

File No. 210650

Committee Item No. 4

Board Item No. 16

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Appropriations Committee

Date June 21, 2021

Board of Supervisors Meeting

Date July 20, 2021

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Public Utilities Commission Resolution No. 20-0031</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Board of Supervisors Resolution No. 173-20</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mayor's Office Budget Submission Memo</u> |
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Completed by: Linda Wong Date June 17, 2021

Completed by: Linda Wong Date July 7, 2021

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

3 **Ordinance amending Ordinance No. 173-20 to authorize the issuance and sale of tax-**
4 **exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as**
5 **described below) by the San Francisco Public Utilities Commission (Commission) in an**
6 **aggregate principal amount not to exceed \$563,430,430 to finance the costs of various**
7 **capital wastewater projects benefitting the Wastewater Enterprise pursuant to**
8 **amendments to the Charter of the City and County of San Francisco enacted by the**
9 **voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater**
10 **Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise**
11 **Commercial Paper; declaring the Official Intent of the Commission to reimburse itself**
12 **with one or more issues of tax-exempt bonds or other forms of indebtedness; and**
13 **ratifying previous actions taken in connection therewith, as defined, herein.**

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

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

23 Section 1. Findings. The Board of Supervisors (“Board”) of the City hereby finds
24 and declares as follows:
25

1 A. On November 5, 2002, the voters of the City and County of San Francisco
2 (“City”) approved Proposition E (“Proposition E”), which among other things, authorized the
3 San Francisco Public Utilities Commission (“Commission”) to issue revenue bonds, including
4 notes, commercial paper or other forms of indebtedness (which forms of indebtedness may
5 include without limitation for purposes of Proposition E, loans and other forms of indebtedness
6 provided by governmental agencies and/or commercial or investment banks), when
7 authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the
8 purpose of reconstructing, replacing, expanding, repairing or improving water facilities or
9 clean water facilities or combinations of water and clean water facilities under the jurisdiction
10 of the Commission; and

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

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

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

3 ///

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

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

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

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

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

3 ///

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

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

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

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

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

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

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

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

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

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

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4 By: /s/ Mark D. Blake
5 Mark D. Blake
6 Deputy City Attorney
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<p>Items 2 and 4 Files 21-0648 and 21-0650</p>	<p>Department: San Francisco Public Utilities Commission</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • File 21-0650 is an ordinance amending Ordinance 20-173, authorizing the San Francisco Public Utilities Commission (SFPUC) to (i) issue and sale tax-exempt or taxable Wastewater Revenue Bonds up to \$563,430,430 to finance the costs of various capital wastewater projects; and (ii) Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper. • File 21-0648 is an ordinance appropriating (i) \$213,511,178 of proceeds from revenue bonds, State of California Water Resources Control Board’s revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise’s Capital Improvement Program for Fiscal Year 2021-22, (ii) de-appropriating and re-appropriating \$42,900,587, and (3) placing \$256,411,765 in Revenue Bonds or State Loan or Grant Funds by project on Controller’s Reserve subject to the Controller's certification of funds availability. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Board of Supervisors previously approved issuance of \$349.9 million in Wastewater Revenue Bonds to finance Sewer System Improvement Program and other Wastewater Enterprise capital projects. File 21-0650 increases the bond issuance authority by \$213.5 million, from \$349.9 million to \$563.4 million. File 21-0648 appropriates the increase of \$213.5 million to the Biosolids Digester Facility project at the Southeast Treatment Plant. • File 21-0650 does not specify the amount of Wastewater Refunding Bonds that could be issued to refinance outstanding Wastewater Revenue Bond debt. SFPUC anticipates issuing refunding bonds if market conditions result in savings exceeding the minimum 3 percent debt service savings threshold and would not extend the maturity date of the bonds <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • According to the SFPUC’s 10 Year Financial Plan for FY 2021-22 to FY 2030-31, estimated Wastewater Enterprise annual debt service in FY 2021-22 would be \$93.6 million, increasing to \$272.4 million in FY 2030-31. According to Charter Section 8B.124, SFPUC must obtain certification by a qualified third party that the debt service coverage ratio will be at least 1.25x; according to the SFPUC’s 10 Year Financial Plan, estimated annual debt service coverage ratio in FY 2021-22 would be 2.32x, decreasing to 1.43x in FY 2030-31. • The adopted sewer rate increase in FY 2021-22 is 8 percent and estimated increase in FY 2022-23 to FY 2027-28 is 5 percent, reducing to 4 percent in FY 2028-29 to FY 2030-31. The estimated average monthly residential sewer bill will increase by \$6.24 in FY 2021-22 from \$78.00 in FY 2020-21 to \$84.24 in FY 2021-22; and by \$4.21 in FY 2021-22 to \$88.45. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend File 21-0650 to state that if the SFPUC issues refunding bonds, a Refunding Savings Report and copy of the final Official Statement would be submitted to the Board. • Approve File 21-0650 as amended, and File 21-0648. 	

