File No. 106169	Committee Item No. 9	
•	Board Item No	

# **COMMITTEE/BOARD OF SUPERVISORS**

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Completed by: Gail Johnson Completed by:	Date3 Date	3/1210

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



 [Wastewater Revenue Bonds Issuance.]

Resolution approving the issuance of not to exceed \$285,600,000 in aggregate principal amount of wastewater revenue bonds to be issued by the Public Utilities Commission of the City and County of San Francisco; affirming covenants contained in the indenture pursuant to which the wastewater revenue bonds are issued; and authorizing the taking of appropriate actions in connection therewith; and related matters.

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

WHEREAS, The Commission adopted the Indenture dated as of January 1, 2003 (the "Indenture"), between the Commission and U. S. Bank National Association, as trustee (the "Trustee") and in connection therewith, issued the first series of Bonds (as defined in the Indenture) under the Indenture designated the "Public Utilities Commission of the City and County of San Francisco Clean Water Revenue Bonds, 2003 Refunding Series A", in the original principal amount of \$396,270,000 to finance projects of the Wastewater Enterprise, previously referred to from time to time as the "Clean Water Enterprise;" and,

WHEREAS, By Resolution No. 10-0022 adopted on February 10, 2010 (the "Commission Resolution"), the Commission has determined to issue one or more additional series of revenue bonds pursuant to the Indenture to finance certain capital projects

SAN FRANCISCO PUBLIC UTILITIES COMMISSION BOARD OF SUPERVISORS

benefitting the Wastewater Enterprise, as well as for the payment of costs of issuance and other incidental costs relating thereto, to be designated the "Public Utilities Commission of the City and County of San Francisco Wastewater Revenue Bonds, 2010 Series \_\_\_\_" (the "Wastewater Revenue Bonds") with the exact year of issuance, designation and series to be determined by the General Manager of the Commission as provided therein, in a principal amount not to exceed \$285,600,000, has approved a form of a First Amendment to Indenture (the "First Amendment"), by and between the Commission and the Trustee, which will amend and modify the Indenture, has approved a form or forms of a Supplemental Indenture (whether one or more, the "Supplemental Indenture"), by and between the Commission and the Trustee, which will supplement the Indenture, and has approved the forms of other documents relating to the issuance of the Wastewater Revenue Bonds; and,

WHEREAS, In the Commission Resolution, the Commission has formally requested this Board to authorize the issuance and sale of the Wastewater Revenue Bonds for the purposes herein described pursuant to Section 8B.124 of the Charter of the City (the "Charter"), such Commission Resolution and all such documents relating to the issuance of the Wastewater Revenue Bonds referenced therein being on file with the Clerk of the Board in File No. 100169, which is hereby declared to be a part of this resolution as if set forth fully herein; and,

WHEREAS, The Board has, concurrently with the adoption of this resolution, adopted an ordinance making certain findings relating to the issuance and sale of the Wastewater Revenue Bonds by the Commission pursuant to said Section 8B.124;

WHEREAS, The Board now desires, by this resolution, to authorize the issuance and sale of the Wastewater Revenue Bonds by the Commission pursuant to Section 8B.124 of the Charter and determines that this resolution shall take effect upon the effective date of said ordinance; now, therefore, be it

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

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

Section 2. Approval and Authorization of Water Revenue Bonds. The Board hereby authorizes and approves the issuance by the Commission of the Wastewater Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$285,600,000 at a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion of the design, acquisition and construction of various capital projects benefitting the Wastewater Enterprise (the "Capital Projects"), as well as for the payment of costs of issuance and other incidental costs relating thereto, all as provided in the Commission Resolution and the documents therein approved. The forms of the Wastewater Revenue Bonds, in substantially the form presented to the Board, as set forth in one or more Exhibits to the Supplemental Indenture, are hereby approved. The Controller of the City or any deputy thereof is hereby authorized and directed to approve and to execute the Wastewater Revenue Bonds by manual or facsimile signature; with such changes, additions, amendments or modifications therein which he or she may deem necessary or desirable and as the City Attorney may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Wastewater Revenue Bonds.

Section 3. Affirmation of Existing Bond Covenants. The Board hereby confirms

Section 5.01(c) of the Indenture, as amended by the First Amendment and as supplemented
by the Supplemental Indenture (the term "Indenture" as used in this section refers to the
Indenture as so amended and supplemented), which set forth the disposition of Revenues (as
defined in the Indenture) applicable to the Bonds (as defined in the Indenture) and covenants
with the holders of the Bonds that the Revenues shall be appropriated and expended as set

forth in Section 5.01(c) of the Indenture. The Board also hereby declares that the City will comply with all of the terms, provisions and covenants contained in the Indenture, including the covenants to establish, fix, prescribe and collect rates, fees and charges sufficient to enable the Commission to comply with the terms, conditions and covenants of the Indenture.

Section 4. <u>Proposition P.</u> Pursuant to Proposition P approved by the voters of the City in November 2002, this resolution and the Wastewater Revenue Bonds are subject to, and incorporate by reference, the provisions of Section 5A.30 <u>et</u>. <u>seq</u>. ("Public Utilities Revenue Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code. In accordance with the requirements of Proposition P, to the extent permitted by law, one-twentieth of one percent of the gross proceeds of the Wastewater Revenue Bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the Public Utilities Revenue Bond Oversight Committee (RBOC) established by Proposition P to cover the costs of said committee; provided that any amounts so paid from the proceeds of Bonds that have not been spent by RBOC in connection with such Bonds (as contemplated by Article 5A.31(c) of the Administrative Code) within 36 months of the date of issuance of such Bonds shall be returned to the Commission for deposit into the Capital Projects.

Section 5. General Authority. The Controller of the City, the Treasurer of the City, the City Attorney, and all other appropriate officers, employees, representatives and agents of the City are hereby authorized and directed to do everything necessary or desirable to provide for the issuance and security of the Wastewater Revenue Bonds, including, but not limited to, executing and delivering such certificates as they may deem necessary or advisable.

Section 6. <u>Effective Date</u>. This resolution shall take effect at such time as the ordinance of the Board which is referred to in the recitals of this resolution shall take effect.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

MARK BLAKE
Deputy City Attorney

SAN FRANCISCO PUBLIC UTILITIES COMMISSION BOARD OF SUPERVISORS

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and 10-0169

Department:

**Public Utilities Commission (PUC)** 

### **EXECUTIVE SUMMARY**

## Legislative Objective

• The proposed ordinance (File 10-0168) and resolution (File 10-0169) would approve the issuance and sale of not-to-exceed \$285,600,000 in aggregate principal wastewater revenue bonds by the Public Utilities Commission (PUC) to finance various projects benefitting the PUC's Wastewater Enterprise.

#### **Legal Mandates**

• Proposition E, approved by San Francisco voters in 2002, authorized the PUC to issue revenue bonds for reconstructing, replacing, expanding, repairing or improving water facilities or wastewater facilities under the jurisdiction of the PUC. Proposition E provides for unlimited PUC bonding authority. However, all bond issuances, such as the subject legislation, must be authorized by an ordinance approved by a two-thirds vote of the Board of Supervisors.

## Fiscal Impact

- Assuming a 6 percent fixed interest rate, a bond sale date of May 12, 2010 and a 30-year term, the estimated total debt service on the proposed \$285,600,000 wastewater revenue bonds would be approximately \$633,192,832, or approximately \$21,016,600 per year from 2012 through 2040. The PUC would capitalize the interest for the first two years, resulting in no net debt service for 2010 and 2011.
- \$137,500,000, or 48.1 percent, of the proposed bond issuance of \$285,600,000 would be used to refund outstanding commercial paper, and \$85,500,000, or 29.9 percent, would be used for project construction costs for the wastewater system. The total estimated bond issuance costs are \$700,000, or 0.2 percent, \$32,314,000, or 11.3 percent, would fund two years of interest-only debt service on the bonds. The remaining \$29,586,000, or 10.5 percent, includes funds for the original issue discount and underwriter's discount (\$8,568,000) and the funding of a Debt Service Reserve Fund (\$21,017,000).

