



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 4th Floor
San Francisco, CA 94102

September 16, 2024

Angela Calvillo
Clerk of the Board
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Dear Ms. Calvillo,

Please see the enclosed Certificates as required under 2002 Proposition E related to the following authorizing legislation:

- Wastewater Enterprise: File No. 240453 and Board of Supervisors Ordinance No. 125-24

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Nikolai J. Sklaroff
Capital Finance Director
San Francisco Public Utilities Commission
Office: (415) 551-2973

London N. Breed
Mayor

Tim Paulson
President

Anthony Rivera
Vice President

Newsha K. Ajami
Commissioner

Kate H. Stacy
Commissioner

Dennis J. Herrera
General Manager

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.





Certificate of City and County of San Francisco Planning Department Regarding Proposed Sale of Wastewater Revenue Bonds, Including Notes, Commercial Paper, and Other Forms of Indebtedness, with a combined not to exceed issuance amount of \$1,715,671,086¹ for Capital Projects budgeted in Fiscal Year 2024-25 and Fiscal Year 2025-26

I, Lisa M. Gibson, Environmental Review Officer of the Planning Department of the City and County of San Francisco (the Planning Department), hereby certify as follows:

1. As the Environmental Review Officer (ERO) of the Planning Department, I am authorized to certify as to the compliance of the San Francisco Public Utilities Commission (SFPUC) with applicable requirements of the California Environmental Quality Act (CEQA).
2. After consultation with the SFPUC, I understand that the SFPUC proposes to sell Wastewater Revenue Bonds and Other Forms of Indebtedness (the "Revenue Indebtedness") to finance certain improvements to the Wastewater Enterprise of the City and County of San Francisco (the "City"). The improvements proposed for financing include those projects described in the following document, attached to this Certificate as Exhibit A and may represent a subset of the total available authorization.
3. I understand that Section 8B.124 of the City Charter grants authority to the City's Board of Supervisors to approve the issuance of Revenue Indebtedness, including revenue bonds, notes, and commercial paper, by ordinance upon two-thirds vote of its members and under certain conditions. The ordinance related to the debt issuance, is attached hereto as Exhibit B (the Ordinance).
4. I understand that one of the conditions to the Board of Supervisor's authorization of such Revenue Indebtedness is the delivery of a certificate of the Planning Department regarding the projects or additional projects to be financed under the authorization provided in Exhibit B, the Ordinances.
5. The San Francisco Planning Commission certifies Environmental Impact Reports as they are completed pursuant to CEQA. In addition, the Planning Department approves Initial Study/Mitigated Negative Declarations, and the ERO approves Categorical Exemptions.
6. Based on a preliminary review of the additional Projects and discussions with the SFPUC regarding the requirements for undertaking such additional Projects, I certify that the Projects under the jurisdiction of the SFPUC to be funded with proceeds of the Revenue Indebtedness, as described in the Ordinance, (a) are not considered to be projects under CEQA, (b) are projects under CEQA and a CEQA determination has already been issued, or (c) are projects under CEQA and will undergo CEQA review prior to approval. Pursuant to the provisions of Chapter 31 of the San Francisco Administrative Code, any additional Project to be financed will comply with applicable requirements of CEQA prior to any draw on the Revenue Indebtedness proceeds to finance the acquisition or construction of such facilities.

In witness whereof, the undersigned has executed this certification as of this 1st day of August, 2024.

Lisa M. Gibson
Environmental Review Officer

¹ Amount does not include projects that are currently revenue funded that may be reappropriated in the future.

EXHIBIT A - WASTEWATER ENTERPRISE REVENUE BONDS AND OTHER FORMS OF INDEBTEDNESS
FY 2024-2026 CAPITAL IMPROVEMENT PROJECTS

Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document Link
19142 - WW Sewer System Improvement Program (SSIP)				
Program Management				
15733-WW SSIP Program-wide Management				
Program Management				
	CWWSIPRPL01	Phase 1 Program Management	Program management work consists of professional services. Individual projects in the program will undergo any required environmental review when project scopes are defined.	
Treatment Facilities				
15728-WW SSIP Biosolids-Digester Project				
Biosolids/Digester Project				
	CWWSIPDP01	Biosolids Digester	Biosolids Digester Facilities Project Final Environmental Impact Report certified 3/8/18 (Case No. 2015-000644ENV). Environmental review underway for various project changes (Case No. 2015-000644ENV-03), including the proposed biogas utilization system instead of the originally approved energy recovery system.	EIR Case No. 2015-000644ENV
15735-WW Treatment Plant Improvement				
SEP New Headworks (Grit) Replacement				
	CWWSIPSE02	New Grit Removal/Influent Pump	Mitigated Negative Declaration adopted 12/19/16 (Case No. 2015-006224ENV). Addendum issued 3/7/19 (Case No. 2015-006224ENV).	MND Case No. 2015-006224ENV Addendum to Case No. 2015-006224ENV
Southeast Plant (SEP) Improvements				
	CWWSIPSE07	Southeast Plant (SEP) Facility-wide Distribution Control System (DCS) Control Upgrades	Not a project under CEQA Guidelines section 15378.	
	CWWSIPSE10	SEP Power Feed and Primary Switchgear Upgrades	Categorical Exemption issued 2/22/18 (Case No. 2017-015855ENV).	Case No. 2017-015855ENV
15736-WW Treatment Plant Improvement				
Westside Pump Station and Force Main				
	CWWSIPTPOP02	Westside Pump Station Reliability Improvements	Categorical Exemption issued 4/20/17 (Case No. 2016-014160ENV). No Substantial Modification issued 2/25/20 (Case No. 2016-014160ENV-modified 1).	Case No. 2016-014160ENV Modification 1 to Case No. 2016-014160ENV
Oceanside Plant				
	CWWSIPTPOP03	Oceanside Plant (OSP) Digester Gas Utilization Upgrade	Categorical Exemption issued 6/2/2017 (Case No. 2017-006119ENV).	Case No. 2017-006119ENV

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Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document Link
Stormwater Management/Flood Control				
15729-WW Stormwater Management				
Low Impact Design Program				
	CWWSIPFCDB06 (10026810)	Yosemite Green Infrastructure (GI)	Categorical Exemption issued 3/29/2024 (Case No. 2015-004546ENV).	Case No 2015-004546ENV
Green Infrastructure Projects				
	CWWSIPFCGI01	GI Capital Planning (GI-01)	GI capital planning work consists of professional services. Individual projects identified through this planning effort will undergo any required environmental review when project scopes are defined.	
19142 - WW Sewer System Improvement Program				
Program Management				
15733-WW Ssip Program-wide Management				
Program Management				
	PM02	Program Management 02	Program management work consists of professional services. Individual projects in the program will undergo any required environmental review when project scopes are defined.	
Treatment Facilities				
15735-WW Treatment Plant Improvement				
Southeast Plant				
	10037353	SEP 550 Booster Pump Station (PS) Condition Inspection & Interim	Environmental review will begin when project scope is defined.	
	10038373	SEP, Booster PS, & Bruce Flynn Substation (BFS)	Environmental review will begin when project scope is defined.	
	10037330	Primary Treatment (SEP 040/041) Health and Safety Improvements	Categorical Exemption issued 7/12/23 (Case No. 2022-011482ENV).	Case No. 2022-011482ENV
	10039310	Secondary Clarifiers (SEP 230) Rehabilitation	Environmental review will begin when project scope is defined.	
	10039505	New Operations, Engineering and Maintenance Buildings	Categorical Exemption issued 5/10/23 (Case No. 2023-003097ENV) for geotechnical investigation to inform design. Addendum to add the New Operations, Engineering and Maintenance Buildings underway (Case No. 2015-000644ENV-04) to the Biosolids Digester Facilities Project Final Environmental Impact Report certified 3/8/18 (Case No. 2015-000644ENV).	Case No. 2023-003097ENV
	10039811	SEP Condition Improvement Projects - Part 1	Environmental review will begin when project scope is defined.	
	10037331	Maintenance Building (SEP 940) Interim	Environmental review will begin when project scope is defined.	
	TBD-04	SEP Mainstream Nutrient Reduction	Environmental review will begin when project scope is defined.	

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15736-WW Treatment Plant Improvement				
North Point Facility (NPF) Improvements				
	10039251	Sedimentation (North Point Facility [NPF] 040/041) Tanks Condition Impr	Environmental review will begin when project scope is defined.	
	10037325	Administration Building (NPF 930) Evaluation & Interim H&S Impr	Environmental review will begin when project scope is defined.	
	NPF-3	Dechlorination Process (NPF 500) Evaluation & Inte	Environmental review will begin when project scope is defined.	
	10037904	NPF & NSS (North Shore Pump Station) Security Enhancements	Environmental review will begin when project scope is defined.	
	10038353	NPF DCS Upgrades (Construction)	Environmental review will begin when project scope is defined.	
Oceanside Plant (OSP) Improvements				
	10039184	Westside Forece Main (FM) Reliability Project	Environmental review will begin when project scope is defined.	
	10037733	Solids Thickening (OSP 011) Process Upgrade	Not a project under CEQA Guidelines section 15378.	
	10037734	OSP Plant-wide Ventilation (HVAC) Upgrades	Not a project under CEQA Guidelines section 15378.	
	10036398	OSP Condition Improvement Projects - Phase 2 (includes multiple subprojects)	<p>OSP-4-1 (WW-746) - OSP 930 & 620 Elevator Upgrades - Environmental review will begin when project scope is defined.</p> <p>OSP-4-2 - OSP 011 Polymer & Ferric Chloride Replacement - Environmental review will begin when project scope is defined.</p> <p>OSP-4-3 - OSP 042 Primary Clarifiers Structural and Mechanical Improvements - Environmental review will begin when project scope is defined.</p> <p>OSP-4-4 - OSP 200 Aeration Tanks Structural and Mechanical Improvements - Environmental review will begin when project scope is defined.</p> <p>OSP-4-5 (WW-648) - OSP Building 042 Primary Clarifier Improvements - Not a project under CEQA Guidelines section 15378.</p> <p>OSP-4-6 (WW-669) - OSP Building 011 Grit Classifier & Preliminary Influent Slide Gate System Improvements - Not a project under CEQA Guidelines section 15378.</p> <p>OSP-4-7 (JOC53R3-15) - OSP UPS Replacement - Not a project under CEQA Guidelines section 15378.</p> <p>OSP - 111(10039193) - TBD - Environmental review will begin when project scope is defined.</p> <p>Environmental review will occur for additional projects as scopes are defined.</p>	
	10037736	OSP Odor Control Upgrades	Not a project under CEQA Guidelines section 15378.	
	10039183	OSP Communication & Safety Monitoring Upgrades	OSP-6 Environmental review will begin when project scope is defined.	
	10037735	Administration Building (OSP 930) Health & Safety Improvements	OSP-7 (WW-766) Environmental review will begin when project scope is defined.	
	OSP-8	OSP DCS Upgrade (Construction)	Environmental review will begin when project scope is defined.	