MANDATE STATEMENT

City Charter Section 8B.124 authorizes the San Francisco Public Utilities Commission (SFPUC) to issue revenue bonds when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing, or improving water facilities, clean water facilities, power facilities, or combinations of water, clean water, and power facilities under the jurisdiction of the Public Utilities Commission or for any other lawful purpose of the water, clean water, or power utilities of the City.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

Sewer System Improvement Program

The Sewer System Improvement Program (SSIP) includes multiple projects to improve the existing sewer collection and wastewater treatment facilities. SSIP provides for improvements to the (a) Southeast Treatment Plant Biosolids Digester and Headworks facilities; (b) the three treatment plants – Southeast, Oceanside, and Northpoint; (c) pump stations, force main, transport/storage/collection, odor control, and other components of the sewer transport, collection, storage, and treatment system; (d) stormwater mater management and flood resilience; and (e) land reuse. Phase I of the SSIP is \$3.4 billion and is anticipated to be completed in 2025. The overall SSIP is \$7.0 billion, funded by Wastewater Enterprise Revenue Bonds.

DETAILS OF PROPOSED LEGISLATION

File 21-0650 The proposed ordinance amends Ordinance 20-173, (1) authorizing the San Francisco Public Utilities Commission (SFPUC) to issue and sale tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness in an aggregate amount not-to-exceed \$563,430,430 to finance the costs of various capital wastewater projects; (2) authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; (3) declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and (4) ratifying previous actions in connection with the issuance.

File 21-0648 The proposed ordinance (1) appropriates \$213,511,178 of proceeds from revenue bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise's Capital Improvement Program for Fiscal Year 2021-22, (2) de-appropriates and re-appropriates \$42,900,587, and (3) places \$256,411,765 in Revenue Bonds or State Loan or Grant Funds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects.

Use of funds for these projects is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act (CEQA) findings for projects, following review and consideration of completed project related environmental analysis, where required.

Funding Sources

File 21-0650 authorizes SFPUC to issue Wastewater Revenue Bonds, or other forms of indebtedness, including State Water Resources Control Board loans, U.S. Environmental Protection Agency Water Infrastructure Finance and Innovation Act loans ("WIFIA Loans"), State Revolving Loan Funds, or other sources. According to SFPUC staff, the proposed ordinance authorizes SFPUC to incur forms of debt other than revenue bond debt because the cost of State and federal loans, when available, is less than the cost of revenue bond debt.

File 21-0650 amends Ordinance 173-20, approved by the Board of Supervisors in August 2020, to increase the authorization for Wastewater Revenue Bonds from \$349,919,252 to \$563,430,430. SFPUC has issued commercial paper to fund portions of the previously authorized \$349,919,252 Wastewater Revenue Bonds. According to SFPUC staff, SFPUC is now requesting an increase in bond authorization from \$349,919,252 to \$563,430,430 primarily to fund the Biosolids Digester Facility Project at the Southeast Treatment Plant.

Proposed Projects

File 21-0648 appropriates \$213,511,178 in new Wastewater Revenue Bond proceeds to Sewer System Improvement projects shown in Exhibit 1 below. This amount of \$213,511,178 is in addition to \$349,919,252 appropriated by the Board of Supervisors to SSIP and other projects in August 2020, totaling \$563,430,400.

Exhibit 1: Prior and New Appropriation

	File 20-0832	File 21-0648	Total
Biosolids Digester	\$81,744,633	\$214,200,000	\$295,944,633
Southeast Treatment Plant	18,390,184		18,390,184
North Point Treatment Plant	11,094,891		11,094,891
Oceanside Treatment Plant	15,013,824		15,013,824
Collection System	13,133,357		13,133,357
Pump Stations	3,704,212		3,704,212
Flood Resilience	45,000,000	(15,000,000)	30,000,000
Green Infrastructure Projects	2,316,368	6,000,000	8,316,368
Subtotal SSIP	\$190,397,469	\$205,200,000	\$395,597,469
Collection System	\$45,554,985		\$45,554,985
Treasure Island	35,000,000	(20,000,000)	15,000,000
Ocean Beach	2,416,702		2,416,702
Southeast Community Center	4,500,000		4,500,000
Islais Creek Outlet	19,562,178	(3,715,499)	15,846,679
Other Projects	\$107,033,865	(\$23,715,499)	\$83,318,366
Financing, Oversight, Audits	52,487,888	32,026,677	84,514,565
Total Uses	\$349,919,222	\$213,511,178	\$563,430,400

Source: Files 20-0832 and 21-0648

The Attachment describes the projects.

FISCAL IMPACT

Total Wastewater Revenue Bond Authorization

The total SSIP is approximately \$7.0 billion in three phases, funded by Wastewater Revenue Bonds, and the current approved budget for Phase I and other projects is approximately \$3.0 billion.¹ The Board of Supervisors has previously authorized \$3.8 billion in Wastewater Revenue Bonds, of which SFPUC has issued \$3.4 billion and \$406 million is authorized but not yet issued. The SFPUC's policy is to request authorization for bonds and other forms of debt to fund new capital appropriations, even if it has unused bond authority.

File 21-0650 would authorize issuance of \$563.4 million in new Wastewater Revenue Bonds, for total authorized Wastewater Revenue Bond debt of approximately \$4.4 billion.² The proposed ordinance also authorizes the issuance of refunding bonds to refinance outstanding Wastewater Revenue Bond commercial paper debt.

SFPUC Debt Management Policy

SFPUC's Debt Policy provides for issuance of short-term debt, such as commercial paper, and refunding bonds.

Commercial Paper

The Board of Supervisors previously authorized the SFPUC Wastewater Enterprise to issue up to \$750 million in short term commercial paper (File 17-1740). The SFPUC currently has \$538 million in outstanding commercial paper which could be retired by the issuance of new Wastewater Revenue Bonds under the proposed ordinance.