# **Policy Considerations**

 An increase in customer wastewater rates is projected to be the major source of revenues to pay for the debt service costs. From the present through FY 2014-2015, the projected annual wastewater rate increase would range between five percent and nine percent annually, and from FY 2014-2015 to FY 2019-2020 the projected annual wastewater rate increases would be approximately 11.5%.

#### Recommendations

- Because the PUC's estimated project construction costs are \$3,200,000 less than the amount budgeted in the proposed bond issuance, amend both the proposed resolution (File 10-0169) and the proposed ordinance (File 10-0168) to reduce the not-to-exceed amount of aggregate principal wastewater revenue bonds by \$3,200,000, or from the requested \$285,600,000 to the needed \$282,400,000.
- Approve the proposed ordinance (File 10-0168) and proposed resolution (File 10-0169), as amended.

#### BACKGROUND/MANDATE STATEMENT

On November 5, 2002, the voters of San Francisco approved Proposition E, codified as Article VIIIB of the City's Charter, which among other things, authorized the San Francisco Public Utilities Commission to issue revenue bonds for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or wastewater facilities, under the jurisdiction of the PUC. Proposition E provides the PUC with unlimited bonding authority. However, all bond issuances must be authorized by ordinance and approved by a two-thirds vote of the Board of Supervisors.

The PUC's Wastewater Enterprise is responsible for collecting, treating, and disposing of sanitary waste and storing water runoff and charges monthly rates to 171,902 customers in the Bay Area for providing these services. The Wastewater Enterprise operates, cleans and maintains 900 miles of City sewers, 17 pump stations and three wastewater treatment plants.

There are numerous existing wastewater and stormwater challenges and issues that need to be addressed by the Wastewater Enterprise. These issues include: (a) aging infrastructure, (b) system reliability and redundancy, (c) odor control, (d) stormwater control, (e) biosolids handling, and (f) regulatory compliance. In response, the Wastewater Enterprise of the PUC is implementing projects under (a) the PUC's Capital Improvement Program (CIP), which commenced in 2005, and (b) the longer-term PUC Sewer System Improvement Plan (SSIP), which is estimated to be implemented over approximately 20 years.

Mr. Carlos Jacobo, Budget Manager for the PUC, states that the PUC is currently in the process of defining the SSIP for purposes of further environmental review and planning and feasibility studies, and the process should be completed by June of 2010. The PUC developed its CIP in 2005 to address the short-term capital improvement needs of the PUC's wastewater system prior to implementation of the SSIP. According to Ms. Noreen Ambrose of the City Attorney Office, both the PUC and Board of Supervisors will approve the CIP and SSIP through their respective actions on related appropriations and bond issuances, such as the subject resolution and ordinance.

### **DETAILS OF PROPOSED LEGISLATION**

On February 10, 2010 the PUC adopted Resolution 10-0022, which authorized the issuance of up to \$285,600,000 in Wastewater Revenue Bonds under Proposition E to fund the Wastewater Enterprise CIP and a portion of the planning and design costs of the SSIP. <sup>1</sup>

<sup>&</sup>lt;sup>1</sup> The PUC states that it is moving forward with the planning and design for two projects in the SSIP (the Biosolid Digester and Channel Tunnel Projects) because these two projects will provide much needed improvements to vital portions of the wastewater system. The existing biosolids facility is aging, has undergone major repairs and failure and now requires complete replacement. The Channel Tunnel Project will provide full redundancy to the existing 66-inch diameter Channel Force Main, which is a key artery in the City's sewer system. The Channel Force Main was taken out of service for emergency repair several times in the past, including during the Loma Prieta

The proposed ordinance (File 10-0168) would approve the issuance and sale of the not-to-exceed \$285,600,000 wastewater revenue bonds by the PUC to finance projects benefitting the Wastewater Enterprise, pursuant to Proposition E, approved by San Francisco voters on November 5, 2002. The proposed resolution (File 10-0169) would approve the issuance and sale of the not-to-exceed \$285,600,000 in aggregate principal wastewater revenue bonds by the PUC and affirm specific covenants contained in the indenture pursuant to which the wastewater bonds are issued.<sup>2</sup>

In accordance with Section 8B.124 of the City's Charter, issuance of revenue bonds or other forms of indebtedness by ordinance must be approved by at least two-thirds of the Board of Supervisors, such that approval of the proposed ordinance (File 10-0168) will require a minimum two-thirds approval vote by the Board of Supervisors.

### FISCAL ANALYSIS

Attachment I, provided by Mr. Jacobo, shows the sources and uses of funds of the proposed \$285,600,000 in aggregate principal wastewater revenue bonds. Attachment II, provided by the PUC, is the estimated debt service schedule based on a 6 percent average coupon rate. As shown in Attachment II, assuming a 6 percent interest rate and bond sale date of May 12, 2010 and a 30-year term, the total estimated debt service on the requested wastewater bond issuance of \$285,600,000 would be approximately \$633,173,900, including interest of \$347,573,900, or approximately \$21,016,600 per year from 2012 through 2040.

Mr. Hughes states that debt service for 2010 and 2011 is less, at \$6,616,400 and \$17,136,600, respectively, representing a partial year's debt service in 2010 and a full year in 2011, both with no principal amortization. The PUC intends to capitalize the interest for the first two years, resulting in no net debt service on the proposed bonds in these two years.

Table 1 below, based on information provided by the PUC, summarizes the PUC's proposed use of the \$285,600,000 aggregate principal wastewater revenue bond proceeds.

BUDGET AND LEGISLATIVE ANALYST

earthquake. PUC is proposing that the planning and conceptual design for these two projects be expedited concurrent with their respective environmental reviews.

<sup>&</sup>lt;sup>2</sup> According to Deputy City Attorney Mark Blake, a continuance of the proposed resolution will be requested at the March 17, 2010 Budget and Finance Committee in order to amend the resolution to provide for the approval of the preliminary official statement and other financing agreements.

Table 1: Estimated Use of Proceeds from Wastewater Revenue Bonds, 2010 Series

Use	Explanation	Amount	Percent
Commercial Paper Refunding	Refunds existing outstanding commercial paper used to fund Wastewater capital projects	\$137,500,000	48.1%
Project Construction Fund	Estimate of remaining CIP & SSIP project costs and contract encumbrances	85,500,000*	29.9%
Capitalized Interest Fund	Equal to two years of interest-only debt service on the bonds	32,314,000	11.3%
Debt Service Reserve Fund	Equal to maximum annual debt service (MADS), as required by current indenture	21,017,700**	7.4%
Underwriter's Discount	Differential between issue and offering price	2,856,100**	1.0%
Original Issue Discount	Cost to account for possibility bonds will be sold at a discount	5,712,200**	2.0%
Costs of Issuance	Costs of underwriting, legal and financial advice, trustee, RBOC <sup>3</sup> , printing, etc.	700,000	0.2%
Total Uses of Funds		\$285,600,000	100%

<sup>\*</sup>As seen in Attachment V, this amount is actually \$82,300,000, and therefore the Budget and Legislative Analyst is recommending reducing the not-to-exceed amount of aggregate principal wastewater revenue bonds by \$3,200,000.

As shown in Table 1 above, \$137,500,000, or 48.1 percent, of the proposed bond issuance of \$285,600,000 would be used to refund PUC's outstanding commercial paper. \$85,500,000, or 29.9 percent, would be used for project construction costs for the wastewater system.

