

1 [Amending Ordinance No. 173-20 - San Francisco Public Utilities Commission Wastewater  
2 Revenue Bond Issuance - Not to Exceed \$563,430,430]

3 **Ordinance amending Ordinance No. 173-20 to authorize the issuance and sale of tax-**  
4 **exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as**  
5 **described below) by the San Francisco Public Utilities Commission (Commission) in an**  
6 **aggregate principal amount not to exceed \$563,430,430 to finance the costs of various**  
7 **capital wastewater projects benefitting the Wastewater Enterprise pursuant to**  
8 **amendments to the Charter of the City and County of San Francisco enacted by the**  
9 **voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater**  
10 **Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise**  
11 **Commercial Paper; declaring the Official Intent of the Commission to reimburse itself**  
12 **with one or more issues of tax-exempt bonds or other forms of indebtedness; and**  
13 **ratifying previous actions taken in 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 Board of Supervisors ( "Board") of the City hereby finds  
23 and declares as follows:  
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1           A.     On November 5, 2002, the voters of the City and County of San Francisco  
2 (“City”) approved Proposition E (“Proposition E”), which among other things, authorized the  
3 San Francisco Public Utilities Commission (“Commission”) to issue revenue bonds, including  
4 notes, commercial paper or other forms of indebtedness (which forms of indebtedness may  
5 include without limitation for purposes of Proposition E, loans and other forms of indebtedness  
6 provided by governmental agencies and/or commercial or investment banks), when  
7 authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the  
8 purpose of reconstructing, replacing, expanding, repairing or improving water facilities or  
9 clean water facilities or combinations of water and clean water facilities under the jurisdiction  
10 of the Commission; and

11           B.     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 U.  
13 S. Bank National Association and in connection therewith, has from time to time issued  
14 revenue bonds to finance projects benefitting the Wastewater Enterprise; and

15           C.     By Resolution 20-0031 adopted by the Commission on February 11, 2020  
16 (“Commission Resolution”) the Commission has determined to issue Wastewater Revenue  
17 Bonds (“Wastewater Revenue Bonds”) and other forms of indebtedness (including without  
18 limitation SRF Loans or WIFIA Loans , as described below), as well as interim funding  
19 vehicles such as commercial paper, revolving credit notes, bond anticipation notes or other  
20 forms of notes, which interim funding vehicles will be issued in advance of being paid off by  
21 either Wastewater Revenue Bonds or other forms of indebtedness (including, without  
22 limitation and for illustrative purposes only, SRF Loans or WIFIA Loans), to finance the costs  
23 of various capital wastewater projects benefitting the Wastewater Enterprise ("Capital  
24 Improvement Projects", such projects being more fully described in the Commission  
25 Resolution), pursuant to Proposition E, and has formally requested this Board to authorize the

1 issuance and sale of Wastewater Revenue Bonds for such purposes, such Commission  
2 Resolution being on file with the Clerk of the Board in File No. 210650; and

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4 D. Pursuant to Section 43.5 of the San Francisco Administrative Code (“Article V”),  
5 enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the  
6 Mayor of the City on June 19, 1998, as amended by Ordinance No. 270-06, adopted on  
7 October 24, 2006 by the Board and signed by the Mayor on October 31, 2006, the Board  
8 established a procedure pursuant to which the Commission may issue short-term  
9 indebtedness, including the issuance of commercial paper in anticipation of the issuance of  
10 revenue bonds; and

11 E. The Commission has authorized pursuant to Resolution No. 17-0086, approved  
12 by the Commission on April 25, 2017, and the Board has approved pursuant to Resolution No.  
13 193-17, adopted by the Board on May 23, 2017, and signed by the Mayor on May 26, 2017, a  
14 resolution to increase the Wastewater CP Program to an aggregate principal amount not to  
15 exceed \$750 million of commercial paper notes outstanding at any one time, and the  
16 Commission has caused from time to time wastewater commercial paper to be issued; and