Refunding Bonds

The proposed ordinance does not specify the amount of Wastewater Refunding Bonds that could be issued to refinance outstanding Wastewater Revenue Bond debt. SFPUC anticipates issuing refunding bonds if market conditions result in savings exceeding the minimum 3 percent debt service savings threshold and would not extend the maturity date of the bonds. The proposed ordinance should be amended to state that if the SFPUC issues refunding bonds, a Refunding Savings Report and copy of the final Official Statement would be submitted to the Board of Supervisors.

Bond Issuance and Debt Service

SFPUC anticipates issuing \$563.4 million in two to four series beginning in FY 2021-22. According to the SFPUC's 10 Year Financial Plan for FY 2021-22 to FY 2030-31, estimated Wastewater Enterprise annual debt service in FY 2021-22 would be \$93.6 million, increasing to \$272.4 million

¹ 1st Quarter Report, page 3.

² As noted above, of the \$563.4 million, the Board of Supervisors previously authorized issuance of \$349.9 million (File 20-0382), resulting in a net increase in bond authority of \$213.5 million.

in FY 2030-31. According to Charter Section 8B.124, SFPUC must obtain certification by a qualified third party that the debt service coverage ratio will be at least 1.25x (i.e., net revenues plus available fund balance are 1.25 times the annual principal and interest payments on the debt). According to the SFPUC's 10 Year Financial Plan, estimated Wastewater Enterprise annual debt service coverage ratio in FY 2021-22 would be 2.32x, decreasing to 1.43x in FY 2030-31.

Sewer Rate Increases

To meet operating, capital, and debt expenses, the SFPUC estimates annual sewer rate increases of 5.0 percent. The adopted annual rate increase in FY 2021-22 is 8 percent. The estimated increase in FY 2022-23 to FY 2027-28 is 5 percent, reducing to 4 percent in FY 2028-29 through FY 2030-31. SFPUC estimates that the average monthly residential sewer bill will increase by \$6.24 in FY 2021-22 from \$78.00 in FY 2020-21 to \$84.24 in FY 2021-22; and by \$4.21 in FY 2021-22 to \$88.45.

POLICY CONSIDERATION

Reporting on Bond Issuance to Board of Supervisors

According to Ordinance 111-16, which previously authorized issuance of \$1.1 billion in Wastewater Revenue Bonds, the SFPUC would file with the Clerk of the Board within 30 days of the issuance of the bonds, a report summarizing principal and interest costs, bond maturity, facilities to be funded, and remaining unissued balance. The SFPUC submitted such reports on July 14, 2020. File 21-0650 provides for the continued submission of such reports to the Clerk of the Board.

Wastewater Enterprise Capital Plan and Reserves

SFPUC's fund balance reserve policy requires a fund balance of 90 days or 25 percent of operating expenses. According to the 10 Year Financial Plan, the Wastewater Enterprise fund balance is expected to exceed this level over the 10-year plan period. The 10 Year Financial Plan shows negative net operating revenues in four of the next ten years (i.e., operating revenues are less than expenses) which will draw down on the fund balance, although the fund balance will exceed the minimum amount of 25 percent of operating expenses.

RECOMMENDATIONS

1. Amend File 21-0650 to state that if the SFPUC issues refunding bonds, a Refunding Savings Report and copy of the final Official Statement would be submitted to the Board of Supervisors.
2. Approve File 21-0650 as amended, and File 21-0648.

Attachment: Project Description

Biosolids Digester Facilities Project (\$214,200,000 appropriation)

The Biosolids Digester Facilities project replaces and relocates existing biosolids treatment facilities at the Southeast Treatment Plant with more modern, reliable, and efficient facilities. According to the Wastewater Enterprise Capital Improvement Program FY 2020-21 2nd Quarter Report, the demolition of existing facilities and relocation of utilities and site preparation has been completed. Because construction bids were higher than estimated, SFPUC redesigned components of the project scope to contain costs, and a notice-to-proceed was issued to the construction manager/general contract on July 1, 2020. Project completion is expected in 2027.

The approved Biosolids Digester Facilities project budget is \$1.7 billion and project expenditures as of December 2020 were \$363 million.

Green Infrastructure Projects (\$6,000,000 appropriation)

The Sewer System Improvement Program provides for various green infrastructure projects to manage stormwater runoff. Recently completed projects or projects near completion include the Sunset Boulevard project and Baker Beach Green Street. A Request for Proposals (RFP) for the Yosemite Creek Daylighting project, which has an approved budget of \$17 million, is in progress. Other current projects include the Green Infrastructure Grant Program, budgeted at \$25 million, which allocates grant up to \$765,000 per acre, to projects on private property.

Flood Resilience Projects (\$15,000,000 de-appropriation)

The implementation of the Folsom component of the Flood Resilience Project is now subdivided into two components that separate the tunnel portion of the scope - as opposed to the previous plan calls for a single scope. This has changed the timeline and associated funding requirements for this project.

Treasure Island Project (\$20,000,000 de-appropriation)

The Treasure Island wastewater treatment facility replaces the facility built by the U.S. Navy, with is past its useful life. The RFP for design-build services was advertising, with construction estimated to begin in December 2021, which is later than originally planned, reducing the funding need in the near-term.

