



# 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:

- Power Enterprise: File No. 240454 and Board of Supervisors Ordinance No. 126-24

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**  
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Commissioner

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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 Power Revenue Bonds and Other Forms of Indebtedness in an amount not to exceed \$292,825,860<sup>1</sup> 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 Power Revenue Bonds and Other Forms of Indebtedness. The improvements proposed for financing include those projects described in the following document, attached to this Certificate as Exhibit A.
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 indebtedness, including revenue bonds, by ordinance upon two-thirds vote of its members and under certain conditions. The ordinance relating to the Bonds 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 indebtedness is the delivery of a certificate of the Planning Department regarding the additional projects to be financed.
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 Bonds, 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 Bonds funds 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

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

EXHIBIT A - POWER 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
<b>Hetch Hetchy Water</b>				
<b>15364-UH Hetchy Water - Power Infrastructure</b>				
<b>15364-UH Hetchy Water - Power Infrastructure</b>				
	10039568	HHW - Moccasin Switchyard Rehabilitation - CUH101 N01	Environmental review will begin when project scope is defined.	
	10039573	HHW - R&R Water Conveyance Life Extension (Power) - CUH101 N06	Environmental review will begin when project scope is defined.	
	10036809	HHW - Moccasin Powerhouse Bypass Upgrade	Common Sense Exemption for geotechnical investigation to inform design issued 10/17/23 (Case No. 2023-008451ENV). Environmental review underway (Case No. 2023-008451ENV).	<a href="#">Case No. 2023-008451ENV</a>
	10036265	HHW-R&R Power Transmission Life Extension Program (includes multiple subprojects)	Reliable Power Project Final Mitigated Negative Declaration adopted 3/21/19 (Case No. 2016-006868ENV). Warnerville/Early Intake Roof Replacement (JOC-58-04) - Not a project under CEQA Guidelines section 15378. Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2016-006868ENV</a>
	10014086	HHW- Moccasin Powerhouse and Generator Step Up (GSU) Rehabilitation	Phase 1 (Generator Rehabilitation) - Categorical Exemption issued 8/4/14 (Case No. 2014.1184E). Phase 2 (GSU Replacement) and Phase 3 (Power Plant Systems Upgrades) - Minor Project Modification to Categorical Exemption issued 6/ 4/20 (Case No. 2014.1184E - modified 1).	<a href="#">Case No. 2014.1184E</a> <a href="#">Case No. 2014.1184E - modified</a>
	10014089	HHW - R&R Transmission Lines Clearance Mitigation (TLCM) (includes multiple	TLCM High Risk Construction Package 7A - Categorical Exemption issued 11/20/23 (Case No. 2023-007876ENV). TLCM High Risk Construction Package 7BA - Categorical Exemption issued 3/7/24 (Case No. 2023-007871ENV) TLCM High Risk Construction Package 5A - Environmental review will begin when project scope is defined. TLCM High Risk Construction Package 10 - No Substantial Modification issued 8/30/18 (Case No. 2018-010562ENV) to perform geotechnical investigation for construction package 10 to inform design. TLCM Low and Medium Risk Sites - Environmental review underway (Case No. 2024-002876ENV). Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2023-007876ENV</a> <a href="#">Case No. 2023-007871ENV</a> <a href="#">Determination of No Substantial Modification Case Original Exemption Case No. 20</a>
	10014092	HHW - Power Project Development	Project development work consists of professional services. Individual projects will undergo any required environmental review when projects scopes are defined.	
	10014087	Warnerville Substation Rehabilitation Project	Phase 1 - Categorical Exemption issued 3/31/16 (Case No. 2016-004225ENV). Phase 2- Environmental review will begin when project scope is defined.	<a href="#">Case No. 2016-004225ENV</a>

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FY 2024-2026 CAPITAL IMPROVEMENT PROJECTS

Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document link
	10036104	HHW - R&R Powerhouses (includes multiple subprojects)	Moccasin Low Head Powerhouse Repairs Project - Categorical Exemption issued 1/14/22 (Case No. 2021-0123319ENV) Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2021-0123319ENV</a>
	10014079	HHW - Cherry-Eleanor Pumps	Environmental review will begin when project scope is defined.	
	10039574	HHW – R&R Wildfire Mitigation (Power)	Environmental review will begin when project scope is defined.	
	CUH101 N07	HHW - R&R Dam/Reservoir Cond Assesment & Rehabilitation (Power (m) (includes multiple subprojects)	Priest Outlet Pipe Recoating (J100410030010) - Environmental review will begin when project scope is defined. Environmental review will occur for additional projects as scopes are defined.	
	TBD-27	2023 January Winter Storm (Power)	Same documents as listed under Project Number 10040030 above.	See links under Project
<b>15365 - UH Hetchy Water - Joint Project (joint projects are also listed with the Water Enterprise Capital Improvement Projects)</b>				
<b>15365 - UH Hetchy Water - Joint Project</b>				
	10039119	HHW - Early Intake Dam - Long Term	Environmental review will begin when project scope is defined.	
	10014095	HHW - R&R Hetch Hetchy Facilities Upgrades (includes multiple subprojects)	Oakdale Office Fencing and Yard Grading Categorical Exemption issued 5/30/23 (Case No. 2023-001720ENV). Moccasin Heavy Equipment Storage Project Categorical Exemption issued 11/22/2022 (Case No. 2022-006179ENV).	<a href="#">Case No. 2023-001720ENV</a> <a href="#">Case No. 2022-006179ENV</a>
	10014096	HHW - R&R Dam/Reservoir Cond Assessment & Rehabilitation (Joint) (includes multiple subprojects)	O'Shaughnessy Dam Inflow Release (IFR) Valve Installation Project - Categorical Exemption issued 12/2/22 (Case No. 2022-004533ENV). Moccasin Reservoir Gate Tower 3 Catwalk Upgrade - Categorical Exemption issued 10/15/14 (Case No. 2014.1581E). OSH Dam Spillway Improvement - Categorical Exemption issued 5/5/23 (Case No. 2023-003755ENV). Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2022-004533ENV</a> <a href="#">Case No. 2014.1581E</a> <a href="#">Case No. 2023-003755ENV</a>
	10014102	HHW - R&R Road & Bridge Improvements (includes multiple subprojects)	Yosemite Park - Hetch Hetchy Road Guard Rail Improvements (J102090160) - Environmental review will begin when project scope is defined. Environmental review will occur for additional projects as scopes are defined.	
	10014104	HHW - R&R Facilities Security Project (includes multiple subprojects)	Rock River and Microwave Sites Physical Security Upgrade (J102110070) - Environmental review will begin when project scope is defined. O'Shaughnessy Dam Lenel (J102110080) - Environmental review will begin when project scope is defined. Environmental review will occur for additional projects as scopes are defined.	

