



Memorandum

To: Board of Supervisors of the City and County of San Francisco

From: Public Utilities Commission of the City and County of San Francisco
Montague DeRose and Associates, LLC

Date: October 21, 2020

Subject: Board of Supervisors Bond Sale Report
\$346,760,000 SFPUC Water Revenue Bonds, 2020 Series ABCD

Background:

The Board of Supervisors of the City and County of San Francisco (the “Board of Supervisors”) has adopted various ordinances pursuant to Proposition A of 2002 and Proposition E of 2002 which authorized the issuance of revenue bonds to finance capital projects benefiting the Water Enterprise (together, the “New Money Authorizing Legislation”). The most recent of this New Money Authorizing Legislation was Ordinance 143-18 (passed on June 12, 2018), as amended by Ordinance 153-19 (passed on June 25, 2019). As authorized by said New Money Authorizing Legislation, the San Francisco Public Utilities Commission (the “SFPUC”) issued \$346.760 million of the 2020 Series ABCD Water Revenue Bonds (the “2020 Series ABCD Bonds”) on September 23, 2020 for the purposes of retiring outstanding commercial paper notes and to finance/refinance projects for both the SFPUC’s Water System Improvement Program (“WSIP”) as well as other capital projects of benefit to the SFPUC’s Water Enterprise.

Per Ordinance 143-18, within 30 days of bond issuance, the SFPUC must file with the Clerk of the Board of Supervisors a report (the “Report”) showing the results of the bond sale including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bond authorization under Ordinance 143-18.

The SFPUC has requested that Montague DeRose and Associates, LLC, who served as co-municipal advisor to the 2020 Series ABCD Bonds, prepare this Report for purposes of complying with the requirements set forth in Ordinance No. 143-18.

Bond Sale Report:

As noted, the SFPUC issued \$346.760 million of the 2020 Series ABCD Bonds on September 23, 2020, which were made up of the Sub-Series A (WSIP - Green) Bonds, Sub-Series B (Regional Water) Bonds, Sub-Series C (Local Water) Bonds, and Sub-Series D (Hetch Hetchy Water) Bonds. The SFPUC priced the 2020 Series ABCD Bonds via negotiated sale on September 9, 2020. Details of the combined 2020 Series ABCD Bonds and each of the Sub-Series Bonds are noted in Table 1.

Table 1 Summary Statistics: Combined 2020 Series ABCD Bonds and Sub-Series Bonds					
	2020 Series ABCD Bonds	Sub-Series A Bonds	Sub-Series B Bonds	Sub-Series C Bonds	Sub-Series D Bonds
	(combined)	(WSIP-Green Bonds)	(Regional Water)	(Local Water)	(Hetch Hetchy Water)
Pricing Date	September 9, 2020				
Closing Date	September 23, 2020				
Method of Sale	Negotiated				
Final Maturity		1-Nov-50	1-Nov-50	1-Nov-50	1-Nov-50
Principal Amount Sold	\$346.760 million	\$150.895 million	\$61.330 million	\$85.335 million	\$49.200 million
True Interest Cost	3.24%	3.32%	3.73%	3.04%	2.68%

Table 2 below includes a list of projects which are to be fully or partially funded with the proceeds of the 2020 Series ABCD Bonds.

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Table 2 | Projects Financed with 2020 Series ABCD Bonds Proceeds