1 [San Francisco Public Utilities Commission Wastewater Revenue Bond Issuance - Various
2 Capital Wastewater Projects Benefitting the Wastewater Enterprise - Not to Exceed
3 \$349,919,252]

4 **Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater**
5 **Revenue Bonds and other forms of indebtedness, as defined herein, by the San**
6 **Francisco Public Utilities Commission (Commission) in an aggregate principal amount**
7 **not to exceed \$349,919,252 to finance the costs of various capital wastewater projects**
8 **benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the**
9 **City and County of San Francisco enacted by the voters on November 5, 2002, as**
10 **Proposition E; authorizing the issuance of Wastewater Revenue Refunding Bonds and**
11 **the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the**
12 **Official Intent of the Commission to reimburse itself with one or more issues of tax-**
13 **exempt bonds or other forms of indebtedness, as defined herein; and ratifying**
14 **previous actions taken in connection therewith, as defined herein.**

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

23 Section 1. Findings. The Board of Supervisors ("Board") of the City hereby finds
24 and declares as follows:

1 A. On November 5, 2002, the voters of the City and County of San Francisco (the
2 “City”) approved Proposition E (“Proposition E”), which among other things, authorized the
3 San Francisco Public Utilities Commission (“Commission”) to issue revenue bonds, including
4 notes, commercial paper or other forms of indebtedness (which forms of indebtedness may
5 include without limitation for purposes of Proposition E, loans and other forms of indebtedness
6 provided by governmental agencies and/or commercial or investment banks), when
7 authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the
8 purpose of reconstructing, replacing, expanding, repairing or improving water facilities or
9 clean water facilities or combinations of water and clean water facilities under the jurisdiction
10 of the Commission; and

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

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

1 issuance and sale of Wastewater Revenue Bonds for such purposes, such Commission
2 Resolution being on file with the Clerk of the Board in File No. 200837; and

3 ///

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

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

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

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

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

3 ///

4 F.H. This Board is concurrently considering with this Ordinance, another Ordinance
5 approving a Capital Improvement Program related supplemental appropriation totaling
6 \$579,185,142 for fiscal years ending 2021 and 2022, including the proceeds of such
7 Wastewater Revenue Bonds and other forms of indebtedness (including, without limitation
8 and for illustrative purposes only) SRF Loans, WIFIA Loans, commercial paper, revolving
9 credit notes and bond anticipation notes); and

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

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

20 Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of
21 indebtedness. The Board hereby authorizes the issuance and sale of Wastewater Revenue
22 Bonds in one or more series from time to time by the Commission pursuant to Proposition E
23 and in accordance with the Commission Resolution and the execution and delivery of SRF
24 Loan or WIFIA Loan agreements or the issuance of commercial paper, revolving credit notes,
25 or bond anticipation notes, in an aggregate principal amount not to exceed \$349,919,252

1 (inclusive of financing costs), but exclusive of refunding indebtedness), bearing a maximum
2 rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion
3 of the costs of the design, acquisition and construction of the Capital Improvement Projects.
4 Without limiting the foregoing, the Commission shall be authorized to incur SRF Loans from
5 the State Water Resources Control Board or WIFIA Loans from the U.S. Environmental
6 Protection Agency at such time, in such amounts, and upon such other terms and conditions
7 as the Commission may deem advantageous. The Commission is hereby further authorized
8 to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each
9 series of Wastewater Revenue Bonds, commercial paper, revolving credit notes, or bond
10 anticipation notes pursuant to this authorization; provided however, the Commission's
11 authorization to issue Wastewater Revenue Bonds or incur other forms of indebtedness
12 (including SRF Loans, WIFIA Loans, bond anticipation notes, commercial paper or revolving
13 credit notes) is subject to approval by the Commission of the form of substantially final offering
14 document related to such obligations (if any) and the approval of any related agreements,
15 financing documents and the filing with its Board and the Clerk of the Board any certifications
16 required by Proposition E prior to the issuance of any bonds or the incurrence of any
17 indebtedness herein authorized. The Commission shall also file, within 30 days of any bond
18 sale authorized hereby, with the Clerk of the Board of Supervisors a report showing the
19 results of the sale of Wastewater Revenue Bonds, SRF Loans or other form of indebtedness
20 including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity,
21 (iv) the facilities constructed and/or improved, and (v) a statement about the remaining
22 bonding authorization under this Ordinance ("Bond Report"); provided however that failure to
23 file the Bond Report shall not affect the validity of any bonds authorized hereunder.

24 Section 3. Authorization to Retire Commercial Paper. In furtherance of the purpose
25 of managing the Commission outstanding indebtedness, the General Manager is hereby

1 authorized and directed, in consultation the City Attorney, from Available Wastewater
2 Enterprise Revenues to retire outstanding Wastewater Enterprise Commercial Paper at such
3 times and in such amounts advantageous to the Commission.