EXHIBIT A - POWER 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
	10014106	HHW - R&R Communications Systems Upgrades (includes multiple subprojects)	<p>HHWP Warnerville AT&amp;T Fiber and Radio Frequency Laboratories Project (J102130060) - Common Sense Exemption issued 8/2/23 (Case No. 2023-04408ENV).</p> <p>Moccasin Control and Server Building and Kirkwood Powerhouse OSI SCADA System Upgrade (J102130080) - Not a project under CEQA Guidelines section 15378.</p> <p>Radio Frequency Laboratories System Upgrade (JOC-71R-17) - Not a project under CEQA Guidelines section 15378.</p> <p>Environmental review will occur for additional projects as scopes are defined.</p>	<a href="#">Case No. 2023-004408ENV</a>
	10014108	HHW – Canyon Tunnel Hetchy Adit & OSH Bridge Rehabilitation	<p>Categorical Exemption for geotechnical investigation to inform design issued 1/27/21 (Case No. 2020-011359ENV).</p> <p>Environmental review underway (Case No. 2023-001726ENV).</p>	<a href="#">Case No. 2020-011359ENV</a>
	10014110	HHW - Moccasin Wastewater Treatment	Categorical Exemption issued 2/22/23 (Case No. 2022-006804ENV).	<a href="#">Case No. 2022-006804ENV</a>
	CUH102MT	HHW - Mt. Tunnel Improvement Project (Flow Control)	Mountain Tunnel Improvement Project Final Mitigated Negative Declaration adopted 10/23/19 (Case No. 2017-014249ENV).	<a href="#">Case No. 2017-014249ENV</a>
	10014115	HHW - Cherry Dam Spillway - Short Term Improvements	<p>Categorical Exemption for geotechnical investigation to inform design issued 9/26/22 (Case No. 2022-007176ENV).</p> <p>Environmental review underway (Case No. 2022-000353ENV). An Initial Study is being prepared to inform the appropriate level of review.</p>	<a href="#">Case No. 2022-007176ENV</a>
	CUH102-PD	HHW - Joint Project Development	Project development work consists of professional services. Individual projects will undergo any required environmental review when project scopes are defined.	
	CUH102-N06	HHW - Eleanor Dam Rehabilitation	Environmental review will begin when project scope is defined.	
	10034501	HHW - R&R Power Distribution Improvements (includes multiple subprojects)	<p>Cherry Compound (Camp) Power System Upgrade Project (J100345010030) - Categorical Exemption issued 5/6/22 (Case No. 2021-003408ENV).</p> <p>Distribution PRC 4292 Equipment Replacement - Environmental review will begin when project scope is defined.</p> <p>Cherry Ridgeline Transformer Replacement (JOC-71R-11) - Not a project under CEQA Guidelines section 15378.</p> <p>Environmental review will begin when project scope is defined.</p>	<a href="#">Case No. 2021-003408ENV</a>
	CUH102-N03	HHW - O'Shaughnessy Dam Outlet Works	Environmental review will begin when project scope is defined.	
	10037077	HHW - Moccasin Old Powerhouse Hazard Mitigation	Environmental review underway (Case No. 2022-010389ENV).	

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	CUH10116	HHW - Moccasin Penstock Rehabilitation	Environmental review underway (Case No. 2022-012307ENV).	
	10037351	HHW - Moccasin Dam & Reservoir Long Term Improvements	Moccasin Lower Dam Long - Term Improvements Categorical Exemption for geotechnical investigation to inform design issued 5/6/2022 (Case No. 2022-002800ENV).  Environmental review underway (Case No. 2023-005585ENV).	<a href="#">Case No. 2022-002800ENV</a>
	10037304	HHW - R&R Power Distrib Line High Risk Fire Reduction (includes multiple subprojects)	O'Shaughnessy Compound Backup Generator Installation (J100373040010) - Environmental review will begin when project scope is defined. Distribution Power Lines New Disconnect Switch Improvements (J100373040030) - Environmental review will begin when project scope is defined. Environmental review will occur for additional projects as scopes are defined.	
	10032903	HHW - O'Shaughnessy Dam Outlet Works Phase 1 (includes multiple subprojects)	SFPUC O'Shaughnessy Dam Outlet Works & Spillway Access and Drainage Improvements Project - Categorical Exemption issued 7/16/20 (Case No. 2020-004917ENV).  Bulkhead System Pilot (Trial Diving) Project - Categorical Exemption issued 11/30/21 (Case No. 2021-011153ENV). Instream Flow Release (IFR) Valve Installation Project - Categorical Exemption issued 12/2/22 (Case No. 2022-004533ENV). Bulkhead System Project - Categorical Exemption issued 12/2/22 (Case No. 2022-011322ENV).  Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2020-004917ENV</a>  <a href="#">Case No. 2021-011153ENV</a>  <a href="#">Case No. 2022-004533ENV</a>  <a href="#">Case No. 2022-011322ENV</a>
	10039680	HHW - Moccasin Engineering and Records Building	Moccasin Engineering and Records Building - Categorical Exemption for geotechnical investigation to inform design issued 7/27/23 (Case No. 2023-004480ENV).  Environmental review underway (Case No.2023-001686ENV).	<a href="#">Case No. 2023-004480ENV</a>
	10039575	HHW - R&R Water Conveyance Life	Environmental review will begin when project scope is defined.	
	HHW N01	HHW – R&R Wildfire Mitigation (Joint)	Environmental review will begin when project scope is defined.	
	CUH102 N14	HHW - eFleet Infrastructure Improvements	Environmental review will begin when project scope is defined.	
	10040016	2023 January Winter Storm (Joint)	Same as listed under 10040030 above.	See 10040030 above

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Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document link
	10040031	2023 March Winter Storm (Joint)	Hetch Hetchy Water and Power Emergency Storm Damage Repairs and Geotechnical Investigations on Cherry Oil Road (1N07) and Hetch Hetchy Road (1S02) - Statutory Exemption issued 4/12/23 (Case No. 2023-003129ENV).	<a href="#">Case No. 2023-003129ENV</a>
			Hetch Hetchy Water and Power Mainline Road Emergency Storm Damage Repairs, Cherry Oil Road (1N07) and Hetch Hetchy Road (1S02) - Statutory Exemption issued 4/20/23 (Case No. 2023-003511ENV).	<a href="#">Case No. 2023-003511ENV</a>
			HHWP Transmission Line and Pipeline Access Road Culvert Repairs from Severe 2023 Winter Storms Project - Statutory Exemption issued 6/22/23 (Case No.2023-005310ENV).	<a href="#">Case No.2023-005310ENV</a>
			HHWP Emergency Repairs to Transmission Infrastructure Access Roads & Drainage Facilities Project - Statutory Exemption issued 9/8/23 (Case No. 2023-008289ENV).	<a href="#">Case No. 2023-008289ENV</a>
	TBD-30	HHW - Moccasin Warehouse Building	Environmental review will begin when project scope is defined.	
	ITSW	Information Technology Services Capital	Individual projects identified will undergo environmental review when project scopes are defined.	

**Hetch Hetchy Power**

**15372-UH Distribution Services Retail**

**22141-UH Distribution Services Retail**

	CUHSFO	San Francisco International Airport Substation Improvements	Categorical Exemption issued 6/26/23 (Case No. 2023-004665ENV).	<a href="#">Case No. 2023-004665ENV</a>
	CUH870 03	Distribution Interface - Redevelopment Projects	Redevelopment projects go through an entitlement process with the San Francisco Board of Supervisors, which includes completing environmental review (typically by developers) prior to approval.	
	CUH_INTFAC	Hetch Hetchy Power (HHP) - Intervening Facilities	Projects under this program undergo environmental review (typically by developers) prior to approval.	
	HHP1	Affordable Housing Transmission and Distribution	Not a project under CEQA Guidelines section 15378.	
	HHP7	Utility Field Services (UFS) New Building	Environmental review will begin when project scope is defined.	
	R&RDE	R&R - Distribution Equipment	Environmental review will begin when project scope is defined.	
	ITSP	Information Technology Services Capital Projects (Power)	Individual projects identified will undergo environmental review when project scopes are defined.	

**22329-Grid Connections**

	HHP5	Grid Connections (includes multiple subprojects)	Categorical Exemption issued 5/30/23 (Case No. 2023-001209ENV) for Bay Corridor Transmission and Distribution (BCTD) Phase 4 includes grid connection to 2000 Marin.	<a href="#">Case No. 2023-001209ENV</a>
			Environmental review will occur for additional projects as scopes are defined.	
	NWP1	Downtown Ferry and South Beach Electrification	Environmental review will begin when project scope is defined.	
	BCTDBL	BCTD Backup Loop	Environmental review will begin when project scope is defined.	

