

**LEGISLATIVE DIGEST**

**[Water Revenue Bonds - Public Utilities Commission - Not to Exceed \$290,431,536]**

**Ordinance approving the issuance and sale of water revenue bonds by the Public Utilities Commission (PUC) (the Commission) in an aggregate principal amount not to exceed \$290,431,536 to finance the costs of various capital water projects benefitting the Water Enterprise pursuant to amendments to the City Charter (the Charter) enacted by the voters on November 5, 2002, as Proposition E (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.**

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the issuance by the SFPUC of its water revenue bonds (the "Water Revenue Bonds") in an amount not to exceed \$290,431,536 to finance the costs of various capital water projects benefitting the SFPUC Water Enterprise. The Water Revenue Bonds will be issued pursuant to Proposition E (codified at 8B.124 of the Charter), at a maximum rate of 12% per annum. The Ordinance delegates to the SFPUC the authority to determine the timing, amount and manner of sale of Water Revenue Bonds (i.e., competitive or negotiated), subject to the SFPUC approving the form of a substantially final offering document.

The Ordinance also authorizes declares the Official Intent of the City, on behalf of the SFPUC, to reimburse itself with a portion of the proceeds of the Water Revenue Bonds in accordance with Treasury Regulation Section 1.150-2.