4 Section 4. Authorization to Issue Wastewater Revenue Refunding Bonds, and to
5 retire Outstanding Commercial Paper. The Board further authorizes and approves the
6 issuance by the Commission of Wastewater Revenue Refunding Bonds (“Refunding Bonds”)
7 to refund any outstanding obligations of the Wastewater Enterprise, without limitation as to
8 principal amount, in one or more series on one or more dates, at a maximum interest rate or
9 rates of interest not to exceed twelve percent (12%) per annum, provided that each such
10 Refunding Bond issue is permitted under the applicable policies and procedures of the
11 Commission and authorized by Section 9.109 of the Charter (including related ordinances and
12 resolutions of the Board). The Refunding Bonds may be issued as tax-exempt or taxable
13 obligations, or any combination thereof. Refunding Bonds authorized hereunder shall be
14 subject to the further following conditions, that: (i) three percent (3%) net present value debt
15 service savings or greater is achieved to ensure ratepayer savings (exclusive of any issuance
16 to refund commercial paper or bond anticipation notes); (ii) that the maturity of the refunded
17 bonds is not extended, provided that principal payments and term may be adjusted, where
18 permitted under federal and state tax law, only if and when the underlying capital asset funded
19 through said refunded bonds has a useful life not in excess of any limit permitted under
20 federal and state tax law than the refunded term (iii) this authorization is subject to a 56-year
21 term through June 30, 2056, at which time this Board may consider an extension; and (iv)
22 the Commission shall within 30 days of any executed refunding transaction provide a
23 refunding savings report (“Refunding Savings Report”) prepared by its financial advisors (that
24 reflects at least a three percent (3%) net present value debt service savings) to the Board,
25 together with a copy of the final Official Statement (if any) with respect to such series of

1 Refunding Bonds; provided that the failure to deliver such Refunding Savings Report shall in
2 no way affect the validity of any Refunding Bonds.

3 ///

4 Section 5. Certain other Refunding Bonds. Notwithstanding the foregoing, the
5 Commission is authorized to issue Refunding Bonds for non-economic factors, including by
6 way of illustration, eliminating onerous covenants and obsolete provisions contained in the
7 Commission's indenture or other security documents. The Commission shall request a waiver
8 of the savings requirement under Section 4 for any Refunding Bonds issued for non-economic
9 reasons, which the Board may grant by resolution. ~~In furtherance of the purpose of managing
10 the Commission outstanding indebtedness, the General Manager is hereby authorized and
11 directed, in consultation the City Attorney, from Available Wastewater Enterprise Revenues to
12 retire outstanding Wastewater Enterprise Commercial Paper at such times and in such
13 amounts advantageous to the Commission.~~

14 Section 46. Declaration of Official Intent. The Board, on behalf of the Commission,
15 hereby declares the official intent of the Commission to reimburse the Commission with
16 proceeds of the Wastewater Revenue Bonds or other forms of indebtedness (including SRF
17 Loans, WIFIA Loans, bond anticipation notes or commercial paper) for the Expenditures with
18 respect to the Capital Improvement Projects made on and after a date that is no more than 60
19 days prior to the adoption of this Ordinance. The Commission reasonably expects on the date
20 hereof that it will reimburse the Expenditures with proceeds of the Wastewater Revenue
21 Bonds or other forms of indebtedness (including SRF Loans, WIFIA Loans, bond anticipation
22 notes or commercial paper). Each said Expenditure was and will be either (A) of a type
23 properly chargeable to a capital account under general federal income tax principles
24 (determined in each case as of the date of the Expenditure), (B) a cost of issuance with
25 respect to such obligations, (C) a nonrecurring item that is not customarily payable from

1 current revenues, or (D) a grant to pay a party that is not related to or an agent of the issuer
2 so long as such grant does not impose any obligation or condition (directly or indirectly) to
3 repay any amount to or for the benefit of the Commission. The Commission will make a
4 reimbursement allocation, which is a written allocation by the Issuer that evidences the
5 Commission's use of proceeds of the Wastewater Revenue Bonds or other forms of
6 indebtedness to reimburse an Expenditure, no later than 18 months after the later of the date
7 on which the Expenditure is paid or the component of the Capital Improvement Projects is
8 placed in service or abandoned, but in no event more than three years after the date on which
9 the Expenditure is paid. The Commission recognizes that exceptions are available for certain
10 "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by
11 "small issuers" (based on the year of issuance and not the year of expenditure) and
12 expenditures for construction projects of at least 5 years.

13 Section 57. General Authority. The Controller, Treasurer, the City Attorney and other
14 officers of the City, including the Director of the Office of Public Finance, and their duly
15 authorized deputies and agents are hereby authorized and directed, jointly and severally, to
16 take such actions and to execute and deliver such certificates, agreements, requests or other
17 documents, as they may deem necessary or desirable to facilitate the issuance, sale and
18 delivery of the Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation
19 notes, commercial paper or Refunding Bonds, to obtain bond insurance or other credit or
20 liquidity enhancements with respect to any such obligations, and otherwise to carry out the
21 provisions of this Ordinance. The Commission is hereby directed to provide the final form to
22 the Clerk of the Board of any disclosure document (if any) prepared in connection with the
23 execution of any Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation
24 notes, commercial paper or Refunding Bonds, and the final executed Installment Sale
25 Agreement or other document reflecting the incurrence of an SRF Loan or a WIFIA Loan,

1 within 30 days of the closing of such transactions; provided however that failure to provide
2 such document shall not affect the validity of the obligations authorized hereunder. The
3 Commission is further directed as a part of the two-year budget review to provide to this Board
4 of Supervisors a written report about Wastewater Revenue Bonds authorized hereunder,
5 detailing the total amount authorized, the total amount sold, the remaining authorized but
6 unissued amount, and the bond authorization no longer necessary due to changes in projects
7 and project financing.