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FY 2024-2026 CAPITAL IMPROVEMENT PROJECTS

Program	Project Number	Project	CEQA Compliance Status FY 2024-26	Document link
<b>22142-Treasure Island</b>				
	TISYU	Treasure Island Switchyard Upgrade	Environmental review will begin when project scope is defined.	
	POAKS	Port of Oakland Substation	Project funds SFPUC investment in this Port of Oakland Project. Port of Oakland is CEQA lead agency - Oakland Army Base Redevelopment - Davis and Cuthbertson Substations Replacement Project Environmental Impact Report certified July 2021 (State Clearing House No. 2001082058) to receive power.	<a href="#">State Clearing House No. 2001082058</a>
<b>15377-UH Streetlight Replacement</b>				
<b>15377-UH Streetlight Replacement</b>				
	CUH89649	HHP - Holiday and Festivity Pole Use	Not a project under CEQA Guidelines section 15378.	
	CUH89651	HHP - Street and Pedestrian Light Pole Assessment	Not a project under CEQA Guidelines section 15378.	
	CUH896DA	Distributed Antenna Services	2021 Executive Directive for SFPUC and Verizon Wireless - Categorical Exemption issued 7/13/21 (Case No. 2021-004233ENV). 2021 Executive Directive for SFPUC and AT&T - Categorical Exemption issued 6/25/21 (Case No. 2021-005083ENV). 2021 Executive Directive for SFPUC and ExteNet Systems, Inc. - Categorical Exemption issued 8/3/21 (Case No. 2021-004236ENV).	<a href="#">Case No. 2021-004233ENV</a> <a href="#">Case No 2021-005083ENV</a> <a href="#">Case No 2021-004236ENV</a>
<b>15400-UH Renewable-generation - Small</b>				
<b>15400-UH Renewable-generation - Small</b>				
	10014646	Renewable/Generation - Small Renewables (includes multiple subprojects)	Sutro Reservoir Solar Electric Power Generator - Statutory Exemption issued 7/21/21 (Case No. 2021-007207ENV). University Mound Solar Electric Power Generator - Statutory Exemption issued 7/21/21 (Case No. 2021-007207ENV). Environmental review will occur for additional projects as scopes are defined.	<a href="#">Case No. 2021-007207ENV</a> <a href="#">Case No. 2021-007207ENV</a>
<b>15404-UH Hetchy Cap And Trade Allowance</b>				
<b>15404-UH Hetchy Cap and Trade Allowance</b>				
	CUH98601	Energy Efficiency General Fund (includes multiple subprojects)	Individual projects will undergo any required environmental review when projects scopes are defined.	
<b>15383-UH Alternative Transmission Project</b>				
<b>15383-UH Alternative Transmission Project</b>				
	10034512	Public Power Expansion Project	Notice of Preparation of an Environmental Impact Report for the PG&E Power Assets Acquisition Project issued 6/28/23 (Case No. 2023-005370ENV). Environmental review underway.	<a href="#">Case No. 2023-005370ENV</a>



FILE NO. 240454

ORDINANCE NO. 126-24

1 [SFPUC Power Revenue Bond Issuance - Various Capital Projects Benefitting the Power  
2 Enterprise - Not to Exceed \$292,825,860]

3 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue**  
4 **Bonds and other forms of indebtedness (as described below) by the San Francisco**  
5 **Public Utilities Commission (SFPUC) (“Commission”) in an aggregate principal amount**  
6 **not to exceed \$292,825,860 to finance the costs of various capital projects benefitting**  
7 **the Power Enterprise pursuant to amendments to the Charter enacted by the voters on**  
8 **June 5, 2018, as Proposition A; authorizing the issuance of Power Revenue Refunding**  
9 **Bonds and the retirement of outstanding Power Enterprise Commercial Paper;**  
10 **declaring the Official Intent of the Commission to reimburse itself with one or more**  
11 **issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying**  
12 **previous actions taken in connection therewith, as defined herein.**

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

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

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

23 a. On June 5, 2018, the voters of the City and County of San Francisco (“City”)  
24 approved Proposition A (“Proposition A”), which, among other things, amended prior City  
25 Charter Article 8B language to provide that the Commission shall have exclusive charge of the  
construction, management, supervision, maintenance, extension, expansion, operation, use

1 and control of all water, clean water and energy supplies and utilities of the City as well as the  
2 real, personal, and financial assets that are under the Commission's jurisdiction or assigned to  
3 the Commission under Charter Section 4.132.

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

11 c. The Commission adopted the Indenture dated as of May 1, 2015, 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 Power 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 Power Enterprise under the Power Enterprise  
21 commercial paper program ("Power CP Program") up to an aggregate principal amount not to  
22 exceed \$250,000,000 of commercial paper notes outstanding at any one time (see Ordinance  
23 No. 002-19 (January 15, 2019) and Commission Resolution No. 18-0188 (November 13,  
24  
25

1 2018), and the Commission has caused Power Enterprise commercial paper to be issued  
2 from time to time; and

3 f. On February 13, 2024, by Resolution No. 24-0031 ("Commission Resolution"),  
4 the Commission determined to issue Power Revenue Bonds ("Power Revenue Bonds") and  
5 other forms of indebtedness (including without limitation State and Federal Loans, all as  
6 described below), as well as interim funding vehicles such as commercial paper, revolving  
7 credit agreements, bond anticipation notes or other forms of notes, which interim funding  
8 vehicles will be issued in advance of being paid off by either Power Revenue Bonds and other  
9 forms of indebtedness (including without limitation State and Federal Loans) to finance the  
10 costs of various capital projects benefitting the Power Enterprise (the "Capital Improvement  
11 Projects" such projects being more fully described in the Commission Resolution), pursuant to  
12 Proposition A, and the Commission has formally requested this Board to authorize the  
13 issuance and sale of Power Revenue Bonds and other forms of indebtedness for such  
14 purposes, such Commission Resolution being on file with the Clerk of the Board of  
15 Supervisors in File No. 240454; and

16 g. In order to finance the costs of the Capital Improvement Projects, the Board now  
17 desires to authorize the issuance and sale of Power Revenue Bonds and other forms of  
18 indebtedness, as described above, for such purposes, including obtaining loans issued by the  
19 State of California or a department thereof ("State Loans"), and/or grants issued by the State  
20 of California or a department thereof, or other loans from the Water Infrastructure Finance and  
21 Innovation Act ("WIFIA") program and/or other Federal loans (WIFIA and other Federal loans  
22 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 hereof, certain expenditures  
25

1 (“Expenditures”) in connection with the acquisition, construction and/or equipping of the  
2 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 Power Revenue Bonds and other forms of indebtedness (including,  
6 without limitation and for illustrative purposes only, State Loans ~~SRF 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 Power Revenue Bonds and  
13 other forms of indebtedness (including, without limitation and for illustrative purposes only,  
14 State and Federal Loans, commercial paper, revolving credit agreements, and bond  
15 anticipation notes).

16 Section 2. Authorization to Issue Power Revenue Bonds and other forms of  
17 indebtedness. The Board hereby authorizes the issuance and sale of taxable or tax-exempt  
18 Power Revenue Bonds and other forms of indebtedness (including for illustrative purposes  
19 only, commercial paper, bank liquidity or credit agreements, State and Federal Loans, or bond  
20 anticipation notes) in one or more series from time to time by the Commission pursuant to  
21 Proposition A and in accordance with the Commission Resolution, in an aggregate principal  
22 amount not to exceed \$292,825,860 (inclusive of financing costs), bearing a maximum rate or  
23 rates of interest of not to exceed twelve percent (12%) per annum, to finance a portion of the  
24 costs of the design, acquisition and construction of the Capital Improvement Projects .

25 Without limiting the foregoing, the Commission shall also be authorized to incur State and

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

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

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

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

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

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

6 Section 5. General Authority. The Controller, Treasurer, the City Attorney and other  
7 officers of the City, including the Director of the Office of Public Finance, and their duly  
8 authorized deputies and agents are hereby authorized and directed, jointly and severally, to  
9 take such actions and to execute and deliver such certificates, agreements, requests or other  
10 documents, as they may deem necessary or desirable to facilitate the issuance, sale and  
11 delivery of the Power Revenue Bonds or other forms of indebtedness, including Refunding  
12 Bonds or State or Federal Loans, and to obtain bond insurance or other credit or liquidity  
13 enhancements with respect to any such obligations, and otherwise to carry out the provisions  
14 of this Ordinance. The Commission is hereby directed to provide the final form to the Clerk of  
15 the Board of any disclosure document prepared in connection with the execution of any Power  
16 Revenue Bonds, other forms of indebtedness, or Refunding Bonds, and the final executed  
17 Installment Sale Agreement or other document reflecting the incurrence of a State or Federal  
18 Loan within 30 days of the closing of such transactions provided that the failure to deliver such  
19 document shall not affect the validity of the obligations authorized under this Ordinance. The  
20 Commission is further directed as a part of the two-year budget review to provide to this Board  
21 of Supervisors a written report about Power Revenue Bonds authorized hereunder, detailing  
22 the total amount authorized, the total amount sold, the remaining authorized but unissued  
23 amount, and the bond authorization no longer necessary due to changes in projects and  
24 project financing, within 30 days of the closing of such transactions.



