No. 107-14"), approving the issuance and sale of wastewater revenue
12 bonds by the Commission pursuant to Proposition E of 2002, in an aggregate principal amount
13 not to exceed \$819,035,941, to finance capital projects benefiting the Wastewater Enterprise,
14 which ordinance became effective on August 1, 2014; and

15 WHEREAS, On June 9, 2015, the Board passed by a two-thirds vote Ordinance No.
16 089-15 ("Ordinance No. 089-15"), which amended and supplemented Ordinance No. 107-14 to
17 provide authority for the Commission to execute and deliver one or more State of California
18 Water Resources Control Board Installment Sale Agreements in connection with State
19 Revolving Loans, to finance capital projects benefiting the Wastewater Enterprise, which
20 ordinance became effective on July 9, 2015; and

21 WHEREAS, Pursuant to Ordinance No. 107-14, as amended and supplemented, the
22 Commission entered into an Installment Sale Agreement executed on January 12, 2016 (the
23 "2016 SRF Loan"), with the California State Water Resources Control Board in the aggregate
24 principal amount of up to \$7,435,000; and

1 WHEREAS, An aggregate principal amount not to exceed \$818,600,941, plus any
2 amount not drawn under the 2016 SRF Loan, remains authorized but unissued under
3 Ordinance No. 107-14, as amended and supplemented; and

4 WHEREAS, Proposition E of 2002, Charter, Section 8B.124 (Section 8B.124) allows for
5 the issuance of revenue bonds and other forms of indebtedness, subject to the provision of
6 certain certifications of an independent engineer retained by the Commission and certain
7 certifications by the San Francisco Planning Department, which certifications make the findings
8 and determinations set forth in Section 8B.124; and

9 WHEREAS, Certificates intended to meet the requirements set forth in Section 8B.124
10 have been presented for review by this Board (the "Certificates"), the Certificates are on file with
11 the Clerk of the Board in File No. 120469 and 140483, and this Board finds such Certificates fully
12 compliant with Section 8B.124; and

13 WHEREAS, The Commission, pursuant to the terms of Resolution No. 16-0057 adopted
14 by the Commission on March 22, 2016 (the "Commission Resolution"), has authorized: (A) the
15 issuance of Public Utilities Commission of the City and County of San Francisco Wastewater
16 Revenue Bonds in one or more series in an aggregate principal amount not to exceed
17 \$621,000,000 for the purpose of financing or refinancing (through the retirement of commercial
18 paper notes) various capital projects benefiting the Wastewater Enterprise (including
19 reimbursing the Commission for certain capital costs previously paid with the proceeds of
20 wastewater commercial paper notes or from other moneys), funding reserve accounts, if any,
21 funding capitalized interest, and paying costs of issuance and other incidental costs therefor,
22 with the title and series designations to be determined by the General Manager of the
23 Commission (the "Bonds"); (B) the form of one or more Supplemental Indentures (the
24 "Supplemental Indentures"), by and between the Commission and U.S. Bank National
25 Association, as trustee (the "Trustee"), which supplements the Indenture dated as of January 1,

1 2003, as amended and supplemented (collectively with the Supplemental Indentures, the
2 "Indenture") by and between the Commission and the Trustee; and other related actions and
3 matters necessary to provide for the issuance of the Bonds; and

4 WHEREAS, The Commission Resolution, among other things, establishes a maximum
5 rate of interest for the Bonds of twelve percent (12%) per annum; now, therefore, be it

6 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
7 follows:

8 Section 1. Recitals. All of the recitals herein are true and correct.

9 Section 2. Approval and Authorization of Bonds. The Board hereby authorizes and
10 approves the issuance by the Commission of the Bonds, in an aggregate principal amount not
11 to exceed \$621,000,000 in one or more series and on one or more dates, pursuant to
12 Proposition E of 2002, Ordinance No. 115-12 and Ordinance No. 107-14, as amended and
13 supplemented, at a maximum rate or rates of interest not to exceed twelve percent (12%) per
14 annum. The Bonds may be issued as tax-exempt bonds or taxable bonds, or any combination
15 thereof; and such Bonds may be sold on a competitive or negotiated basis as the Commission
16 acting through its General Manager shall determine is in its best financial interest. The
17 Commission is authorized to designate all or a portion of each series of Bonds as "green
18 bonds."

19 The form of the Bonds, in substantially the form presented to the Board, as set forth in
20 the exhibit to the Supplemental Indentures, is hereby approved. The General Manager of the
21 Commission or the designee of either, and the Controller of the City or any deputy thereof, are
22 hereby authorized and directed to approve and to execute the Bonds by manual or facsimile
23 signature, with such changes, additions, amendments or modifications therein which he or she
24 may approve with the advice of the City Attorney, such approval to be conclusively evidenced
25 by the execution and delivery of the Bonds.

1 Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms Section
2 5.01(c) of the Indenture which sets forth the disposition of Revenues (as defined in the
3 Indenture) applicable to the Bonds and covenants with the holders of the Bonds that the
4 Revenues shall be appropriated and expended as set forth in Section 5.01(c) of the Indenture.
5 The Board also hereby declares that the City will comply with all of the terms, provisions and
6 covenants contained in the Indenture, as the same may be amended from time to time,
7 including the covenants to establish, fix, prescribe and collect rates, fees and charges sufficient
8 to enable the Commission to comply with the terms, conditions and covenants of the Indenture.

9 Section 4. Approval of Financing Documents. In accordance with the authorization
10 contained in Ordinance No. 115-12 and Ordinance No. 107-14, as amended and
11 supplemented, the forms of Supplemental Indenture for the Bonds, Official Notice of Sale,
12 Notice of Intention to Sell, Bond Purchase Agreement, Official Statement for the Bonds and the
13 Continuing Disclosure Certificate relating to the Bonds, submitted to this Board and on file with
14 the Clerk of the Board, are hereby approved. Any of the Controller, the Treasurer, the City
15 Attorney and the officers of the Commission authorized by resolution of the Commission, and
16 their designees, are hereby authorized to execute, attest, publish and deliver (as appropriate)
17 each such document, with such changes thereto as the officer executing or publishing the same
18 shall approve with the advice of the City Attorney, such approval to be conclusively evidenced
19 by the execution and delivery, or the publication, as applicable, of such document.

20 Section 5. Proposition P. Pursuant to Proposition P, approved by the voters of the City
21 in November 2002, this resolution and the Bonds are subject to, and incorporate by reference,
22 the provisions of Section 5A.30 et seq. ("Public Utilities Revenue Bond Oversight Committee")
23 of Chapter V of the San Francisco Administrative Code (the "Proposition P Requirements").
24 Pursuant to the Proposition P Requirements, to the extent permitted by law, one-twentieth of
25 one percent (0.05%) of the gross proceeds of the Bonds shall be deposited in a fund

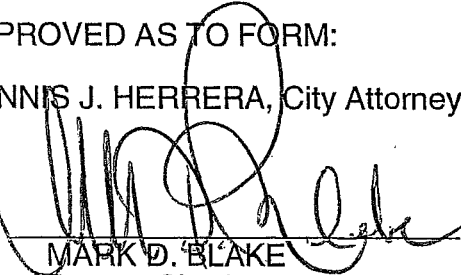
1 established by the Controller's Office and appropriated by the Board at the direction of the
2 Public Utilities Revenue Bond Oversight Committee established by Proposition P Requirements
3 to cover the costs of said committee.

4 Section 6. General Authority. Subject to the terms and conditions of this Resolution, the
5 Controller of the City, the Treasurer of the City, the City Attorney, and all other appropriate
6 officers, employees, representatives and agents of the City, the Commission, and all other
7 appropriate officers, employees, representatives and agents of the Commission are hereby
8 authorized and directed to do everything necessary or desirable to provide for the issuance and
9 sale of and security for the Bonds, including, but not limited to, approval of one or more
10 Preliminary Official Statements and one or more final Official Statements for the Bonds, and
11 executing and delivering such other certificates and other documents as they may deem
12 necessary or advisable, including without limitation any custody agreements or filing agent
13 agreements required by the Trustee.

14 APPROVED AS TO FORM:

15 DENNIS J. HERRERA, City Attorney

16
17
18 By:


19 MARK D. BLAKE
20 Deputy City Attorney
21
22
23
24
25

Item 10 File 16-0317	Department: San Francisco Public Utilities Commission (SFPUC)
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EXECUTIVE SUMMARY**Legislative Objectives**

- The proposed resolution authorizes the San Francisco Public Utilities Commission (SFPUC) to sell wastewater revenue bonds in an amount not-to-exceed \$621,000,000 to finance and refinance capital projects benefiting the SFPUC's Wastewater Enterprise, and approve legal and financing documents to implement the sale.

Key Points

- The SFPUC Wastewater Enterprise provides sanitary waste and stormwater collection, treatment and disposal services to residents in the City as well as residents of north San Mateo County. The FY 2015-16 through FY 2024-25 Financial Plan was approved by the Public Utilities Commission on February 10, 2015, and included issuing bonds for the Sewer System Improvement Program (SSIP) and other capital programs totaling \$5,713,380,000 for the ten-year period.

Fiscal Impact

- The uses of the \$621,000,000 in bond proceeds consist of \$577,986,712 in funding for Wastewater projects, and an additional \$43,013,000 for other bond costs.
- The SFPUC Wastewater Enterprise has previously sold \$764,550,000 in revenue bonds. SFPUC will pay \$59,758,227 to service this debt in FY 2015-16. The proposed issuance of \$621,000,000 will increase SFPUC's total debt to \$1,290,735,000, and increase annual debt service payments to \$80,017,981 when repayment begins in FY 2018-19.
- The expected interest rate of the bonds is approximately 4.0 percent. Proceeds from the sale will be repaid over thirty years from the revenues of the Wastewater Enterprise, which are derived from rates paid by SFPUC's wastewater customers.
- In order to meet the increased costs from the proposed bond issuance, the SFPUC plans to increase its wastewater rates, resulting in increases to average customer bills by approximately \$8 per month in FY 2017-18. These increased rates were included as part of the SFPUC's 10-year financial plan.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

According to City Charter Section 8B.124, the San Francisco Public Utilities Commission is authorized to sell revenue bonds, including notes, commercial paper or other forms of indebtedness without voter approval for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or wastewater facilities or combinations of water and wastewater facilities under the jurisdiction of the Public Utilities Commission when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors.

Charter Section 5A.31(d) states that 1/20th of one percent from the proceeds of each issuance or sale of public utility revenue bonds must be set aside for use by the Public Utilities Commission Revenue Bond Oversight Committee to cover the costs of Committee activities.

Charter Appendix F1.113 states that 0.2 percent of the bond expenditures net of bond financing and auditing costs be allocated to support the Controller's Audit Fund.

BACKGROUND

The San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise provides sanitary waste and stormwater collection, treatment and disposal services to residents in the City as well as residents of north San Mateo County. The service area encompasses 29,773 acres and provides a level of service that can accommodate approximately 990,449 people using approximately 40 billion gallons of water per year.

The SFPUC annually updates its ten-year capital improvement plan and its ten-year financial plan, which determine the agency's priority programs, and projects revenues to fund these programs. The FY 2015-16 through FY 2024-25 Financial Plan was approved by the Public Utilities Commission on February 10, 2015, and included issuing bonds for the Sewer System Improvement Program (SSIP) and other capital programs totaling \$5,713,380,000 for the ten-year period.

Master planning for SSIP began in 2004 with the goal of bringing the City's sewer system to a state of good repair and ensuring continued regulatory compliance and system reliability. The SSIP consists of approximately 20 capital improvement projects to be completed over the next 20 years. Funding for capital projects in the Wastewater Enterprise is provided primarily through wastewater revenue bonds sold by the SFPUC, low-cost State Loans, and commercial paper, a short-term debt instrument sold by the SFPUC.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the SFPUC to sell wastewater revenue bonds in an amount not-to-exceed \$621,000,000 to finance and refinance capital projects benefiting the SFPUC's Wastewater Enterprise. Approval of the proposed ordinance would:

- (1) authorize the sale of \$621,000,000 in tax-exempt or taxable, or a combination of tax-exempt and taxable, wastewater revenue bonds at a maximum interest rate of 12 percent;
- (2) affirm existing wastewater revenue bond covenants confirming that bond proceeds will be appropriated and spent on the intended capital projects; and that the SFPUC will set wastewater charges at an amount sufficient to pay the outstanding wastewater revenue bond debt;
- (3) approve the financing documents, including the Supplemental Indenture for the Bonds, Official Notice of Sale, Notice of Intention, Bond Purchase Agreement, Official Statement for the Bonds, and the Continuing Disclosure Certificate relating to the Bonds;
- (4) approve the allocation of bond proceeds to the SFPUC's Revenue Bond Oversight Committee and the Controller's Office as required by Proposition P, approved by the voters in November 2002; and
- (5) authorize the Controller, Treasurer, City Attorney, and other City officials to do what is necessary for the sale of the bonds.