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	10037777	OSP & Westside Pump Station (WSPS) Security Enhancements	Oceanside Plant Fence Survey and Vegetation Removal Investigation - Categorical Exemption issued 5/30/24 (Case No. 2023-008379ENV) to inform design. OSP - 9 (DB-136) - Environmental review will begin when project scope is defined.	Case No. 2023-008379ENV
	10039193	Gaseous Oxygen System (OSP 011) Upgrades	10039193 - Environmental review will begin when project scope is defined.	
	OSP-12A	Grit Removal (OSP 011) Upgrades - Planning	Project may be limited to planning. Individual projects identified through this planning effort will undergo any required environmental review when project scopes are defined.	
Sewer/Collection System				
15726-WW Collection System Improvement				
Collection System - Interceptors/Tunnels/Odor Control				
	10034718	Large Diameter Sewer Projects and Channel Force Main Intertie (includes multiple subprojects)	WW-723R - Channel Force Main Intertie - Categorical Exemption issued 5/9/2022 (Case No. 2021-006317ENV). WW-712 - New Montgomery, Mission, Jessie, & Minna Streets Brick Sewer Rehabilitation - Statutory Exemption issued 8/6/20 (Case Number 2020-006988ENV). WW-724 - Panhandle and Inner Sunset Sewer Improvements - Categorical Exemption issued 7/13/22 (Case No. 2021-006343ENV). WW-731 - Tenderloin and Nob Hill Sewer Project - Statutory Exemption issued 3/23/21 (Case No. 2021-002879ENV). WW-731 - Chinatown and North Beach Large Sewer - Statutory Exemption issued 3/8/22 (Case No. 2022-002008ENV). WW-736 - Castro and Mission Districts Sewer Improvements - Statutory Exemption issued 6/29/22 (Case No. 2022-005580ENV). WW-738 - East SOMA Sewer Improvements - Statutory Exemption issued 2/1/2023 (Case No. 2023-000862ENV). WW-753 - Hayes Valley Sewer Improvements - Statutory Exemption issued 12/6/23 (Case No. 2023-006572ENV). WW-754 - West SOMA Sewer Improvements - Statutory Exemption issued 2/12/24 (Case No. 2024-000830ENV).	Case No. 2021-006317ENV Case No. 2020-006988ENV Case No. 2021-006343ENV Case No. 2021-002879ENV Case No. 2022-002008ENV Case No. 2022-005580ENV Case No. 2023-000862ENV Case No. 2023-006572ENV Case No. 2024-000830ENV
	LDS-6	Geary Bus Rapid Transit (BRT) Sewer Improvements - Phase 2 Construction	Categorical Exemption issued 11/8/2023 (Case No. 2023-005315ENV).	Case No. 2023-005315ENV
	10037245	Brannan (019) Combined Sewer Discharge (CSD) Gate & Baffle Rehabilitation	Environmental review will begin when project scope is defined.	
	10038468	System-wide CSD & Transport/Storage (T/S) Monitoring Equipment Assessment	Environmental review will begin when project scope is defined.	
	10038547	CSD Structure Rehabilitation & Upgrades - Part 1	Categorical Exemption issued 3/19/24 (Case No. 2024-001341ENV).	Case No. 2024-001341ENV
	TBD-05	Pine Lake Easement Sewer Relocation - Phase A (Planning)	Environmental review will begin when project scope is defined.	

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Pump Stations/Force Main Improvements				
	10037251	Seacliff No. 1 PS & FM Upgrade	Categorical Exemption issued 6/13/23 (Case No. 2023-001723ENV).	Case No. 2023-001723ENV
	10037246	Seacliff No. 2 PS & FM Upgrade	Categorical Exemption issued 11/29/23 (Case No. 2023-003960ENV).	Case No. 2023-003960ENV
	10037303	Sunnydale PS Safety Improvements	Categorical Exemption issued 6/13/23 (Case No. 2023-008685ENV).	Case No. 2023-008685ENV
	10038469	Pump Station Security Upgrades	Environmental review will begin when project scope is defined.	
	PS-7	Griffith DW FM Rehab	Environmental review will begin when project scope is defined.	
	PS-10	Tennessee PS & FM Improvements	Environmental review will begin when project scope is defined.	
	PS-13	Davidson PS & FM Improvements	Environmental review will begin when project scope is defined.	
	PS-17	Channel Forcemain (CHFM) Inspection and Rehabilitation - Southern Port	Environmental review will begin when project scope is defined.	
	PS-14A	Sunnydale PS & FM Improvements - Phase A	Environmental review will begin when project scope is defined.	
	PS-15A	Channel PS Improvements - Phase A	Environmental review will begin when project scope is defined.	
Stormwater Management/Flood Control				
15729-WW Stormwater Management				
Green Infrastructure Projects				
	10037195	Regional School/Park: Giannini Middle School	Environmental review will begin when project scope is defined.	
	10039608	Buchanan Street Mall	Statutory Exemption issued 01/17/23 (Case No. 2023-000229ENV).	Case No. 2023-000229ENV
	CGII	Citywide Green Infrastructure Implementation (New)	Environmental review will begin when project scope is defined.	
GI for Stormwater Management (Grant)				
	10034553	GI For Stormwater Management (Grant)	No disbursement of funds will be made except for feasibility or planning tasks prior to completion of any environmental review necessary for the project(s).	
15730-WW Flood Resilience-hydraulic				
Flood Resilience				
	10034360	Lower Alemany Area Stormwater Improvement Project	Categorical Exemption issued 5/24/22 (Case No. 2019-011993ENV) for geotechnical investigation to inform design. Categorical Exemption issued 9/7/22 (Case No. 2022-007547ENV) for potholing investigation to inform design. Environmental review of the overall project scope is underway (Case No. 2023-000654ENV).	Case No. 2019-011993ENV Case No. 2022-007547ENV
	10038471	Folsom Area Stormwater Imp. Project Phase 2	Categorical Exemption issued 9/23/21 (Case No. 2021-002217ENV).	Case No. 2021-002217ENV
	10039682	Flood Resiliency Planning	This is a planning item that informs efforts such as advancing a Flood Resilient Building Code. Individual projects identified through this planning effort will undergo any required environmental review when project scopes are defined.	
	10040621	Floodwater Management Grant Assistance Program	No disbursement of funds will be made except for feasibility or planning tasks prior to completion of any environmental review necessary for the project(s).	
	TBD-KM	Kansas Marin Sewer Improvements Phase 2	Environmental review will begin when project scope is defined.	

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Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document Link
WWE Non-SSIP				
19141-WW Wwe Repair And Replacement				
15722-WW Wwe Rnr Collection System				
CWWRNRCS - SI Main Sewers		Collection System - Sewer Improvements - Small Diameter (includes multiple subprojects)	Various Locations Sewer Replacement No. 15 (WW-726, 10038002)- Categorical Exemption issued 4/25/24 (Case No. 2022-008564ENV).	Case No. 2022-008564ENV
			Various Locations Spot Main Sewer Replacement No. 1 (WW-741, 10039687) - Statutory Exemption issued 5/9/24 (Case No. 2024-004016ENV).	Case No. 2024-004016ENV
			Various Locations Sewer Replacement No. 16 (WW-727, 10038003) - Categorical Exemption issued 5/30/2024 (Case No. 2023-000379ENV).	Case No. 2023-000379ENV
			Various Locations Sewer Replacement No. 17 (WW-729, 10038004) - Categorical Exemption issued 5/15/24 Case No. 2022-008576ENV (Case No. 2022-008576ENV).	Case No. 2022-008576ENV
			Various Locations Sewer Replacement No. 51 (Portsmouth Square Improvements) - Statutory Exemption issued 5/27/20 (Case No. 2020-005243ENV).	Case No. 2020-005243ENV
			Various Locations No. 54 – Statutory Exemption issued 6/22/21 (Case No. 2021-003411ENV).	Case No. 2021-003411ENV
			Various Location No. 62 - Statutory Exemption issued 9/7/23 (Case No. 2023-005912ENV).	Case No. 2023-005912ENV
			Various Locations Pavement Renovation No. 70 and Sewer Replacement (10038028) - Statutory Exemption issued 4/24/24 (Case No. 2024-003441ENV).	Case No. 2024-003441ENV
			Various Locations Pavement Renovation No. 71A and Sewer Replacement (10037891) - Statutory Exemption issued 5/6/24 (Case No. 2024-003877ENV).	Case No. 2024-003877ENV
			8th-Beale-Clay-Leavenworth-Main Streets Sewer Replacement (10038034) - Statutory Exemption issued 3/22/24 (Case No. 2024-002491ENV).	Case No. 2024-002491ENV
			Various Locations Pavement Renovation No. 74 and Sewer Replacement (10038847) - Statutory Exemption issued 1/11/24 (Case No. 2024-00296ENV).	Case No. 2024-00296ENV
			Various Locations Pavement Renovation No. 75 and Sewer Replacement (10037892) - Statutory Exemption issued 7/10/23 (Case No. 2023-005918ENV).	Case No. 2023-005918ENV
			22nd, 25th, Hoffman Streets Sewer Replacement (10036589) - Statutory Exemption issued 9/9/21 (Case No. 2021-009064ENV).	Case No. 2021-009064ENV
			Various Locations Pavement Renovation No. 67B and Sewer Replacement (10040039) - Statutory Exemption issued 3/22/24 (Case No. 2024-002476ENV).	Case No. 2024-002476ENV
			Beale Street Improvement Project Phase 1 (10034888) - Statutory Exemption issued 9/19/22 (Case No. 2022-008520ENV).	Case No. 2022-008520ENV
			Minna Natoma Streetscape Project (10035857) - Statutory Exemption issued 8/1/22 (Case No. 2022-007186ENV).	Case No. 2022-007186ENV
			Main Street Streetscape Improvements (10037818) - Statutory Exemption issued 5/8/23 (Case No. 2023-003949ENV).	Case No. 2023-003949ENV
			21st Street from Collingwood to Castro (10015205) - Statutory Exemption issued 3/30/23 (Case No. 2023-002798ENV).	Case No. 2023-002798ENV