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

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

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

23           b.        For all purposes of this Ordinance and any related Commission Resolution, a  
24 Financing Agreement (“Financing Agreement”) is: any contract, agreement, financing lease,  
25 installment purchase or sale agreement, application, draw notice, joint powers agreement,

1 securitization agreement, or other similar financing agreements or arrangement, or  
2 amendment to any of these, entered into by the Commission in connection with any  
3 Financing.

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

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

18 Section 8. File Documents. All documents referred to as on file with the Clerk of the  
19 Board of Supervisors are located in File No. 240454.

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Section 9. Effective Date. Pursuant to Charter Section 8B.124, 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:** 240454

**Date Passed:** June 11, 2024

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (SFPUC) ("Commission") in an aggregate principal amount not to exceed \$292,825,860 to finance the costs of various capital projects benefitting the Power Enterprise pursuant to amendments to the Charter enacted by the voters on June 5, 2018, as Proposition A; authorizing the issuance of Power Revenue Refunding Bonds and the retirement of outstanding Power 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

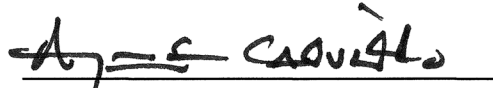
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

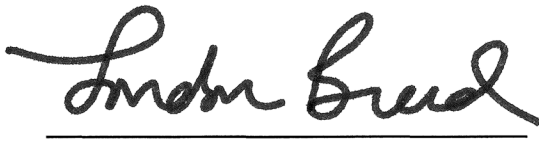
June 11, 2024 Board of Supervisors - FINALLY PASSED

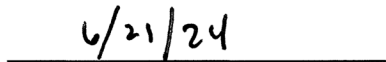
Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Stefani and Walton  
Excused: 1 - Safai

File No. 240454

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

  
\_\_\_\_\_  
Date Approved



**Stantec Consulting Services Inc.**  
1340 Treat Blvd, Suite 300, Walnut Creek, CA 94597

**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 Revenue Bonds and / or Other Forms of Indebtedness, including  
Commercial Paper**

This Certificate has been prepared by Stantec Consulting Services, Inc., (Stantec), 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 Revenue Bonds and/or other forms of Indebtedness, including Commercial Paper and State and Federal loans.

The City of San Francisco's Public Utilities Commission (PUC) Power Enterprise (PE) manages bond-funded capital projects. Section 8B.124 of the City Charter requires:

...the Board of Supervisors may take any and all actions necessary to authorize, issue and repay such bonds, including, but not limited to, modifying schedules of rates and charges to provide for the payment and retirement of such bonds, subject to the following conditions:

- (a) Certification by an independent engineer retained by the Public Utilities Commission that:
  - (1) the projects to be financed by the bonds, including the prioritization, cost estimates and scheduling, meet utility standards; and

This review was performed for Hetch Hetchy Power to provide the required independent evaluation to comply with the City Charter and to access bond issuances for the following capital projects:

15363 – Hetchy Water – Water Only

- HHW - R&R SJPL Life Extension Program
- HHW - SJPL Valve and Safe Entry Improvement
- HHW - Water Project Development - CUH100-PD
- HHW - Mt. Tunnel Imp. Project (Tunnel)
- HHW - R&R Water Conveyance Life Extension (Water)
- HHW - R&R Dam/Reservoir Cond Assmt & Rehab (Water)
- HHW - SJPL Valve Remote Control and Monitoring
- 2023 January Winter Storm (Water)

15364 – Hetchy Water – Power Infrastructure

- HHW - Moccasin Switchyard Rehabilitation
- HHW - R&R Water Conveyance Life Extension (Power)
- HHW - Moccasin Powerhouse Bypass Upgrade
- HHW - R&R Power Transmission Life Extension Program
- HHW - Moccasin Powerhouse and GSU Rehabilitation
- HHW - Transmission Lines Clearance Mitigation

June 17, 2024

SFPUC

Page 2

**Reference: Engineer's Certificate for Bond Financed Project**

- HHW - Power Project Development
- Warnerville Substation Rehabilitation Project
- HHW - R&R Powerhouses
- HHW - Cherry-Eleanor Pumps
- HHW - R&R Wildfire Mitigation (Power)
- HHW - R&R Dam/Reservoir Condition Assessment & Rehab (Power)
- 2023 January Winter Storm (Power)

15365 – Hetchy Water – Joint Project

- HHW - Early Intake Dam - Long Term
- HHW - R&R Hetch Hetchy Facilities Upgrades
- HHW - R&R Dam/Reservoir Cond Assessment & Rehabilitation (Joint)
- HHW - R&R Road & Bridge Improvements
- HHW - R&R Facilities Security Project
- HHW - R&R Communications Systems Upgrades
- HHW - Canyon Tunnel–Hetchy Adit Rehab & OSH Bridge
- HHW - Moccasin Wastewater Treatment Plant
- HHW - Mt. Tunnel Improvement Project (Flow Control)
- HHW - Cherry Dam Spillway - Short Term Improvements
- HHW - Joint Project Development
- HHW - Eleanor Dam Rehabilitation
- HHW - R&R Power Distribution Improvements
- HHW - O'Shaughnessy Dam Outlet Works Phase II
- HHW - Moccasin Old Powerhouse Hazard Mitigation
- HHW - Moccasin Penstock Rehabilitation
- HHW - Moccasin Dam & Reservoir Long Term Improvement
- HHW - R&R Power Distribution Line High Risk Fire Reduction
- HHW - O'Shaughnessy Dam Outlet Works Phase 1
- HHW - Moccasin Engineering and Records Building
- HHW - R&R Water Conveyance Life Extension (Joint)
- HHW - R&R Wildfire Mitigation (Joint)
- HHW - eFleet Infrastructure Improvements
- 2023 January Winter Storm (Joint)
- 2023 March Winter Storm (Joint)
- HHW - Moccasin Warehouse Building
- ITS Capital Projects

The findings and conclusions in this Certificate are based on solely Stantec's review of the pertinent portions of following Documents and information provided by the SFPUC:

*Design with community in mind*

- Hetchy Power Capital Plan and Project Pages – Hetch Hetchy Enterprise FY 2025-2034 Capital Plan Summary

June 17, 2024

SFPUC

Page 3

Reference: **Engineer's Certificate for Bond Financed Project**

- Hetchy Power Capital Plan and Project Pages – Hetch Hetchy Enterprise Fiscal Years 2024-2033 Ten Year CIP Capital Projects 1/19/24
  - San Francisco Water Power Sewer 10-Year CIP Development Guidelines FY 2024-FY2033-34 Planning Cycle 6/2023
  - Interviews with HHWP Project Managers and Staff
1. Based upon our review of the Documents and information noted above and upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, appear to meet generally accepted utility standards.

While developing this Certificate, Stantec reviewed the pertinent portions of the Documents (listed above) 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 opinion of Stantec. 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 Stantec as to the accuracy of such information. Stantec makes no certification and gives no assurances except as explicitly set forth in this document.

Dated this 17th day of June, 2024

Stantec Consulting Services Inc.



By: \_\_\_\_\_  
W. Anthony Zavanelli, PE, CEM, LEED AP  
Principal



**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 Revenue Bonds and / or Other Forms of Indebtedness, including  
Commercial Paper**

This Certificate has been prepared by NV5, Inc. (NV5), 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 Revenue Bonds, notes, commercial paper, and/or other forms of indebtedness.

The City of San Francisco’s Public Utilities Commission (PUC) Power Enterprise (PE) manages bond-funded capital projects. Section 8B.124 of the City Charter requires:

...the Board of Supervisors may take any and all actions necessary to authorize, issue and repay such bonds, including, but not limited to, modifying schedules of rates and charges to provide for the payment and retirement of such bonds, subject to the following conditions:

- (a) Certification by an independent engineer retained by the Public Utilities Commission that:
  - (1) the projects to be financed by the bonds, including the prioritization, cost estimates and scheduling, meet utility standards; and
  - (2) 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.

