



Memorandum

To: Board of Supervisors of the City and County of San Francisco

From: Public Utilities Commission of the City and County of San Francisco
Montague DeRose and Associates, LLC

Date: September 4, 2018

Subject: Board of Supervisors Bond Sale Report
\$594,145,000 SFPUC Wastewater Revenue Bonds, 2018 Series ABC

Background:

In June 2016, the Board of Supervisors of the City and County of San Francisco (the "Board of Supervisors") adopted Ordinance No. 111-16 which authorized the issuance of revenue bonds to finance capital projects benefiting the Wastewater Enterprise pursuant to Proposition E (which was approved by voters in 2002). As authorized by Ordinance No. 107-14, Ordinance No. 89-15, Ordinance No. 111-16 and Ordinance No. 144-18, the San Francisco Public Utilities Commission (the "SFPUC") issued \$594.145 million of the 2018 Series ABC Wastewater Revenue Bonds (the "2018 Series ABC Bonds") on August 9, 2018 for the purposes of retiring outstanding commercial paper notes and to finance/refinance projects for both the SFPUC's Sewer System Improvement Program ("SSIP") as well as other capital projects.

Per Ordinances No. 111-16 and 144-18, within 30 days of bond issuance, the SFPUC must file with the Clerk of the Board of Supervisors a report (the "Report") showing the results of the bond sale including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bond authorization under Ordinance No. 111-16 and Ordinance 144-18.

The SFPUC has requested that Montague DeRose and Associates, who served as co-financial advisor to the 2018 Series ABC Bonds, prepare this Report for purposes of complying with the requirements set forth in Ordinance No. 111-16 and Ordinance 144-18.

Bond Sale Report:

As noted, the SFPUC issued \$594.145 million of the 2018 Series ABC Bonds on August 9, 2018, which were made up of the Sub-Series A (SSIP - Green) Bonds, Sub-Series B (Non-SSIP) Bonds, and Sub-Series C (SSIP - Green Bonds) Bonds. The SFPUC priced the 2018 Series ABC Bonds via

negotiated sale on July 18, 2018. Details of the combined 2018 Series ABC Bonds and each of the Sub-Series Bonds are noted in Table 1:

Table 1 Summary Statistics: Combined 2018 Series ABC Bonds and Sub-Series Bonds				
	2018 Series ABC Bonds	2018 Sub-Series A Bonds	2018 Sub-Series B Bonds	2018 Sub-Series C Bonds
	(combined)	(SSIP-Green Bonds)	(Non-SSIP)	(SSIP-Green Bonds)
Pricing Date	July 18, 2018	-	-	-
Closing Date	August 9, 2018	-	-	-
Method of Sale	Negotiated	-	-	-
Final Maturity	-	October 1, 2043	October 1, 2043	October 1, 2048
Principal Amount Sold	\$594.145 million	\$229.050 million	\$185.950 million	\$179.145 million
True Interest Cost	3.449%	3.361%	3.466%	3.515%

Table 2 includes a list of projects anticipated to be fully or partially funded with the proceeds of the 2018 Series ABC Bonds.

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Table 2 | Projects Financed with 2018 Series ABC Bonds Proceeds (Projected)