According to Mr. Mike Brown, SFPUC Capital Finance Analyst, the expected interest rate of the bonds is approximately 4.0 percent. Proceeds from the sale will be repaid over thirty years from the revenues of the Wastewater Enterprise, which are derived from rates paid by SFPUC's wastewater customers. The bonds will be sold in May 2016 through a competitive sale, which awards the sale at a designated date to the investment bank offering the lowest interest cost. The projects that will be funded by the proposed bonds include:

- Collection System Improvements
- Central Bayside System Improvements
- SSIP Biosolids/Digester Project
- Stormwater Management
- Northshore to Channel Force Main
- SSIP Program-wide Management
- Treatment Plant Improvements – Southeast
- Treatment Plant Improvements
- Urban Watershed Assessment Project
- Biofuel Alternative Energy Project
- Interim Capital Improvement Program
- Collection Division Consolidation
- Southeast Community Center
- Renewal and Replacement Collection System

FISCAL IMPACT

The uses of the \$621,000,000 in bond proceeds consist of \$577,986,712 in funding for Wastewater projects, and an additional \$43,013,000 for other bond costs, as shown in Table 1 below. The Board of Supervisors previously appropriated the use of bond proceeds for SSIP projects through Ordinances 108-12 and 105-14.

Table 1: Use of Bond Proceeds

Use of Bond Proceeds	Amount
<u>Wastewater Projects</u>	
Treatment Plant Improvements – Southeast	104,920,000
SSIP Program-wide Management	94,000,000
SSIP Biosolids/Digester Project	65,600,000
Collection System Improvements	62,076,000
Stormwater Management	61,770,000
Treatment Plant Improvements	55,200,000
RNR Collection System	37,460,917
Collection Division Consolidation	29,000,000
Southeast Community Center	25,500,000
Northshore to Channel Force Main	20,270,000
Central Bayside System Improvements	19,800,000
Urban Watershed Assessment Project	11,900,000
Biofuel Alternative Energy Project	5,000,000
Interim Capital Improvement Program	1,747,000
Offset from Prior Bond Proceeds	(16,257,205)
<i>Subtotal Wastewater Projects</i>	<i>\$577,986,712</i>
<u>Other Bond Costs</u>	
Capitalized Interest Fund	\$40,085,000
Cost of Issuance*	1,000,000
Underwriters Discount	1,928,000
<i>Subtotal Other Bond Costs</i>	<i>\$43,013,000</i>
Total Use of Bond Proceeds	620,999,712

*Includes: City Services Auditor fund, Revenue Bond Oversight Committee Fund, Legal Fees, and other costs.

Balance of Bonds Authorized by Board of Supervisors

To date, the Board of Supervisors has authorized the SFPUC to issue \$1,922,002,176 in bonds to fund Wastewater Enterprise capital projects, primarily related to the SSIP. Of this authorized amount, the SFPUC has sold \$571,150,000 in bonds, leaving a remaining authorized amount of \$1,350,852,176 to be sold by the SFPUC. Sale of the \$621,000,000 would reduce the Water Enterprise revenue bond authority from \$1,350,852,176 to \$729,852,176. Table 2 below shows the history of the Board of Supervisors authorizations and the remaining estimated balance after the proposed issuance of \$621,000,000 in bonds.

Table 2: Remaining Amount of Bonds Authorized for Issuance

Date of Authorization	Ordinance Authorizing SFPUC to Sell Wastewater Revenue Bonds	Amount Authorized	Amount Sold	Authorized and Unsold Balance
3/17/2010	68-10	\$282,400,000	(\$239,565,000)	\$42,835,000
4/27/2010	93-10	297,756,235	(254,673,405)	\$43,082,830
6/18/2012	115-12	522,810,000	(76,911,595)	\$445,898,405
7/2/2014	107-14	819,035,941	0	\$819,035,941
Total		\$1,922,002,176	(\$571,150,000)	\$1,350,852,176
2016 Bond Issuance (File 16-0322)		0	(621,000,000)	(\$621,000,000)
Total		\$1,922,002,176	(\$1,192,150,000)	\$729,852,176

Source: SFPUC

Refunding of Commercial Paper

SFPUC previously sold \$135,000,000 in commercial paper to provide interim financing for a portion of the capital projects noted in Table 2 above.¹ \$135,000,000 from the bond sale will be allocated to repay the commercial paper.

Impact on SFPUC Debt Service

The SFPUC Wastewater Enterprise has previously sold \$764,550,000 in revenue bonds, which includes \$571,000,000 in Proposition E revenue bonds shown in Table 2 above, and currently has \$669,735,000 in outstanding debt. SFPUC will pay \$59,758,227 to service this debt in FY 2015-16. The proposed issuance of \$621,000,000 will increase SFPUC's total debt to \$1,290,735,000, and increase annual debt service payments to \$80,017,981 when repayment begins in FY 2018-19. Annual debt service payments are included in SFPUC's 10-year financial plan. The SFPUC expects to pay \$1,007,009,244 in total debt service costs through FY 2046-47 for the proposed \$621,000,000 bond issuance.

The SFPUC periodically approves debt policies and procedures that govern the SFPUC debt program. It also issues its Revenue Bonds which include a binding agreement requiring the SFPUC to maintain a minimum debt service coverage ratio of 1.25 times, representing net operating income divided by debt service. The SFPUC anticipates that debt service coverage ratios in the Wastewater Enterprise will range from 4.53 in FY 2014-15 to 1.43 in FY 2023-24, exceeding the minimum ratio established by SFPUC's debt service ratio of 1.25.

¹ Commercial paper is a short-term low-interest financing vehicle which allows the SFPUC to obtain financing prior to the sale of revenue bonds. Commercial paper is interest-only debt, and has a maximum term of nine months. The Board of Supervisors authorized SFPUC in April 2012 to issue up to \$300 million in commercial paper to finance the Wastewater Enterprise's capital projects (File 12-0354).

Impact on SFPUC Wastewater Rates

In order to meet the increased costs from the proposed bond issuance, the SFPUC plans to increase its wastewater rates, resulting in increases to average customer bills by approximately \$8 per month in FY 2017-18.² These increased rates were included as part of the SFPUC's 10-year financial plan. Table 3 below shows the estimated change in SFPUC wastewater rates for the next 9 years from FY 2016-17 to FY 2024-25.

Table 3: Average Estimated Monthly Wastewater Bill through FY 2024-25

Fiscal Year	Average Monthly Wastewater Bill	Annual Increase	Percent Increase
FY 2015-16	\$46		
FY 2016-17	50	\$4	9%
FY 2017-18	57	7	14%
FY 2018-19	65	8	14%
FY 2019-20	74	9	14%
FY 2020-21	84	10	14%
FY 2021-22	94	10	12%
FY 2022-23	104	10	11%
FY 2023-24	114	10	10%
FY 2024-25	123	9	8%

RECOMMENDATION

Approve the proposed resolution.

² Wastewater rates will increase in FY 2017-18 when repayment of the bonds shifts from the capitalized interest fund to payment through wastewater rates.

AMENDED IN COMMITTEE

05/20/15

FILE NO. 150362

ORDINANCE NO. 89-15

1 [Amending Ordinance No. 107-14 - Wastewater Revenue Bond Issuance and Sale - Public
2 Utilities Commission - Not to Exceed \$819,035,941]

3 **Ordinance amending Ordinance No. 107-14, to include, in addition to revenue bonds,**
4 **the execution and delivery of State of California State Water Resources Control Board**
5 **Installment Sales Agreements for State Revolving Loans by the San Francisco Public**
6 **Utilities Commission in an aggregate principal amount not to exceed an amount**
7 **previously authorized of \$819,035,941 to finance the costs of various projects**
8 **benefitting the Wastewater Enterprise pursuant to the Charter, including Proposition**
9 **E, an amendment to the Charter enacted by the voters on November 5, 2002; and**
10 **ratifying previous actions taken in connection therewith.**

11
12 NOTE: Additions are *single-underline italics Times New Roman*;
13 deletions are *strike-through italics Times New Roman*.
14 Board amendment additions are double-underlined;
15 Board amendment deletions are ~~striketrough normal~~.

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

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

19 A. On November 5, 2002, the voters of the City and County of San Francisco (the
20 "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
21 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
22 including notes, commercial paper or other forms of indebtedness, when authorized by
23 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
24 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
25

1 facilities, or combinations of water and clean water facilities under the jurisdiction of the
2 Commission; and

3 B. The Commission adopted the and in connection therewith, has from time to
4 time issued revenue bonds to finance projects benefitting the Wastewater Enterprise; and

5 C. By Resolution No.15-0069 adopted on March 10, 2015 (the "Commission
6 Resolution"), the Commission has determined to execute and deliver one or more State of
7 California Water Resources Control Board Installment Sales Agreements in connection with
8 State Revolving Loans in an aggregate principal amount not to exceed \$819,035,941 (the
9 "State Loans ") to finance the costs of all or a portion of certain capital projects described
10 therein benefitting the Wastewater Enterprise (the "Capital Projects" such projects as further
11 described in the Commission Resolution), of costs of issuance and other incidental costs
12 related thereto, and formally has requested this Board of Supervisors to authorize the
13 execution and delivery of Installment Sale Agreements for State Loans for such purposes,
14 pursuant to Section 8B.124 of the Charter, such Commission Resolution and the Installment
15 Sales Contract relating to the State Loans referenced therein being on file with the Clerk of
16 the Board in File No. 150362, which is hereby declared to be a part of this Ordinance as if
17 set forth fully herein; and

18 D. The Commission has determined that it is necessary and desirable to make
19 certain additional improvements to the facilities of the Wastewater Enterprise (the
20 "Improvements"), and has further determined to finance the costs of the Improvements
21 through the execution and delivery of the State Loans. The State Loans shall be payable from
22 a pledge of the Net Revenues of the Wastewater Enterprise on a parity with outstanding
23 Bonds of the Wastewater Enterprise, as such terms as defined in that certain Indenture dated
24 as of January 1, 2003, as amended and supplemented (the "Indenture"), between the
25 Commission and U. S. Bank National Association. The Board now desires to authorize the

1 execution and delivery from time to time of Installment Sales Agreements related to State
2 Loans by the Commission pursuant to said Section 8B.124; provided however, the
3 Commission shall file with the Board of Supervisors any and all certifications required by
4 Section 8B.124 of the Charter prior to the execution and delivery of any Installment Sales
5 Contract related to any State Loans authorized hereby (as further described below); and

6 E. Section 8B.124 of the Charter allows for the issuance of revenue bonds or
7 other forms of indebtedness by ordinance approved by two-thirds of the Board, subject to
8 the provision of certain certifications of an independent engineer retained by the
9 Commission and certain certifications by the San Francisco Planning Department, which
10 certifications shall make the findings and determinations set forth in Section 8B.124; and

11 F. Pursuant to Ordinance No 107-14, adopted July 2, 2014 the Board has
12 approved related supplemental appropriations totaling \$819,035,941 for the Capital
13 Improvement Program for fiscal years ending 2015 and 2016, including the authorization of
14 the issuance of Wastewater Revenue Bonds; and

15 G. The Commission has requested to supplement and amend Ordinance No. 107-
16 14 to authorize the issuance of State Loans, in addition to Wastewater Revenue Bonds, in
17 either case, in an aggregate principal amount not to exceed \$819,035,941.

18 H. Section 2. Ordinance No. 107-14 is Amended and Supplemented. Ordinance
19 No. 107-14 is hereby amended and supplemented to provide for the execution and deliver of
20 State Loans, in addition to the issuance of Wastewater Revenue Bonds authorized in
21 Ordinance 107-14, to finance the costs of projects benefitting the Wastewater Enterprise
22 (such projects being further described in Commission Resolution 14-0032, adopted by the
23 Commission on February 11, 2014); provided however that the Commission shall not be
24 authorized to issued any such indebtedness in an aggregate principal amount exceeding
25 \$819,035,941.