This review was performed for Hetch Hetchy Power to provide the required independent evaluation to comply with the City Charter and to access bond issuances for the following capital projects:

- 10033822: SFO Substation Improvements
- 10014228: Distribution Interface - Redevelopment Projects
- 10033821: HHP-Intervening Facilities

The findings and conclusions in this Certificate are based on solely NV5’s review of the pertinent portions of following Documents and information provided by the SFPUC:

July 1, 2024

SFPUC Bond Certification

- Hetchy Power Enterprise Finance Sheet CIP FY25-34
- Power Enterprise Capital Project Datasheets FY 2024-25 and FY 2025-26 Excerpts
- Power Enterprise Budget Assumptions Summary
- Capital Budget Cash Flow - Data 1-29-24
- SFO Substation Project Confirmation Description – 63\_10033822\_SFO Substation Improvements
- Red Project Spending Plan-FY24 Bond Release Analysis\_February 12, 2024
- Distribution Interface\_Redevelopment Projects\_Project Budget Details
- Intervening Facilities\_20230910\_Project Budget Details-Alternative Format
- 20210719\_IA\_Estimate

Based upon our review of the Documents and information noted above and upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, appear to meet generally accepted utility standards and practices.

While developing this Certificate, NV5 reviewed the pertinent portions of the Documents (listed above) 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 opinion of NV5. The various background documents, statements, and other information supplied by the SFPUC and its employees have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by NV5 as to the accuracy of such information. NV5 makes no certification and gives no assurances except as explicitly set forth in this document.

Dated July 1, 2024.

NV5, Inc.



By: \_\_\_\_\_

J.C. Mathieson, PE

Vice President Of Distribution Operations

**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)  
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- (a) Certification by an independent engineer retained by the Public Utilities Commission that:
  - (1) the projects to be financed by the bonds, including the prioritization, cost estimates and scheduling, meet utility standards; and
  - (2) 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.

This review was performed for Hetch Hetchy Power to provide the required independent evaluation to comply with the City Charter and to access bond issuances for the following capital projects:

- Affordable Housing Transmission and Distribution
- Rehabilitation & Replacement - Distribution Equipment
- New Underground 12 kV Distribution System - Treasure Island & Yerba Buena Island
- 10039313: Grid Connections
- 10039723: Downtown Ferry & South Beach Electrification
- BCTD Backup Loop

August 26, 2024  
SFPUC Bond Certification


The findings and conclusions in this Certificate are based on solely NV5's review of the pertinent portions of following Documents and information provided by the SFPUC:

- Hetchy Power Enterprise Finance Sheet CIP FY25-34
- Power Enterprise Capital Project Datasheets FY 2024-25 and FY 2025-26 Excerpts
- Power Enterprise Budget Assumptions Summary
- Capital Budget Cash Flow - Data 1-29-24
- Red Project Spending Plan-FY24 Bond Release Analysis\_February 12, 2024
- Downtown Ferry\_Row 00XX\_10039723 NWEI FS - revised\_2023
- Grid\_connections\_Project Budget Details-Cashflow-9-14-2023
- R&R Distribution Equipment\_Project Budget Details-Alternative Format
- TI&YBI\_Project Budget Details\_New Underground 12kV Distribution System

Based upon our review of the Documents and information noted above and upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, appear to meet generally accepted utility standards and practices.

While developing this Certificate, NV5 reviewed the pertinent portions of the Documents (listed above) 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 opinion of NV5. The various background documents, statements, and other information supplied by the SFPUC and its employees have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by NV5 as to the accuracy of such information. NV5 makes no certification and gives no assurances except as explicitly set forth in this document.

Dated August 26, 2024.  
NV5, Inc.

By:   
\_\_\_\_\_  
J.C. Mathieson, PE  
Vice President Of Distribution Operations

**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 Revenue Bonds and / or Other Forms of Indebtedness, including  
Commercial Paper**

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The City of San Francisco’s Public Utilities Commission (PUC) Power Enterprise (PE) manages bond-funded capital projects. Section 8B.124 of the City Charter requires:

...the Board of Supervisors may take any and all actions necessary to authorize, issue and repay such bonds, including, but not limited to, modifying schedules of rates and charges to provide for the payment and retirement of such bonds, subject to the following conditions:

- (a) Certification by an independent engineer retained by the Public Utilities Commission that:
  - (1) the projects to be financed by the bonds, including the prioritization, cost estimates and scheduling, meet utility standards; and
  - (2) 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.

This review was performed for Hetch Hetchy Power to provide the required independent evaluation to comply with the City Charter and to access bond issuances for the following capital projects:

- Utility Field Services New Building
- Carbon Free Steam
- Treasure Island Switchyard Upgrade
- Port of Oakland Substation

The findings and conclusions in this Certificate are based on solely NV5’s review of the pertinent portions of following Documents and information provided by the SFPUC:


August 26, 2024  
SFPUC Bond Certification

- Hetchy Power Enterprise Finance Sheet CIP FY25-34
- Power Enterprise Capital Project Datasheets FY 2024-25 and FY 2025-26 Excerpts
- Power Enterprise Budget Assumptions Summary
- Capital Budget Cash Flow - Data 1-29-24
- TI Switchyard\_Project Budget Details-Alternative Format
- Red Project Spending Plan-FY24 Bond Release Analysis\_February 12, 2024

Based upon our review of the Documents and information noted above and upon conversations and representations of SFPUC staff, the undersigned certifies that the Projects, including prioritization, cost estimates, and scheduling, appear to meet generally accepted utility standards and practices.

While developing this Certificate, NV5 reviewed the pertinent portions of the Documents (listed above) 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 opinion of NV5. The various background documents, statements, and other information supplied by the SFPUC and its employees have been relied upon as being accurate in the performance of these analyses; however, no assurances are given nor warranties implied by NV5 as to the accuracy of such information. NV5 makes no certification and gives no assurances except as explicitly set forth in this document.

Dated August 26, 2024.  
NV5, Inc.

By:   
\_\_\_\_\_  
J.C. Mathieson, PE  
Vice President Of Distribution Operations



San Francisco  
**Water**  
**Power**  
**Sewer**



# Power Financial Projections

June 3, 2024



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

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TO: San Francisco Public Utilities Commission

DATE: June 3, 2024

ATTN: Edward Kwong, SFPUC

FROM: Alex Handlers, Bartle Wells Associates

RE: Power Financial Projections for Compliance with Propositions A & E

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## **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 and subsequently amended by Proposition A by voter approval on June 5, 2018. 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 Power Enterprise will generate net revenues (as defined per the Indenture securing the SFPUC’s outstanding Power 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 Propositions A and 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 Power 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 power 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 Bonds** – 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.

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## **SFPUC Power Financial Projections**

### **List of Tables**

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Table 1 - SFPUC Power Cash Flow Projections

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Table 7 - Outstanding Debt

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Table 1 - SFPUC Power Cash Flow Projections