8 Section 68. Ratification of Prior Actions. All actions authorized and directed by this
9 Ordinance in connection with the issuance of the Wastewater Revenue Bonds or other forms
10 of indebtedness (including, without limitation and for illustrative purposes only, SRF Loans,
11 WIFIA Loans, bond anticipation notes or commercial paper), Refunding Bonds, and heretofore
12 taken are hereby ratified, approved and confirmed by this Board.

13 Section 79. File Documents. All documents referred to as on file with the Clerk of the
14 Board are in File Nos. 200837.

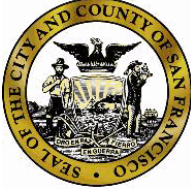
15 Section 810. Effective Date. Pursuant to Charter Section 2.105, Section 4 of this
16 Ordinance and Sections 7 and 8 of this Ordinance as they pertain to Refunding Bonds
17 authorized under Section 4 shall take effect immediately after its adoption. Pursuant to
18 Charter Section 8B.124, the remainder of this Ordinance shall take effect thirty (30) days after
19 its adoption.

20

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23

24 By: /s/ Mark D. Blake
25 Mark D. Blake
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: 200837

Date Passed: September 29, 2020

Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness, as defined herein, by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed \$349,919,252 to finance the costs of various capital wastewater projects benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness, as defined herein; and ratifying previous actions taken in connection therewith, as defined herein.

August 13, 2020 Budget and Appropriations Committee - CONTINUED

August 21, 2020 Budget and Appropriations Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

August 21, 2020 Budget and Appropriations Committee - RECOMMENDED AS AMENDED

September 15, 2020 Board of Supervisors - CONTINUED ON FIRST READING

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

September 22, 2020 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee
Noes: 1 - Stefani

September 29, 2020 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Walton and Yee
Noes: 1 - Stefani

File No. 200837

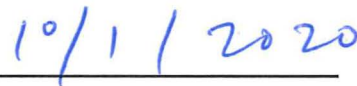
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/29/2020 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 20-0031

WHEREAS, The General Manager of the San Francisco Public Utilities Commission (SFPUC) and staff presented the proposed FY 2020-21 and FY 2021-22 Capital Budget for the Water Enterprise, Wastewater Enterprise and Hetch Hetchy Water & Power, including the Power Enterprise and CleanPowerSF (“Capital Budget”) including the list of projects, cost estimates, and schedules to the Commission at public hearings held on January 16, January 23, January 30, and February 11, 2020, and copies of those presentations are on file with the Commission Secretary and incorporated herein by reference; and

WHEREAS, An overview of the proposed FY 2020-21 and FY 2021-22 Capital Budget for each enterprise is set forth as Attachment A to the staff report for the February 11, 2020 Commission hearing is on file with the Commission Secretary; and

WHEREAS, As a preliminary step to development of the Two-Year Capital Budget, a baseline review of all existing project appropriations was completed for potential closeout or repurposing to new capital budget need; and

WHEREAS, The Two-Year Capital Budget submittals went through a quality review to assure the budget addressees the Enterprises immediate capital improvement needs and reflects a sound project prioritization process; and

WHEREAS, The quality review included a validation of costs and schedule of all proposed projects and an assessment of the ability to deliver the projects within the 2-year timeframe; and

WHEREAS, If the Two-Year Capital Budget shown on Attachment A is adopted by this Commission, the General Manager would have authority during the next two years to re-allocate project appropriations within the same Authority Code, which is the five-digit code on the far left column of Attachment A, but any reallocation of project appropriations from one Authority Code to a different one would require Commission and Board of Supervisors approval; and

WHEREAS, The proposed FY 2020-21 and FY 2021-22 Capital Budget must be submitted to, and approved by the Mayor and the Board of Supervisors; and

WHEREAS, The SFPUC General Manager recommends that the Commission request a supplemental appropriation ordinance for the capital expenditures for each of the three Enterprises presented in the proposed FY 2020- 21 and FY 2021-22 Capital Budget to timely implement public improvement projects; and

WHEREAS, The subsequent approvals of projects to be funded through this Capital Budget would only be granted following the consideration of environmental review pursuant to the California Environmental Quality Act (CEQA), Administrative Code Chapter 31, and Proposition E (approved by the voters in 2002 for Water and Wastewater projects) by this Commission; and

WHEREAS, The Water Enterprise is de-appropriating \$3,528,113 in Revenue Funded Water Capital Projects being closed-out with the unspent balance returned to the Water Operating Fund, and de-appropriating and re-appropriating \$15,324,167 in Water Capital Projects to fund project spending in FY 2020-21; and

WHEREAS, The Wastewater Enterprise is de-appropriating and re-appropriating \$391,415,748 in Wastewater Capital Projects to fund project spending in FY 2020-21; and

WHEREAS, The Hetch Hetchy Enterprise is de-appropriating and re-appropriating \$341,001 in Hetchy Capital Projects for project close out in FY 2020-21; and

WHEREAS, This Commission has considered the proposed FY2020-21 and FY2021-22 Capital Budget for the Water Enterprise, Wastewater Enterprise, and Hetch Hetchy Water and Power, including the Power Enterprise and CleanPowerSF, which total \$397,225,012 for FY 2020-21 and \$739,135,844 for FY 2021-22, as set forth in Attachment A to the February 11, 2020 staff report, a copy of which is attached hereto; now, therefore, be it