Also as shown in Table 1 above, the PUC intends to use \$32,314,000, or 11.3 percent of the \$285,600,000 aggregate principal wastewater revenue bonds, to fund the first two years with interest-only debt service on the bonds. According to Mr. Marc Hughes, Debt Manager for the PUC, this approach is being taken "to help smooth rate increases and avoid rate spikes."

According to Mr. Hughes, and as shown in Table 1 above, the \$21,017,700 for Debt Service Reserve Fund is required per the terms of the Indenture, while the \$2,856,100 for Underwriter's Discount and \$5,712,200 for Original Issue Discount are conservative estimates of costs used for financial planning purposes. The total estimated bond issuance costs for the subject \$285,600,000, including fees for outside bond counsel, financial advisors, rating agency

<sup>\*\*</sup> Totals \$29,586,000 or 10.5%

<sup>&</sup>lt;sup>3</sup> Proposition P established the Revenue Bond Oversight Committee (RBOC) with responsibility for evaluating all revenue bond proceeds expenditures by the PUC and mandates that such revenue bonds include 1/20<sup>th</sup> of 1 percent to fund certain activities of the RBOC.

advisors, financial printing, consulting engineer, trustee/verification, and City Attorney's Office, are \$700,000, or 0.2 percent.

Mr. Hughes advises that the issuance of the proposed revenue bonds will increase the Wastewater Enterprise's current outstanding debt to approximately \$602,300,000 as of June 30, 2010, with additional debt issuances needed to fund the SSIP, all of which would be subject to future Board of Supervisors approval.

Attachment III, prepared by the PUC, shows the cash flow summary of the PUC spending plan for the CIP and SSIP from FY 2009-2010 through FY 2019-2020. Attachment IV, prepared by Carollo Engineers as part of the Engineering Certificate for the subject wastewater revenue bond issuance, is an independent ten-year (FY 2010-2011 through FY 2019-2020) financial projection for the Wastewater Enterprise. As shown in Attachments III and IV, an increase in wastewater rates is projected to be the major source of revenues to cover debt service.

# Prior CIP and SSIP Project Appropriations Approved by the Board of Supervisors

On August 18, 2009, the Board of Supervisors approved Ordinance 0201-09 (File 09-0546) which appropriated \$119,800,000 for the PUC's CIP (\$100,800,000) and two projects, the Bio-Solid Digester Project and the Channel Tunnel Project, included in the SSIP (\$19,000,000), as shown in Table 2 below.

Table 2: Sources and Uses of Funds, Ordinance 0201-09

SOURCES	
Wastewater Commercial Paper <sup>4</sup>	\$36,700,000
Wastewater Revenue Bonds	78,800,000
Interest Earnings on Commercial Paper	4,300,000
Total Sources	\$119,800,000
USES	
Interim Capital Improvement Program (Interim CIP)	
Odor Control	\$6,200,000
Treatment Facility Improvements	17,200,000
Pump Station Improvements	8,950,000
Sewer/Collection System Improvements	68,450,000
Subtotal	\$100,800,000
Final Sewer System Improvement Program (SSIP)	
Bio-solid Digester	9,000,000
Channel Tunnel	10,000,000
Subtotal	\$19,000,000
Total Uses	\$119,800,000

<sup>&</sup>lt;sup>4</sup> According to Mr. Jacobo, the Board of Supervisors previously authorized the PUC to issue up to \$150,000,000 of Wastewater Commercial Paper, of which the PUC had previously issued \$113,300,000 leaving \$36,700,000 in unused Commercial Paper issuance authority.

At the time the Board of Supervisors approved Ordinance 0201-09, as summarized in Table 2 above, the PUC anticipated using \$78,800,000 in proceeds from a future issuance of wastewater revenue bonds, \$36,700,000 from Commercial Paper and \$4,300,000 from interest earnings as a source of funds for the \$119,800,000 supplemental appropriation. Mr. Jacobo states that the actual proceeds from the Commercial Paper issuance, including interest earnings, was \$37,500,000, such that the balance of \$82,300,000 (\$119,800,000 less \$37,500,000) would be financed through the subject wastewater bond issuance.

As shown in Attachment V, the PUC proposes to use \$82,300,000 of the proposed bond issuance for project construction costs for nine projects, including funding for seven CIP projects and for two SSIP projects (Biosolid Digester and Channel Tunnel projects). Attachment V also lists the commencement and completion dates and the environmental review status of the nine projects.

However, as shown in Attachment V, the total required project funding for the CIP and SSIP projects in the Wastewater Enterprise Fund is \$82,300,000, or \$3,200,000 less than the current request of \$85,500,000 as shown in Table 1 above. Therefore, the Budget and Legislative Analyst recommends reducing the not-to-exceed \$285,600,000 in the subject ordinance by \$3,200,000, to \$282,400,000.

## **POLICY CONSIDERATIONS**

# Impact of Debt Service Costs on Customer Wastewater Rates

On June 5, 2009, the PUC approved wastewater rate increases through FY 2013-2014<sup>6</sup>, which as shown in Attachment IV range between five percent and nine percent annually. The forecasts in Attachment IV also show the projected annual wastewater rate increases for a ten-year period, or through FY 2019-2020, such that from FY 2014-2015 to FY 2019-2020, the projected wastewater rate increases for PUC customers would be approximately 11.5 percent annually.

As noted above, and as shown in Attachment III, an increase in wastewater rates is projected to be the major source<sup>7</sup> of revenues to cover the debt service costs. In response to a Budget and Legislative Analyst question regarding what the portion of the wastewater rate increases are for

<sup>&</sup>lt;sup>5</sup> Because at the time of the approval of Ordinance 0201-09, the PUC anticipated using \$78,800,000 in proceeds from a future issuance of Wastewater Revenue Bonds as a source of funds for the \$119,800,000 supplemental appropriation, \$78,800,00 was placed on Controller's reserve, pending the approval and sale of this subject wastewater revenue bond.

<sup>&</sup>lt;sup>6</sup> According to Ms. Ambrose, pursuant to Charter Section 8B.125, after the PUC approves new wastewater service rates, the Board of Supervisors may elect to hold a public hearing within 30 days and reject the rate package based on a majority vote of the Board of Supervisors. The Board of Supervisors did not hold a hearing following the PUC's approval of wastewater rate increases for FY 2009-2010 through FY 2013-2014, and therefore that these wastewater rates went into effect on July 1, 2009.

<sup>&</sup>lt;sup>7</sup> As shown in line 12 "Revenues from Rate Increase" of Attachment III, the annual revenues resulting from the rate increase will range from approximately \$14M in FY 2010-2011 to \$54M in FY 2019-2020. As previously stated, the total estimated debt service would be approximately \$21,016,600 per year from 2012 through 2040.

servicing the debt from the proposed bond issuance, Mr. Jacobo stated: "As noted previously with two years of capitalized interest on the proposed revenue bonds, the debt service costs related to these bonds will first impact rates in FY 2012-2013. Net debt service costs in that year are projected to reach approximately \$66,000,000, with \$21,016,600 related to the proposed revenue bonds. An estimated \$4.83 of the \$50.87 average monthly wastewater bill for retail customers in FY 2012-2013 is due to the proposed revenue bonds."

#### Future CIP and SSIP Appropriations and Bond Issuances

The Budget and Legislative Analyst notes that additional appropriation approvals and bond issuances will be requested from the Board of Supervisors incrementally as the PUC's CIP and SSIP projects progress. Mr. Jacobo states that the next supplemental appropriation request for the Wastewater Enterprise for the CIP and SSIP in the amount of \$348,064,054 will be introduced on Tuesday March 16, 2010. According to Mr. Jacobo, the next anticipated wastewater bond issuance will be in the summer of 2011.