Years 1-5

	2023/24	2024/25	2025/26	2026/27	2027/28
Retail Rate Increases	14.0%	14.0%	10.0%	9.0%	9.0%
Retail kWh Sales Volume Increase	1.3%	5.8%	5.8%	9.0%	6.7%
<b>Beginning Fund Balances</b>	\$175,899,000	\$144,711,000	\$127,289,000	\$118,046,000	\$110,606,000
Fund Balance Budgeted as Revenue	13,379,000	31,188,000	17,422,000	9,243,000	7,440,000
Total	189,278,000	175,899,000	144,711,000	127,289,000	118,046,000
<b>Revenues</b>					
Retail Rate Revenues - Power	160,385,000	197,320,000	234,272,000	284,044,000	334,125,000
Wholesale Rate Revenues	38,222,000	18,913,000	20,128,000	17,481,000	15,138,000
Non-Rate Revenues	58,883,000	53,894,000	55,519,000	56,650,000	54,467,000
Non-Rate Revenues (Non DSC)	26,078,000	29,101,000	39,207,000	37,931,000	44,249,000
TI Revenues (Non DSC)	4,428,000	5,200,000	5,400,000	5,562,000	5,730,000
BABs Interest Subsidies (Net of Sequest)	126,000	103,000	79,000	55,000	31,000
<b>Total Revenues</b>	<b>288,122,000</b>	<b>304,531,000</b>	<b>354,605,000</b>	<b>401,723,000</b>	<b>453,740,000</b>
<b>Operation &amp; Maintenance Expenses</b>					
Power Supply and Delivery	105,178,000	114,632,000	120,402,000	140,103,000	146,509,000
Other O&M	145,238,000	146,264,000	152,127,000	155,838,000	160,998,000
Operating Project Expenses	11,361,000	17,381,000	17,439,000	18,054,000	18,693,000
Operating Expenses, Gas & Steam (Non DSC)	24,687,000	23,674,000	28,337,000	31,411,000	34,539,000
Operating Project Expenses (Non DSC)	5,672,000	7,389,000	7,570,000	7,713,000	7,861,000
Subtotal	292,136,000	309,340,000	325,875,000	353,119,000	368,600,000
<b>Debt Service (Net of Capitalized Interest)</b>					
Outstanding Debt: Senior Lien	2,566,000	9,616,000	12,715,000	16,856,000	17,156,000
Outstanding Debt: Junior Lien	893,000	868,000	843,000	818,000	496,000
Projected Future Debt: Senior Lien	0	0	0	0	7,703,000
Subtotal	3,459,000	10,484,000	13,558,000	17,674,000	25,355,000
<b>Non-Operating/Capital Expenses (Rate Appropriated)</b>					
Capital Projects - Water	0	3,452,000	8,772,000	4,065,000	7,088,000
Capital Projects - Power	5,906,000	12,443,000	23,822,000	36,108,000	60,137,000
Subtotal	5,906,000	15,895,000	32,594,000	40,173,000	67,225,000
<b>Total Expenses</b>	<b>301,501,000</b>	<b>335,719,000</b>	<b>372,027,000</b>	<b>410,966,000</b>	<b>461,180,000</b>
<b>Power Revenues Less Expenses</b>	<b>(13,379,000)</b>	<b>(31,188,000)</b>	<b>(17,422,000)</b>	<b>(9,243,000)</b>	<b>(7,440,000)</b>
<b>Ending Fund Balances</b>	<b>175,899,000</b>	<b>144,711,000</b>	<b>127,289,000</b>	<b>118,046,000</b>	<b>110,606,000</b>
<b>Net Revenues &amp; Debt Service Coverage</b>					
Revenues Excluding Non DSC Revs & BABs Credit	257,490,000	270,127,000	309,919,000	358,175,000	403,730,000
Less O&M Expenses Excluding Non DSC Exps	(261,777,000)	(278,277,000)	(289,968,000)	(313,995,000)	(326,200,000)
<b>Net Revenues Current Basis</b>	<b>(4,287,000)</b>	<b>(8,150,000)</b>	<b>19,951,000</b>	<b>44,180,000</b>	<b>77,530,000</b>
Plus Fund Balance Appropriation	13,379,000	31,188,000	17,422,000	9,243,000	7,440,000
<b>Net Revs Current Basis w/Fund Balance Approp</b>	<b>9,092,000</b>	<b>23,038,000</b>	<b>37,373,000</b>	<b>53,423,000</b>	<b>84,970,000</b>
Debt Service Coverage on All Debt, Current Basis	2.66	2.21	2.76	3.03	3.35
<b>Net Revs Indenture Basis w/ Ending Fund Balance</b>	<b>171,612,000</b>	<b>136,561,000</b>	<b>147,240,000</b>	<b>162,226,000</b>	<b>188,136,000</b>
Debt Service Covg on Senior Debt, Indenture Basis	66.88	14.20	11.58	9.62	7.57