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FY 2024-2026 CAPITAL IMPROVEMENT PROJECTS

Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document Link
Continuation of CWWRNRCs - SI Main	Collection System - Sewer Improvements - Small Diameter (includes multiple subprojects)		WW-752 Sewer Inspection Project - Categorical Exemption issued 3/7/24 (Case No. 2024-001726ENV)	Case No. 2024-001726ENV
			Various Locations No. 10 (WW-705) - Statutory Exemption issued 7/21/24 (Case No. 2021-007307ENV).	Case No. 2021-007307ENV
			Various Locations No. 16 (WW-727) - Categorical Exemption issued 5/30/24 (Case No. 2023-000379ENV)	Case No. 2023-000379ENV
			Environmental review will occur for additional projects as scopes are defined.	
CWWRNRCs - CA Main Sewers	Collection System - Condition Assessment - Small Diameter		This project only involves assessing sewer conditions via access through existing facilities and is considered to be not a project under CEQA Guidelines section 15378. Locations identified as requiring improvements will undergo CEQA review prior to approval as part of project CWWRNRCs - SI Main Sewers (Collection System - Sewer Improvements - Small Dia) above.	
CWWRNRCs-CA LARGE DIAMETER SEWERS	Collection System - Condition Assessment - Large Diameter		This project only involves assessing sewer conditions via access through existing facilities and is considered to be not a project under CEQA Guidelines section 15378. Locations identified as requiring improvements will undergo CEQA review prior to approval as part of project CWWRNRCs-SI (Collection System - Sewer Improvements - Large Diameter) below.	
CWWRNRCs-CA SEWER LATERAL	Collection System - Condition Assessment - Sewer Laterals		This project only involves assessing sewer conditions via access through existing facilities and is considered to be not a project under CEQA Guidelines section 15378. Locations identified as requiring improvements will undergo CEQA review prior to approval as part of project CWWRNRCs (Sewer Lateral Improvements) below.	
CWWRNRCs-SI	Collection System - Sewer Improvements - Large Diameter (includes multiple subprojects)		Channel Force Main Intertie (WW-723R) - Categorical Exemption issued 5/9/22 (Case No. 2021-006317ENV).	Case No. 2021-006317ENV
			New Montgomery, Mission, Jessie, & Minna Streets Brick Sewer Rehabilitation (WW-712) - Statutory Exemption issued 8/6/20 (Case No. 2020-006988ENV).	Case No. 2020-006988ENV
			Panhandle and Inner Sunset Sewer Improvements (WW-724) - Categorical Exemption issued 7/13/22 (Case No. 2021-006343ENV).	Case No. 2021-006343ENV
			Tenderloin and Nob Hill Sewer Project (WW-731) - Statutory Exemption issued 3/23/21 (Case No. 2021-002879ENV).	Case No. 2021-002879ENV
			Chinatown and North Beach Large Sewer (WW-731) - Statutory Exemption issued 3/8/22 (Case No. 2022-002008ENV).	Case No. 2022-002008ENV
			Castro and Mission Districts Sewer Improvements (WW-736) - Statutory Exemption issued 6/29/22 (Case No. 2022-005580ENV).	Case No. 2022-005580ENV
			East SOMA Sewer Improvements (WW-738) - Statutory Exemption issued 2/1/23 (Case No. 2023-000862ENV).	Case No. 2023-000862ENV
			South Van Ness Ave Sewer Project – Statutory Exemption issued 6/22/21 (Case No. 2021-003411ENV).	Case No. 2021-003411ENV
			West SOMA Sewer Improvements (WW-754)- Statutory Exemption Issued 2/1/24 (Case No. 2024-000830ENV).	Case No. 2024-000830ENV
			Hayes Valley Sewer Improvements (WW-753) - Categorical Exemption issued 12/5/23 (Case No. 2023-006572ENV).	Case No. 2023-006572ENV
			Environmental review will occur for additional projects as scopes are defined.	

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	TS-2	T/S Box Tier 2 (Field) Condition Assessment	Environmental review will begin when project scope is defined.	
	CWWRNRSL	Sewer Lateral Improvements (includes multiple subprojects)	Sewer lateral improvements are incorporated into the projects under CWWRNRCS - SI Main Sewers (Collection System - Sewer Improvements - Small Diameter) above.	
	CWWRNRCS-RNR LDS	Collection System - Sewer Cleaning - Large Diameter	This is an as-needed contract. Activities under this program typically involve no ground disturbance (only internal cleaning accessed through existing facilities) and would be considered not a project under CEQA §15378. In the event an activity under this program would constitute a project under CEQA, it will undergo CEQA review prior to approval.	
15724-WW Wwe Rnr Treatment Facilities				
	CWWRNRTF	Treatment Plant Improvements	Individual projects identified will undergo environmental review when project scopes are defined.	
19134-WW Treasure Island Capital Improvements				
15707-WW Treasure Island Capital Improvements				
	CWP11001	Treasure Island New Wastewater Treatment Plant and Water Recovery Facility	Treasure Island and Yerba Buena Island Redevelopment Plan Final Environmental Impact Report certified 4/21/11 (Case No 2007.0903E).	EIR Case No 2007.0903E
			Note to File issued 4/18/19 to the Treasure Island and Yerba Buena Island Redevelopment Plan Final Environmental Impact Report certified 4/21/11 (Case No 2007.0903E) for update of wastewater treatment plant.	Note to File to Case No 2007.0903E
			Note to File issued 2/2/23 to the Treasure Island and Yerba Buena Island Redevelopment Plan Final Environmental Impact Report certified 4/21/11 (Case No 2007.0903E) for geotechnical field investigation to support the seismic design of the water resource recovery facility (wastewater treatment plant).	Note to File to Case No. 2007.0903E
19139-WW Facilities & Infrastructure				
22140-Customer Service System				
	10038793	Customer Service System	Individual projects identified will undergo environmental review when project scopes are defined.	
19139-WW Facilities & Infrastructure				
	OSP-14	Southwest Ocean Outfall (SWOO) Condition Assessment & Rehabilitation	Environmental review will begin when project scope is defined.	
15714-WW Ocean Beach Project				
	CWWFAC01	Ocean Beach Climate Change Adaptation Project	Ocean Beach Climate Change Adaptation Project Final Environmental Impact Report certified 9/28/23 (Case No. 2019-020115ENV).	Case No. 2019-020115ENV
15716-WW Southeast Community Center				
	TBD-08	SEP South Jerrold Avenue Campus (Planning & Environmental Review)	Environmental review will begin when project scope is defined.	

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Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document Link
20507-SE Outfall Assessment & Rehab				
	10033820	Southeast Outfall Condition Assessment and Rehabilitation	Environmental review will begin when project scope is defined.	
	TBD-09	Southeast Bay Outfall and SEP Booster Station Replacement	Environmental review will begin when project scope is defined.	
New				
	10040511	Interim Sidestream Nutrient Removal	Minor Project Modification issued 2/12/24 (Case No. 2015-000644ENV) to add the Interim Sidestream Nutrient Removal Facility to the Biosolids Digester Facilities Project Final Environmental Impact Report certified 3/8/18 (Case No. 2015-000644ENV).	Minor Project Modification to Case No. 2015-000644ENV EIR Case No. 2015-000644ENV
	ITS	Information Technology Services Capital Projects	Individual projects identified will undergo environmental review when project scopes are defined.	

FILE NO. 240453

ORDINANCE NO. 125-24

1 [San Francisco Public Utilities Commission Wastewater Revenue Bond Issuance and Other
2 Forms of Indebtedness Issuance - Not to Exceed \$1,715,671,086]

3 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater**
4 **Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities**
5 **Commission (“Commission”) in an aggregate principal amount not to exceed**
6 **\$1,715,671,086 to finance the costs of various capital wastewater projects benefitting**
7 **the Wastewater Enterprise pursuant to amendments to the Charter of the City and**
8 **County of San Francisco enacted by the voters on November 5, 2002, as Proposition E;**
9 **authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement**
10 **of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent**
11 **of the Commission to reimburse itself with one or more issues of tax-exempt or taxable**
12 **bonds or other forms of indebtedness; and ratifying previous actions taken in**
13 **connection therewith, as defined herein.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
15 **Additions to Codes** are in single-underline italics Times New Roman font.
16 **Deletions to Codes** are in ~~strikethrough italics Times New Roman font~~.
17 **Board amendment additions** are in double-underlined Arial font.
18 **Board amendment deletions** are in ~~strikethrough Arial font~~.
19 **Asterisks (* * * *)** indicate the omission of unchanged Code
20 subsections or parts of tables.

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

22 Section 1. Findings. The San Francisco Board of Supervisors (“Board”) hereby finds
23 and declares as follows:

24 a. On November 5, 2002, the voters of the City and County of San Francisco
25 (“City”) approved Proposition E (“Proposition E”, City Charter Section 8B.121(a)), which,
among other things, provides that the Commission shall have exclusive charge of the

1 construction, management, supervision, maintenance, extension, expansion, operation, use
2 and control of all water, clean water and energy supplies and utilities of the City as well as the
3 real, personal, and financial assets that are under the Commission's jurisdiction or assigned to
4 the Commission under Charter Section 4.132.