In response to a Budget and Legislative Analyst question as to why the PUC has previously, and in the future plans to, appropriate funds for wastewater projects prior to issuing the bonds to cover these projects, Mr. Jacobo states that PUC does this because it has the authority to issue commercial paper, and it is preferable to use commercial paper as the need arises for projects and then refund the commercial paper with bond revenues, rather than issue the wastewater revenue bonds outright and begin accumulating debt service costs on the entire amount prior to the funds being needed for the projects.

#### RECOMMENDATIONS

- 1. Amend both the proposed resolution (File 10-0169) and the proposed ordinance (File 10-0168) to reduce the not-to-exceed amount of aggregate principal wastewater revenue bonds by \$3,200,000, or from the requested amount of \$285,600,000 to the needed amount of \$282,400,000.
- 2. Approve the proposed ordinance (File 10-0168) and resolution (File 10-0169), as amended.

Harvey M. Rose

ce: Supervisor Avalos
Supervisor Mirkarimi
Supervisor Elsbernd
President Chiu
Supervisor Alioto-Pier
Supervisor Campos
Supervisor Chu
Supervisor Daly
Supervisor Dufty
Supervisor Mar
Supervisor Maxwell
Clerk of the Board
Cheryl Adams

Controller Greg Wagner

# SAN FRANCISCO PUBLIC UTILITIES COMMISSION Wastewater Revenue Bonds, 2010 Series A Source and Uses of Funds

# Sources of Funds

Par Amount of Bonds +Premium /-Discount Bond Proceeds 285,600,000

285,600,000

### Use of Funds

Cost of Issuance		700,000
Underwriter Discount	(3.0000%)	8,568,300
Capitalized Interest		32,314,000
Debt Service Reserve	•	21,017,700
Net Construction Fund Amount		223,000,000
	•	285,600,000

# PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO Wastewater Revenue Bonds, 2010 Series A (base case: all tax-exempt)

TABLE 5 - Ne	t Debt Service Req	uirements				
<u>10/1 of</u>	<u>Principal</u>	Coupon	Interest	Total D/S	DSRF & Cap. Int.	Net D/S
2010			6,616,400.00	6,616,400.00	6,616,400.00	0.00
2011			17,136,000.00	17,136,000.00	17,136,000.00	0.00
2012	3,880,000	6.00%	17,136,000.00	21,016,000.00	8,568,000.00	12,448,000.00
2013	4,110,000	6.00%	16,903,200.00	21,013,200.00		21,013,200.00
2014	4,360,000	6.00%	16,656,600.00	21,016,600.00		21,016,600.00
2015	4,620,000	6.00%	16,395,000.00	21,015,000.00		21,015,000.00
2016	4,895,000	6.00%	16,117,800.00	21,012,800.00		21,012,800.00
2017	5,190,000	6.00%	15,824,100.00	21,014,100.00		21,014,100.00
2018	5,500,000	6.00%	15,512,700.00	21,012,700.00		21,012,700.00
2019	5,830,000	6.00%	15,182,700.00	21,012,700.00		21,012,700.00
2020	6,180,000	6.00%	14,832,900.00	21,012,900.00		21,012,900.00
2021	6,550,000	6.00%	14,462,100.00	21,012,100.00		21,012,100.00
2022	6,945,000	6.00%	14,069,100.00	21,014,100.00		21,014,100.00
2023	7,360,000	6.00%	13,652,400.00	21,012,400.00		21,012,400.00
2024	7,805,000	6.00%	13,210,800.00	21,015,800.00		21,015,800.00
2025	8,270,000	6.00%	12,742,500.00	21,012,500.00		21,012,500.00
2026	8,770,000	6.00%	12,246,300.00	21,016,300.00		21,016,300.00
2027	9,295,000	6.00%	11,720,100.00	21,015,100.00		21,015,100.00
2028	9,850,000	6.00%	11,162,400.00	21,012,400.00		21,012,400.00
2029	10,445,000	6.00%	10,571,400.00	21,016,400.00		21,016,400.00
2030	11,070,000	6.00%	9,944,700.00	21,014,700.00		21,014,700.00
2031	11,735,000	6.00%	9,280,500.00	21,015,500.00		21,015,500.00
2032	12,440,000	6.00%	8,576,400.00	21,016,400.00		21,016,400.00
2033	13,185,000	6.00%	7,830,000.00	21,015,000.00		21,015,000.00
2034	13,975,000	6.00%	7,038,900.00	21,013,900.00		21,013,900.00
2035	14,815,000	6.00%	6,200,400.00	21,015,400.00		21,015,400.00
2036	15,705,000	6.00%	5,311,500.00	21,016,500.00		21,016,500.00
2037	16,645,000	6.00%	4,369,200.00	21,014,200.00		21,014,200.00
2038	17,645,000	6.00%	3,370,500.00	21,015,500.00		21,015,500.00
2039	18,705,000	6.00%	2,311,800.00	21,016,800.00		21,016,800.00
2040	19,825,000	6.00%	<u>1,189,500.00</u>	<u>21,014,500.00</u>	<u>21,016,800.00</u>	(2,300.00)
	\$285,600,000		\$347,573,900.00	\$633,173,900.00	\$53,337,200.00	\$579,836,700.00

5/12/10 Dated and delivery date 6.00% Average coupon 20.28 Average life (years) 6.29% TIC (true interest cost)