1 Section 3. Approval of the Installment Sales Agreements for State Loans. Subject to
2 the terms of this Ordinance, the Commission is hereby authorized to enter into Installment
3 Sales Agreements with the State Water Resources Control Board pursuant to Section 8B.
4 124 of the Charter to finance a portion of the design, acquisition and construction of the
5 Capital Projects (including the costs of issuance for such obligations) and other incidental
6 costs relating thereto; and the Board hereby approves the execution and delivery of such
7 Installment Sales Agreements for State Loans from time to time by the Commission
8 pursuant to Section 8B. 124 of the Charter in accordance with the Commission Resolution,
9 in an aggregate principal amount not to exceed \$819,035,941 (inclusive of financing costs),
10 at a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum and
11 for a term not to exceed 30 years from the date of the execution of any Installment Sales
12 Agreement, or from such other date as otherwise provided in the Agreement. The
13 Commission is hereby authorized to determine the timing, amount and manner of each
14 Installment Sales Contract executed pursuant to this authorization; provided however, the
15 Commission's authorization to enter into any Installment Sales Agreements is subject to the
16 filing with the Clerk of the Board any certifications required by Proposition E prior to the
17 issuance of any bonds herein authorized.

18 Section 5. General Authority. The Controller, Treasurer, the City Attorney and other
19 officers of the City and their duly authorized deputies and agents are hereby authorized and
20 directed, jointly and severally, to take such actions and to execute and deliver such
21 certificates, agreements, requests or other documents, as they may deem necessary or
22 desirable to facilitate the execution and delivery of any Installment Sales Agreements in
23 connection with State Loans, to obtain title and other insurance with respect to the facilities
24 to be financed, and otherwise to carry out the provisions of this Ordinance. Any such
25 actions are solely intended to further the purposes of this Ordinance, and are subject in all

1 respects to the terms of this Ordinance. No such actions shall increase the risk to the City
2 or require the City to spend any resources not otherwise granted herein. Final versions of
3 any such documents, if any, presented to this Board shall be provided to the Clerk of the
4 Board of Supervisors for inclusion in the official file within 30 days of execution of the
5 Installment Sales Agreements by all parties.

6 Section 6. Ratification of Prior Actions. All actions authorized and directed by and
7 consistent with this Ordinance and heretofore taken are hereby ratified, approved and
8 confirmed by this Board.

9 Section 7. File Documents. All documents referred to as on file with the Clerk of the
10 Board are in File No. 150362.

11 Section 8. Effective Date. Pursuant to Section 2.105 of the Charter, this Ordinance
12 shall take effect immediately upon its adoption.

13
14
15 APPROVED AS TO FORM,
DENNIS J. HERRERA, City Attorney

16
17 By: 

18 MARK D. BLAKE
Deputy City Attorney

19 n:\financlas2015\1300183\01017647.doc



City and County of San Francisco
Tails
Ordinance

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

File Number: 150362

Date Passed: June 09, 2015

Ordinance amending Ordinance No. 107-14, to include, in addition to revenue bonds, the execution and delivery of State of California State Water Resources Control Board Installment Sales Agreements for State Revolving Loans by the San Francisco Public Utilities Commission in an aggregate principal amount not to exceed an amount previously authorized of \$819,035,941 to finance the costs of various projects benefitting the Wastewater Enterprise 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.

May 20, 2015 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

May 20, 2015 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

June 02, 2015 Board of Supervisors - PASSED, ON FIRST READING


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


June 09, 2015 Board of Supervisors - FINALLY PASSED

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

File No. 150362

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/9/2015 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

6/18/2015
Date Approved

AMENDED IN COMMITTEE

6/11/14

FILE NO. 140483

ORDINANCE NO. 107-14

1 [Wastewater Revenue Bond Issuance and Sale - Public Utilities Commission - Not to
2 Exceed \$819,035,941 ~~846,906,000~~]

3 **Ordinance approving the issuance and sale of wastewater revenue bonds by the San**
4 **Francisco Public Utilities Commission in an aggregate principal amount not to**
5 **exceed \$819,035,941 ~~846,906,000~~ to finance the costs of various projects benefitting the**
6 **Wastewater Enterprise pursuant to amendments to the Charter of the City and County**
7 **of San Francisco enacted by the voters on November 5, 2002, as Proposition E;**
8 **declaring the official intent of the Commission to reimburse itself with one or more**
9 **issues of tax-exempt bonds; and ratifying previous actions taken in connection**
10 **therewith.**

11
12 NOTE: Additions are single-underline italics Times New Roman;
13 deletions are ~~strike-through italics Times New Roman~~.
14 Board amendment additions are double-underlined;
15 Board amendment deletions are ~~strikethrough normal~~.

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

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

19 A. On November 5, 2002, the voters of the City and County of San Francisco (the
20 "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
21 "Charter"), which among other things, authorized Public Utilities Commission ("the
22 Commission") to issue revenue bonds, including notes, commercial paper or other forms of
23 indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of
24 Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving
25 water facilities or clean water facilities, or combinations of water and clean water facilities
under the jurisdiction of the Commission; and

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

5 C. By Resolution No.14-0032 adopted by the Commission on February 11, 2014,
6 (the "Commission Resolution"), the Commission has determined to issue one or more
7 additional series of revenue bonds (the "Wastewater Revenue Bonds") to finance the costs
8 of all or a portion of certain capital projects described therein benefitting the Wastewater
9 Enterprise (the "Capital Projects" such projects as further described in the Commission
10 Resolution), as well as for the payment of costs of issuance and other incidental costs
11 related thereto, and formally requested this Board of Supervisors to authorize the issuance
12 and sale of the Wastewater Revenue Bonds for such purposes, pursuant to Charter Section
13 8B.124, such Commission Resolution being on file with the Clerk of the Board in File No.
14 140483, which is hereby declared to be a part of this Ordinance as if set forth fully
15 herein.

16 D. The Commission has determined that it is necessary and desirable to make
17 certain additional improvements to the facilities of the Wastewater Enterprise (the
18 "Improvements"), and has further determined to finance the costs of the Improvements
19 through the issuance of wastewater revenue bonds. The Board now desires to authorize the
20 issuance and sale of the Wastewater Revenue Bonds by the Commission pursuant to
21 Proposition E; provided however, the Commission shall file with the Commission Board and
22 this Board of Supervisors any and all certifications required by Charter Section 8B.124 prior
23 to the issuance of Wastewater Revenue Bonds authorized hereby (as further described
24 below); and

1 E. Proposition E allows for the issuance of revenue bonds or other forms of
2 indebtedness by ordinance approved by two-thirds of the Board, subject to the provision of
3 certain certifications of an independent engineer retained by the Commission and certain
4 certifications by the San Francisco Planning Department, which certifications shall make the
5 findings and determinations set forth in Proposition E; and

6 F. The Commission has paid, beginning no earlier than 60 days prior to the
7 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures
8 (the "Expenditures") in connection with the acquisition, construction and/or equipping of the
9 Capital Projects, and

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

15 H. This Board is concurrently considering with this ordinance Capital Improvement
16 Program related supplemental appropriations totaling \$950,906,000 for fiscal years ending
17 2015 and 2016, such amount being inclusive of the Wastewater Revenue Bonds.

18 Section 2. Approval of the Wastewater Revenue Bonds. Subject to the terms of this
19 Ordinance, the Commission is hereby authorized to issue the Wastewater Revenue Bonds
20 pursuant to Proposition E to finance a portion of the design, acquisition and construction of
21 the Capital Projects (including the costs of issuance for such obligations) and other
22 incidental costs relating thereto; and the Board hereby approves the issuance and sale of
23 the Wastewater Revenue Bonds in one or more series from time to time by the Commission
24 pursuant to Charter Proposition E and in accordance with the Prior Ordinance and the
25 Commission Resolution, in an aggregate principal amount not to exceed \$819,035,941

1 ~~846,906,000~~ (inclusive of financing costs), at a maximum rate or rates of interest of not to
2 exceed twelve percent (12%) per annum. The Commission is hereby authorized to
3 determine the timing, amount and manner of sale of each series of Wastewater Revenue
4 Bonds issued pursuant to this authorization; provided however, the Commission's
5 authorization to issue Wastewater Revenue Bonds is subject to approval by the
6 Commission's Board of the form of offering document and the filing with its Board and the
7 Clerk of the Board any certifications required by Proposition E prior to the issuance of any
8 bonds herein authorized.

9 Section 3. Declaration of Official Intent. The Board, on behalf of the Commission,
10 hereby declares the official intent of the Commission to reimburse the Commission with
11 proceeds of the Wastewater Revenue Bonds for the Expenditures with respect to the Capital
12 Projects made on and after a date that is no more than 60 days prior to the adoption of this
13 Ordinance. The Commission reasonably expects on the date hereof that it will reimburse
14 the Expenditures with proceeds of the Wastewater Revenue Bonds. Each said Expenditure
15 was and will be either (A) of a type properly chargeable to a capital account under general
16 federal income tax principles (determined in each case as of the date of the Expenditure),
17 (B) a cost of issuance with respect to the Bonds, (C) a nonrecurring items that is not
18 customarily payable from current revenues, or (D) a grant to pay a party that is not related to
19 or an agent of the issuer so long as such grand does not impose any obligation or condition
20 (directly or indirectly) to repay any amount to or for the benefit of the Commission. The
21 maximum principal amount of the Wastewater Revenue Bonds to be issued for the Capital
22 Projects is \$819,035,941 ~~846,906,000~~ (inclusive of financing costs).

23 The Commission will make a reimbursement allocation, which is a written allocation
24 by the Issuer that evidences the Commission's use of proceeds of the Wastewater Revenue
25 Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on

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

7 Section 4. General Authority. The Controller, Treasurer, the City Attorney and other
8 officers of the City and their duly authorized deputies and agents are hereby authorized and
9 directed, jointly and severally, to take such actions and to execute and deliver such
10 certificates, agreements, requests or other documents, as they may deem necessary or
11 desirable to facilitate the issuance, sale and delivery of the Wastewater Revenue Bonds to
12 obtain bond insurance or other credit enhancements with respect to the Wastewater
13 Revenue Bonds, to obtain a surety bond, to obtain title and other insurance with respect to
14 the facilities to be financed, and otherwise to carry out the provisions of this Ordinance.

15 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
16 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

17 Section 6. File Documents. All documents referred to as on file with the Clerk of the
18 Board are in File Nos. 140483.

19 Section 7. Effective Date. Pursuant to Charter Section 14.102, this Ordinance shall
20 take effect thirty (30) days after its adoption.

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

23 By: 

24 MARK D. BLAKE
Deputy City Attorney

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City and County of San Francisco

Tails
Ordinance

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

File Number: 140483

Date Passed: June 24, 2014

Ordinance approving the issuance and sale of wastewater revenue bonds by the Public Utilities Commission in an aggregate principal amount not to exceed \$819,035,941 to finance the costs of various 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.

June 11, 2014 Budget and Finance Committee - AMENDED

June 11, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

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. 140483

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

AMENDED IN COMMITTEE

5/8/13

FILE NO. 130365

ORDINANCE NO. 123-13
RO#14001
SA#01

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[De-Appropriation and Re-Appropriation - Operating Budget Amendment of \$5,096,000 and Capital Improvement Projects of \$42,178,878 for Public Utilities Commission - FY2013-2014]

Ordinance amending the adopted FY2013-14 Appropriation Ordinance and other adopted biennial capital appropriation ordinances for the San Francisco Public Utilities Commission, including \$3,100,000 in de-appropriation and re-appropriation for the Hetch Hetchy Enterprise operating budget, and de-appropriating \$16,414,070 and re-appropriating \$7,513,665 in capital projects in the Hetch Hetchy Capital Improvement Program projects, and de-appropriating and re-appropriating \$1,996,000 in the Water Enterprise operating budget, and de-appropriating ~~\$70,995,900~~ \$70,955,900 and re-appropriating \$55,169,000 in the in the Water Enterprise Capital Improvement Program projects, and de-appropriating \$56,370,059 and re-appropriating \$38,878,486 in the Wastewater Enterprise Capital Improvement Program.

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

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

Section 1. Ordinance de-appropriating and re-appropriating \$3,100,000 of the Hetch Hetchy adopted operating budget for Fiscal Year 2013-2014.