5 b. Proposition E authorized the San Francisco Public Utilities Commission
6 (“Commission”) to issue revenue bonds, including notes, commercial paper or other forms of
7 indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of
8 Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving
9 water facilities or clean water facilities or combinations of water and clean water facilities
10 under the jurisdiction of the Commission; and

11 c. The Commission adopted the Indenture dated as of January 1, 2003, as further
12 amended and supplemented from time to time (“Indenture”), between the Commission and
13 U.S. Bank National Association and in connection with the Indenture has from time to time
14 issued revenue bonds to finance projects benefitting the Wastewater Enterprise; and

15 d. Under San Francisco Administrative Code Chapter 43, Article V, Section 43.5.1,
16 *et seq.*, the Commission may by prescribed procedure issue short-term indebtedness,
17 including the issuance of commercial paper in anticipation of the issuance of revenue bonds;
18 and

19 e. As prescribed by Administrative Code Chapter 43, Article V, the Commission
20 may issue short-term indebtedness for the Wastewater Enterprise under the Wastewater
21 commercial paper program (“Wastewater CP Program”) up to an aggregate principal amount
22 not to exceed \$750,000,000 of commercial paper notes outstanding at any one time (see
23 Commission Resolution No. 17-0086 (April 25, 2017) and Board Resolution No. 193-17
24 (May 23, 2017)), and the Commission has caused Wastewater Enterprise commercial paper
25 to be issued from time to time; and

1 e. On February 13, 2024, by Resolution No. 24-0031 ("Commission Resolution"),
2 the Commission determined to issue Wastewater Revenue Bonds ("Wastewater Revenue
3 Bonds") and other forms of indebtedness (including without limitation State Revolving Fund
4 Loans borrowed from the State Water Resources Control Board ("SRF Loans"), other State
5 and Federal Loans, all as described below), and interim funding vehicles such as commercial
6 paper to be issued, revolving credit agreements, bond anticipation notes or other forms of
7 notes, which interim funding vehicles will be issued in advance of being paid off by either
8 Wastewater Revenue Bonds and other forms of indebtedness (including without limitation
9 SRF Loans, and other State Loans and Federal Loans, all as described below), to finance the
10 costs of various capital projects benefitting the Wastewater Enterprise ("Capital Improvement
11 Projects"), such projects being more fully described in the Commission Resolution), pursuant
12 to Proposition E, and the Commission has formally requested this Board to authorize the
13 issuance and sale of Wastewater Revenue Bonds and other indebtedness for such purposes,
14 such Commission Resolution being on file with the Clerk of the Board of Supervisors in File
15 No. 240453; and

16
17 g. In order to finance the costs of the Capital Improvement Projects, the Board now
18 desires to authorize the issuance and sale of Wastewater Revenue Bonds and other forms of
19 indebtedness as described above, for such purposes, including obtaining SRF Loans ("State
20 Loans"), grants from the State Water Resources Control Board, loans from the Water
21 Infrastructure Finance and Innovation Act ("WIFIA") program, and/or other Federal loans
22 (WIFIA and other Federal loans being, "Federal Loans"); and

23 h. The Commission has paid, beginning no earlier than 60 days prior to the
24 adoption of this Ordinance and will pay, on and after the date of this Ordinance, certain
25

1 expenditures (“Expenditures”) in connection with the acquisition, construction and/or
2 equipping of the Capital Improvement Projects; and

3 i. This Board is concurrently considering with this Ordinance, related supplemental
4 appropriation ordinances for Fiscal Years (“FY”) 2024-25 and 2025-26, including expenditures
5 of the proceeds of the Wastewater Revenue Bonds and other forms of indebtedness
6 (including, without limitation and for illustrative purposes only, State Loans, Federal Loans
7 (including WIFIA Loans), commercial paper, revolving credit agreements, and bond
8 anticipation notes); and

9 j. This Board, on behalf of the Commission, adopts this Ordinance as official
10 action of the Commission in order to comply with Treasury Regulation §1.150-2 and any other
11 regulations of the Internal Revenue Service relating to the qualification for reimbursement of
12 Commission expenditures incurred prior to the date of issue of the Wastewater Revenue
13 Bonds and other forms of indebtedness (including, without limitation and for illustrative
14 purposes only, State and Federal Loans, commercial paper, revolving credit agreements, and
15 bond anticipation notes).

16 Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of
17 indebtedness. The Board hereby authorizes the issuance and sale of taxable or tax-exempt
18 Wastewater Revenue Bonds (including for illustrative purposes only, commercial paper, bank
19 liquidity or credit agreements, State and Federal Loans, or bond anticipation notes) in one or
20 more series from time to time by the Commission pursuant to Proposition E and in
21 accordance with the Commission Resolution, , in an aggregate principal amount not to exceed
22 \$1,715,671,086 (inclusive of financing costs) bearing a maximum rate or rates of interest of
23 not to exceed twelve percent (12%) per annum to finance a portion of the costs of the design,
24 acquisition and construction of the Capital Improvement Projects. Without limiting the
25 foregoing, the Commission shall also be authorized to incur State and Federal Loans at such

1 time, in such amounts, and upon such other terms and conditions as the Commission may
2 deem advantageous, and to approve any financing documentation related thereto consistent
3 with this Ordinance. The Commission is hereby further authorized to determine the timing,
4 amount and manner of sale (i.e., competitive or negotiated) of, or borrowing under each,
5 series of Wastewater Revenue Bonds, bond anticipation notes, revolving credit agreements,
6 commercial paper, or State or Federal Loan pursuant to this authorization; provided however,
7 the Commission's authorization to issue Wastewater Revenue Bonds, bond anticipation
8 notes, revolving credit agreements, or commercial paper, or to borrow under a State Loan or
9 Federal Loan, is subject to approval by the Commission of the form of substantially final
10 offering document related to such obligations (if any) and the approval of any related
11 agreements, financing documents and the filing with its Board and the Clerk of the Board any
12 certifications required by Proposition E prior to the issuance of any bonds or incurrence of any
13 indebtedness herein authorized. The Commission shall also file, within 30 days of closing any
14 Wastewater Revenue Bond or other form of indebtedness (including State and Federal Loans
15 and bond anticipation notes) transactions authorized hereby, with the Clerk of the Board of
16 Supervisors a report showing the results of the transaction, including (i) principal amount sold
17 and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed
18 and/or improved, and (v) a statement about the remaining bonding authorization under this
19 Ordinance ("Bond Report"), provided that the failure to file such Bond Report shall not affect
20 the validity of any debt authorized hereunder.

21 Section 3. Authorization to Issue Wastewater Revenue Refunding Bonds;
22 Commercial Paper Retirement. Notwithstanding Section 2 immediately above, the Board
23 further authorizes and approves the issuance by the Commission of Wastewater Revenue
24 Refunding Bonds ("Refunding Bonds") without limitation as to principal amount, in one or
25 more series on one or more dates, at a maximum interest rate or rates of interest not to

1 exceed twelve percent (12%) per annum, provided that each such Refunding Bond issue is
2 permitted under the applicable policies and procedures of the City and authorized by Section
3 9.109 of the Charter (including related ordinances and resolutions of the Board). The
4 Refunding Bonds may be issued as taxable or tax-exempt obligations, or any combination of
5 such obligations. Refunding Bonds authorized hereunder shall be subject to the further
6 following conditions, that: (i) three percent (3%) net present value debt service savings or
7 greater is achieved to ensure ratepayer savings (exclusive of any issuance to refund
8 commercial paper, revolving credit notes, or bond anticipation notes); (ii) that the maturity of
9 the refunded bonds is not extended (exclusive of any issuance to refund commercial paper,
10 revolving credit notes, or bond anticipation notes); (iii) this authorization is subject to a 5-year
11 term through June 30, 2029, at which time this Board may consider an extension; (iv) principal
12 payments and term may be adjusted, where permitted under federal and state tax law, only if
13 and when the underlying capital asset funded through said refunded bonds has a useful life
14 not in excess of any limit permitted under federal and state tax law than the refunded term;
15 and (v) the Commission shall within 30 days of any executed refunding transaction provide a
16 refunding savings report ("Bond Refunding Savings Report") prepared by its municipal
17 advisors (that reflects at least a three percent (3%) net present value debt service savings) to
18 the Board, together with a copy of the final Official Statement (if any) with respect to such
19 series of Refunding Bonds, provided that the failure to deliver such Bond Refunding Savings
20 Report shall in no way affect the validity of any Refunding Bonds. Notwithstanding the
21 foregoing, the Commission is authorized to issue Refunding Bonds that do not meet all of the
22 foregoing conditions provided that the Commission makes a finding, by resolution, that
23 significant non-economic factors exist that justify the waiver of the three percent (3%) net
24 present value debt service savings test and other conditions set forth above. Such non-
25 economic factors may include, by way of illustration and not limitation, eliminating onerous

1 covenants and obsolete provisions contained in the Commission's indenture or other security
2 documents, or restructuring a series of bonds in response to then-current market conditions.
3 In furtherance of the purpose of managing the Commission outstanding indebtedness, the
4 General Manager is hereby authorized to use Available Wastewater Enterprise Revenues and
5 other funds as appropriate to retire outstanding Wastewater Enterprise Commercial Paper
6 and other forms of indebtedness at such times and in such amounts advantageous to the
7 Commission.

8 Section 4. Declaration of Official Intent. The Board, on behalf of the Commission,
9 hereby declares the official intent of the Commission to reimburse the Commission with
10 proceeds of the Wastewater Revenue Bonds or other forms of indebtedness (including State
11 or Federal Loans, commercial paper, revolving credit notes, or bond anticipation notes) for the
12 Expenditures with respect to the Capital Improvement Projects made on and after a date that
13 is no more than 60 days prior to the adoption of this Ordinance. The Commission reasonably
14 expects that it will reimburse the Expenditures with proceeds of the Wastewater Revenue
15 Bonds or other forms of indebtedness (including, without limitation and for illustrative
16 purposes only, State or Federal Loans, commercial paper, revolving credit notes or bond
17 anticipation notes). Each Expenditure was and will be either (A) of a type properly chargeable
18 to a capital account under general federal income tax principles (determined in each case as
19 of the date of the Expenditure), (B) a cost of issuance with respect to such obligations, (C) a
20 nonrecurring item that is not customarily payable from current revenues, or (D) a grant to pay
21 a party that is not related to or an agent of the issuer so long as such grant does not impose
22 any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of
23 the Commission. The Commission will make a reimbursement allocation, which is a written
24 allocation by the Issuer that evidences the Commission's use of proceeds of the Wastewater
25 Revenue Bonds or other forms of indebtedness to reimburse an Expenditure, no later than 18

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

7 Section 5. General Authority. The Controller of the City ("Controller"), Treasurer of
8 the City ("Treasurer"), the City Attorney and other officers of the City, including the Director of
9 the Office of Public Finance, and their duly authorized deputies and agents are hereby
10 authorized and directed, jointly and severally, to take such actions and to execute and deliver
11 such certificates, agreements, requests or other documents, as they may deem necessary or
12 desirable to facilitate the issuance, sale and delivery of the Wastewater Revenue Bonds,
13 State or Federal Loans, bond anticipation notes, commercial paper or Refunding Bonds, to
14 obtain bond insurance or other credit or liquidity enhancements with respect to any such
15 obligations, and otherwise to carry out the provisions of this Ordinance. The Commission is
16 hereby directed to provide the final form to the Clerk of the Board of any disclosure document
17 (if any) prepared in connection with the execution of any Wastewater Revenue Bonds, State
18 or Federal Loans, bond anticipation notes, commercial paper or Refunding Bonds, and the
19 final executed Installment Sale Agreement or other document reflecting the incurrence of a
20 State or Federal Loans, within 30 days of the closing of such transactions; provided however
21 that failure to provide such document shall not affect the validity of the obligations authorized
22 hereunder. The Commission is further directed as a part of the two-year budget review to
23 provide to this Board of Supervisors a written report about Wastewater Revenue Bonds
24 authorized under this Ordinance, detailing the total amount authorized, the total amount sold,
25

1 the remaining authorized but unissued amount, and the bond authorization no longer
2 necessary due to changes in projects and project financing.