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	SAN FRANCISCO WASTEWATER ENTERPRISE	JTERPRISE		-	-		_					-	
いのでの一つ	SEWER FINANCIAL ANALYSIS												
	CASH FLOW SUMMARY												
		(Actual)	(Requested)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)
		FY 2069	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2617	FY 2018	FY 2019	FY 2620
					-								
9 Beginning Fund Balance	36	\$ 35,100,000	\$ 31,545,212	\$ 18,577,686	\$ 26,610,271 \$	52,930,054	\$ 64,411,900	\$ 74,011,345	\$ 93,560,150	\$ 79,797,645	\$ 56,676,516 \$	5 43,344,542 \$	41,278,251
10 REVENUES			L										
	(ges	\$ 205,009,743 \$	209,968,314	\$ 211,018,156	\$ 226,918,374 \$	239,455,614	\$ 252,685,536	\$ 266,646,412	\$ 298,797,303	\$ 334,824,788	\$ 375,196,287 \$	\$ 420,435,579 4	471,129,599
12 Revenues from Rate Increase	e Increase		Ξ.	14,771,271 \$	13	-		\$ 30,664,337	\$ 34,361,690	\$ 38,504,851		\$ 48,350,092 5	54,179,904
13 Rent and Misc. Revenue	anua,	\$ 80,000	\$ 1,305,482	127,000				\$ 427,000.	\$427,000	\$ 427,000	\$ 427,000, \$	\$ 422,009	427,000
Interest Income		\$ 726,865		\$ 2,163,253   \$	~1	2,950,626   \$	3,207,973	\$ 3,760,837 \$		\$ 3,778,349		\$ 4,283,213 \$	. "
15 Wastewater Capacity Charges	ity Charges *	\$		-	\$	,		3		4			
16 TOTAL REVENUES		\$ 206,536,608	\$ 212,160,534	228,379,679	\$ 241,360,948   \$	354,806,020	268,954,786	\$ 301,498,587	\$ 337,411,562 \$	377,534,988	\$ 422,691,921 \$	\$ 473,493,885 \$	530,807,879
* Excluded from the fir	* Excluded from the financial analysis due to uncertainty of future revenues. Capacity Charges revenues would	venues. Capacity Charg	d bluow saunayar sa	e available to off set o	be available to off set debt service and meet coverage requirement	coverage requireme	nt.*					┿	
S													
20 O&M - Fixed (labor	O&M - Fixed (labor, ovhd, equip, services)	94,874,638	•	5 98,977,344	\$ 101,946,664 \$	\$ 105,005,064	\$ 108,155,216	\$ 111,399,873	\$ 114,741,869	\$ 118,184,125	\$ 121,729,649 \$		
O&M - Variable (ut	filities and supplies)	\$ 4,550,029	\$ 12,356,951	106'888'6					11,463,947	11,807,865		12,526,964	
22 Services of SFPUC		\$ 18,839,617 \$	5. 20,105,045	20,565,726. \$	\$ 21,182,698 \$	21,818,179	\$ 22,472,724	\$ 23,146,906	\$ 23,841,313	\$ 24,556,552	-	\$ 26,052,046	26,833,608
23 New O&M for Mas	New O&M for Master Plan (CIP) Projects				\$ 189,205   \$	244,306		\$ 364,961		\$ 500,703	2.036,193		
New Programs and	New Programs and Other Adjustments			5 2,199,630	-	KDL 625	543,534			593.934	S. 61[25]	630.104	649 007
EXPENSES		\$ 123,258,284	\$ 132,850,430	-	F	138	\$ 142,280,178	\$ 146,601,625		\$ 155,643,179	5 161	\$ 168 393 210	177.493,737
NET REVENUES			\$ 79,310,104	\$ 820'872'96	l	116,719,632	126,674,608		186,356,942	\$ 221,691,808	103	l	353,314,143
28 Total Debt Service		\$ 66,780,459		\$ 54,668,148	\$ 43,951,797 \$	66,827,078	\$ 75,947,961	\$ 91,895,168 \$	154,247,017	\$ 196,623,002	\$ 222,949,631	253,430,545	
30 NET REVENUES AFIER DEBT SERVICE	ER DEBT SERVICE	\$ 16,497,865	\$ 12,476,006	\$ 42,079,930 \$	\$ 61,975,425 \$	49,892,554	\$ 50,726,647	\$ 63,001,795	\$ 32,109,926 \$	\$ 25,268,806 \$	\$ 37,909,143 \$	\$ 51,670,129 \$	78,651,762
32 CAPITAL/OTHER EXPENSES	200000												
CHALLIAL CHALL	FENDES	200 000		)						-4			
Keyenge punded Kook	(AZIC	12, 160,0XV	256,644,62 6.	72,165,950	33,774,248	35,462,960	37,236,108	\$ 39,097,913	\$ 41,052,809	ф.	~	\$ 47,523,758 3	49,899,946
Additional Kerk Funding	guida					i i		<b>v</b> s			,		
Customer information Systems	tion Systems	2,193,500	,		· ·	•			:. ( )	•	ÇĘ		
Programmatic Projects	ects .	•		1,861,395	5 1,881,395 \$	1,881,395	5 1,881,395				5 1,881,395		1,881,395
525 Golden Gate Lease	6256				,	1,066,333	2,009,698	\$ 2,473,682	2936227	3,403,091	\$ 4,098,999 \$	5 4,331,268	4,331,884
Capacity Charges				•									
REVENUE FUNDEL	CAPITAL/OTHER	\$ 27,693,500	\$ 25,443,532	\$ 34,047,345	\$ 35,655,643	38,410,708	\$ 41,127,201	\$ 43,452,990	\$ 45,872,431	\$ 48,389,935	\$ 51,241,116 \$	\$ 53,736,421 \$	56,113,225
SOLAT TAR COMMON CONTROL	L. A. S. C. C.	200 100 00	20, 200	10000000	100000			1					-
THE CAIN SAIN SAIN	7144 E	0,749,000		20,010,271		\$ 64,411,950	_1	\$ 93,560,150	\$ 797,645	\$ 56,676,516 \$	43,344,542	\$ 41,278,251 \$	63,816,788
Oom Reserve Fercent	31	] 	a٠	14%	20%	38%	45%	20%		51%		26%	2
O&M Reserve		~.	7,490,381	\$ 2,621,942	\$ 5,228,436	\$ 20,288,680	\$ 29,160,020	\$ 37,364,383	5 57,949,248	\$ 40,911,938	\$ 19,849,032   \$	\$ 11,156,919	9,599,742
A SAME ELIMINATION OF BUILDING IN THE BUILDING	TT 41 BOOM CALL												
Court District	i AL FRUJECIS		350 000 000		** 033 2CV FF 4	100135700		910 100 100		000.000	. 760 051 1110		Carrie Con
Capitat Livgiani			לאומ'נאשל אנדל		14-10/03:00	7704-00777		\$ 777-187 KS	107/16/1/04		955'0CF'/T7	ı	747,746,767
. Total CIP		\$	\$ 250,000,000	\$ 79,007,231	\$ 144,076,559 4	297,664,072	\$ 1,204,684,963	\$ 230,402,038	\$ 437,790,251	\$ 284,987,379	\$ 217,458,936 \$	\$ 183,306,018	202,437,247
The state of the s	Whiteham		000 000 000			100 131 100	2000	900 000	***************************************	200 200 100	200 035 2250	0.00 000-	
Jotal C.P. (escalated)		<u>`</u>	250,000,000	\$ 79,007,231   \$	\$ 144,076,550   \$	297,664,072	\$ 1,204,684,963	\$ 230,402,038	\$ 437,790,251	\$ 284,987,379	\$ 217,458,936   \$	\$ 183,306,018   \$	202,437,247
50 Proceeds from DSRF Cash Out	Cash Out	i	1	-	1		,	3		3.	\$	3	
Bonds Proceeds for Capital	letiqe	\$	\$ 250,000,000	5 79,007,231	\$ 144,076,550 3	\$ 297,664,072	\$ 1,204,684,963	\$ 230,402,038	\$ 437,790,251	\$ 284,987,379	\$ 217,458,936 \$	\$ 183,306,018 \$	202,437,247
53 EXISTING DEBT SERVICE	VICE												
_	epayment Obligation		16,521,398	\$ 16,521,398	10,982,947	9,421,497	\$ 9,040,161	\$ 6,287,512	5,2,67,636	\$ 3,619,138	\$ 1,751,426	\$ 1,751,426	1,751,426
2003 Refunding Revenue Bonds	sone Bonds	50,275,259	4 50.313.7181	20 145 750	A STATE OF THE PARTY OF THE PAR		400000000000000000000000000000000000000						
		1000	or deared or	30,190,130		5 35,036,000	35, (49,1)25	5 33,757,163		5. 17,022,313	616,500,71	\$ 12,154,306 \$	