1 Section 1.1. This supplemental appropriation authorizes the re-appropriation of \$3,100,000
 2 in operating funds for the fiscal year 2013-14, to fund the Camp Mather Project, \$1,000,000;
 3 Facilities Maintenance, \$1,600,000; and WECC/NERC Compliance of \$500,000.
 4

5 **USES De-Appropriation – Hetch Hetchy Operating Budget**

6	Fund	Index Code/ Project Code	Subobject	Description	Amount
8	5T AAA AAA – Hetchy Operating Fund	320000	098GR	Designated for General Reserve	(\$519,184)
12	5T AAA AAA – Hetchy Operating Fund	326112	05241	Payments to Other Government	(\$1,568,000)
16	5T CPF LOC Hetchy Capital Projects Local Fund	320001	097CI	Reserve for Capital Improvements	(\$1,012,816)
20	Total USES De-Appropriation – Hetch Hetchy Operating				(\$3,100,000)

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USES Appropriation – Hetch Hetchy Operating Budget

Fund	Index Code/ Project Code	Subobject	Description	Amount
5T AAA ACP – Hetchy Continuing Capital Project Fund	519981 CUH99801	06700 Buildings Structures and Improvements	Camp Mather Leach Field Project	\$1,000,000
5T AAA AAP Hetchy Operating Annual Project Fund	500107 FUH10001	06F00	Facilities Maintenance	\$1,600,000
5T AAA AAP Hetchy Operating Annual Project Fund	515041 PUH50401	06F00	WECC/NERC Compliance	\$500,000
Total USES Appropriation – Hetch Hetchy Operating Budget				\$3,100,000

Section 1.2 Ordinance de-appropriating a total of \$8,900,405, consisting of de-appropriation of \$16,414,070 in existing Hetch Hetchy Capital Improvement Program project budgets and re-appropriating \$7,513,665 of proceeds from existing Revenue Bonds, Hetch Hetchy Fund Balance, and Cap and Trade Allowance for Fiscal Year 2013-2014.

Section 1.3 The sources of funding were previously approved and are herein de-appropriated and appropriated, and no additional funding is requested in this supplemental

1 appropriation ordinance as indicated by Attachment A. The supplemental appropriation
 2 requests appropriation of \$1,169,798 of Hetchy Cap and Trade Allowance funds, which will
 3 be substituted for Hetchy revenues. Hetchy Operating Fund Balance of \$2,000,000 will be
 4 used as a source of funds for the GoSolar SF program. The sources of funding outlined
 5 below are herein de-appropriated and appropriated to reflect the funding available for Fiscal
 6 Year 2013-14.

7
 8 **SOURCES De-appropriation / Appropriation – Hetch Hetchy Capital Improvement**
 9 **Projects**

Fund	Index Code/ Project Code	Subsubject	Description	Amount
5T CPF 13A – 2013A Hetchy Water Revenue Bonds	*HHP5TCPF13A CUH30000	80111	Proceeds From Sale of Bonds	(\$13,700,070)
5T AAA ACP – Hetchy Continuing Capital Project Fund	UHUHZZZ505T CUHZZZ00	9505T	ITI from Hetch Hetchy Revenue	(\$1,169,798)
5T CPF 14A – 2014A Power Enterprise Revenue Bonds	*HHP5TCPF14A CUH30000	80111	Proceeds From Sale of Bonds	\$2,799,665

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Fund	Index Code/ Project Code	Subobject	Description	Amount
5T AAA ACP – Hetchy Continuing Capital Project Fund	548294 PUHCAP00	99999B	Hetchy Cap and Trade Allowance	\$1,169,798
5T AAA AAA – Hetchy Operating Fund	320000 CUH94763	99999B	Fund Balance	\$2,000,000
Total SOURCES De-appropriation/Appropriation – Capital Improvement Projects				(\$8,900,405)

Section 1.4 The uses of funding outlined below are herein de-appropriated and appropriated in Subobject 06700 Buildings Structures and Improvements, 081C4 Internal Audits and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of funding to support the Hetch Hetchy Capital Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year 2013-14.

USES De-appropriation/ Appropriation – Hetch Hetchy Capital Improvement Projects

Fund	Index Code/ Project Code	Subobject	Description	Amount
5TCPF13A – 2013A Hetchy Water Revenue Bonds	HHPX5TCPF13A CUH10000	06700 Buildings Structures and Improvements	Hetchy Water – Water Only Project	(\$9,400,000)

	Fund	Index Code/ Project Code	Subobject	Description	Amount
1					
2					
3	5TAAAACP –	511011	06700	Hetchy Water –	(\$2,276,150)
4	Hetchy Continuing	CUH10100	Buildings	Power Only Projects	
5	Capital Project Fund		Structures and		
6			Improvements		
7					
8	5TCPF13A –	HHPX5TCPF13A	06700	Hetchy Water	(\$4,714,216)
9	2013A Hetchy Water	CUH30000	Buildings	Financing Cost	
10	Revenue Bonds		Structures and		
11			Improvements		
12					
13	5TCPF13A –	HHPX5TCPF13A	081C4	Hetchy Water –	(\$16,854)
14	2013A Hetchy Water	CUH30000	Internal Audits	City Services Auditor	
15	Revenue Bonds				
16					
17	5TCPF13A –	HHPX5TCPF13A	06B00	Hetchy Water –	(\$6,850)
18	2013A Hetchy Water	CUH30000	Revenue Bond	Revenue Bond	
19	Revenue Bonds		Oversight	Oversight Committee	
20			Committee		
21					
22	5TAAAACP –	519463	06700	GoSolar SF	\$2,000,000
23	Hetchy Continuing	CUH94763	Buildings		
24	Capital Project Fund		Structures and		
25			Improvements		

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Fund	Index Code/ Project Code	Subobject	Description	Amount
5TAAAACP – Hetchy Continuing Capital Project Fund	518961 CUH89601	06700 Buildings Structures and Improvements	Streetlights	\$1,741,000
5TCPF14A – 2014A Power Enterprise Revenue Bonds	HHPX5TCPF14A CUH10100	06700 Buildings Structures and Improvements	Hetchy Water – Power Only Projects	\$2,276,150
5TCPF13A – 2013A Hetchy Water Revenue Bonds	HHPX5TCPF13A CUH10200	06700 Buildings Structures and Improvements	Hetchy Joint Projects – Water	\$437,850
5TAAAACP – Hetchy Continuing Capital Project Fund	511021 CUH10200	06700 Buildings Structures and Improvements	Hetchy Joint Projects – Power	\$535,150

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Fund	Index Code/ Project Code	Subobject	Description	Amount
5TCPF14A – 2014A	HHPX5TCPF14A	06700	Hetchy Power	\$518,633
Power Enterprise	CUH30000	Buildings	Financing Costs	
Revenue Bonds		Structures and Improvements		
5TCPF14A – 2014A	HHPX5TCPF14A	081C4	Hetchy Power –	\$3,482
Power Enterprise	CUH30000	Internal Audits	City Services Auditor	
Revenue Bonds				
5TCPF14A – 2014A	HHPX5TCPF14A	06B00	Hetchy Power –	\$1,400
Power Enterprise	CUH30000	Revenue Bond	Revenue Bond	
Revenue Bonds		Oversight Committee	Oversight Committee	
Total USES De-Appropriation/Appropriation–Hetch Hetchy Capital Improvement Projects				<u>(\$8,900,405)</u>

Section 1.5 Of the above de-appropriated amount for Hetch Hetchy Water, \$4,714,216 is for financing costs, \$16,854 for the City Services Auditor, and \$6,850 is for the Revenue Bond Oversight Committee.

1 Section 1.6 Of the above appropriated amount for Hetch Hetchy Power, \$518,633 is for
 2 financing costs, \$3,482 for the City Services Auditor, and \$1,400 is for the Revenue Bond
 3 Oversight Committee.

4
 5 Section 1.7 The appropriations herein are effective as of July 1, 2013. The bond-funded
 6 portion of all included appropriation shall be placed on Controller's Reserve pending the
 7 availability of funds. Release of project-related appropriation reserves by the Controller is
 8 also subject to the prior occurrence of the SFPUC's and the Board of Supervisors'
 9 discretionary adoption of CEQA findings for projects, following review and consideration of
 10 completed project-related environmental analysis, where required, pursuant to CEQA, the
 11 State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

12
 13 Section 2.1 Ordinance de-appropriating and re-appropriating \$1,996,000 of the Water
 14 Enterprise adopted operating budget for Fiscal Year 2013-2014 to fund the Watershed
 15 Protection Programmatic Project through reduction in reserve for the capital projects.

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 18 **USES De-Appropriation/Appropriation – Water Enterprise Operating Budget**

19	Fund	Index Code /	Subobject	Description	Amount
20	Project Code				
21	5W AAA AAA –	500106	06R00	Watershed	(\$1,996,000)
22	Water Capital	FUW10201	Capital Renewal	Protection	
23	Project - Local		Projects		
24	Fund				

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Fund	Index Code / Project Code	Subobject	Description	Amount
5W CPF LOC –	470003	097CI	Reserve for Capital	\$1,996,000
Water Capital	CUWZZZZZ	Reserve for	Improvements	
Project - Local		Capital		
Fund		Improvement		
Total USES Appropriation – Water Enterprise Operating Budget				\$0

Section 2.2 Ordinance de-appropriating \$70,955,900 in existing Water Capital Improvement Program project budgets and re-appropriating \$55,169,000 of proceeds from Water Enterprise revenues and capacity fee revenues for Fiscal Year 2013-2014.

Section 2.3 The sources of funding were previously approved and are herein de-appropriated and appropriated, and no additional funding is requested in this supplemental appropriation ordinance as indicated by Attachment B. This supplemental appropriation requests an appropriation of \$1,727,924 of Water capacity fees and the substitution of BAWSCA pre-payment funds received by the SFPUC for Water Revenue Bonds appropriated in the FY 2012-13 budget approved by Ordinance 109-12. The sources of funding outlined below are herein appropriated to reflect the appropriation for Fiscal Year 2013-2014.

1 **SOURCES De-appropriation / Appropriation – Water Enterprise Capital Improvement**
 2 **Projects**

3	Fund	Index Code /	Subobject	Description	Amount
4		Project Code			
5	5W CPF 13A –	*WTR5WCPF13A	80111	Proceeds from Sale	(\$67,559,900)
6	Water Enterprise-	WTR3000100		of Revenue Bonds	
7	2013A Bond				
8	Fund				
9					
10	5W CPF LOC -	UWUWZZZI505W -	9505W	Water Enterprise	(\$10,850,000)
11	Capital Projects –	CUWZZZZZ		Revenue	
12	Local Fund				
13					
14	5W CPF WCF –	UWUWZZZG505W	9505W	Water Enterprise	(\$2,207,400)
15	Wholesale Capital	CUWZZZZZ		Revenue	
16	Project Fund				
17					
18	5W AAA ACP –	UWAAAACP505W	9505W	Water Enterprise	\$9,661,400
19	Water Continuing	CUWZZZZZ		Revenue - Water	
20	Capital Project			Revenue Transfer	
21	Fund				
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Fund	Index Code / Project Code	Subobject	Description	Amount
5W AAA ACP – Water Continuing Capital Project Fund	UWAAAACP505W CUWZZZZZ	9505W	Water Enterprise Revenue (BAWSCA Pre-Payment Funds)	\$52,041,076
5W CPF ACP Water Capital Projects – Retail	UWUWZZZK505W CUWZZZZZ	9505W	Water Enterprise Revenue - Water Revenue Transfer	\$1,400,000
5W CPF CAP – Capacity Fees	*WTR5WCPFCAP CUW68301	79993	Water Capacity Fees	\$1,727,924
Total SOURCES De-appropriation/Appropriation – Water Enterprise Capital Improvement Projects				<u>(\$15,786,900)</u>

Section 2.4 The uses of funding outlined below are herein de-appropriated and re-appropriated in Subobject 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits, and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of funding to support the Water Capital Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year 2013-2014.