3 Section 6. Ratification of Prior Actions. All actions authorized and directed by this
4 Ordinance in connection with the issuance of the Wastewater Revenue Bonds or other forms
5 of indebtedness (including, without limitation and for illustrative purposes only, State or
6 Federal Loans , bond anticipation notes or commercial paper), Refunding Bonds, and
7 heretofore taken are hereby ratified, approved and confirmed by this Board.

8 Section 7. Additional Definitions and Terms Pertaining to Proceeds. The following
9 additional definitions and declarations of the Board shall be as follows:

10 a. Financings. For all purposes of this Ordinance and any related Commission
11 Resolution, a Financing ("Financing") is: (i) any issuance of tax-exempt or taxable revenue
12 bonds, notes, bond anticipation notes, commercial paper, bank liquidity or credit agreements,
13 certificates of participation or other obligations for borrowed money, including, without limitation,
14 any financing lease, installment purchase or sale agreement, or other similar financing
15 agreements or arrangement; and (ii) any indebtedness to a State or Federal lender, program, or
16 funding source, including, without limitation, any State or Federal Loan, and any borrowing from
17 a similar programs or replacement programs that may come into existence after the adoption
18 date of this Ordinance; and (iii) any funding to the Commission arising from a joint powers
19 agreement between the Commission and one or more other public agencies for the joint
20 acquisition, construction, operation and/or management of infrastructure or facilities; and (iv)
21 any financial award from a Federal, State, or local government authority or a private grant-
22 making foundation or a private nonoperating foundation or a Section 501(c)3 charitable
23 organization; and (v) any funding from a securitization that involves the issuance of debt
24 instruments.

1 b. For all purposes of this Ordinance and any related Commission Resolution, a
2 Financing Agreement (“Financing Agreement”) is: any contract, agreement, financing lease,
3 installment purchase or sale agreement, application, draw notice, joint powers agreement,
4 securitization agreement, or other similar financing agreements or arrangement, or
5 amendment to any of these, entered into by the Commission in connection with any
6 Financing.

7 c. The Chief Financial Officer or the Deputy Chief Financial Officer of the
8 Commission, or their designee(s), is authorized to ask the Controller to record the substitution
9 of funds arising from any Financing Agreement (whether already in existence as of the date of
10 this Ordinance or entered into in connection with a Financing that is approved hereunder) with
11 separate and other Financing Agreement transactional funds, all as necessary to conform to
12 (i) Generally Accepted Accounting Principles and other laws and (ii) the terms of any
13 Financing Agreement. Commission funds held by the Controller generally remain subject to
14 Article VIII B of the Charter and Article XIII C and Article XIII D of the California Constitution.

15 d. In accordance with Section 3.105 and Section 9.113 of the Charter, at the
16 closing of each Commission transaction involving a Financing Agreement, the Chief Financial
17 Officer or the Deputy Chief Financial Officer of the Commission, or their designee(s), shall ask
18 the Controller to independently confirm whether sufficient unencumbered balances are
19 expected to be available in the proper fund(s) to meet all payments under such obligations as
20 they become due, if any, and the Controller shall issue related certifications.

21 Section 8. File Documents. All documents referred to as on file with the Clerk of the
22 Board of Supervisors are located in File No. 240453.

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Section 9. Effective Date. Pursuant to Charter Section 8B.124, the remainder of this Ordinance shall take effect thirty (30) days after its adoption.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/
KATHERINE T. ORTEGA
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: 240453

Date Passed: June 11, 2024

Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities Commission ("Commission") in an aggregate principal amount not to exceed \$1,715,671,086 to finance the costs of various capital wastewater 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; authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined herein.

May 22, 2024 Budget and Appropriations Committee - RECOMMENDED

June 04, 2024 Board of Supervisors - PASSED ON FIRST READING

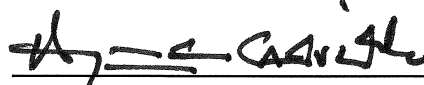
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

June 11, 2024 Board of Supervisors - FINALLY PASSED

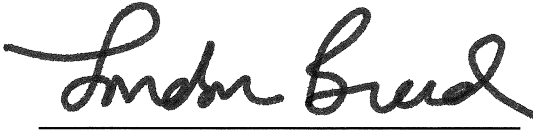
Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Stefani and Walton
Excused: 1 - Safai

File No. 240453

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/11/2024 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

6/21/24

Date Approved

**Certificate of the Consulting Engineers
in connection with Section 8B.124 of the Charter of the City and County of San Francisco and
the Indenture of the San Francisco Public Utilities Commission (SFPUC)
authorizing the Sale of Wastewater Revenue Bonds and / or Other Forms of Indebtedness, including
Commercial Paper and State and Federal Loans**

This Certificate has been prepared by AECOM Technical Services, Inc., (AECOM), an independent consulting firm, at the request of the San Francisco Public Utilities Commission (SFPUC) in connection with the issuance by the SFPUC of its Wastewater Revenue Bonds and/or other forms of Indebtedness, including Commercial Paper and State and Federal loans.

Proposition E requires certification by an independent consulting engineer that, among other things, “(i) the Projects to be financed with proceeds of bonds under Proposition E, including the prioritization, scheduling and cost estimates thereof, meet generally accepted utility standards.”

Section A below includes projects in the Wastewater Capital Programs, including Sewer System Improvement Program (SSIP), Facility and Infrastructure, Repair and Replacement (R&R and other portions of the capital programs, and certifies that (i) the anticipated projects to be financed by the proposed Revenue Bonds and/or Commercial Paper Notes (the “Notes”), or State and Federal loans including the prioritization, cost estimates and scheduling, meet generally accepted utility standards.

The findings and conclusions in this Certificate are based on AECOM’s review of the following Documents, references and data provided by the SFPUC:

- Quarterly Report, Wastewater Enterprise Programs, October 2023 – December 2023, March 14, 2024
- Wastewater Enterprise FY2025-2034 Ten Year CIP and Project Datasheets, January 26, 2024
- List of projects to be funded in FY 2024-25 and FY 2025-26, as listed in the file “Wastewater FY 25-34 Capital Plan Prop E.xlsx” provided by SFPUC on March 22, 2024 (Projects or Project List)
- Other documents produced by SFPUC to support certification
- Discussions with SFPUC staff

1. Based upon review of the Documents, and in reliance on the information presented in the Documents, references and data, and in reliance upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, meet generally accepted utility standards.

2. The Documents contain information about the current status, estimated completion dates and cost of completion of some of the Projects.

While developing the Certificate, AECOM reviewed the Documents and consulted with SFPUC staff. This Certification is based on the information provided by the SFPUC. The conclusions and observations contained herein constitute only the opinions of AECOM. The various background documents, statements, and other information supplied by the SFPUC, its employees, and other consultants have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by AECOM as to the accuracy of such information. AECOM makes no certification and gives no assurances except as explicitly set forth in this document.

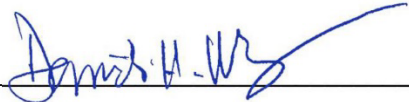
SECTION A: CERTIFICATION OF SSIP AND OTHER PORTIONS OF THE WASTEWATER CIP

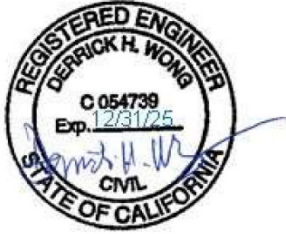
AECOM’s review of the Documents for Section A included a “programmatic approach” such that AECOM certifies that the revenue bonds and/or commercial paper proceeds or state or federal loans are intended to be used by the SFPUC to fund the capital projects included in the Wastewater Enterprise’s SSIP and other portions of the Wastewater Enterprise’s capital programs. Projects may be moved on or off the CIP list, modified, delayed or accelerated as necessary due to scheduling, budgeting, or other constraints.

Based upon our review of the Documents provided by the SFPUC, and in reliance upon conversations and representations of SFPUC staff, AECOM certifies that the projects, as listed in the Project List, to be financed by the revenue bonds and/or commercial paper program, as identified in the Wastewater Enterprise’s SSIP and other portions of the Wastewater Enterprise’s capital programs including the prioritization, cost estimates and scheduling, meet generally accepted utility standards.

Dated this 20th day of June, 2024

AECOM Technical Services, Inc.

By: 



Derrick Wong, P. E.
Civil Engineer

Attachment A
List of projects to be funded in FY 2024-25 and FY 2025-26, as provided by SFPUC on March 22, 2024.