Project	2018 A and C Bonds (SSIP)
CWWSIPSE07 SEP Facility-wide DCS Control Upgrades	\$28,987,754
CWWSIPSE08 SEP Seismic Reliability and Condition Assessment Improvements	\$11,250,173
CWWSIPSE09 SEP Existing Digester Gas Handling Improvements	\$7,926,805
CWWSIPSE10 SEP Power Feed and Primary Switchgear Upgrades	\$34,988,763
CWWSIPSE11 SEP Oxygen Generation Plant 01	\$4,714,213
CWWSIPTPOP02 Westside Pump Station Reliability Improvements	\$31,682,922
CWWSIPTPOP05 OSP Condition Assessment Repairs	\$1,812,801
CWWSIPTPOP06 OSP Odor Control Optimization	\$1,668,401
CWWSIPTPNP01 NPF Outfall System Rehabilitation	\$4,719,968
CWWSIPTPNP02 North Shore Wet Weather Pump Station Improvement and Disinfection	\$30,366,197
CWWSIPCT01 Central Bayside System Improvement Project (CBSIP)	\$27,430,501
CWWSIPCSSR02 Collection System Condition Assessment	\$6,773,771
CWWSIPCSSR03 Kansas and Marin Streets Sewer Improvements	\$4,594,612
CWWSIPCSSR09 Drumm and Jackson Streets Sewer Sys Improvement	\$ 720,323
CWWSIPCSSR11 Cargo Way Sewer Box Odor Reduction	\$5,550,494
CWWSIPCSSR12 Rutland Sewer Improvements	\$259,830
CWWSIPCSSR_N02 SSIP Sewer Improvements Projects	\$6,549,691
CWWSIPCSSR04 Van Ness BRT Sewer Improvements	\$7,763,731
CWWSIPCSSR05 Better Market Street Sewer Improvements	\$1,991,584
CWWSIPCSSR06 Geary BRT Sewer Improvements Phase 1	\$13,755,478
CWWSIPCSSR07 Central Subway Sewer Improvements	\$207,130
CWWSIPCSSR08 Mission Bay Loop Sewer Improvement	\$282,061
CWWSIPCSSR10 Masonic Avenue Sewer Improvements	\$65,262
CWWSIPCSSR13 Taraval Sewer Improvements	\$14,324,023
CWWSIPCSSR_N03 Geary BRT Sewer Improvements Phase 2	\$291,515
CWWSIPCSPS01 Hudson Ave Pump Station and Outfall Improvements	\$36,764
CWWSIPCSPS02 Force Main Rehab at Embarcadero and Jackson Streets	\$380,063
CWWSIPCSPS03 Mariposa Dry-Weather Pump Station & Force Main Improvements	\$20,942,095
CWWSIPCSPS05 Marin Street Sewer Replacement	\$877,623
CWWSIPCSPS06 Griffith Pump Station Improvements	\$8,089,451
CWWSIPCSCD01 Richmond Transport/Storage Tunnel Rehabilitation	\$4,659,788
CWWSIPCSCD03 Beach and Sansome Street CSD Rehabilitation	\$2,119,415
CWWSIPCSCD04 CSD Backflow Prevention and Monitoring	\$1,945,705
CWWSIPCSCD05 5th, North 6th and Division Street CSD Rehabilitation	\$2,479,251
CWWLID02/ DB09 Islais Creek Green Infrastructure	\$520,034
CWWSIPFCDB01 Sunset Green Infrastructure	\$1,288,421
CWWSIPFCDB02 North Shore Green Infrastructure	\$447,607
CWWSIPFCDB03 Lake Merced Green Infrastructure	\$1,998,180
CWWSIPFCDB04 Sunnydale Green Infrastructure	\$544,718
CWWSIPFCDB05 Richmond Green Infrastructure	\$4,822,052
CWWSIPFCDB06 Yosemite Green Infrastructure	\$8,596,343
CWWSIPFCDB08 Channel Green Infrastructure	\$1,322,058
CWWSIPFCGI01 Watershed Stormwater Management (Planning Only)	\$3,359,348
CWWSIPFCRP01 Advanced Rainfall Prediction - Part 1	\$198,305
CWWSIPFCRP03 Operational Decision System Phase 2	\$5,885,406
CWWSIPFCDB12 Wawona St and 15th Ave Stormwater Detention Project	\$18,631,998
CWWSIPFCDB13 Cayuga Ave Stormwater Detention Project	\$969,048
CWWSIPFCDB14 Folsom Area Stormwater Improvement Project	\$36,981,642
CWWSIPFCDB15 17th and Folsom Permanent Barriers	\$2,300,465
CWWSIPFCDBN16 Hydraulic and Drainage Sewer Improvements	\$800,422
CWWSIPRPL91 Land Reuse of 1800 Jerrold Avenue	\$4,543,519
CWWSIPRPL92 Land Reuse of 1801 Jerrold Avenue	\$539,155
CWWSIPRPL01 SSIP Program Management	\$27,759,737

Project	2018 B Bonds (Non-SSIP)
Treasure Island	\$18,351,500
Ocean Beach Project	\$10,840,217
Southeast Community Center Improvements	\$67,750,000
Islais Creek	\$12,500,000
Southeast Outfall Condition Assessment & Rehab	\$1,605,541
Repair and Replacement (R&R)	\$90,000,000

As of July 1, 2018, pursuant to Ordinance 111-16, the SFPUC had authorized but unissued wastewater revenue bonds or other forms of indebtedness in the amount of \$1,112,601,280. Following the issuance of the 2018 Series ABC Bonds, and the subsequent retirement of commercial paper notes with proceeds of the 2018 Series ABC Bonds, the SFPUC has \$955,173,535 of authorized but unissued bonds remaining under Ordinance 111-16.

As of July 1, 2018, pursuant to Ordinance 144-18, the SFPUC had authorized but unissued wastewater revenue bonds or other forms of indebtedness pursuant to Ordinance 144-18 in the amount of \$987,414,494. Following the issuance of the 2018 Series ABC Bonds, and the subsequent retirement of commercial paper notes with proceeds of the 2018 Series ABC Bonds, the SFPUC has \$987,414,494 of authorized but unissued bonds remaining under Ordinance 144-18.

A copy of the final Official Statement for the 2018 Series ABC Bonds is included with this Report.