Table 1 - SFPUC Power Cash Flow Projections

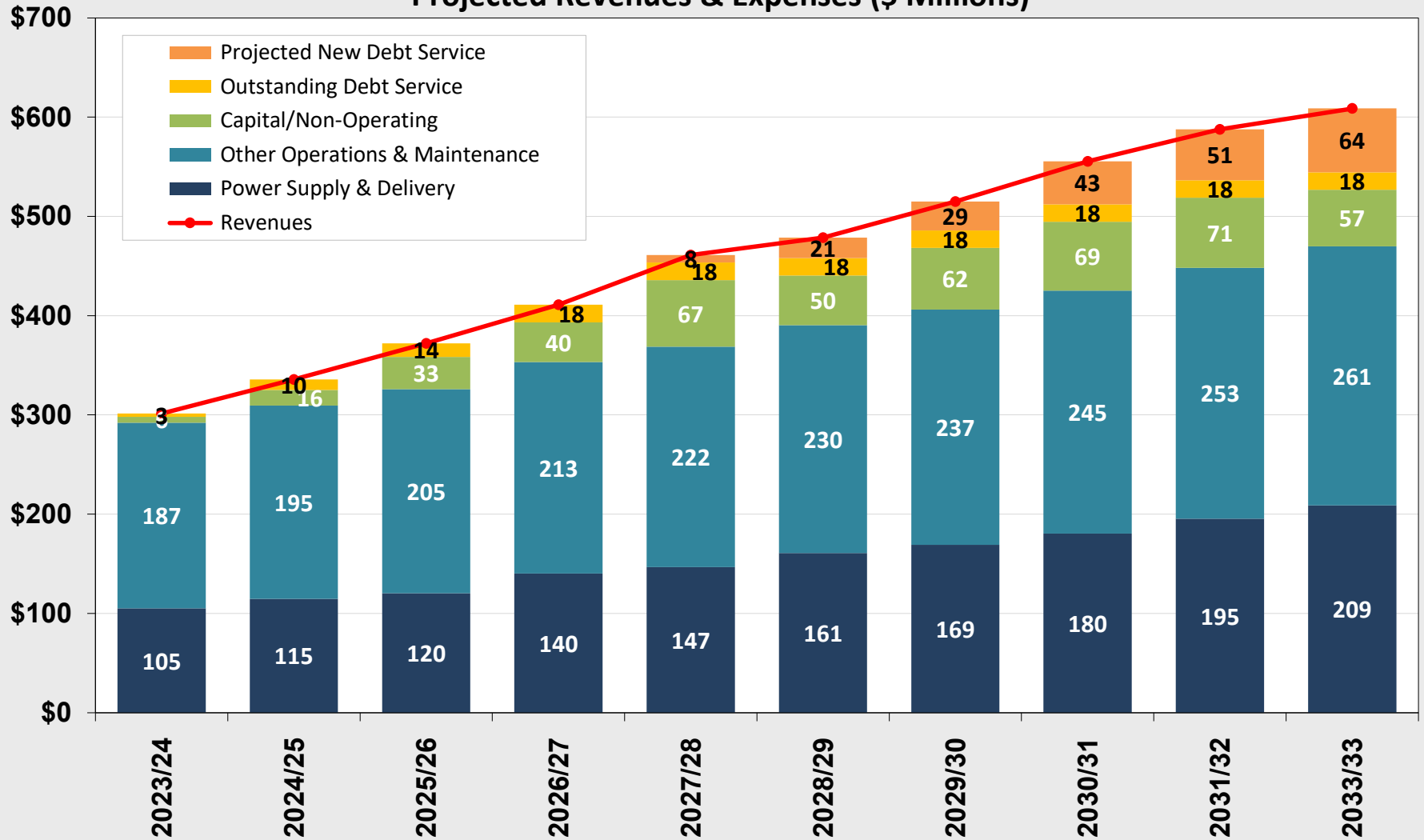
Years 6-10

	2028/29	2029/30	2030/31	2031/32	2033/33
Retail Rate Increases	5.0%	4.0%	4.0%	3.0%	3.0%
Retail kWh Sales Volume Increase	3.1%	1.7%	3.1%	3.2%	2.5%
<b>Beginning Fund Balances</b>	\$110,606,000	\$119,614,000	\$121,152,000	\$124,028,000	\$129,402,000
Fund Balance Budgeted as Revenue	0	0	0	0	0
<b>Total</b>	<b>110,606,000</b>	<b>119,614,000</b>	<b>121,152,000</b>	<b>124,028,000</b>	<b>129,402,000</b>
<b>Revenues</b>					
Retail Rate Revenues - Power	367,205,000	394,397,000	427,147,000	458,121,000	486,515,000
Wholesale Rate Revenues	16,368,000	16,452,000	17,426,000	16,560,000	16,136,000
Non-Rate Revenues - in DSC	56,325,000	58,354,000	60,454,000	62,657,000	64,923,000
Non-Rate Revenues - Non DSC	41,862,000	41,133,000	47,104,000	49,185,000	46,468,000
TI Revenues - Non DSC	5,901,000	6,078,000	6,261,000	6,450,000	6,645,000
BABs Interest Subsidies (Net of Sequest)	21,000	16,000	11,000	6,000	1,000
<b>Total Revenues</b>	<b>487,682,000</b>	<b>516,430,000</b>	<b>558,403,000</b>	<b>592,979,000</b>	<b>620,688,000</b>
<b>Operation &amp; Maintenance Expenses</b>					
Power Supply and Delivery	160,766,000	169,063,000	180,356,000	195,273,000	208,760,000
Other O&M	166,346,000	171,890,000	177,639,000	183,600,000	189,784,000
Operating Project Expenses	19,353,000	20,034,000	20,742,000	21,478,000	22,238,000
Operating Expenses, Gas & Steam (Non DSC)	35,910,000	36,987,000	38,097,000	39,240,000	40,417,000
Operating Project Expenses (Non DSC)	8,010,000	8,165,000	8,325,000	8,489,000	8,658,000
Subtotal	390,385,000	406,139,000	425,159,000	448,080,000	469,857,000
<b>Debt Service (Net of Capitalized Interest)</b>					
Outstanding Debt: Senior Lien	17,450,000	17,448,000	17,452,000	17,451,000	17,534,000
Outstanding Debt: Junior Lien	190,000	185,000	180,000	175,000	85,000
Projected Future Debt: Senior Lien	20,678,000	29,090,000	43,260,000	51,090,000	64,279,000
Subtotal	38,318,000	46,723,000	60,892,000	68,716,000	81,898,000
<b>Non-Operating/Capital Expenses (Rate Appropriated)</b>					
Capital Projects - Water	3,137,000	1,105,000	5,712,000	6,361,000	2,134,000
Capital Projects - Power	46,834,000	60,925,000	63,764,000	64,448,000	54,875,000
Subtotal	49,971,000	62,030,000	69,476,000	70,809,000	57,009,000
<b>Total Expenses</b>	<b>478,674,000</b>	<b>514,892,000</b>	<b>555,527,000</b>	<b>587,605,000</b>	<b>608,764,000</b>
<b>Power Revenues Less Expenses</b>	<b>9,008,000</b>	<b>1,538,000</b>	<b>2,876,000</b>	<b>5,374,000</b>	<b>11,924,000</b>
<b>Ending Fund Balances</b>	<b>119,614,000</b>	<b>121,152,000</b>	<b>124,028,000</b>	<b>129,402,000</b>	<b>141,326,000</b>
<b>Net Revenues &amp; Debt Service Coverage</b>					
Revenues Excluding Non DSC Revs & BABs Credit Less O&M Expenses Excluding Non DSC Exps	439,898,000 (346,465,000)	469,203,000 (360,987,000)	505,027,000 (378,737,000)	537,338,000 (400,351,000)	567,574,000 (420,782,000)
<b>Net Revenues Current Basis</b>	<b>93,433,000</b>	<b>108,216,000</b>	<b>126,290,000</b>	<b>136,987,000</b>	<b>146,792,000</b>
Plus Fund Balance Appropriation	0	0	0	0	0
<b>Net Revs Current Basis w/Fund Balance Approp</b>	<b>93,433,000</b>	<b>108,216,000</b>	<b>126,290,000</b>	<b>136,987,000</b>	<b>146,792,000</b>
Debt Service Coverage, Current Basis	2.44	2.32	2.07	1.99	1.79
<b>Net Revs Indenture Basis w/ Ending Fund Balance</b>	<b>213,047,000</b>	<b>229,368,000</b>	<b>250,318,000</b>	<b>266,389,000</b>	<b>288,118,000</b>
Debt Service Covg on Senior Debt, Indenture Basis	5.59	4.93	4.12	3.89	3.52

**Table 2**  
**SFPUC Hetch Hetchy Water & Power**  
**Cash Flow Assumptions**

SFPUC Model Basis	Financial projections are based on SFPUC's <i>FY25 New HHWP Financial Model</i> provided 03/05/05.
Retail Rate Adjustments	Based on SFPUC projections.
Change in Retail kWh 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 Current Basis excludes any annual fund balance appropriations.
Net Revs Current Basis w/Fund Balance Appropriation	Include Net Revenues Current Basis plus fund balance appropriations equal to the difference between total annual revenues and total annual expenses in years when total expenses exceed total revenues, reflecting the amount of fund reserves drawn down in years with a net deficit.
Net Revenues Indenture Basis	Based on Net Revenues Current Basis (excluding any fund balance appropriations) plus Ending Fund Balances.
Debt Service Coverage, Current Basis	Based on annual Net Revenues Current Basis plus BABs Subsidies divided by total annual debt service.
Debt Service Coverage, Indenture Basis	Based on annual Net Revenues Indenture Basis divided by Senior Debt Service.

## SFPUC Hetch Hetchy Power Projected Revenues & Expenses (\$ Millions)



Excludes capital improvement projects financed by debt.

**Table 3**  
**SFPUC Hetch Hetchy Water & Power**  
**10-Year Capital Improvement Program & Funding Sources**

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>HETCH HETCHY WATER PROJECTS</b>										
15363-UH Hetchy Water - Water Only	56,049,054	57,052,901	47,358,653	42,531,385	6,591,147	5,199,249	5,200,851	5,221,735	5,550,575	6,430,696
15364-UH Hetchy Water - Power Infrastructure	25,730,244	61,113,838	62,578,325	59,612,154	29,017,210	9,386,609	4,148,199	6,883,490	19,297,028	13,136,391
15365-UH Hetchy Water - Joint Project	70,995,489	62,598,926	55,817,470	82,184,372	76,662,470	157,984,444	204,050,475	179,309,882	56,574,389	59,403,588
Subtotal	152,774,787	180,765,665	165,754,448	184,327,911	112,270,827	172,570,302	213,399,525	191,415,107	81,421,992	78,970,675
<b>HETCH HETCHY POWER PROJECTS</b>										
80427-Distribution Services Retail	38,862,690	73,522,971	112,032,416	141,191,175	114,293,226	135,690,569	150,367,253	152,685,168	97,240,575	91,308,255
15377-UH Streetlight Replacement	3,615,000	3,615,000	5,115,000	5,115,000	5,115,000	5,115,000	5,115,000	5,115,000	5,115,000	5,115,000
15400-UH Renewable-generation - Small	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
15404-UH Hetchy Cap And Trade Allowance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
15383-UH Alternative Transmission Project	7,558,000	6,345,000	5,828,000	5,773,000	5,668,000	5,668,000	5,668,000	5,668,000	5,668,000	5,668,000
Subtotal	52,035,690	85,482,971	124,975,416	154,079,175	127,076,226	148,473,569	163,150,253	165,468,168	110,023,575	104,091,255
<b>TOTAL</b>	<b>204,810,477</b>	<b>266,248,636</b>	<b>290,729,864</b>	<b>338,407,086</b>	<b>239,347,053</b>	<b>321,043,871</b>	<b>376,549,778</b>	<b>356,883,275</b>	<b>191,445,567</b>	<b>183,061,930</b>
<b>FUNDING SOURCES</b>										
<b>Debt</b>										
Power Bonds - Up-Country	64,835,876	95,598,719	93,304,349	104,839,974	71,207,984	96,304,468	116,375,960	105,503,925	5,041,942	45,808,364
Power Bonds - Local	33,450,227	55,017,159	82,131,100	91,107,495	76,972,527	83,798,047	95,106,293	96,158,728	95,012,396	37,641,321
Water Bonds	84,487,053	76,394,607	68,384,814	72,400,031	37,925,592	75,160,364	91,311,372	79,550,612	28,875,312	30,855,985
Subtotal	182,773,156	227,010,485	243,820,263	268,347,500	186,106,103	255,262,879	302,793,625	281,213,265	128,929,650	114,305,670
<b>Revenues</b>										
Rate Revenue - Power	12,442,617	23,821,930	36,107,919	60,136,791	46,834,464	60,924,743	63,763,913	64,447,543	54,875,453	60,228,006
Rate Revenue - Water	3,451,858	8,772,339	4,065,286	7,087,906	3,137,252	1,105,470	5,712,193	6,360,570	2,133,738	2,306,326
Distributed Antenna System Fees	4,328,007	4,643,985	4,978,316	1,323,110	1,536,730	1,765,322	2,009,744	2,270,894	2,549,721	2,847,220
Cap & Trade Auction Revenue	1,006,901	1,151,119	1,319,180	1,511,779	1,732,504	1,985,457	2,270,303	2,591,003	2,957,005	3,374,708
Low Carbon Fuel Standard Payments	807,938	848,778	438,900	-	-	-	-	-	-	-
Subtotal	22,037,321	39,238,151	46,909,601	70,059,586	53,240,950	65,780,992	73,756,153	75,670,010	62,515,917	68,756,260
<b>TOTAL</b>	<b>204,810,477</b>	<b>266,248,636</b>	<b>290,729,864</b>	<b>338,407,086</b>	<b>239,347,053</b>	<b>321,043,871</b>	<b>376,549,778</b>	<b>356,883,275</b>	<b>191,445,567</b>	<b>183,061,930</b>
Difference	-	-	-	-	-	-	-	-	-	-

Note: Amounts shown reflect capital improvements projected to be budgeted, but not necessarily funded or financed, each year.