Project	2020 ABCD
Series A	
Calaveras Dam Replacement	\$129,317,619
Regional Groundwater Storage & Watershed Environmental Improvements	\$21,118,965
Habitat Reserve Program	\$11,520,275
UW Bay Division Pipeline Upgrade	\$108,307
Peninsula Water System Improve	\$362,676
San Joaquin Water Sys Improve	\$379,339
Sunol Valley Water System Improvement	\$99,390
UW Upper Alameda Creek Filter	\$1,515,147
UW Crystal Springs Ps & Cs	\$989,340
UW New Irvington Tunnel	\$1,061,331
WSIP Bond/Commercial Paper Expense	\$9,274,204
Lake Merced Water Level Restoration	\$2,363,258
San Francisco Groundwater Supp	\$22,834
Seismic BDPL @ Hayward Fault	\$7,388,040
Series B	
CUW2730504 SAPL2 Lockbar Replacement	\$5,333
CUW2740103 San Andreas Dam Facility Improvements	\$3,208,720
Sneath Lane Gate/North San Andreas	\$1,100,000
CUW2751401-Watershed and ROW Protection - Land Acquisition	\$4,000,000
EBRPD Water System	\$22,000,000
ROW Gaps Project	\$100,000
UW Sa-1 Service Road/Ingoing Road	\$250,000
CUW2751801 Southern Skyline Blvd Ridge Trail Extension	\$7,500,000
10033555 Rollins Road Building Renovations (CUW27703)	\$16,000,000
Series C	
CUW28000 Local Water Conveyance/Distribution System	\$15,485,000
CUW28301 College Hill Reservoir Outlet	\$77,884,974
CUW68800 Buildings and Grounds Improvements (New CDD Headquarters)	\$17,103,000
Series D	
Hetchy Water - SJPL Rehabilitation	\$4,604,072
Lower Cherry Aqueduct	\$2,083,547
Moccasin Gate #3 Shaft Replace	\$5,855
Hetchy Water Only - Project De	\$237,479
Hetchy Water - Joint Projects	\$196,093
Moccasin Facilities Upgrade	\$1,177,202
R&R Dam Condition Assessment & Rehabilitation	\$120,092
O'Shaughnessy Dam Outlet Works	\$193,503
Remote Terminal Unit Replacement	\$6
R&R Roads and Bridges	\$1,582,931
Facilities Security Project	\$41,591

R&R Communications Systems	\$89,127
Moccasin Facilities New Construction	\$266,522
Canyon Tunnel Rehabilitation	\$507
Cherry Dam Outlet Works Rehab	\$208,096
Mountain Tunnel Access/Adit Improvements	\$14,766
Mountain Tunnel Inspection And	\$4,997,813
Mountain Tunnel Improvements	\$7,881,472
Joint Project Development	\$194,024
Hetchy Water/Power Bonds	\$30,461
Communications	\$3,544
Roads, Slopes & Bridges-General	\$27,971
Water Assets	\$97,239
Project Development	\$3,310
UB Infrastructure	\$212
UH O'Shaughnessy Access & Drainage	\$274,479
UH Eleanor Bridge Rehabilitation	\$56
O'Shaughnessy Outlet Works Phase 1	\$154,895
Moccasin Reservoir Security Fence	\$949,109
2018 Moccasin Storm Event Water Project	\$21,183,118
2018 Moccasin Storm Small Fac	\$382,731
Lime Injection Piping Replace	\$494,990
R&R Life Extension Program	\$1,301,673
R&R Power Distribution Improve	\$3,454
Bridge Replacement	\$10,108
Moccasin Dam & Outlet Works Improvements	\$317,678
SJPL Tesla Valves	\$206,026
SJPL Valve & Safe Entry Improvements	\$399,263

As of September 1, 2020, pursuant to Proposition E and Proposition A (the New Money Authorizing Legislation), the SFPUC had authorized but unissued water revenue bonds or other forms of indebtedness in the amount of \$805,297,818 under Proposition E and \$279,665,000 authorized but unissued under Proposition A. Following the issuance of the 2020 Series ABCD Bonds, and the subsequent retirement of commercial paper notes with proceeds of the 2020 Series ABCD Bonds, the SFPUC has \$609,432,818 of authorized but unissued bonds remaining under Proposition E and \$128,770,000 of authorized but unissued bonds remaining under Proposition A.

A copy of the final Official Statement for the 2020 Series ABCD Bonds is included with this Report.