Spending Plan for CIP and SSIP

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57 TOTAL EXISTING DEBT SERVICE	\$ 66,780,459	*	66,834,098 \$	54,668,148 \$	43,951,797 \$	42,457,772 \$	42,189,486 \$	39.544.675 \$	38.665.530 \$	\$ 20,641,451 \$	İ	18 ONE 730	3 000 CC4
58						-						200000	*6,770,70±
59 FUTURE DEBT SERVICE O Memorifie A	2 @ Alternative 8	_					-						
70 Alternative B													
71 New Revenue Bond Par Amount		\$	250,000,000 \$	79,007,231, \$	144.076.550 \$	297.664.072 \$	1,204,684,963	3 850 000 050	447 990 351 1	324 007 350	4 734 650 045	400 100 000	
72 Variable Cost		\$	3.063.627 5	\$ 361.896	1 765 587 4		\$ 100 034 45	l	100,77	200,000,000		C 070'000'COT	104,937,497
73 Reserve Fund Deposit			71	6 856 213   €	12 502 800 €	ľ	* 176,623 PAT		AUTO 100 PC	3,494,380		2,246,325 \$	2,480,769
74 Capitalized Interest Fund Deposit	. •			0.000 621 6	20 043 640		6 020/28C/80Y			24,731,079		15,907,215 S	17,567,415
75 Surery Bond Oct	<u></u>	l	7	7,70,,031 3	10,613,01	- Automatical	\$ 867,272,238	29,126,658 \$	55,343,985 \$	36,027,155 \$	27,490,434 \$	23,172,936 \$	25,591,442
	*	1	-+	4	\$	\$	\$		,	*			•
77 Total porrowed runds All B	\$	3	306,362,683 \$	96,819,469 \$	176,558,714 \$	364,777,654 \$	1,476,282,071 \$	282,346,347 \$	536,490,384	\$ 349,237,993 \$	\$ 266,485,212 \$	224,632,494 \$	248,076,872
10 TAY 67 TE THE COLUMN CONTRACTOR			1										
75 TOTAL PUTUKE DEBI SEKVICE	\$	\$	\$	19,512,483 \$	27,030,383 \$	47,527,508 \$	\$ 691,816,001	152,960,866 \$	190,036,464 \$	\$ 228,299,820 \$	\$ 251,706,914 \$	272,216,282 \$	290,084,436
SO TOTAL NEW PRINCE CONTRACTOR	***************************************				***************************************								
or 10th rest Deat Schylle	•	*	\$	19,512,483 \$	27,030,383 \$	47,527,508 \$	100,318,169 \$	152,940,866 \$	190,036,464 \$	\$ 228,299,820 \$	\$ 251,706,914 \$	272,216,282 \$	290,084,436
<u>∽</u> 1.													
82 Capitalized Interest		49	s,	(18,758,793) \$	(25,986,306) \$	\$ (21,539,115)	\$ (62,985,009)	\$ (55,167,645) \$		\$ (45,064,924) \$	5 (39,695,053) \$	(29.262.423) \$	(25.483.452)
		u)	•	\$ [(069'852)	\$ (1,044,077)	(1,619,087) \$	(3,574,685) \$	(5,442,728)	(6.312.510) \$	L			18 931 1693
84 Total	\$			(19,512,483) \$	(27,030,383) \$	(23,158,203) \$	ľ	0		\$ (52 318 269) \$	1	ľ	(007/10/0)
85 TOTAL DEBT SERVICE	\$ 66,780,459 \$			54,668,148 5	43,951,797 \$		1			Į	222 050 021	152 430 EAE	000000000000000000000000000000000000000
86 Bond Coverage Requirement	\$ 83.475.574 \$		83.542.623   \$	3 / 581 345 89	3 292 050 72	ě	04 034 051 6	ľ	200 000	k	ı	ł	473,004,300
87					* ******			ı				316,788,181 5	343,327,975
88 OTHER PINDING SOURCES	***************************************		-										
84 Canada	٦,	_'	_'	1		·····		nagona.		••••			
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at Other	\$	\$ .	\$ ,	\$	\$ .	. 8	\$	,	·		÷s.	•	-
	\$	\$	\$	\$			\$ .	\$	*	•	5 .	\$	,
8		_					-						
		_	-							***************************************		1	
≃													
	2.03		1.87	2.59	3.69	2.79	2.72	2,60	1.84	1.54	1.43	. 38	7 44
3.	\$ 101,873,124 \$	1	94,333,918 \$	98,804,366 \$	321,554,546 \$	160,228,188 \$	182,046,046 \$		274,649,456 \$	298.070.315		346 693 290	400 840 957
98 Total Revenue Bond Debt Service	\$ 50,275,2		50,312,780 \$	38,146,750 \$	32,968,850 \$	57,405,581 \$			148 979 381	193.003.864	221 198 405	\$ 811.000 F2C	777 010 064
99 Bond Coverage Test												e controller	X05/016/2/2
-100 Revenues for Bond Coverage Test	\$ 241,636,608	5	243,705,746 \$	246,957,365 \$	267,971,219 \$	307.736.074 \$	333 366 686 \$	375 509 933 6	430 421 212	2 627 625 640	476 36g 437	\$ 445 072 497	500 000 500
ē	\$ 234,427,358	s		234,014,131 \$	226,029,115 \$		278.342.331 \$			İ	491 761 359	526 017 919	607 007 17
102 Band Coverage Surplus (Deficiency)	\$ 7,209,250 \$		1,869,162 \$	12,943,234 \$	41,942,304 \$		55,024,355 \$	ŀ	41 235 891	274 945 4	112 302 0151	* 130 000 000	WAG 070 F/
103 Cash Flow Test			ŧ				***************************************				(complete covera)	e fromzenia	(100'080'5)
104 Revenues for Cash Flow Test	\$ 205,809,743	s	211,474,796 \$	226,216,426 \$	238,691,292, \$		265,746,813 \$	297,737,750 \$	333.585.993	373.756.639 4	418 770 860 \$	469 212 671	525 226 502
105 Expenses for Cash Flow Test	\$ 123,258,284	44	123,258,284 \$	131,631,601 \$	135,433,726 \$	138,086,388 \$	142,280,178 \$				749 683 131	168 363 210	172 462 227
106 Operating Sumplus (Deficiency)	\$ 82,551,4	s,	88,216,512 \$	94,584,825 \$	103,257,566 \$		123,466,635 5				75K 037 013	100 819 461	348 343 767
107 Min of Rev. Surplus (Deficiency)	\$ 7,209,250	5	1,869,162 \$	12,943,234 \$	41.942.304 \$	47.705.130 \$	\$ 558 PGD 55				ı		(4 040 00m
108 User Rates	\$ 205,009,743	5	205,009,743 \$	211,018,156 \$	226,918,374 \$		252,685,536	ľ		1		\$ 1000/2 (n/44)	700,000
109 Calculated Rate Increase	00:0	ő	0.00%	0.00%	%00'0	2000	%000	ľ	0.00%	Γ		/036.3	1 0200
110									***************************************	1	270/2	2.62%	7703%
111 USER RATES		-											
112 Avg Monthly Sewer Bill	\$ 40.	40.05 \$	42.85 \$	45.85 \$	48.14 \$	50.55 \$	53.08 5	59.18	\$ 66.59	73.58	\$ 50.08	3 47 16	101 00
113 Projected Annual Increase	9.0	9.00%	7,00%	7.00%	100 to	200%	1 200	11 50%	365 1	als :	11 50%	202.1	11.7007
114 Cumulated Rate Increase	282	28.24%	37.22%	46 83%	764 75	61 88%	40.07%	90 6767	12.00 m	135.216	11.00%	11.50%	11.50%
	-	1	1	1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	W. 1742	N PATON IN	D. 7.7.0	02.24.10	117.07 101	lor ro-cer	10/3/7/01	192.92%	226.60%