ATTACHMENT A

Wastewater Enterprise FY 2025-2034 Capital Plan
FY 25 & FY 26 Funded Projects
7/3/2024

Auth Level 1	Auth Level 2	Project Number	Project
19142 - WW Sewer System Improvement Program	15733-WW Ssip Program-wide Management	CWWSIPRPL01	Phase 1 Program Management
19142 - WW Sewer System Improvement Program	15728-WW SSIP Biosolids-Digester Project	CWWSIPDP01	Biosolids Digester
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	CWWSIPSE02	SEP New Headworks (Grit) Replacement
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	CWWSIPSE07	WWE Facility-Wide Dist Control Sys (DCS) Upgrades
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	CWWSIPSE10	SEP Power Feed and Primary Switchgear Upgrades
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	CWWSIPTPOP02	Westside Pump Station Reliability Improvements
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	CWWSIPTPOP03	OSP Digester Gas Utilization Upgrade
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	CWWSIPFCDB06	Yosemite Green Infrastructure
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	CWWSIPFCGI01	Watershed Stormwater Management (Planning Only)
19142 - WW Sewer System Improvement Program	15733-WW Ssip Program-wide Management	PM02	Program Management 02
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10037353	SEP 550 Booster PS Condition Inspection & Interim
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10038373	SEP, Booster Station, and BFS Security Enhancement
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10037330	Primary Treatment (SEP 040/041) H&S Improvements
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10039310	Secondary Clarifiers (SEP 230) Rehabilitation
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10039505	New Ops, Engineering and Maintenance Buildings
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10039811	SEP Condition Improvement Projects - Part 1
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	10037331	Maintenance Building (SEP 940) Interim Improvement
19142 - WW Sewer System Improvement Program	15735-WW Treatment Plant Improvement	TBD-04	SEP Mainstream Nutrient Reduction
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10039251	Sedimentation (NPF 040/041) Tanks Condition Improv
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037325	Admin Bldg (NPF 930) Evaluation & Interim H&S Impr
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	NPF-3	Dechlorination Process (NPF 500) Evaluation & Inte
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037904	NPF & NSS Security Enhancements
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10038353	NPF DCS Upgrades (Construction)
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10039184	Westside FM Reliability Project - Planning
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037733	OSP 011 Solids Thickening Process Upgrade
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037734	OSP Plant-wide Ventilation (HVAC) Upgrades
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10036398	OSP Condition Improvement Projects - Phase 2
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037736	OSP Odor Control Upgrades
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10039183	OSP Communication & Safety Monitoring Upgrades
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037735	OSP 930 Admin Bldg Health & Safety Improvements
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	OSP-8	OSP DCS Upgrade (Construction)
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10037777	OSP & WSPS Security Enhancements
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	10039193	OSP 011 Gaseous Oxygen System Upgrades
19142 - WW Sewer System Improvement Program	15736-WW Treatment Plant Improvement	OSP-12A	OSP 011 Grit Removal Upgrades-Planning
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10034718	Large Diameter Sewer Projects and Channel Force Main Intertie
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	LDS-6	Geary BRT Sewer Improvements - Phase 2 Construction
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10037245	Brannan St CSD Discharge & Baffle Rehabilitation
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10038468	System-wide Monitoring Equipment Assessment
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10038547	CSD Structure Rehab & Upgrades - Part 1

**Wastewater Enterprise FY 2025-2034 Capital Plan
FY 25 & FY 26 Funded Projects
7/3/2024**

Auth Level 1	Auth Level 2	Project Number	Project
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	TBD-05	Pine Lake Easement Sewer Relocation - Phase A (Planning)
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10037251	Seacliff No. 1 PS & FM Upgrade
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10037246	Seacliff No. 2 PS & FM Upgrade
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10037303	Sunnydale PS Safety Improvements
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	10038469	Pump Station Security Upgrades (Cesar Chavez, GFS,
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-7	Griffith DW FM Rehab
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-10	Tennessee PS & FM Improvements
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-13	Davidson PS & FM Improvements
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-17	CHFM Inspection and Rehabilitation - Southern Port
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-14A	Sunnydale PS & FM Improvements - Phase A
19142 - WW Sewer System Improvement Program	15726-WW Collection System Improvement	PS-15A	Channel PS Improvements - Phase A
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	10037195	Regional School/Park: Giannini Middle School
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	10039608	Buchanan Street Mall
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	CGII	Citywide Green Infrastructure Implementation (New)
19142 - WW Sewer System Improvement Program	15729-WW Stormwater Management	10034553	GI For Stormwater Management (Grant)
19142 - WW Sewer System Improvement Program	15730-WW Flood Resilience-hydraulic	10034360	Lower Alemany Area Stormwater Improvement Project
19142 - WW Sewer System Improvement Program	15730-WW Flood Resilience-hydraulic	10038471	Folsom Area Stormwater Imp. Project Phase 2
19142 - WW Sewer System Improvement Program	15730-WW Flood Resilience-hydraulic	10039682	Flood Resiliency Planning
19142 - WW Sewer System Improvement Program	15730-WW Flood Resilience-hydraulic	10040621	Floodwater Management Grant Assistance Program
19142 - WW Sewer System Improvement Program	15730-WW Flood Resilience-hydraulic	TBD-KM	Kansas Marin Sewer Improvements Phase 2
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS - SI Main Sewers	Collection System - Sewer Improvements - Small Dia
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS - CA Main Sewers	Collection System - Condition Assessment - Small Dia
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS-CA LARGE DIAMETER SEWERS	Collection System - Condition Assessment - Large Dia
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS-CA SEWER LATERAL	Collection System - Condition Assessment - Sewer Laterals
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS-SI Large Diameter Sewers	Collection System - Sewer Improvements - Large Dia
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	TS-2	T/S Box Tier 2 (Field) Condition Assessment
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRSL	Sewer Lateral Improvements
19141-WW Wwe Repair And Replacement	15722-WW Wwe Rnr Collection System	CWWRNRCS-RNR LDS	Collection System - Sewer Cleaning - Large Dia
19141-WW Wwe Repair And Replacement	15724-WW Wwe Rnr Treatment Facilities	CWWRNRTF	Treatment Plant Improvements
19134-WW Treasure Island Capital Imp	15707-WW Treasure Island Capital Imp	CWP11001	Treasure Island New WWTP and RWF
19139-WW Facilities & Infrastructure	22140-Customer Service System	10038793	Customer Service System
19139-WW Facilities & Infrastructure	19139-WW Facilities & Infrastructure	OSP-14	SWOO Condition Assessment & Rehab
19139-WW Facilities & Infrastructure	15714-WW Ocean Beach Project	CWWFAC01	Ocean Beach Climate Change Adaptation Project
19139-WW Facilities & Infrastructure	15716-WW Southeast Community Center	TBD-08	SEP South Jerrold Avenue Campus (Planning & Environmental Review)
19139-WW Facilities & Infrastructure	20507-SE Outfall Assessment & Rehab	10033820	Southeast Outfall Condition Assessment and Rehab
19139-WW Facilities & Infrastructure	20507-SE Outfall Assessment & Rehab	TBD-09	Southeast Bay Outfall and SEP Booster Station Replacement
19139-WW Facilities & Infrastructure	New	10040511	Interim Sidestream Nutrient Removal
19139-WW Facilities & Infrastructure	New	ITS	ITS Capital Projects



San Francisco
Water
Power
Sewer



Wastewater Financial Projections

June 3, 2024



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Avenue, #602
Berkeley, CA 94705
Tel 510 653 3399
www.bartlewells.com

TO: San Francisco Public Utilities Commission

DATE: June 3, 2024

ATTN: Edward Kwong, SFPUC

FROM: Alex Handlers, Bartle Wells Associates

RE: Wastewater Financial Projections for Proposition E Compliance

Background

Bartle Wells Associates (BWA) was retained by the San Francisco Public Utilities Commission (SFPUC) to develop financial projections in support of San Francisco Charter Article VIII B, Section 8B.124, as established by Proposition E which was approved by the voters of the City and County of San Francisco on November 5, 2002. This section of the Charter a) authorizes the SFPUC to issue revenue bonds and other forms of indebtedness and b) authorizes the Board of Supervisors to take actions necessary for the issuance and repayment of such debt subject to various conditions including *“that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued, and estimated repair and replacement costs.”*

Financial Projections

BWA developed financial projections based on data provided by the SFPUC as well as a number of independent calculations and assumptions which constitute such examination or investigation as is necessary to enable BWA to express an informed opinion as to whether the requirements of Proposition E have been satisfied. Based on the projections, the Wastewater Enterprise will generate net revenues (as defined per the Indenture securing the SFPUC’s outstanding Wastewater Revenue Bonds) that are at least 1.25 times Annual Debt Service in each fiscal year from Fiscal Years 2023-24 through 2032-33. In accordance with the requirements of Proposition E, BWA certifies that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on projected bonds to be issued, and estimated repair and replacement costs.

Attached Tables

The attached tables include:

- **Table 1 - SFPUC Wastewater Cash Flow Projections** – This table was developed by Bartle Wells Associates based on information provided by the SFPUC and independent debt service projections, and includes projections of future fund balances, revenues, expenses, net revenues, and debt service coverage.
- **Table 2 - Cash Flow Assumptions** – This table describes assumptions used in developing the financial projections.
- **Table 3 - 10-Year Capital Improvement Program & Funding Sources** – This table shows projected SFPUC wastewater system capital improvements and anticipated sources of funding.
- **Table 4 - Estimated Debt Service** – This table estimates annual debt service on future bonds per each \$100 million of project funding.
- **Table 5 - Projected Bond Issues** – This table shows projected debt issued by fiscal year and calculates annual debt service for each bond issue.
- **Table 6 - Projected Debt Service on Future Bond Issues** – This table projects debt service by fiscal year for each water debt issue and shows a schedule of projected debt payments.
- **Table 7 - Outstanding Debt** – This table shows debt service due on outstanding debt issues.

The tables are based on information provided by the SFPUC as well as a number of independent calculations and assumptions. BWA takes no responsibility for the accuracy of information provided by the SFPUC, nor for any errors or omissions in information provided.

