

1 [Administrative Code - Water Enterprise Capital Cost Recovery Payment Surcharge Fund]

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3 **Ordinance amending Chapter 10, Article XIII of the San Francisco Administrative Code**
4 **to create the Public Utilities Water Enterprise Capital Cost Recovery Payment**
5 **Surcharge Fund.**

6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are ~~*strike-through italics Times New Roman*~~.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough normal~~.

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

10 Section 1. The San Francisco Administrative Code is hereby amended by adding
11 Section 10.100-225, to read as follows:

12 **SECTION 10.100-225. PUBLIC UTILITIES WATER ENTERPRISE CAPITAL COST**
13 **RECOVERY PAYMENT SURCHARGE FUND.**

14 (a) Establishment of Fund. The Water Enterprise Capital Cost Recovery Payment Surcharge
15 Fund is established as a category eight fund for the purpose of receiving capital cost recovery payment
16 surcharge proceeds collected from wholesale water customers by the San Francisco Public Utilities
17 Commission. Section 5.03.F of the July, 2009 "Water Supply Agreement Between the City and County
18 of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara
19 County" approved in San Francisco Public Utilities Commission Resolution Number 09-0069 adopted
20 on April 28, 2009 allows the San Francisco Public Utilities Commission's wholesale water customers
21 to prepay the balance of "Existing Regional Asset" capital costs. California Water Code section
22 81438(b) authorizes the San Francisco Public Utilities Commission to collect a surcharge from its
23 wholesale water customers to pay required debt service and other costs associated with the issuance of
24 revenue bonds by the Bay Area Water Supply and Conservation Agency for the purpose of funding the
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1 advance prepayment of Existing Regional Asset costs to San Francisco. Section 3.03(b) of the January
2 1, 2013 "Prepayment and Collection Agreement between the City and County of San Francisco and the
3 Bay Area Water Supply and Conservation Agency" requires the creation of a restricted reserve fund for
4 the use and administration of Capital Cost Recovery Payment Surcharge proceeds as set forth in
5 subsections (b) and (c).

6 (b) Use of the Fund. Money received into the fund shall be used exclusively for the deposit
7 and remittance of Capital Cost Recovery Payment Surcharge proceeds by the San Francisco Public
8 Utilities Commission to the Trustee for the Bay Area Water Supply and Conservation Agency revenue
9 bonds in accordance with the terms of the January 1, 2013 Prepayment and Collection Agreement
10 referenced in subsection (a) above.

11 (c) Administration of Fund. The fund shall be maintained from July 1, 2013 through July 1,
12 2036 the termination date of the Wholesale Water Revenue Prepayment and Collection
13 Agreement.

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15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17 By: _____
18 JOSHUA MILSTEIN
19 Deputy City Attorney
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