RESOLVED, That this Commission hereby adopts the FY2020-21 and FY2021-22 SFPUC Capital Budget in the amount of \$435,699,986 for FY 2020-21 and \$835,878,748 for FY 2021-22 for the Water Enterprise, the Wastewater Enterprise, and Hetch Hetchy Water and Power, including the Power Enterprise and CleanPowerSF as presented at the public hearings on January 16, January 23, and January 30, 2020 and as set forth in the attached Attachment A, as follows:

FY 2020-21 Capital Budget	Amount	Financing Costs	Total
Wastewater Enterprise	\$ 179,421,679	\$ 9,834,208	\$ 189,255,887
Water Enterprise	134,686,937	15,094,048	149,780,985
Hetchy Water	38,501,775	5,006,144	43,507,919
Hetchy Power	42,331,958	8,540,574	50,872,532
CleanPowerSF	<u>2,282,663</u>	<u>0</u>	<u>2,282,663</u>
Total	\$ 397,225,012	\$ 38,474,974	\$ 435,699,986
FY 2021-22 Capital Budget	Amount	Financing Costs	Total
Wastewater Enterprise	\$ 399,405,834	\$ 48,323,725	\$ 447,729,559
Water Enterprise	195,902,795	24,226,376	220,129,171
Hetchy Water	111,474,483	11,287,866	122,762,349
Hetchy Power	30,304,069	12,904,937	43,209,006
CleanPowerSF	<u>2,048,663</u>	<u>0</u>	<u>2,048,663</u>
Total	\$ 739,135,844	\$ 96,742,904	\$ 835,878,748

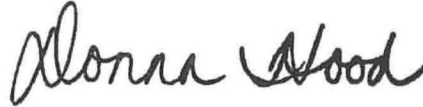
and be it;

FURTHER RESOLVED, That this Commission authorizes the General Manager to seek Board of Supervisors approval for the de-appropriation of \$3,528,113 in Revenue Funded Water Capital Projects, the de-appropriation and re-appropriation of \$15,324,167 in Water Capital Projects, de-appropriation and re-appropriation of \$391,415,748 in Wastewater Capital Project funding, and de-appropriation and re-appropriation of \$341,001 in Power Capital Project funding; and, be it

FURTHER RESOLVED, That the SFPUC General Manager is authorized to make further technical adjustments to these approved amounts as may be necessary, or upon further direction from the Commission, the Mayor and the Board of Supervisors; and, be it

FURTHER RESOLVED, The General Manager is hereby authorized and directed to submit to the Board of Supervisors proposed ordinances authorizing the issuance of (1) not to exceed \$370,762,889 aggregate principal amount of Water Revenue Bonds and other forms of indebtedness, including commercial paper and State Revolving Fund (SRF) loans, (2) \$387,719,556 aggregate principal amount of Wastewater Revenue Bonds and other forms of indebtedness, including commercial paper and SRF loans, under the terms of Proposition E (approved by the voters November 2002), and (3) \$142,970,073 aggregate principal amount of Power Revenue Bonds and other forms of indebtedness, including commercial paper and loans, subject to the terms of Charter Sections 9.107(6) and 9.107(8). The General Manager shall return to this Commission for a subsequent discretionary approval of any disclosure and transaction related documents prepared in connection with the issuance of such Bonds and other forms of indebtedness.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of February 11, 2020.



Secretary, Public Utilities Commission



To: Angela Calvillo, Clerk of the Board of Supervisors
From: Ashley Groffenberger, Mayor's Budget Director
Date: June 1, 2021
Re: Mayor's FY 2021-22 and FY 2022-23 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1st, corresponding legislation, and related materials for Fiscal Year (FY) 2021-22 and FY 2022-23.

In addition to the Mayor's Proposed FY 2021-22 and FY 2022-23 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions, physical copies of which will be delivered by the Controller's Office
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2021-22
- 22 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- Memo to the Board President requesting for 30-day rule waivers on ordinances
- Request for release of Budget and Appropriations Committee Reserve

Please note the following:

- Technical adjustments to the budget are being prepared, but are not submitted with this set of materials.