1 **USES De-Appropriation/Appropriation – Water Enterprise Capital Improvement**

2 **Projects**

3	Fund	Index Code /	Subobject	Description	Amount
4		Project Code			
5	5W CPF 13A	WTRX5WCPF13A	06700	Town of Sunol –	(\$3,900,000)
6	Water Enterprise -	CUW26308	Buildings,	Fire Suppression	
7	2013A Bond Fund		Structures, and	System	
8			Improvements		
9					
10	5W CPF LOC	WTRX5WCPFLOC	06R00	Watershed & Land	(\$278,600)
11	Capital Projects –	CUW27500	Capital Renewal	Management	
12	Local Fund		Projects		
13					
14	5W CPF WCF –	WTRX5WCPFWCF	06R00	Watershed & Land	(\$517,400)
15	Wholesale Customer	CUW27500	Capital Renewal	Management	
16	Fund		Projects		
17					
18	5W CPF 13A –	WTRX5WCPF13A	06700	Buildings &	(\$4,300,000)
19	Water Enterprise-	CUW27700	Buildings,	Grounds Regional	
20	2013A Bond Fund		Structures, and		
21			Improvements		
22					
23	5W CPF LOC –	WTRX5WCPFLOC	06R00	Buildings &	(\$910,000)
24	Capital Projects –	CUW27700	Capital Renewal	Grounds Regional	
25	Local Fund		Projects		

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Fund	Index Code / Project Code	Subobject	Description	Amount
5W CPF WCF - Wholesale Customer Fund	WTRX5WCPFWCF CUW27700	06R00 Capital Renewal Projects	Buildings & Grounds Regional	(\$1,690,000)
5W CPF 13A - Water Enterprise- 2013A Bond Fund	WTRX5WCPF13A CUW28000	06700 Buildings, Structures, and Improvements	Local Water Conveyance/ Distribution	(\$44,185,000)
5W CPF 13A - Water Enterprise- 2013A Bond Fund	WTRX5WCPF13A CUW27001	06700 Buildings, Structures, and Improvements	Treasure Island Capital Improvements	(\$3,000,000)
5W CPF 13A - Water Enterprise- 2013A Bond Fund	WTRX5WCPF13A CUW68801	06700 Buildings, Structures, and Improvements	Building & Grounds Improvements - Local	(\$500,000)
<u>5W CPF 13A - Water</u> <u>Enterprise- 2013A</u> <u>Bond Fund</u>	<u>WTRX5WCPF13A</u> <u>WTR3000100</u>	<u>06700</u> <u>Buildings,</u> <u>Structures, and</u> <u>Improvements</u>	<u>Financing Costs</u>	<u>(\$11,632,896)</u>

	Fund	Index Code / Project Code	Subobject	Description	Amount
1					
2					
3	5W CPF 13A –	WTRX5WCPF13A /	081C4 Internal	City Services	(\$8,224)
4	Water Enterprise-	WTR3000100	Audits	Auditor	
5	2013A Bond Fund				
6					
7	5W CPF 13A –	WTRX5WCPF13A /	06B00	Revenue Bond	(\$33,780)
8	Water Enterprise-	WTR3000100	Revenue Bond	Oversight	
9	2013A Bond Fund		Oversight	Committee	
10			Committee		
11	5W AAA ACP –	WTRX5WAAAACP	06700	Town of Sunol –	\$6,084,000
12	Water Continuing	CUW26808	Buildings,	Fire Suppression	
13	Capital Project		Structures, and	System	
14	Fund		Improvements		
15					
16	5W AAA ACP –	WTRX5WAAAACP	06700	Local Water	\$42,457,076
17	Water Continuing	CUW28001	Buildings,	Conveyance/	
18	Capital Project		Structures, and	Distribution	
19	Fund		Improvements		
20					
21	5W CPF CAP –	WTRX5WCPFCAP	06700	Local Water	\$1,727,924
22	Capacity Fee	CUW28000	Buildings,	Conveyance/	
23			Structures, and	Distribution	
24			Improvements		
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
1					
2					
3	5W AAA ACP –	WTRX5WAAAACP	06700	Treasure Island	\$3,000,000
4	Water Continuing	CUW27001	Buildings,	Capital	
5	Capital Project		Structures, and	Improvements	
6	Fund		Improvements		
7					
8	5W AAA ACP –	WTRX5WAAAACP	06700	Building &	\$500,000
9	Water Continuing	CUW68801	Buildings,	Grounds	
10	Capital Project		Structures, and	Improvements -	
11	Fund		Improvements	Local	
12					
13	5W CPF ACP –	502811	06R00	Pacific Rod &	\$1,400,000
14	Water Capital	CUW28100	Capital Renewal	Gun Club	
15	Projects - Retail		Projects	Remediation	
16					
17	Total USES De-Appropriation/Appropriation – Water Enterprise Capital Improvement				
18	Projects				(\$15,786,900)

21 Section 2.5 Of the above De-appropriated amount, \$8,224 representing 0.2% of the
 22 expenditure budget net of bond financing and audit costs, is to be de-appropriated from the
 23 Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$33,780 representing
 24 0.05% of gross bond proceeds is to be de-appropriated and available from the Public
 25 Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative Code

1 Section 5A.31. These appropriations may be increased or decreased by the Controller
2 based on changes to expenditure appropriations or actual gross bond proceeds to conform
3 to the applicable Charter and Administrative Code formulas.
4

5 Section 2.6. The appropriations herein are effective as of July 1, 2013. The bond-funded
6 portion of all included appropriation shall be placed on Controller's Reserve pending the
7 availability of funds. The portion of appropriation funded by FY 2013-14 local operating
8 revenues shall be placed on Controller's Reserve until July 1, 2013. Release of project-
9 related appropriation reserves by the Controller is also subject to the prior occurrence of the
10 SFPUC's and the Board of Supervisors' discretionary adoption of CEQA findings for
11 projects, following review and consideration of completed project-related environmental
12 analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of
13 the San Francisco Administrative Code.
14

15 Section 2.7 Associated Bond financing costs is also hereby de-appropriated by
16 \$11,632,896, including but not limited to, issuance costs, debt service reserve, capitalized
17 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
18 bond proceeds. To the extent that net available bond proceeds after financing costs are
19 more than budgeted, the Department may use such surplus bond proceeds as a substitute
20 for other sources budgeted in this appropriation.
21

22 Section 3.1 Ordinance de-appropriating \$56,370,059 in the existing Wastewater Capital
23 Improvement Program for Fiscal Year 2013-2014 project budgets and appropriating
24 \$38,878,486 of proceeds from existing revenue bonds and capacity fee revenues fund
25 balance for revised Fiscal Year 2013-2014, placing \$28,500,000 on Controller's reserve

1 pending receipt of proceeds of indebtedness. and releasing ~~\$134,950,000~~ of the SSIP
 2 program funds for Fiscal Year 2013-2014 on July 1, 2013 from Budget and Finance
 3 Committee Reserve, pending the approval of the sizing, timing and scope by the Budget
 4 and Finance Committee.

5
 6 Section 3.2 The sources of funding were previously appropriated and are herein de-
 7 appropriated and re-appropriated, and no additional funding is requested in this
 8 supplemental appropriation ordinance as indicated by Attachment C. This supplemental
 9 appropriation requests an appropriation of \$9,578,486 of Wastewater capacity fees fund
 10 balance which will be substituted for Wastewater Revenue Bonds. The sources of funding
 11 outlined below are herein appropriated to reflect the appropriation for Fiscal Year 2013-
 12 2014.

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 14
 15 **SOURCES De-appropriation/Appropriation – Wastewater Enterprise Capital**
 16 **Improvement Projects**

Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF 13A - WWE- Capital Projects-2013A Bond Fund	*CWP5CCPF13A / - WWE30001 - Wastewater Bond/Commercial Paper	80111	Proceeds Sale of Bonds	(\$27,870,059)

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Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF CAP - WWE- Capacity Fee	*CWP5CCPF10B / - CWWRNRCS0000 - Wastewater RnR Collection System	99999B	Capacity Fees - Fund Balance	\$9,578,486
5C CPF 10B - 2010B WWE Revenue Bond Fund(Taxable BAB)	*CWP5CCPF10B - WWE30001 - Wastewater Bond/Commercial Paper	99999B	Interest Income - Fund Balance	\$800,000
Total SOURCES De-appropriation/Appropriation — Wastewater Enterprise Capital Improvement Projects				<u>(\$17,491,573)</u>

Section 3.3 The uses of funding outlined below are herein de-appropriated and re-appropriated in Subobject 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of funding to support the Commission approved Phase 1 Implementation of the SSIP for Fiscal Year 2013-14. Pending the approval by the Budget and Finance Committee regarding sizing, timing, and scope of the SSIP, \$134,950,000 \$241,608,000 for the Wastewater Enterprise's FY2013-14 capital budget is released from Budget and Finance Committee reserve July 1, 2013.

1 **USES De-appropriation/Appropriation – Wastewater Enterprise Capital Improvement**
 2 **Projects**

3	Fund	Index Code /	Subobject	Description	Amount
4		Project Code			
5	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP Treatment	(\$4,900,000)
6	Capital Projects-	CWWSIPTP00	Structures, and	Plant Improvements	
7	2013A Bond Fund		Improvements		
8					
9	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP Central	(\$3,700,000)
10	Capital Projects-	CWWSIPCT00	Structures, and	Bayside System	
11	2013A Bond Fund		Improvements	Improvements	
12					
13	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP Collection	(\$15,730,000)
14	Capital Projects-	CWWSIPCS00	Structures, and	System	
15	2013A Bond Fund		Improvements	Improvements	
16					
17	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP Stormwater	(\$18,131,000)
18	Capital Projects-	CWWSIPFC00	Structures, and	Management	
19	2013A Bond Fund		Improvements		
20					
21	5C CPF 13A - WWE-	CWPX5CCPF13A /	06R00 Capital	Renewal &	(\$10,378,486)
22	Capital Projects-	CWWRNRCS0000	Renewal Projects	Replacement –	
23	2013A Bond Fund			Collection System	
24					
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Financing Cost	(\$3,488,716)
4	Capital Projects-	CWW30001	Structures, and		
5	2013A Bond Fund		Improvements		
7	5C CPF 13A - WWE-	CWPX5CCPF13A /	081C4 Internal	City Services	(\$27,922)
8	Capital Projects-	CWW30001	Audits	Auditor	
9	2013A Bond Fund				
11	5C CPF 13A - WWE-	CWPX5CCPF13A /	06B00	Revenue Bond	(\$13,935)
12	Capital Projects-	CWW30001	Revenue Bond	Oversight	
13	2013A Bond Fund		Oversight	Committee	
14			Committee		
15	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Planning / Budget	\$8,000,000
16	Capital Projects-	CWWSIPRPL00	Structures, and		
17	2013A Bond Fund		Improvements		
19	5C CPF 13A - WWE	CWPX5CCPF13A /	06700 Buildings,	Treatment Plant	\$500,000
20	Capital Projects-	CWWSIPSE00	Structures, and	Improvements -	
21	2013A Bond Fund		Improvements	Southeast	
23	5C CPF CAP - WWE	CWPX5CCPFCAP /	06R00 Capital	Renewal &	\$9,578,486
24	Capacity Fee	CWWRNRCS0000	Renewal Projects	Replacement -	
25				Collection System	

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Fund	Index Code / Project Code	Subject	Description	Amount
5C CPF 10B - 2010B	CWPX5CCPF10B /	06700 Buildings,	Renewal &	\$800,000
WWE Revenue Bond Fund (Taxable BAB)	CWWRNRCS0000	Structures, and Improvements	Replacement – Collection System	
5C CPF 13A - WWE- Capital Projects- 2013A Bond Fund	CWPX5CCPF13A / CWWFAC02	06700 Buildings, Structures, and Improvements	Collection System Consolidation	\$10,000,000
5C CPF 13A - WWE- Capital Projects- 2013A Bond Fund	CWPX5CCPF13A / CWWFAC03	06700 Buildings, Structures, and Improvements	Southeast Community Center Improvements	\$10,000,000
Total USES De-appropriation / Appropriation – Wastewater Enterprise Capital Improvement Projects				<u>(\$17,491,573)</u>

Section 3.4 Of the above de-appropriated amount, \$27,922 representing 0.2% of the expenditure budget net of bond financing and audit costs is to be de-appropriated from the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$13,935, representing 0.05% of gross bond proceeds is to be de-appropriated and available from the Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative Code Section 5A.31. These appropriations may be increased or decreased by the Controller based on changes to expenditure appropriations or actual gross bond proceeds to conform

1 to the applicable Charter and Administrative Code formulas.

2

3 Section 3.5 Of the above de-appropriated amount, \$3,488,716 is de-appropriated for bond
4 financing costs, including but not limited to, issuance costs, debt service reserve, capitalized
5 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
6 bond proceeds. To the extent that net available bond proceeds after financing costs are
7 more than budgeted, the Department may use such surplus bond proceeds as a substitute
8 for other sources budgeted in this appropriation.

9

10 Section 3.6 The appropriations herein are effective as of July 1, 2013. The bond-funded
11 portion of all included appropriation shall be placed on Controller's Reserve pending the
12 availability of funds. Release of project-related appropriation reserves by the Controller is
13 also subject to the prior occurrence of the SFPUC's and the Board of Supervisors'
14 discretionary adoption of CEQA findings for projects, following review and consideration of
15 completed project-related environmental analysis, where required, pursuant to CEQA, the
16 State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

17

18 Section 3.7 The Controller is authorized to record transfers between funds and adjust the
19 accounting treatment of sources and uses appropriated in this ordinance as necessary to
20 conform to Generally Accepted Accounting Principles.