SFPUC Wastewater Enterprise Financial Projections

List of Tables

- Table 1 - SFPUC Wastewater Cash Flow Projections
 - Table 2 - Cash Flow Assumptions
 - Table 3 - 10-Year Capital Improvement Program & Funding Sources
 - Table 4 - Estimated Debt Service
 - Table 5 - Projected Bond Issues
 - Table 6 - Projected Debt Service on Future Bond Issues
 - Table 7 - Outstanding Debt
-

Table 1 - SFPUC Wastewater Cash Flow Projections

Years 1 - 5

	2023/24	2024/25	2025/26	2026/27	2027/28
Projected Rate Increases	9.0%	9.0%	9.0%	12.0%	12.0%
Change in Sales Volume %	-	5.7%	5.7%	8.8%	6.6%
Beginning Fund Balances	165,972,000	168,529,000	159,103,000	147,094,000	134,718,000
Fund Balance Budgeted as Revenue	0	0	0	0	0
Total	165,972,000	168,529,000	159,103,000	147,094,000	134,718,000
Revenues					
Retail Rate Revenues	379,895,000	421,071,000	464,591,000	519,600,000	581,516,000
Wholesale Rate Revenues	12,044,000	12,971,000	14,166,000	15,708,000	17,410,000
Other Revenues	13,277,000	14,541,000	14,758,000	14,981,000	15,819,000
Other Revenues (Non DSC)	4,984,000	5,371,000	5,318,000	4,966,000	4,912,000
BABs Interest Subsidies (Net of Sequest)	3,356,000	3,235,000	3,105,000	2,968,000	2,822,000
Total	413,556,000	457,189,000	501,938,000	558,223,000	622,479,000
Operation & Maintenance Expenses					
Operating Expenses	207,386,000	215,668,000	215,787,000	222,374,000	229,321,000
Operating Project Expenses	7,501,000	8,899,000	8,966,000	9,185,000	9,410,000
Operating Project Expenses (Non DSC)	5,014,000	7,162,000	7,122,000	7,082,000	7,040,000
Subtotal	219,901,000	231,729,000	231,875,000	238,641,000	245,771,000
Debt Service (Net of Capitalized Interest)					
Outstanding Bonds	90,991,000	108,844,000	130,075,000	177,464,000	180,685,000
Outstanding SRF Loans	4,005,000	10,152,000	10,484,000	15,738,000	15,738,000
Outstanding WIFIA Loans	0	0	5,239,000	10,479,000	10,479,000
Outstanding Bond Antic Notes	3,475,000	3,475,000	2,383,000	646,000	0
Projected Bonds (Net of Cap I)	0	0	0	30,956,000	104,742,000
Subtotal	98,471,000	122,471,000	148,181,000	235,283,000	311,644,000
Non-Operating/Capital Expenses (Rate Appropriated)					
Capital Projects	92,627,000	112,415,000	133,891,000	96,675,000	79,036,000
Subtotal	92,627,000	112,415,000	133,891,000	96,675,000	79,036,000
Total Expenses	410,999,000	466,615,000	513,947,000	570,599,000	636,451,000
Revenues Less Expenses	2,557,000	(9,426,000)	(12,009,000)	(12,376,000)	(13,972,000)
Ending Fund Balances	168,529,000	159,103,000	147,094,000	134,718,000	120,746,000
Net Revenues & Debt Service Coverage					
Annual Revenues Excluding Non DSC Revs	405,216,000	448,583,000	493,515,000	550,289,000	614,745,000
Plus Fund Balances Budgeted as Revenues	0	0	0	0	0
Less O&M Expenses Excluding Non DSC Exps	(214,887,000)	(224,567,000)	(224,753,000)	(231,559,000)	(238,731,000)
Other Adjustments	0	0	0	0	0
Net Revenues Current Basis	190,329,000	224,016,000	268,762,000	318,730,000	376,014,000
Plus Ending Fund Balances	168,529,000	159,103,000	147,094,000	134,718,000	120,746,000
Net Revenues Indenture Basis	358,858,000	383,119,000	415,856,000	453,448,000	496,760,000
Debt Service Less BABs Credits	95,115,000	119,236,000	145,076,000	232,315,000	308,822,000
Debt Service Coverage, Current Basis	2.00	1.88	1.85	1.37	1.22
Debt Service Coverage, Indenture Basis	3.77	3.21	2.87	1.95	1.61

Table 1 - SFPUC Wastewater Cash Flow Projections

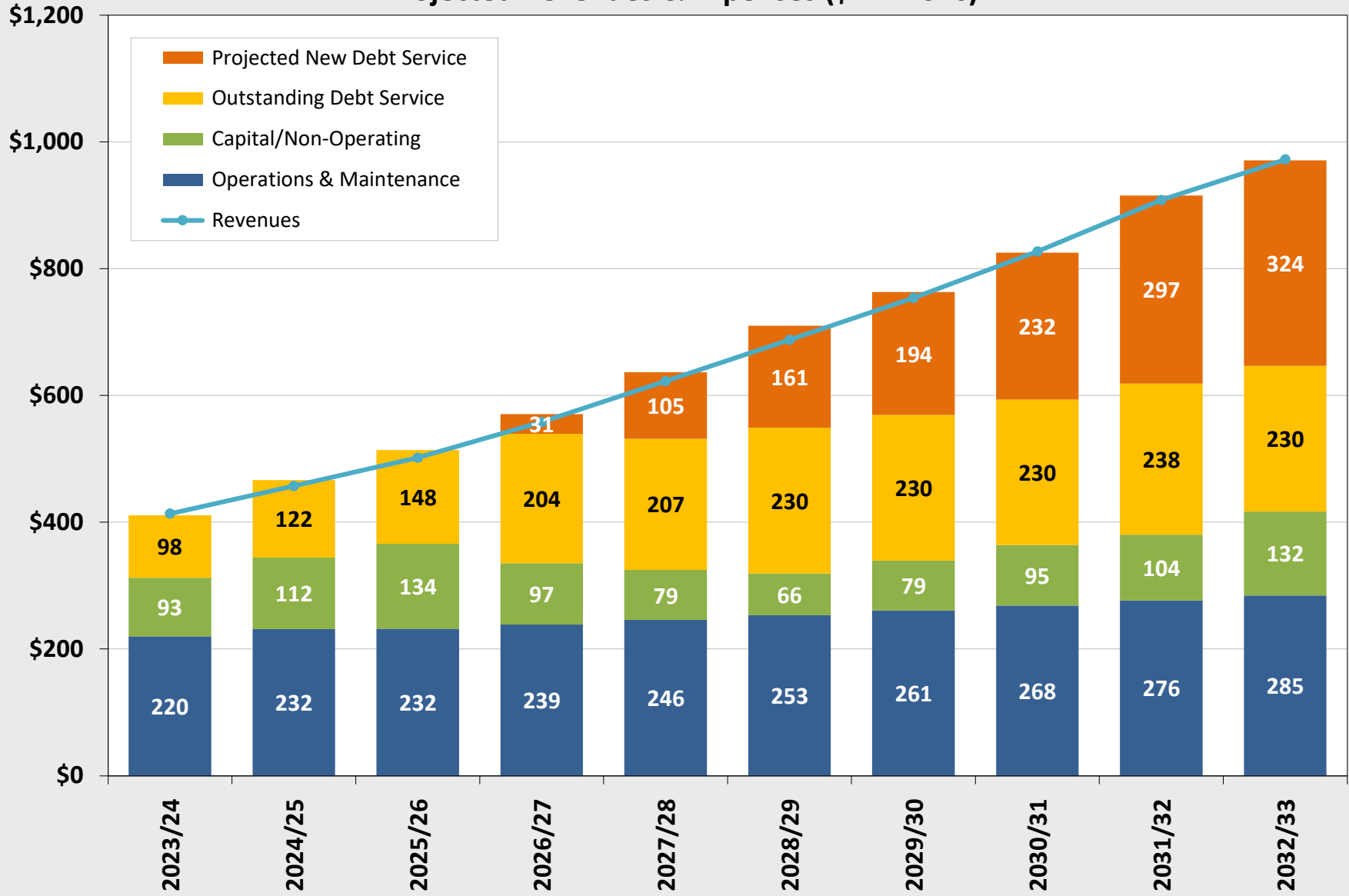
Years 6 - 10

	2028/29	2029/30	2030/31	2031/32	2032/33
Projected Rate Increases	11.0%	10.0%	10.0%	10.0%	7.0%
Change in Retail Sales Volume	3.1%	1.7%	3.0%	3.1%	2.5%
Beginning Fund Balances	120,746,000	98,732,000	89,400,000	91,108,000	84,396,000
Fund Balance Budgeted as Revenue	0	0	0	0	0
Total	120,746,000	98,732,000	89,400,000	91,108,000	84,396,000
Revenues					
Retail Rate Revenues	645,120,000	709,630,000	781,061,000	859,908,000	921,765,000
Wholesale Rate Revenues	19,188,000	20,768,000	22,758,000	25,073,000	26,804,000
Other Revenues	15,962,000	15,899,000	16,200,000	16,646,000	16,979,000
Other Revenues (Non DSC)	4,856,000	4,797,000	4,735,000	4,669,000	4,679,000
BABs Interest Subsidies (Net of Sequest)	2,668,000	2,506,000	2,335,000	2,153,000	1,962,000
Total	687,794,000	753,600,000	827,089,000	908,449,000	972,189,000
Operation & Maintenance Expenses					
Operating Expenses	236,518,000	243,841,000	251,409,000	259,231,000	267,316,000
Operating Project Expenses	9,642,000	9,882,000	10,129,000	10,385,000	10,370,000
Operating Project Expenses (Non DSC)	6,995,000	6,948,000	6,900,000	6,848,000	6,871,000
Subtotal	253,155,000	260,671,000	268,438,000	276,464,000	284,557,000
Debt Service (Net of Capitalized Interest)					
Outstanding Bonds	203,752,000	203,587,000	203,416,000	190,577,000	177,731,000
Outstanding SRF Loans	15,738,000	15,738,000	15,738,000	15,738,000	15,738,000
Outstanding WIFIA Loans	10,479,000	10,479,000	10,479,000	32,135,000	36,321,000
Outstanding Bond Antic Notes	0	0	0	0	0
Projected Bonds (Net of Cap I)	160,710,000	193,593,000	231,951,000	296,570,000	324,240,000
Subtotal	390,679,000	423,397,000	461,584,000	535,020,000	554,030,000
Non-Operating/Capital Expenses (Rate Appropriated)					
Capital Projects	65,974,000	78,864,000	95,359,000	103,677,000	132,181,000
Subtotal	65,974,000	78,864,000	95,359,000	103,677,000	132,181,000
Total Expenses	709,808,000	762,932,000	825,381,000	915,161,000	970,768,000
Revenues Less Expenses	(22,014,000)	(9,332,000)	1,708,000	(6,712,000)	1,421,000
Ending Fund Balances	98,732,000	89,400,000	91,108,000	84,396,000	85,817,000
Net Revenues & Debt Service Coverage					
Annual Revenues Excluding Non DSC Revs	680,270,000	746,297,000	820,019,000	901,627,000	965,548,000
Plus Fund Balances Budgeted as Revenues	0	0	0	0	0
Less O&M Expenses Excluding Non DSC Exps	(246,160,000)	(253,723,000)	(261,538,000)	(269,616,000)	(277,686,000)
Other Adjustments	0	0	0	0	0
Net Revenues Current Basis	434,110,000	492,574,000	558,481,000	632,011,000	687,862,000
Plus Ending Fund Balances	98,732,000	89,400,000	91,108,000	84,396,000	85,817,000
Net Revenues Indenture Basis	532,842,000	581,974,000	649,589,000	716,407,000	773,679,000
Debt Service Less BABs Credits	388,011,000	420,891,000	459,249,000	532,867,000	552,068,000
Debt Service Coverage, Current Basis	1.12	1.17	1.22	1.19	1.25
Debt Service Coverage, Indenture Basis	1.37	1.38	1.41	1.34	1.40