Sincerely,

Ashley Groffenberger
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

DEPT	Item	Relevance to Budget	Type of Legislation
ADM	Critical Repair/Recovery Stimulus COPs	Authorizes COPs to finance or refinance the capital plan in the budget.	Ordinance
CON	Prop J Certification - new	Costs related to Prop J services assumed in budget.	Resolution
CON	Prop J Certification - previously approved	Costs related to Prop J services assumed in budget.	Resolution
CON	Access Line Tax	Sets Access Line Tax. Revenues assumed in budget.	Resolution
CON	Neighborhood Beautification Fund	Neighborhood Beautification Fund contribution levels assumed in budget.	Ordinance
CON	Supplemental Enterprise Budget - AAO	Amendment to the AAO for the Airport, Port, and the PUC	Ordinance
CON	Supplemental Enterprise Budget - ASO	Amendment to the ASO for the Airport, Port, and the PUC	Ordinance
DPH	Annual Update to Patient Rates	Fee revenue assumed in budget.	Ordinance
DPH	Recurring State Grants	Grant revenue assumed in budget.	Resolution
DPH	DPH City Option Payouts	Approves the execution of a payment agreement assumed in budget.	Resolution
DPH	Emergency Medical Services Fee Transfer of Function	Transfer of function for positions reflected in the budget	Ordinance
HSH	Annual HSH Fund Expenditures	Expenditure plan assumed in budget.	Resolution
LIB	In-Kind Grant of Friends of San Francisco Public Library	Grant assumed in budget.	Resolution
LIB	In-Kind Grant of Friends of San Francisco Public Library Mission Branch	Grant assumed in budget.	Resolution
PUC	Hetch Hetchy Capital Budget	Appropriates funds to support PUC Hetch Hetchy capital budget expenditures.	Ordinance
PUC	Wastewater Capital Budget	Appropriates funds to support PUC Wastewater Enterprise capital budget expenditures.	Ordinance
PUC	Hetch Hetchy Debt Authorization	Authorizes bond issuance to finance Hetch Hetchy capital projects.	Ordinance
PUC	Wastewater Debt Authorization	Authorizes bond issuance to finance Wastewater capital projects.	Ordinance
REC	Continuing Flexible Pricing Model for REC Owned Gardens	Continues current pricing model for REC-owned gardens-- revenues reflected in budget.	Ordinance
REC	Parking Rates and Codes Revision	Authorizes SFMTA to implement paid parking and revise existing rates at certain parking lots-- revenues reflected in budget.	Ordinance
RNT	Direct Administration of the Rent Board Fee	Legislation that allows the Rent Board to directly collect the annual fee on rent-controlled units-- revenues reflected in budget.	Ordinance
TTX	Street Artist Fee	Lowers the fee of a street artist certificate— revenues reflected in budget.	Ordinance



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: 30-Day Waiver Requests
DATE: June 1, 2021

Madam Clerk,

The Mayor's Office respectfully requests 30-day hold waivers for the following pieces of trailing legislation:

- FY2021-2022 & FY2022-2023 Mayor's Proposed Budget and Appropriation Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Interim Budget and Appropriation Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Salary Ordinance
- FY2021-2022 & FY2022-2023 Mayor's Proposed Interim Salary Ordinance
- Health Code - Patient Rates for Fiscal Years 2020-2021, 2021-2022, and 2022-2023
- Authorizing Tax-Exempt and/or Taxable Certificates of Participation (Multiple Capital Improvement Projects) - Not to Exceed \$67,500,000
- Appropriation - \$19,344,824 in Proceeds from Revenue Bonds in Hetch Hetchy Water and Power Capital Improvements - De-appropriation and Re-appropriation \$2,000,000 Low Carbon Fuel Standard Fund – FY2021-2022, De-appropriation and Re-appropriation \$6,843,536 Hetchy Revenue funds – FY2020-2021
- Appropriation - \$213,511,178 Proceeds from Revenue Bonds, State loans or grants, Wastewater Revenues, De-appropriating and Re-appropriating \$42,900,587 for Wastewater Capital Improvements at the Public Utilities Commission – FY2021-2022
- Amending Ordinance 172-20---SFPUC Power Revenue Bond Issuance---Not to Exceed [\$162,314,897]
- San Francisco Public Utilities Commission Wastewater Revenue Bond Issuance---Not to Exceed [\$563,430,430]
- Park Code - Non-Resident Fees at Certain Specialty Attractions
- Park Code - Parking Fees
- Police Code - Street Artist Certificate Fee
- Administrative Code - Collection of Rent Board Fee
- Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling
- Business and Tax Regulations Code - Emergency Medical Services Fees

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 6/3/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

210650

Mayor

(Primary Sponsor)

Title.

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

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

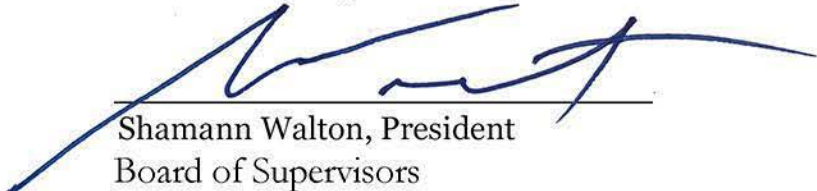
(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors

From: [Board of Supervisors, \(BOS\)](#)
To: [Wong, Linda \(BOS\)](#)
Subject: FW: URGING CONTINUANCE of June 21, 2021 Budget and Appropriations Committee Agenda Items #1-4 SFPUC Bonds File # 210647 - 210650
Date: Monday, June 21, 2021 8:32:38 AM

For the File

From: aeboken <aeboken@gmail.com>
Sent: Monday, June 21, 2021 4:36 AM
To: BOS-Supervisors <bos-supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>
Subject: URGING CONTINUANCE of June 21, 2021 Budget and Appropriations Committee Agenda Items #1-4 SFPUC Bonds File # 210647 - 210650

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TO: Board of Supervisors members

I am strongly urging the Budget and Appropriations Committee to continue items #1-4 on the June 21, 2021 agenda re SFPUC debt (files #210647-210650).

The SFPUC Deputy CFO has stated on the record that the SFPUC has a \$6 billion debt portfolio.

As the SFPUC is carrying this level of debt and there has been the announcement of a new SFPUC General Manager, I would urge the BOS to conduct a hearing on the SFPUC's indebtedness prior to the Board's summer recess.

Eileen Boken

Coalition for San Francisco Neighborhoods*

* For identification purposes only.

Sent from my Verizon, Samsung Galaxy smartphone