Table 4  
 SFPUC Hetch Hetchy Water & Power  
 Estimated Bond Debt Service  
 Per \$100 Million of Project Funding

		<b>Power Bonds 30 Years 5.00%</b>
<b>Funding Target</b>		Per each \$100,000,000
<b>Total Debt Issue</b>		\$111,750,000
<b>Project Funding</b>		\$100,000,000
<b>Issuance Costs &amp; Reserve Requirement</b>		
Underwriter Discount	0.30%	\$335,000
Issuance Costs	Est.	200,000
Reserve Requirement		0
Capitalized Interest	2.0	11,176,000
Rounding/Contingency		<u>39,000</u>
Total		11,750,000
<b>Financing Terms</b>		
Term (Years)		30.0
Interest Only (Years)		2.0
Principal Amortization (Years)		28.0
Est. Average Interest Rate		5.00%
<b>Annual Debt Service</b>		
Interest Only Period		5,588,000
Principal Amortization Period		7,501,000
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<i>Financing costs and interest rates estimated for financial planning purposes.</i>		



Table 5  
 SFPUC Hetch Hetchy Water & Power  
 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
<b>Projected Bond Issues</b>										
Projected Par Amounts*	0	0	275,675,000	0	301,050,000	0	280,220,000	0	327,370,000	0
Issuance Date			Nov-1		Nov-1		Nov-1		Nov-1	
Issuance Year			2026		2026		2026		2026	
Interest Payments			May-1 & Nov-1		May-1 & Nov-1		May-1 & Nov-1		May-1 & Nov-1	
Principal Payments (Year 3+)			Nov-1		Nov-1		Nov-1		Nov-1	
Average Interest Rate			5.00%		5.00%		5.00%		5.00%	
Repayment Term (Years)			30		30		30		30	
Capitalized Interest (Years)			2.0		2.0		2.0		2.0	
<b>Debt Service per \$100M</b>										
Interest Only Period (2.5 Yrs)			5,588,000		5,588,000		5,588,000		5,588,000	
Principal Amort Period (28 Yrs)			7,501,000		7,501,000		7,501,000		7,501,000	
<b>Annual Debt Service</b>										
Interest Only Period			15,405,000		16,823,000		15,659,000		18,293,000	
Principal Amort Period			20,678,000		22,582,000		21,019,000		24,556,000	
<b>Cumulative MADS</b>			20,678,000		43,260,000		64,279,000		88,835,000	

\* Based on SFPUC Wastewater Financial Model projections.



Table 7  
SFPUC Hetch Hetchy Water & Power  
Outstanding Debt

Fiscal Year Ending June 30	Senior Lien Bonds						Junior Lien Bonds				Total Outstanding Debt
	2015A Bonds	2015B Bonds	2021A Bonds	2021B Bonds	2023A Bonds	Senior Bond Total	2011 QECBs	2015 NCREBs	2009 C&D COPs	Junior Bond Total	
2024	1,592,950	973,400	0	0	0	2,566,350	677,707	215,025	Excluded Debt service is included in Programmatic Expenses	892,732	3,459,082
2025	1,592,950	972,000	4,435,425	2,615,375	0	9,615,750	657,743	210,227		867,970	10,483,720
2026	1,592,950	969,900	4,434,425	2,620,250	3,097,625	12,715,150	637,539	205,362		842,901	13,558,051
2027	2,406,350	153,000	4,434,800	2,618,500	7,243,375	16,856,025	617,094	200,429		817,523	17,673,548
2028	2,554,250	0	4,431,425	2,620,125	7,550,375	17,156,175	300,803	195,428		496,231	17,652,406
2029	2,556,875	0	4,434,050	2,615,125	7,843,750	17,449,800	0	190,357		190,357	17,640,157
2030	2,551,875	0	4,432,425	2,613,500	7,850,250	17,448,050	0	185,216	185,216	17,633,266	
2031	2,554,125	0	4,435,850	2,615,000	7,846,875	17,451,850	0	180,003		180,003	17,631,853
2032	2,548,500	0	4,435,025	2,609,625	7,858,250	17,451,400	0	174,717		174,717	17,626,117
2033	2,549,875	0	4,435,700	2,606,800	7,941,875	17,534,250	0	85,354		85,354	17,619,604
2034	2,548,000	0	4,432,700	2,616,500	8,020,625	17,617,825	0	0		0	17,617,825
2035	2,542,875	0	4,431,400	2,624,400	8,021,125	17,619,800	0	0		0	17,619,800
2036	2,544,250	0	4,431,600	2,630,500	8,015,125	17,621,475	0	0		0	17,621,475
2037	2,541,875	0	4,433,100	2,639,700	8,002,625	17,617,300	0	0		0	17,617,300
2038	2,540,625	0	4,430,800	2,642,000	8,003,125	17,616,550	0	0		0	17,616,550
2039	2,535,375	0	4,434,500	2,647,400	8,001,000	17,618,275	0	0		0	17,618,275
2040	2,535,875	0	4,434,000	2,645,900	8,000,875	17,616,650	0	0		0	17,616,650
2041	2,531,875	0	4,434,200	2,652,400	8,002,250	17,620,725	0	0		0	17,620,725
2042	2,528,250	0	4,434,900	2,651,800	8,004,625	17,619,575	0	0		0	17,619,575
2043	2,529,625	0	4,431,000	2,654,100	8,002,625	17,617,350	0	0		0	17,617,350
2044	2,525,750	0	4,432,300	2,659,100	8,000,875	17,618,025	0	0		0	17,618,025
2045	2,521,500	0	4,433,500	2,661,700	8,003,750	17,620,450	0	0		0	17,620,450
2046	2,521,500	0	4,434,400	2,661,900	8,000,750	17,618,550	0	0		0	17,618,550
2047	0	0	4,434,800	5,183,200	8,001,375	17,619,375	0	0		0	17,619,375
2048	0	0	4,434,500	5,183,400	8,000,000	17,617,900	0	0		0	17,617,900
2049	0	0	4,433,300	5,181,700	8,005,875	17,620,875	0	0		0	17,620,875
2050	0	0	4,431,000	5,187,700	7,998,500	17,617,200	0	0		0	17,617,200
2051	0	0	4,432,300	5,186,100	8,002,250	17,620,650	0	0		0	17,620,650
2052	0	0	4,431,900	5,186,700	8,001,250	17,619,850	0	0		0	17,619,850
2053	0	0	0	0	17,618,250	17,618,250					
2054	0	0	0	0	17,619,750	17,619,750					
2055	0	0	0	0	0	0					

**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:** Power Certificate for Board Files  
**Date:** Tuesday, September 24, 2024 4:23:50 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[SFPUC Power FY25 and FY26 Financing Authorization Prop E Certificates.pdf](#)

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Hello,

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

- Power Enterprise: File No. 240454, Board of Supervisors Ordinance No. 126-24

Thank you,

**Daniel Fuchs**

Finance Analyst

Office: (415) 487-5223

[dfuchs@sfgwater.org](mailto:dfuchs@sfgwater.org)

*Pronouns: he, him*

[sfpucc.org](http://sfpucc.org)