Table 2
SFPUC Wastewater Financial Projections
Cash Flow Assumptions

SFPUC Model Basis	Financial projections are based on SFPUC's <i>FY25 New Wastewater Financial Model</i> provided 03/05/05.
Rate Adjustments	Based on SFPUC projections.
Change in Sales Volume %	Based on SFPUC projections.
Beginning Fund Balances	Based on SFPUC estimates for 06/30/23 adjusted by the annual change in projected revenues less expenses.
Revenues	Based on SFPUC projections.
Operation & Maintenance Expenses	Based on SFPUC projections.
Debt Service	Debt service on outstanding bonds and SRF Loans is based on SFPUC debt service schedules. Projected debt service is based on SFPUC projections of annual debt financing requirements and BWA projections of debt service as shown on Tables 4 and 5 with a schedule of projected debt service by fiscal year shown on Table 6. Debt service payments in the cash flow projections reflect the amounts due and payable each fiscal year net of capitalized interest.
Non-Operating/Capital Expenses	Based on SFPUC projections.
Net Revenues Current Basis	Pursuant to the Indenture, Net Revenues are defined as Annual Revenues (excluding interest earnings on any bond funds including the reserve fund, capitalized interest fund, and improvement fund; but including fund reserves available to pay debt service assuming the Commission determined such reserves should be "Revenues" under the Indenture) less Operation and Maintenance Expenses. Certain revenues and expenses are excluded from the definitions of Annual Revenues and Operation Expenses.
Net Revenues Indenture Basis	Based on Net Revenues Current Basis plus ending Fund Balances.
Debt Service Coverage, Current Basis	Based on annual Net Revenues Current Basis divided by annual Debt Service reduced to account for BABs Subsidies.
Debt Service Coverage, Indenture Basis	Based on annual Net Revenues Indenture Basis divided by annual Debt Service reduced to account for BABs Subsidies.

SFPUC Wastewater Projected Revenues & Expenses (\$ Millions)



Excludes capital improvement projects financed by debt but includes projected new debt service.

Table 3
SFPUC Wastewater Enterprise
10-Year Capital Improvement Program & Funding Sources
Includes Construction Cost Inflation

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
CAPITAL IMPROVEMENTS										
19142 Sewer System Improvement Program (SSIP)										
15733-WW Ssip Program-wide Management	10,000,000	3,996,970	0	0	0	0	0	0	0	0
15728-WW SSIP Biosolids-Digester Project	378,512,525	188,532,739	155,827,420	27,833,324	2,772,584	0	0	0	0	0
15735-WW Treatment Plant Improvement	28,726,638	11,629,311	7,372,645	926,669	0	0	0	0	0	0
15736-WW Treatment Plant Improvement	11,485,262	0	0	0	0	0	0	0	0	0
15729-WW Stormwater Management	1,000,000	3,040,903	1,115,460	1,068,020	1,024,390	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<u>Rolling CIP</u>										
15733-WW Ssip Program-wide Management	6,000,000	9,000,000	13,750,000	13,750,000	13,500,000	13,500,000	12,750,000	12,750,000	12,750,000	12,500,000
15735-WW Treatment Plant Improvement	55,133,510	101,951,776	131,180,258	63,154,491	42,441,381	51,407,226	148,583,961	262,865,992	325,446,134	330,081,138
15736-WW Treatment Plant Improvement	43,006,176	57,913,311	91,722,355	96,543,585	42,060,623	19,441,982	31,897,262	18,643,422	95,463,673	37,047,623
15726-WW Collection System Improvement	15,587,483	44,773,049	11,393,117	25,431,314	28,824,224	53,927,821	3,319,138	7,419,538	6,926,009	8,375,679
15729-WW Stormwater Management	6,677,412	14,910,417	11,775,783	27,913,740	23,215,032	16,634,066	12,423,089	18,570,846	18,150,371	18,124,777
15730-WW Flood Resilience-hydraulic	82,267,176	158,669,505	265,691,271	94,125,383	2,910,008	2,327,554	2,374,738	3,781,401	5,070,036	4,583,486
Subtotal SSIP	638,396,182	594,417,981	689,828,309	350,746,526	156,748,242	158,238,649	212,348,188	325,031,199	464,806,223	411,712,703
Non-SSIP Improvements										
19141-WW Wwe Repair And Replacement	152,538,826	167,124,003	170,726,818	174,026,182	162,986,105	165,236,532	171,518,657	183,709,551	191,050,290	198,750,024
19134-WW Treasure Island Capital Imp	36,624,859	4,272,611	0	0	0	0	0	0	0	0
19139-WW Facilities & Infrastructure	64,961,166	57,097,413	48,295,250	7,505,965	5,376,227	15,855,406	15,111,954	15,769,100	14,461,954	14,461,954
19139-WW Facilities & Infrastructure										
Subtotal Non-SSIP	254,124,851	228,494,027	219,022,068	181,532,147	168,362,332	181,091,938	186,630,611	199,478,651	205,512,244	213,211,978
Total	892,521,033	822,912,008	908,850,377	532,278,673	325,110,574	339,330,587	398,978,799	524,509,850	670,318,467	624,924,681
FUNDING SOURCES										
New Debt Funding	774,782,476	683,537,947	806,528,325	447,425,977	253,145,072	254,295,822	297,263,970	414,285,711	531,394,142	477,414,690
Annual Revenues	112,415,407	133,891,216	96,674,722	79,035,946	65,974,250	78,863,775	95,358,709	103,677,336	132,181,118	140,564,487
Capacity Fees	5,323,150	5,482,845	5,647,330	5,816,750	5,991,252	6,170,990	6,356,120	6,546,803	6,743,207	6,945,504
Total	892,521,033	822,912,008	908,850,377	532,278,673	325,110,574	339,330,587	398,978,799	524,509,850	670,318,467	624,924,681
Difference	-	-	-	-	-	-	-	-	-	-

Amounts shown reflect capital improvements projected to be budgeted, but not necessarily funded or financed, each year.
SFPUC plans to fund capital projects on an interim basis using Commercial Paper and subsequently take out Commercial Paper with long-term bonds.

Table 4
 SFPUC Wastewater Enterprise
 Estimated Debt Service
 Per \$100 Million of Project Funding

		Bonds 30 Years 5.00%
		All Years
		Per each \$100,000,000
Funding Target		
Total Debt Issue		\$111,750,000
Project Funding		\$100,004,000
Issuance Costs & Reserve Requirement		
Underwriter Discount	0.30%	\$335,000
Issuance Costs	Est.	200,000
Reserve Requirement		0
Capitalized Interest (Years)	2.0	11,176,000
Rounding/Contingency		<u>35,000</u>
Total		11,746,000
Financing Terms		
Term (Years)		30.0
Interest Only (Years)		2.0
Principal Amortization (Years)		28.0
Est. Average Interest Rate		5.00%
Debt Service		
Interest Only Period (Annual Amount)		5,588,000
Principal Amortization Period		7,501,000
<hr/>		
<i>Financing costs and interest rates estimated for financial planning purposes.</i>		

Table 5
 SFPUC Wastewater Enterprise
 Projected Bond Issues

Debt Issuance by FY	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Projected Bond Issues										
Projected Par Amounts*	0	1,107,935,000	774,365,000	698,600,000	0	1,372,845,000	0	990,310,000	0	1,274,165,000
Issuance Date		Oct-1	Oct-1	Oct-1		Oct-1		Oct-1		Oct-1
Issuance Year		2024	2025	2026		2028		2030		2032
Interest Payments		Apr-1 & Oct-1	Apr-1 & Oct-1	Apr-1 & Oct-1		Apr-1 & Oct-1		Apr-1 & Oct-1		Apr-1 & Oct-1
Principal Payments (Year 3+)		Oct-1	Oct-1	Oct-1		Oct-1		Oct-1		Oct-1
Average Interest Rate		5.00%	5.00%	5.00%		5.00%		5.00%		5.00%
Repayment Term (Years)		30	30	30		30		30		30
Capitalized Interest (Years)		2.0	2.0	2.0		2.0		2.0		2.0
Debt Service per \$100M										
Interest Only Period (Annual)		5,588,000	5,588,000	5,588,000		5,588,000		5,588,000		5,588,000
Principal Amort Period		7,501,000	7,501,000	7,501,000		7,501,000		7,501,000		7,501,000
Annual Debt Service										
Interest Only Period		61,911,000	43,272,000	39,038,000		76,715,000		55,339,000		71,200,000
Principal Amort Period		83,106,000	58,085,000	52,402,000		102,977,000		74,283,000		95,575,000
Cumulative MADS		83,106,000	141,191,000	193,593,000		296,570,000		370,853,000		466,428,000

* Based on SFPUC Wastewater Financial Model projections.

From: [Fuchs, Daniel](#)
To: [Board of Supervisors \(BOS\)](#)
Cc: [Spitz, Jeremy \(PUC\)](#); [Capital Finance](#); [Kwong, Edward \(PUC\)](#); [Kwak, Eric \(PUC\)](#); [Sklaroff, Nikolai \(PUC\)](#); [de Araujo, Gisele \(PUC\)](#)
Subject: Wastewater Certificate for Board Files
Date: Tuesday, September 24, 2024 4:23:51 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[SFPUC Wastewater FY25 and FY26 Financing Authorization Prop E Certificates.pdf](#)

Hello,

As required under 2002 Proposition E, please kindly include the attached certificate to the respective files as listed below.

- Wastewater Enterprise: File No. 240453, Board of Supervisors Ordinance No. 125-24

Thank you,

Daniel Fuchs

Finance Analyst

Office: (415) 487-5223

dfuchs@sfgwater.org

Pronouns: he, him

sfpu.org