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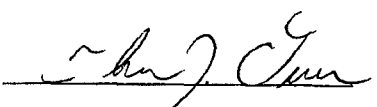
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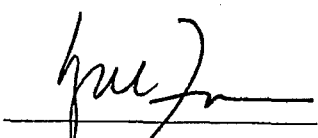
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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
Date: 5/9/2013

Attachment A - Hetch Hetchy Enterprise

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
CUH30000	*HHP5TCPF13A	5TCPF13A	80111	Water Revenue Bonds	(13,700,070)
CUHZZZ00	UHUHZZZ505T	5TAAAACP	9505T	ITI from Hetchy Funds (Hetchy Revenue)	(1,169,798)
CUH30000	*HHP5TCPF14A	5TCPF14A	80111	Power Revenue Bonds	2,799,665
PUHCAP00	548294	5TAAAACP	9999B	Hetchy Cap and Trade Allowance	1,169,798
CUH94763	320000	5TAAAAAA	99999B	GoSolar SF	2,000,000
TOTAL - Sources Adjustments					(8,900,405)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
Reduction of Appropriation					
CUH10000	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Water - Water Only Projects	(9,400,000)
CUH10100	511011	5TAAAACP	06700	Hetchy Water - Power Only Projects	(2,276,150)
CUH30000	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Water Financing Costs	(4,714,216)
CUH30000	HHPX5TCPF13A	5TCPF13A	081C4	Hetchy Water - City Services Auditor	(16,854)
CUH30000	HHPX5TCPF13A	5TCPF13A	081XX	Hetchy Water - Revenue Bond Oversight Committee	(6,850)
Subtotal					(16,414,070)

Reallocation of Appropriation

CUH94763	519463	5TAAAACP	06700	GoSolar SF	2,000,000
CUH89601	518961	5TAAAACP	06700	Streetlights	1,741,000
CUH10100	HHPX5TCPF14A	5TCPF14A	06700	Hetchy Water - Power Only Projects	2,276,150
CUH10200	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Joint Projects - Water	437,850
CUH10200	511021	5TAAAACP	06700	Hetchy Joint Projects - Power	535,150
CUH30000	HHPX5TCPF14A	5TCPF14A	06700	Hetchy Power Financing Costs	518,633
CUH30000	HHPX5TCPF14A	5TCPF14A	081C4	Hetchy Power - City Services Auditor	3,482
CUH30000	HHPX5TCPF14A	5TCPF14A	081XX	Hetchy Power - Revenue Bond Oversight Committee	1,400
Subtotal					7,513,665

TOTAL - Uses Adjustments	(8,900,405)
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Surplus/Shortfall	0
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Attachment B - Water Enterprise

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
WTR3000100	*WTR5WCPF13A	5WCPF13A	80111	Proceeds from Sale of Bonds	(67,559,900)
CUWZZZZZ	UWUWZZZI505W	5WCPFLOC	9505W	ITI from Water Enterprise Funds	(10,850,000)
CUWZZZZZ	UWUWZZZG505W	5WCPFWCF	9505W	ITI from Water Enterprise Funds	(2,207,400)
CUWZZZZZ	UWAAAACP505W	5WAAAACP	9505W	ITI from Water Enterprise Funds	9,661,400
CUWZZZZZ	UWAAAACP505W	5WAAAACP	9505W	ITI from Water Enterprise Funds	52,041,076
CUWZZZZZ	UWUWZZZK505W	5WCPFACP	9505W	ITI from Water Enterprise Funds	1,400,000
CUW68301	*WTR5WCPFACAP	5WCPFACAP	9999B	Water Capacity Fee	1,727,924
TOTAL - Sources Adjustments					(15,786,900)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
CUW26308	WTRX5WCPF13A	5WCPF13A	06700	Town of Sunol-Fire Suppression System	(3,900,000)
CUW27500	WTRX5WCPFLOC	5WCPFLOC	06R00	Watershed & Land Management	(278,600)
CUW27500	WTRX5WCPFWCF	5WCPFWCF	06R00	Watershed & Land Management	(517,400)
CUW27700	WTRX5WCPF13A	5WCPF13A	06700	Buildings & Ground Regional	(4,300,000)
CUW27700	WTRX5WCPFLOC	5WCPFLOC	06R00	Buildings & Ground Regional	(910,000)
CUW27700	WTRX5WCPFWCF	5WCPFWCF	06R00	Buildings & Ground Regional	(1,690,000)
CUW28000	WTRX5WCPF13A	5WCPF13A	06700	Local Water Conveyance/Distribution	(44,185,000)
CUW27001	WTRX5WCPF13A	5WCPF13A	06700	Treasure Island Capital Program	(3,000,000)
CUW68801	WTRX5WCPF13A	5WCPF13A	06700	Building & Grounds Improvements Local	(500,000)
WTR3000100	WTRX5WCPF13A	5WCPF13A	06700	Financing Costs	(11,632,896)
WTR3000100	WTRX5WCPF13A	5WCPF13A	081C4	City Services Auditor	(8,224)
WTR3000100	WTRX5WCPF13A	5WCPF13A	081XX	Revenue Bond Oversight Committee	(33,780)
Subtotal					(70,955,900)
CUW26808	WTRX5WAAAACP	5WAAAACP	06700	Town of Sunol-Fire Suppression System	6,084,000
CUW28001	WTRX5WAAAACP	5WAAAACP	06700	Local Water Conveyance/Distribution	42,457,076
CUW28000	WTRX5WCPFACAP	5WCPFACAP	06700	Local Water Conveyance/Distribution	1,727,924
CUW27001	WTRX5WAAAACP	5WAAAACP	06700	Treasure Island Capital Program	3,000,000
CUW68801	WTRX5WAAAACP	5WAAAACP	06700	Building & Grounds Improvements Local	500,000
CUW28100	502811	5WCPFACAP	06R00	Pacific Rod & Gun Club Remediation	1,400,000
Subtotal					55,169,000
TOTAL - Uses Adjustments					(15,786,900)
Surplus/Shortfall					0

Attachment C - Wastewater Enterprise

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
WWE30001	*CWP5CCPF13A	5CCPF13A	80111	Proceeds Sale of Bonds	(27,870,059)
CWWRNRCS0000	*CWP5CCPFCAP	5CCPFCAP	9999B	Wastewater Capacity Fee	9,578,486
WWE30001	*CWP5CCPF10B	5CCPF10B	99999B	Interest Income-Fund Balance	800,000
TOTAL - Sources Adjustments					(17,491,573)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
Reduction of Appropriation					
SSIP					
CWWSIPTP00	CWPX5CCPF13A	5CCPF13A	06700	Treatment Plant Improvements	(4,900,000)
CWWSIPT00	CWPX5CCPF13A	5CCPF13A	06700	Central Bayside System Improvements	(3,700,000)
CWWSIPCS00	CWPX5CCPF13A	5CCPF13A	06700	Collection System Improvements	(15,730,000)
CWWSIPFC00	CWPX5CCPF13A	5CCPF13A	06700	Stormwater Management	(18,131,000)
SSIP Reduction					(42,461,000)
Other Sewer Projects					
CWWRNRCS0000	CWPX5CCPFCAP	5CCPFCAP	06R00	Renewal & Replacement-Collection System	(10,378,486)
CWW30001	CWPX5CCPF13A	5CCPF13A	06700	Financing Cost	(3,489,116)
CWW30001	CWPX5CCPF13A	5CCPF13A	081C4	City Services Auditor	(27,922)
CWW30001	CWPX5CCPF13A	5CCPF13A	081XX	Revenue Bond Oversight Committee	(13,535)
Subtotal					(13,909,059)
Subtotal					(56,370,059)

Reallocation of Appropriation

SSIP					
CWWSIPPRPL00	CWPX5CCPF13A	5CCPF13A	06700	Program-Wide Planning & Management	8,000,000
CWWSIPSE00	CWPX5CCPF13A	5CCPF13A	06700	Treatment Plant Improvements - Southeast	500,000
SSIP Increase					8,500,000
Other Sewer Projects					
CWWRNRCS0000	CWPX5CCPFCAP	5CCPFCAP	06R00	Renewal & Replacement-Collection System	9,578,486
CWWRNRCS0000	CWPX5CCPF10B	5CCPF10B	06700	Renewal & Replacement-Collection System	800,000
CWWFAC02	CWPX5CCPF13A	5CCPF13A	06700	Collection System Consolidation	10,000,000
CWWFAC03	CWPX5CCPF13A	5CCPF13A	06700	Southeast Community Center Improvements	10,000,000
Subtotal					30,378,486
Subtotal					38,878,486
Total SSIP Adjustment					(33,961,000)
Other - Increase					16,469,427
TOTAL - Uses Adjustments					(17,491,573)
Surplus/Shortfall					0



City and County of San Francisco

Tails Ordinance

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

File Number: 130365

Date Passed: June 25, 2013

Ordinance amending the adopted FY2013-2014 Appropriation Ordinance and other adopted biennial capital appropriation ordinances for the Public Utilities Commission, including \$3,100,000 in de-appropriation and re-appropriation for the Hetch Hetchy Enterprise operating budget; de-appropriating \$16,414,070 and re-appropriating \$7,513,665 in capital projects in the Hetch Hetchy Capital Improvement Program projects; de-appropriating and re-appropriating \$1,996,000 in the Water Enterprise operating budget; de-appropriating \$70,955,900 and re-appropriating \$55,169,000 in the in the Water Enterprise Capital Improvement Program projects; and de-appropriating \$56,370,059 and re-appropriating \$38,878,486 in the Wastewater Enterprise Capital Improvement Program.

May 08, 2013 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

May 08, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

May 14, 2013 Board of Supervisors - CONTINUED ON FIRST READING

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

June 18, 2013 Board of Supervisors - PASSED, ON FIRST READING

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

June 25, 2013 Board of Supervisors - FINALLY PASSED

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

File No. 130365

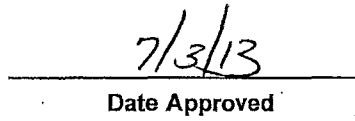
I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
6/25/2013 by the Board of Supervisors of the
City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor



7/3/13
Date Approved

1 [Wastewater Revenue Bond Issuance - Not to Exceed \$522,810,000]

2
3 **Ordinance approving the issuance and sale of wastewater revenue bonds by the San**
4 **Francisco Public Utilities Commission in an aggregate principal amount not to**
5 **exceed \$522,810,000 to finance various projects benefitting the Wastewater**
6 **Enterprise pursuant to amendments to the Charter of the City and County of San**
7 **Francisco enacted by the voters on November 5, 2002 as Proposition E; and ratifying**
8 **previous actions taken in connection therewith.**

9
10 NOTE: Additions are single-underline italics Times New Roman;
11 deletions are ~~strike-through italics Times New Roman~~.
12 Board amendment additions are double-underlined;
13 Board amendment deletions are ~~strikethrough normal~~.

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

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

17 A. On November 5, 2002, the voters of the City and County of San Francisco (the
18 "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
19 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
20 including notes, commercial paper or other forms of indebtedness, when authorized by
21 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
22 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
23 facilities, or combinations of water and clean water facilities under the jurisdiction of the
24 Commission; and,
25

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

5 C. By Ordinance No.147-11, adopted on (the "Prior Ordinance"), the Commission
6 was authorized to spend \$30 million on capital projects for the Wastewater Enterprise and
7 has now determined to fund such amount from the issuance of one or more additional series
8 of revenue bonds pursuant to the Indenture (the "Wastewater Revenue Bonds"), and
9 formally requested this Board of Supervisors to authorize the issuance and sale of the
10 Wastewater Revenue Bonds for such purposes, pursuant to Section 8B.124 of the Charter,
11 the Prior Ordinance and all such documents relating to the issuance of the Wastewater
12 Revenue Bonds referenced therein being on file with the Clerk of the Board in File No.
13 110387, which is hereby declared to be a part of this Ordinance as if set forth fully herein;
14 and,

15 D. By Resolution No.12-0026 adopted on February 14, 2012 (the "Commission
16 Resolution"), the Commission has determined to issue one or more additional series of
17 revenue bonds in an aggregate principal amount not to exceed \$492,810,000 pursuant to
18 the Indenture (the "Wastewater Revenue Bonds") to finance all or a portion of certain capital
19 projects described therein benefitting the Wastewater Enterprise (the "Capital Projects" such
20 projects as further described in the Commission Resolution), as well as for the payment of
21 costs of issuance and other incidental costs related thereto, and formally requested this
22 Board of Supervisors to authorize the issuance and sale of the Wastewater Revenue Bonds
23 for such purposes, pursuant to Section 8B.124 of the Charter, such Commission Resolution
24 and all such documents relating to the issuance of the Wastewater Revenue Bonds
25

1 referenced therein being on file with the Clerk of the Board in File No. 120469, which is
2 hereby declared to be a part of this Ordinance as if set forth fully herein; and,

3 E. Section 8B.124 of the Charter allows for the issuance of revenue bonds or other
4 forms of indebtedness by ordinance approved by two-thirds of the Board, subject to the
5 provision of certain certifications of an independent engineer retained by the Commission
6 and certain certifications by the San Francisco Planning Department, which certifications
7 shall make the findings and determinations set forth in Section 8B.124, and,

8 F. The Board now desires to authorize the issuance and sale of the Wastewater
9 Revenue Bonds by the Commission pursuant to said Section 8B.124; provided however, the
10 Commission shall file with the Commission Board and this Board of Supervisors any and all
11 certifications required by Section 8B.124 of the Charter prior to the issuance of Wastewater
12 Revenue Bonds authorized hereby; and,

13 G. This Board is concurrently considering with this ordinance Capital Improvement
14 Program related supplemental appropriations totaling \$587,756,000 for fiscal years 2012
15 through 2014, such amount being inclusive of the Wastewater Revenue Bonds authorized
16 hereby.