ding Plan for CIP and

L	Table 4.1 Cash Flow Forecast Certification of CIP 2	Cash Flow Forecast Certification of CIP and SSIP in St	P in Support of	Cash Flow Forecast Certification of CIP and SSIP in Support of Series 2010 Wastewater Revenue Bonds	stewater Revei	nue Bonds	**************************************						
		2069	2040	2044									
		(Actual)	(Requested)	1107	7117	2013	2014	2015	2016	2017	2018	2019	2020
	BEGINNING FUND BALANCE (1)	\$35,100,000	\$23,904,365	\$10,936,839	\$20,850,819	\$49,051,997	\$63,481,591	\$76,972,129	\$100,876,011	\$91,933,128	\$74 N96 4R5	\$66 744 GOS	570 004 273
	REVENUES	-					•				Part Const.	500'11.	177160774
	Sewer Service Charges	\$205,009,743	\$209,968,314	\$225,789,426	\$238,264,292	\$251,428,394	\$265,319,813	\$297,310,750	\$333,158,993	\$373,329,639	\$418.343.860	\$468 785 671	\$424 300 Ena
	Rent and Misc, Revenue	800,000	1,506,482	427,000	427,000	427,000	427,000	427,000	427,000	427,000	427,000	427 000	427,000
	Interest Income	726,865	685,738	2,163,253	2,669,656	2,950,626	3,207,973	3,760,837	3,825,568	3,778,349	3.921.061	4 281 213	372 376 5
1	TOTAL REVENUES	\$206,536,608	\$212,160,534	\$228,379,679	\$241,360,948	\$254,806,020	\$268,954,786	\$301,498,587	\$337,411,562	\$377,534,988	\$422.691.921	\$473.493.885	\$530,807,870
	EXPENSES												60,000
	O&M	\$123,258,284	\$132,850,430	\$131,631,601	\$135,433,726	\$138,086,388	\$142,280,178	\$146,601,625	\$151,054,619	\$155,643,179	\$161,832,947	\$168 393 210	2477 402 727
	Total Debt Service	66,780,459	66,834,098	54,668,148	43,951,797	66,827,078	75 947 961	91 895 168	154 347 047	106 693 003	1000000000	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	10 1.00t. 11.0
	Revenue-Funded Capital	,	,					201,000,10	110,142,401	130,523,002	222,949,831	253,430,545	274,662,380
8 &	Projects Revenue Funded R&R Reguirement	25,500,000	25,443,532	32,165,950	33,774,248	35,462,960	37,236,108	39 097 913	41 052 800	73 10E 440	+ + + + + + + + + + + + + + + + + + + +	1 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	
9	TOTAL EXPENSES	\$215.538 743	\$225 128 060	\$218 465 600	\$213 160 770					24.001.00	40,500,125	467,626,14	49,899,946
		20010		25.10,101.29	- 1	\$240,370,420	\$255,464,248	\$277,594,706	\$346,354,445	\$395,371,631	\$430,043,500	\$469,347,513	\$502,056,063
	NET REVENUES	(\$9,002,135)	(\$12,967,526)	\$9,913,980	\$28,201,177	\$14,429,594	\$13,490,539	\$23,903,882	(\$8,942,883)	(\$17,836,643)	(\$7,351,579)	\$4,146,371	\$28,751,816
<u></u> 13	ENDING FUND BALANCE	\$23,904,365	\$10,936,839	\$20,850,819	\$49,051,997	\$63,481,591	\$76,972,129	\$100,876,011	\$91,933,128	\$74,096,485	\$66,744,905	\$70,891,277	\$99 643 093
						A Control of the Cont							
	USER RATES												
	Annual Rate Increases <sup>(2)</sup>	9.00%	7.00%	7.00%	2.00%	5,00%	5.00%	11.50%	11.50%	11.50%	11.50%	11.50%	11 40%
	Rates After Annual Increases	\$40.05	\$42.85	\$45.85	\$48.14	\$50.55	\$53.08	\$59.18	865,99	\$73.58	\$82.04	891.47	\$101.00
	Notes:	7,000		- Indiana de la companya de la compa							2	16.100	86,1014
		pacity charge rever	lues are not consi	dered in the analys	is due to the unp	redictable nature	e of growth.						***************************************
		rough FY 2014 hav	re been adopted p	er rate resolutions	approved by the	Public Utilities C	ommission on Ju	ne 5, 2009.		,			
	(3) Source: Developed using data from SFPUC Financial Services.	) data from SFPUC	Financial Service	is.									