17 F. In order to finance the costs of the Capital Improvement Projects, the Board now  
18 desires to authorize pursuant to Proposition E the issuance and sale of Wastewater Revenue  
19 Bonds and other forms of indebtedness for such purposes, including without limitation State  
20 Revolving Fund Loans and/or grants from the State Water Resources Control Board (“SRF  
21 Loans”) or U.S. Environmental Protection Agency Water Infrastructure Finance and Innovation  
22 Act loans (“WIFIA Loans”) and such other indebtedness as may be advantageous to the  
23 Commission; and

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

1 (“Expenditures”) in connection with the acquisition, construction and/or equipping of the  
2 Capital Improvement Projects; and  
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4 H. This Board is concurrently considering with this Ordinance, a Capital  
5 Improvement Program related supplemental appropriation ordinance totaling \$792,696,320 for  
6 fiscal years ending 2021 and 2022, including the proceeds of such Wastewater Revenue  
7 Bonds and other forms of indebtedness (including, without limitation and for illustrative  
8 purposes only) SRF Loans, WIFIA Loans, commercial paper, revolving credit notes and bond  
9 anticipation notes); and

10 J. In order to finance and refinance the costs of any Wastewater Enterprise  
11 facilities or improvements financed with bonds issued pursuant Proposition E, the Board now  
12 desires to authorize the issuance and sale of Wastewater Revenue Refunding Bonds.

13 Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of  
14 indebtedness. The Board hereby authorizes the issuance and sale of Wastewater Revenue  
15 Bonds in one or more series from time to time by the Commission pursuant to Proposition E  
16 and in accordance with the Commission Resolution and the execution and delivery of SRF  
17 Loan or WIFIA Loan agreements or the issuance of commercial paper, revolving credit notes,  
18 or bond anticipation notes, in an aggregate principal amount not to exceed \$[563,430,430]  
19 (inclusive of financing costs), but exclusive of refunding indebtedness), bearing a maximum  
20 rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion  
21 of the costs of the design, acquisition and construction of the Capital Improvement Projects.  
22 Without limiting the foregoing, the Commission shall be authorized to incur SRF Loans from  
23 the State Water Resources Control Board or WIFIA Loans from the U.S. Environmental  
24 Protection Agency at such time, in such amounts, and upon such other terms and conditions  
25 as the Commission may deem advantageous. The Commission is hereby further authorized

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

17 Section 3. General Authority. The Controller, Treasurer, the City Attorney and other  
18 officers of the City, including the Director of the Office of Public Finance, and their duly  
19 authorized deputies and agents are hereby authorized and directed, jointly and severally, to  
20 take such actions and to execute and deliver such certificates, agreements, requests or other  
21 documents, as they may deem necessary or desirable to facilitate the issuance, sale and  
22 delivery of the Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation  
23 notes, commercial paper or Refunding Bonds, to obtain bond insurance or other credit or  
24 liquidity enhancements with respect to any such obligations, and otherwise to carry out the  
25 provisions of this Ordinance. The Commission is hereby directed to provide the final form to

1 the Clerk of the Board of any disclosure document (if any) prepared in connection with the  
2 execution of any Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation  
3 notes, commercial paper or Refunding Bonds, and the final executed Installment Sale  
4 Agreement or other document reflecting the incurrence of an SRF Loan or a WIFIA Loan,  
5 within 30 days of the closing of such transactions; provided however that failure to provide  
6 such document shall not affect the validity of the obligations authorized hereunder. The  
7 Commission is further directed as a part of the two-year budget review to provide to this Board  
8 of Supervisors a written report about Wastewater Revenue Bonds authorized hereunder,  
9 detailing the total amount authorized, the total amount sold, the remaining authorized but  
10 unissued amount, and the bond authorization no longer necessary due to changes in projects  
11 and project financing. Finally, the Commission is further directed that upon the closing of any  
12 refunding bond transaction authorized by this Ordinance, the Commission shall as soon as  
13 practicable provide to the Clerk of the Board of Supervisors a copy of the final Official  
14 Statement, together with a copy of the refunding savings report.

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

20 Section 5. File Documents. All documents referred to as on file with the Clerk of the  
21 Board are in File Nos. 210650.

22 Section 6. Effective Date. Pursuant to Charter Section 8B.124, the remainder of this  
23 Ordinance shall take effect thirty (30) days after its adoption.

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

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4 By: /s/ Mark D. Blake  
5 Mark D. Blake  
6 Deputy City Attorney  
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