17 Section 2. Approval of the Wastewater Revenue Bonds. Subject to the terms of this
18 Ordinance, the Commission is hereby authorized to issue the Wastewater Revenue Bonds
19 pursuant to Section 8B. 124 of the Charter to finance a portion of the design, acquisition and
20 construction of the Capital Projects, as well as paying costs of issuance and other incidental
21 costs relating thereto; and the Board hereby approves the issuance and sale of the
22 Wastewater Revenue Bonds in one or more series from time to time by the Commission
23 pursuant to Section 8B. 124 of the Charter and in accordance with the Prior Ordinance and
24 the Commission Resolution, in an aggregate principal amount not to exceed \$522,810,000
25 (inclusive of financing costs), at a maximum rate or rates of interest of not to exceed twelve

1 percent (12%) per annum. The Commission is hereby authorized to determine the timing,
2 amount and manner of sale of each series of Wastewater Revenue Bonds issued pursuant
3 to this authorization; provided however, the Commission's authorization to issue Wastewater
4 Revenue Bonds is subject to approval by the Commission's Board of the form of offering
5 document and the filing with its Board and the Clerk of the Board any certifications required
6 by Proposition E prior to the issuance of any bonds herein authorized.

7 Section 3. General Authority. The Controller, Treasurer, the City Attorney and other
8 officers of the City and their duly authorized deputies and agents are hereby authorized and
9 directed, jointly and severally, to take such actions and to execute and deliver such
10 certificates, agreements, requests or other documents, as they may deem necessary or
11 desirable to facilitate the issuance, sale and delivery of the Wastewater Revenue Bonds, to
12 obtain bond insurance or other credit enhancements with respect to the Wastewater
13 Revenue Bonds, to obtain a surety bond, to obtain title and other insurance with respect to
14 the facilities to be financed, and otherwise to carry out the provisions of this Ordinance.

15 Section 4. Ratification of Prior Actions. All actions authorized and directed by this
16 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

17 Section 5. File Documents. All documents referred to as on file with the Clerk of the
18 Board are in File Nos. 120469.

19 Section 6. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance
20 shall take effect thirty (30) days after its adoption.

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

23 By: 

24 MARK BLAKE
25 Deputy City Attorney



City and County of San Francisco

Tails
Ordinance

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

File Number: 120469

Date Passed: June 12, 2012

Ordinance approving the issuance and sale of wastewater revenue bonds by the San Francisco Public Utilities Commission in an aggregate principal amount not to exceed \$522,810,000 to finance various 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.

May 24, 2012 Budget and Finance Committee - RECOMMENDED

June 05, 2012 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

June 12, 2012 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120469

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
6/12/2012 by the Board of Supervisors of the
City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 16-0057

WHEREAS, at a duly called and held election on November 5, 2002, a majority of voters voting on the measure approved Proposition E ("Proposition E of 2002"), codified as Article VIII B of the Charter of the City and County of San Francisco (the "City"), which, among other things, authorized the San Francisco Public Utilities Commission (the "Commission") of the City to issue its revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the "Board"), for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities, or combinations of water and clean water facilities under the jurisdiction of the Commission and subject to the provision of certain certifications of an independent engineer retained by the Commission and certain certifications by the San Francisco Planning Department, which certifications make the findings and determinations set forth in Section 8B.124 of the Charter; and

WHEREAS, on June 12, 2012, the Board passed by a two-thirds vote its Ordinance No. 115-12, signed by the Mayor on June 18, 2012, approving the issuance and sale of wastewater revenue bonds pursuant to Article VIII B of the Charter of the City to finance various capital projects benefiting the Wastewater Enterprise, as well as paying the costs of issuance and other incidental costs relating thereto, in an aggregate principal amount not to exceed \$522,810,000; and

WHEREAS, on June 25, 2013, the Board passed by two-thirds vote Ordinance No. 123-13, which revised the fiscal year 2013-14 capital improvement project of the Commission and reduced appropriations under Ordinance No. 115-12 by \$27,870,059; and

WHEREAS, after the issuance of certain amounts of Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2013 Series B, an aggregate principal amount not to exceed \$388,027,346, including \$60,582,634 in financing costs, remains authorized and unissued under Ordinance No. 115-12; and

WHEREAS, on July 2, 2014, the Board passed by two-thirds vote Ordinance No. 107-14, approving the issuance and sale of wastewater revenue bonds by the Commission pursuant to Article VIII B of the Charter of the City, in an aggregate principal amount not to exceed \$819,035,941, including \$109,629,000 in financing costs, to finance capital projects benefiting the Wastewater Enterprise; and WHEREAS, on June 9, 2015, the Board passed by two-thirds vote Ordinance No. 0089-15, which amended and supplemented Ordinance No. 107-14 to provide authority for the Commission to execute and deliver one or more State of California Water Resources Control Board Installment Sale Agreements in connection with State Revolving Loans, to finance capital projects benefiting the Wastewater Enterprise; and

WHEREAS, pursuant to Ordinance No. 107-14, as amended and supplemented, and Article VIIB of the Charter of the City, the Commission entered into an Installment Sale Agreement executed on January 12, 2016 (the "2016 SRF Loan"), with the California State Water Resources Control Board in the aggregate principal amount of up to \$7,435,000; and,

WHEREAS, an aggregate principal amount not to exceed \$819,035,941, plus any amount not drawn under the 2016 SRF Loan, remains authorized but unissued under Ordinance No. 107-14, as amended and supplemented; and

WHEREAS, the Board, at the request of the Commission, will consider a resolution on or after the date hereof, to authorize the issuance of not to exceed \$621,000,000 aggregate principal amount of wastewater revenue bonds, all or a portion of which may be designated by the Commission as "green bonds," for the purpose of financing or refinancing (through the retirement of commercial paper notes) various capital projects benefiting the Wastewater Enterprise (including reimbursing the Commission for certain capital costs previously paid with proceeds of wastewater commercial paper notes or from other moneys), pursuant to Article VIIB of the Charter of the City, Ordinance No. 115-12 and Ordinance No. 107-14, as amended and supplemented; and

WHEREAS, under the authority granted or proposed to be granted under Article VIIB of the Charter of the City and by the ordinances and resolution hereinabove mentioned, it is proposed that the Commission issue one or more series of wastewater revenue bonds, in an aggregate principal amount not to exceed \$621,000,000, for the purpose of financing or refinancing (through the retirement of commercial paper notes) various capital projects benefiting the Wastewater Enterprise (including reimbursing the Commission for certain capital costs previously paid with proceeds of wastewater commercial paper notes or from other moneys) (the "Bonds"), all pursuant to the Indenture, dated as of January 1, 2003 (as amended by the First Amendment to Indenture, dated as of May 1, 2010, and as supplemented by the First Supplemental Indenture dated as of May 1, 2010, the Second Supplemental Indenture, dated as of January 1, 2013, and the Third Supplemental Indenture, dated as of February 1, 2013, the "Indenture"), each by and between the Commission and U.S. Bank National Association (formerly doing business as "U.S. Bank, N.A."), as trustee (the "Trustee"), and one or more supplemental indentures as herein provided; and

WHEREAS, it is proposed that such Bonds be issued as obligations the interest on which is exempt from federal income tax pursuant to one or more supplemental indentures, between the Commission and the Trustee (each, a "Supplemental Indenture") to finance or refinance the cost of the acquisition, construction and equipping of the projects; and

WHEREAS, it is proposed that each series of Bonds be sold in a competitive sale pursuant to an official notice of sale (the "Official Notice of Sale") and a notice of intention to sell bonds (the "Notice of Intention to Sell"), or a negotiated sale pursuant to a Bond Purchase Contract (the "Bond Purchase Contract"), or in some combination of competitive and negotiated sales; and

WHEREAS, it is proposed that one or more official statements (each an "Official Statement" and collectively the "Official Statements") be used in connection with the offering and sale of the Bonds from time to time; and

WHEREAS, it is proposed that a continuing disclosure certificate (the "Continuing Disclosure Certificate") be executed and delivered with respect to each series of Bonds in order to assist the purchasers or underwriters thereof in complying with Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"); and

WHEREAS, pursuant to Article IX of the Indenture, the Indenture may be amended from time to time upon compliance with the terms and conditions provided in said Article IX; and

WHEREAS, the voters of the City approved Proposition P in November 2002 pursuant to which this resolution and the Bonds are subject to the provisions of Section 5A.30 et seq. ("Public Utilities Revenue Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code (the "Proposition P Requirements"), including the requirement that, to the extent permitted by law, one-twentieth of one percent (0.05%) of the gross proceeds of the Bonds shall be deposited in a fund established by the Office of the Controller of the City (the "Controller's Office") and appropriated by the Board at the direction of the Public Utilities Revenue Bond Oversight Committee to cover the costs of said committee; and

WHEREAS, the Commission has been presented with and has examined the proposed form of a Supplemental Indenture for each series of Bonds, an Official Notice of Sale, a Notice of Intention to Sell, a Bond Purchase Contract, a Preliminary Official Statement and a Continuing Disclosure Certificate; and

WHEREAS, the Commission is duly authorized and empowered, pursuant to each and every requirement of law, to authorize the foregoing transactions and issue the Bonds in one or more series and to authorize the publication, execution and delivery for each series of Bonds (as appropriate) of a Supplemental Indenture, an Official Notice of Sale, a Notice of Intention to Sell, a Bond Purchase Contract, an Official Statement, a Continuing Disclosure Certificate and related documents for the purposes, in the manner and upon the terms provided herein; and

WHEREAS, Section 1.150-2(f) of the United States Income Tax Regulations (the "Treasury Regulations") provides generally that proceeds of tax-exempt debt may be used to reimburse an expenditure made prior to the issuance of such debt if such expenditures are "preliminary expenditures" of the type described in Section 1.150-2(f) of the Treasury Regulations; and

WHEREAS, the Commission intends to reimburse from a portion of the proceeds of the Bonds certain preliminary expenditures of the type described in Section 1.150-2(f) of the Treasury Regulations (the "Preliminary Expenditures"); and

WHEREAS, Article VIII B of the Charter of the City (Section 8B.124) allows for the issuance of revenue bonds and other forms of indebtedness, subject to the provision of certain certifications of an independent engineer retained by the Commission and certain certifications by the San Francisco Planning Department, which certifications make the findings and determinations set forth in Section 8B.124; and

WHEREAS, certificates intended to meet the requirements set forth in Section 8B.124 will have been presented for review by the Board (the "Certificates"), and the Certificates will be filed with the Clerk of the Board and the Secretary of the Commission prior to the issuance of the Bonds; now, therefore, be it

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

Section 1. Issuance of the Bonds. The issuance of the Bonds, in one or more series and on such dates, and in such amounts and at such times as the Commission may determine, in an aggregate principal amount not to exceed \$621,000,000, is hereby authorized and approved by the Commission (subject to Board approval) pursuant to Article VIII B of the Charter of the City, Ordinance No. 115-12 and Ordinance No. 107-14, as amended and supplemented (collectively, the "Ordinances"), and subject to the limitations and conditions provided herein. The Bonds may be issued for the purpose of (a) financing or refinancing (through the retirement of commercial paper notes) various capital projects benefiting the Wastewater Enterprise (including reimbursing the Commission for certain capital costs previously paid with the proceeds of wastewater commercial paper notes or other moneys), as may be determined by the General Manager, (b) financing capitalized interest and (c) paying costs of issuance of the Bonds. If determined to be beneficial to the Commission by the General Manager, with the advice of the Financial Advisors, Bond proceeds may also be applied to costs associated with (i) the provision of credit enhancement of any Bonds (including without limitation bond insurance policies and/or reserve fund surety bonds or insurance policies), and (ii) the funding of debt service reserves for the Bonds, if any.