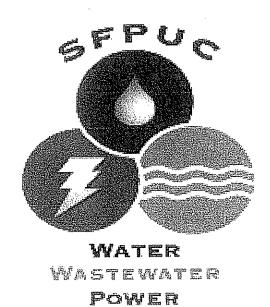
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Distant	Decimal Title		Budooi					
		SWCPF03X	5WCPFCP1 5	SWCPF10A	Yotal	Environmental Review Status	Start/Completion Dates	Brief Description
CENMSCICOS	VICENTE ST SEWER IMPROVEMENT	3,939,824	0	0 9	3,939,824			
CENIMSCICOS	SHOULD ST SEWING REPAIR	5081 101	c		6.081 101	**************************************		
CENMSCICOS	OCEANSIDE HVAC ASSESSMENT	19.515.318	0	o	18 515 316			
CENMSCICO	SEWPOP GAS HANDLING MAPROVEMENTS	11,007,578	0		11,007,578			
CENMSCICO7	CENMSCICO7 CHEMICAL FEED SYSTEMS IMPROVEMENTS	547,386	O	0	547,388			######################################
CENMSCICOS	SEWPCP SECONDARY CLARIFIERS	1,776,637	0	o.	1,776,637			
CENMSCICOS	SEWPOP MIXED LIQUORIRAS IMPROV	16.008	0	<del>.</del>	18,008	the state of the s		
CENMSCICTO	SROTHERHOOD WAY/ST CHARLES SEWER	2,276,197	0	oʻ	2,278,197			
CENMSCIC11	MISSIONICESAR CHAVEZ IMPROVEMENTS	8.164.634	5,762,335	10,313,000	22,239,969	Mitigated Negative Decisiation adopted in 1/10 and Approved by SFPUC in 2/10.	August 2010 - October 2015	install new servet in Cesar Chavez from Valencia to US101 to mishate localizad storm fooding
CENMSCIC12	VICENTE PHASE 1 CONSTRUCTION	2,851,895	o	C	2,851,895			THE RESERVE THE PROPERTY OF TH
CENMSCIC13	MONTEREY/BADEN SEWER REPAIR	778,790			778,780,			
CENMSCIC14	ASSIGNIFOOTE SEWER REPAIR	574,359	0	o ·	574,359			
CENMSCIC15	MISSION MITVERNON SEWER IMPROVEMENT	10,270,282	0	٥	10,270,282			
CEMMSCICIE	WS PS VPD REPLACEMENT	1,788,083	0	<b>5</b>	1,786,083	***************************************	**************************************	
CENMSCICT!	CPS / WS BAR SCREEN	5,573,615	0	ລ່	5,573,615			
CENNISCIC IS	DOUBLIN OR SEWER IMPROVEMBNI	1,372,340		ه ٔ د	1,3/2,340			
CENTRACIONS	TOTAL STATE	71.78	0	່ເ	190,117			
Consocional Property of the Co	CHARGE FEED STOLER INFROMENTING	100,00			2 440 350			
CENTRALECTOR	CENTROCKET CHANNEL POWE SIATION INFROVEMENTS	3, 186, 50		> c	3,178,750	***************************************		
COLUMNICA		100700		• ·	200,200			AND ADDRESS OF THE PROPERTY OF
CENMSCIC23	STINNYDALE SEWER IMPROVEMENTS	2.482.000	2 720 000	44 780 000	48 882 800	Draft Mileated Nagative Declaration published in 2/10.	August 2010 - February 2012	instali new sewer Lands from salbert Street in Visitation Velley to Straydale Pung Station near Candlesfiet Park to mitigate Incelized storm Booding
CENHASCIC24	CENASCIC24 TOLANDALDSON/PHELPS MAPROVEMENTS	\$02.607	0	0	902 607	902 607		
CENMSCIC25	STAPLESMAZEL WOODMONTECITO REPAIR	668.500	0		608 500	***************************************		
CENNSCICZE	A EMANY/STICKLES SEWER IMPROVEMENT	52.078	0	. 0	52.078			
CENTASCICA	PCEAN AVE SEVER REPLACEMENT	247.05	0	, c	59 714			
CENASCIC28	SEWPCP BLDG 010 COPE CONTROL IMPROVE	1.79.300	6 200 000		7 379 300			
CENWSCICO	SEWPOR GAS HAND ING IMPROVEMENT PHASE ?	3 258 500			3 258 500			
COLORAGO	Cabaso otato etanosi especialespeciales	30 348 000		, ,	30.24.000			
CENTACTOR	CENTRALICATION OF A RESIDENCE OF A SECOND	2 685 200	-		2 685 300			100 100 100 100 100 100 100 100 100 100
CENARCOICOS	SOOT COMED DEDNID CONTOACT #23	0	2000	ģ	2000 0000			
CENTRAL	CONTRACTOR TO CHANGE BOODS MAN	1	L	, ' d	2 475 ESE	***************************************	***************************************	
CONTROLL	CONTRACT CONTRACT ACCOUNT		L	,	1 500 000			
CENMSCICSE	GENERAL TOWNS OF STATES BODY ACCUSED TO	Ì	L	· c	1 500 000			**************************************
CENASCICOR	MANE FACELTY SECURITY/FMFRGENCY RESPONSE	-	L		703 000	**************************************		### ### ##############################
CENMSCIC37	CENMSCICS? WAVE FACILITY RELIABLILITY IMPROVEMENTS	0	830,000	5	830,000			
				•		Anticinale calectrical exemplica under CEOA Caldelloas		
				i,	- ***	Section 15301, Existing Eacilities, Class 1 and Section 15302,		
CENMSCIC38	SEP SOLIDS HANDLING IMPROVEMENTS	-		1,282,000	2,200,0001	Replacement or Reconstruction, Class 2	January 2010 - January 2012	Aging Infrastructure, blogas cogeneration and corresion
CENASCIC39	CENASCICOS OCEANSIDE SOLIDS HANDLING IMPROVEMENTS	0	486,000	•	488.000			
CENMSCIC40	MARIPOSANORTHSHORE RELIABILITY	0	L		500,000	***************************************		
CENMSCIC41	SOUTHEAST ELECTRICAL RELIABILITY	0	L	٥	288,0003			
CENNSCIOES	SUNCO STARI IZATION EMERGENCY WORK	100	L		\$ 580 600			
CENTROLICAS	SICHAOND COMMACE DIAKES		L		000			
CENTRAL	CONTRACTOR POWER 7		L	•	260,000			
Compactor	Section 20 plotteed		L		200,000			
CENTRACCES	ANTICO TO BIOURNET	9	Į.		700,000	Doeb Milliant Manufact Designation at the 1990	141.2044 - Eshanon 2042	matili anticatione is Maltaine Meltanta anticato leaving and statem. Geogles
Now Project	Now Profest Sunnyous Sewar Prises 2	5	9	000,000	000 000 +	* OOD OOD Englished a regarded to control of the co	143 2011 - Percuary 2012	install inter Sewits in Visional Control of
Men right	www.	1			200,000,1	Anticipals established and industrial ways CCCs		Andreas and structures of construction of the
						Section 15301, Existing Facilities, Class 1 and Section 15302,		
New Project	CHS improvements and 66" FM Replacement	0	625,000	625,900	1,250,000	Replacement or Reconstruction, Class 2	March 2016 - March 2012	Aging Intrastucture and Pacitity Reliability
				٠		Another Exception overappoint than Co. Constitutes Section 15302, Section 15301, Existing Facilities, Class 1 and Section 15302,		
New Project	Major Electrical Mechanical Reliability	0	1,000,000	4,800,000	5,600,000	Replacement or Reconstruction, Class 2	March 2010 - March 2015	Aging Mechanical and Electrical Infrastructure and Reliability
				-				Project includes the planning, environmental review, design and construction of a new facility replacing the existing digestor acids to solid the configurations of the configurations and processes.
			**********					producing a sludguidosolids that can be reused for beneficial purposes. Constructed in the 1850s, the existing digester facility is
New Project	Biosolids Facility	6	0	9.000,000	9,000,000	Project is in the early plansking stages. It is asticipated that of July 2010 - July 2027 Environment Impact Report would be required.		operaing well beyond its usstal iffe and is prone to major maintenance repairs. The aging facility has become a known source of odors in the surrounding neighborhood.
Γ				,				
	a					Project is in the early planning stages. It is arricipated that as	July 2010 - July 2016	Project includes planning, environmental review, design and construction of a redundant backup system to the existing 66-inch Channel Force Main. The Channel Force Main is aging and vulnerable to seismic damage. Channel Force Main is a key
New Project	Channel Turnel	0	0	10,000,000	0.000,000	Environment Impact Report would be required. (preliminary datas)	(preliminary dates)	companent sewet system infrastructure and conveys 60% of the Bayside wastewater flows.
CENMSCICEC	HAANCING COSTS	5,622,238		0	9			
CENMSCICIK	NERAS HUGIONE REPAIR	332,820		9,0	SAZASO			And the state of t
CELEBOOR	STATES OF LAND	1						
	Project Total	118,394,359	37,500,000	82,300,000	82,300,000 238,194,359			
								The state of the s
	Less Amount Funded by Reserve Fund	16,394,359	o	٩	18,394,359			und recessive has manuschart (Manuscraft Artert Anniel Helichart Andrew) uns mensen me
	becami Finded to Bond Brossette	000 000 001	37 500 000	A2 300 000	219 800 000			**************************************
ļ.,		1	200	200 000	1000000			



# San Francisco Public Utilities Commission

Wastewater 2010 Series A/B Bonds POS and Related Supporting Documents



Board of Supervisors

- 1. SFPUC Agenda Item & Signed Resolution
- 2. Planning Certificate
- 3. Engineering Certificate
- 4. First Amendment to Indenture
- 5. Supplemental Indenture
- 6. Notice of Intention to Sell
- 7. Official Notice of Sale
- 8. Preliminary Official Statement

# San Francisco Public Utilities Commission



2010 Wastewater Bonds



POWER

SAN FRANCISCO PUBLIC UTILI

SAN FRANCISCO, CA 94103 • Tel. (415) 554-31552 Fax (415) 554-3152 Fax (415) 554-31

TO:

Angela Calvillo, Clerk of the Board of Supervisors

**GAVIN NEWSOM** MAYOR

F.X. CROWLEY

PRESIDENT FRANCESCA VIETOR

VICE PRESIDENT

ANN MOLLER CAEN COMMISSIONER

JULIET ELLIS COMMISSIONER

ANSON B. MORAN COMMISSIONER

**ED HARRINGTON** GENERAL MANAGER

Nathan Purkiss, 554-3404

DATE:

FROM:

2/12/10

SUBJECT:

**SFPUC Wastewater Revenue Bonds Issuance** 

2 items - Ordinance and Resolution

Attached are the original and 4 copies of a resolution and an ordinance that should be assigned to the same committee for a shared hearing because they address a shared project.

100169

Attached, is the original and 4 copies of a resolution approving the issuance of not to exceed \$285,600,000 in aggregate principal amount of wastewater revenue bonds to be issued by the San Francisco Public Utilities Commission.

100/68

Attached is also the original and 4 copies of an ordinance approving the issuance and sale of wastewater revenue bonds by the San Francisco Public Utilities Commission to finance various projects benefitting the Wastewater Enterprise pursuant to amendments to the San Francisco City Charter enacted by the voters on November 5, 2002 as Proposition E.

Attached are also supplemental documents for both of these items, including 1. SFPUC Agenda Item and signed resolution; 2. Planning Certificate; 3. Engineering Certificate; 4. First Amendment to Indenture; 5. Supplemental Indenture; 6. Notice of Intention to Sell; 7. Official Notice of Sale; and 8. Preliminary Official Statement.

Departmental representative to receive a copy of the adopted resolution:

Name: Nathan Purkiss

Phone: 554-3404

Interoffice Mail Address: 1155 Market Street. 11th Floor