The Bonds shall be issued in accordance with the Ordinances, this resolution, the Indenture and the Charter, including but not limited to, the provision of certifications required by Section 8B.124 of the Charter to the Secretary of the Commission and the Clerk of the Board. The General Manager is hereby authorized and directed to determine the aggregate principal amount of Bonds to be issued from time to time (subject to the maximum amount and further limitations and conditions set forth herein) and to determine the various titles and series designations of the Bonds. The Bonds may be issued as tax-exempt bonds or taxable bonds, or any combination thereof. The forms of the Bonds, in substantially the forms set forth in the forms of the Supplemental Indentures presented to this meeting, are hereby approved. The General Manager of the Commission is hereby authorized and directed to approve and to execute the Bonds by manual or facsimile signature, and the Secretary of the Commission is hereby authorized and directed to attest, by manual or facsimile signature, with such changes, additions, amendments or modifications thereto which they may approve with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Bonds, subject to the limitations set forth in Section 2 hereof.

Section 2. Sale of the Bonds. The sale of the Bonds, in one or more series and on one or more dates, is hereby authorized and approved by the Commission, subject to Board approval pursuant to the Charter and subject to the limitations and conditions provided herein. The Commission hereby delegates to the General Manager the authority to determine, with the advice of the Financial Advisors, whether to sell the Bonds from time to time by negotiated sale or competitive sale, provided that the General Manager shall not approve the sale of the Bonds on a negotiated basis until he determines, upon consultation with the Financial Advisors, that (i) the sale of the Bonds through a negotiated process is likely to

enhance the ability of the Commission to timely sell the Bonds or to achieve a lower overall cost to the Commission, or both, and (ii) the requirements of Section VIII of the Commission's Debt Management Policies and Procedures, as the same may have been amended and in effect at the time of such determination, have been satisfied. The interest rate or rates on the Bonds shall not exceed twelve percent (12%) and the final maturity of any Bonds shall not be later than 40 years after the issue date of such series.

Section 3. Disposition of Revenues: Rate Covenant. Section 5.01(c) of the Indenture, which sets forth the disposition of Revenues (as defined in the Indenture) applicable to the Bonds relating to the Wastewater Enterprise is hereby confirmed by the Commission and the Commission further confirms, pledges and covenants with the holders of the Bonds that the Revenues shall be appropriated and expended in the order of priority set forth in Section 5.01(c) of the Indenture, as the same may be amended from time to time. This Commission also declares that the Commission will comply with all of the terms, provisions and covenants contained in the Indenture, as the same may be amended from time to time, including the covenants to establish, fix, prescribe and collect rates, fees and charges sufficient to enable the Commission to comply with the terms, conditions and covenants of the Indenture.

Section 4. Supplemental Indentures. The proposed form of the Fourth Supplemental Indenture for the Bonds submitted to this Commission, and the terms and conditions thereof, is hereby approved. The General Manager of the Commission or their designees are authorized and directed to execute and deliver and the Secretary of the Commission or the designee thereof is authorized to attest one or more Supplemental Indentures in such form, with such additions thereto or changes therein which they may approve with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indentures. The Secretary of the Commission is directed to file a copy of the form of Supplemental Indenture with the minutes of this meeting. Subject to the further limitations hereof, the principal amount, date, maturity date or dates, maximum interest rate or rates, series designation, interest payment dates, forms, registration privileges, place or places of payment, terms of redemption, insurance provisions and other terms of each series of Bonds shall be as provided in the Indenture.

Section 5. Preliminary Official Statements and Official Statements. The Preliminary Official Statement for the Bonds (the "Preliminary Official Statement"), in substantially the form submitted to the Commission, is hereby approved, and the General Manager or the General Manager's designee is hereby authorized to certify from time to time, for and on behalf of the Commission, that the Preliminary Official Statement, with such changes, additions and supplements as they may deem necessary or appropriate in the interest of the Commission, in consultation with the City Attorney, is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Preliminary Official Statement is hereby authorized to be used from time to time in connection with the marketing of the Bonds, and the Official Notice of Sale for the Bonds, if applicable. In connection with the sale of all or a portion of the Bonds, the General Manager is hereby authorized and directed, for and on behalf of the Commission, to execute the Official Statement for such Bonds, in substantially the form of the Preliminary Official Statement, and to cause the delivery of such Official Statement to the purchasers of the Bonds, respectively.

The Commission hereby authorizes the preparation of one or more preliminary official statements for any additional series of Bonds to be issued pursuant to this resolution from time to time. The General Manager, the Deputy General Manager, Chief Operating Officer, Chief Financial Officer and the Assistant General Manager, Business Services, of the Commission and the officers of the City are hereby authorized to take such actions as necessary to cause the preparation of such additional preliminary official statements, provided, however, that any preliminary official statement shall be subject to the approval of the Commission prior to being used in connection with the marketing of any additional series of Bonds.

Section 6. Competitive Sale; Official Notice of Sale. If the General Manager determines to sell all or a portion of any series of Bonds by competitive sale from time to time, the proposed form of Official Notice of Sale inviting bids for such Bonds, submitted to this Commission, is hereby approved, and the Financial Advisors are hereby authorized and directed to disseminate the Official Notice of Sale to prospective bidders in connection with each sale of Bonds, with such additions, changes and corrections thereto as the General Manager shall approve with the advice of the City Attorney, such approval to be conclusively evidenced by the dissemination thereof to prospective bidders. In a competitive sale, sealed proposals shall be received on such date or dates as shall be selected and changed as necessary by the General Manager for the purpose of the sale of such series of Bonds, in accordance with the terms and conditions of the applicable Official Notice of Sale. In a competitive sale, the General Manager is hereby authorized to award such series of Bonds to be sold to the highest responsible bidder, so long as such bid shall provide a true interest cost to the Commission of not to exceed twelve percent (12%) per annum, and the price to be paid to the Commission for such series of Bonds shall not be less than the par value thereof. If such true interest cost and price are acceptable to the General Manager and satisfy the foregoing criteria, the General Manager is hereby authorized and directed to accept, on behalf of the Commission, the best responsive bid for such series of Bonds. The Secretary of the Commission is directed to file a copy of the proposed form of Official Notice of Sale with the minutes of this meeting.

Section 7. Notice of Intention to Sell. The proposed form of Notice of Intention to Sell, submitted to this Commission, is hereby approved. If the General Manager determines to sell all or a portion of any series of Bonds by competitive sale, the General Manager is hereby authorized and directed to cause a Notice of Intention to Sell, subject to such corrections, revisions or additions as may be approved by the General Manager (such approval to be conclusively evidenced by the publication thereof), to be published once at least ten (10) days before the date of sale of the applicable series of Bonds in a newspaper of general circulation in the City and the Commission's service area, and in a publication generally circulated throughout the state or reasonably expected to be disseminated among prospective bidders for the Bonds. The Secretary of the Commission is directed to file a copy of said form of Notice of Intention to Sell with the minutes of this meeting.

Section 8. Negotiated Sale; Bond Purchase Contract. If the General Manager determines to sell all or a portion of a series of Bonds by negotiated sale from time to time pursuant to the authority granted in Section 2 hereof, the General Manager is hereby authorized to select and appoint one or more underwriters (each, an "Underwriter" and, collectively, the "Underwriters") from the Commission's or the City's pool of prequalified underwriters in accordance with the City's policies and procedures with respect thereto,

subject to the limits on underwriter compensation set forth below. The General Manager is hereby authorized and directed, for and on behalf of and in the name of the Commission, to sell at one or more negotiated sales, Bonds in such aggregate principal amount as the General Manager may determine, subject to the further limitations and conditions hereof. The General Manager or his designee is hereby authorized to enter into a Bond Purchase Contract with one or more of the Underwriters, individually or collectively as the General Manager deems appropriate, substantially in the form presented at this meeting and on file with the Secretary of the Commission, with such changes and additions as the General Manager may approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery of each such Bond Purchase Contract; provided, however, that the total compensation to the Underwriters shall not exceed one percent (1%) of the par value of such series of Bonds. Bonds sold in a negotiated sale shall be delivered to the Underwriters upon payment of the purchase price agreed upon in the applicable Bond Purchase Contract, together with accrued interest, if any.

Section 9. Continuing Disclosure Certificate. The proposed form of Continuing Disclosure Certificate for the Bonds, submitted to this Commission, is hereby approved. The General Manager or the General Manager's designee is hereby authorized and directed to execute a Continuing Disclosure Certificate for each series of Bonds from time to time, substantially in the form submitted to this Commission, with such additions, changes and corrections thereto as the General Manager or the designee thereof shall approve with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery of such Continuing Disclosure Certificate. The Secretary of the Commission is directed to file a copy of said form of Continuing Disclosure Certificate with the minutes of this meeting.

Section 10. Proposition P. Pursuant to Proposition P approved by the voters of the City in November 2002, this resolution and the Bonds are subject to, and incorporate by reference, the Proposition P Requirements. Pursuant to the Proposition P Requirements, to the extent permitted by law, one-twentieth of one percent (0.05%) of the gross proceeds of the Bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the Public Utilities Revenue Bond Oversight Committee established by Proposition P Requirements to cover the costs of said committee.

Section 11. Allocation. The Commission will make a reimbursement allocation, which is a written allocation by the Commission that evidences the Commission's use of proceeds of the Bonds to reimburse Preliminary Expenditures.

Section 12. General Authority. The General Manager, the Deputy General Manager, Chief Operating Officer and Chief Financial Officer and the Assistant General Manager, Business Services, of the Commission and the officers of the City are hereby authorized and directed, each acting alone, for and in the name and on behalf of this Commission, to execute and deliver any and all documents, certificates and representations, including, but not limited to, signature certificates, no-litigation certificates, tax certificates, letters of representation relating to book-entry registration, custody agreements, filing agent agreements, and certificates concerning the contents of the Official Statement and the Preliminary Official Statement, to contract for municipal bond insurance for all or a portion of the Bonds if determined by the General Manager, with the advice of the Financial Advisors, to be beneficial to the Commission, to contractor one or more surety bonds or insurance policies

for the debt service reserves, if any, for the Bonds if determined by the General Manager, with the advice of the Financial Advisors, to be beneficial to the Commission, to designate all or portion of a series of Bonds as "green bonds," to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the issuance and sale of the Bonds, the financing or refinancing of the capital projects benefiting the Wastewater Enterprise, the retirement of commercial paper, and the other actions which the Commission has approved in this resolution. The General Manager is authorized to delegate any of the responsibilities or duties set forth in this resolution to the Deputy General Manager, Chief Operating Officer, Chief Financial Officer or to the Assistant General Manager, Business Services, of the Commission.

Section 13. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to the authorization, sale and issuance of the Bonds are hereby approved, confirmed and ratified.

RESOLVED, 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 March 22, 2016.



Secretary, Public Utilities Commission



TO: Angela Calvillo, Clerk of the Board

FROM: Grace Kay, Policy and Government Affairs

DATE: April 4, 2016

SUBJECT: Public Utilities Commission – Issuance of Wastewater Revenue Bonds – Not to Exceed \$621,000,000

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 BOARD OF SUPERVISORS
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Attached please find an original and one copy of a proposed resolution approving the issuance of wastewater revenue bonds to be issued by the Public Utilities Commission of the City and County of San Francisco in an aggregate principal amount not to exceed \$621,000,000 to finance and refinance capital projects benefiting the Wastewater Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by voters on November 5, 2002 as Proposition E; affirming covenants contained in the indenture pursuant to which the wastewater revenue bonds are issued; authorizing the taking of appropriate actions in connection therewith; and related matters.

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

1. Board of Supervisors Resolution
2. Ordinance No. 123-13
3. Ordinance No. 115-12
4. Ordinance No. 089-15
5. Ordinance No. 107-14
6. SFPUC Resolution 16-0057

Please contact Grace Kay at 554-0758 if you need additional information on these items.

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