

File No. 140955

Committee Item No. 7

Board Item No. 24

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 24, 2014

Board of Supervisors Meeting

Date September 30, 2014

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Proposition E</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Public Resolution Nos 11-017 & 14-0139</u> |
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Completed by: Linda Wong

Date September 19, 2014

Completed by: L.W.

Date September 24, 2014

1 [Increase of Wastewater Enterprise Commercial Paper Program - Not to Exceed
2 \$500,000,000]

3 **Resolution authorizing an increase of the principal amount of the Wastewater**
4 **Enterprise's Commercial Paper Program by \$200,000,000 from a principal amount not**
5 **to exceed \$300,000,000 to a principal amount not to exceed \$500,000,000 to be issued**
6 **from time to time by the Public Utilities Commission to finance various capital projects**
7 **benefitting the Wastewater Enterprise, each pursuant to amendments to the Charter of**
8 **the City and County of San Francisco enacted by the voters on November 5, 2002, as**
9 **Proposition E; and ratifying previous actions taken in connection therewith.**

10
11 WHEREAS, On November 5, 2002, the voters of the City and County of San Francisco
12 (the "City") approved Proposition E, codified as Article VIII B of the Charter of the City (the
13 "Charter"), which among other things, authorized the Commission to issue revenue bonds,
14 including notes, commercial paper or other forms of indebtedness, when authorized by
15 ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of
16 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
17 facilities, or combinations of water and clean water facilities under the jurisdiction of the
18 Commission; and

19 WHEREAS, Pursuant to Section 43.5 of the San Francisco Administrative Code,
20 enacted by Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the
21 Mayor of the City on June 19, 1998, the Board established a procedure pursuant to which the
22 Commission may issue short-term indebtedness, including the issuance of commercial paper
23 in anticipation of the issuance of its revenue bonds; and
24
25

1 WHEREAS, Under Section 8B.124 of the Charter of the City (the "Charter"), the
2 Board's authority to authorize an issuance of debt under Proposition E is subject to its receipt
3 of a certification from an independent engineer that (i) the projects to be financed by such
4 debt meet utility standards and (ii) estimated net revenue will be sufficient to meet operating,
5 maintenance, debt service coverage and other indenture or resolution requirements (the
6 "Engineer Certification"); and

7 WHEREAS, The Board's authority to authorize an issuance of debt under Proposition E
8 is also subject to its receipt of a certification from the San Francisco Planning Department that
9 facilities financed with such debt will comply with applicable requirements of the California
10 Environmental Quality Act (together with the Engineer Certification, the "Proposition E
11 Certificates"); and

12 WHEREAS, The Commission (Resolution No. 11-0197) and the Board (Ordinance No.
13 91-12) have previously authorized the issuance of commercial paper notes for the
14 Wastewater Enterprise in an aggregate principal amount not to exceed \$300,000,000 against
15 Proposition E authorization, to provide additional short-term financing of capital improvements
16 and related costs for improvements, betterments and additions to the Wastewater Enterprise;
17 and

18 WHEREAS, The Proposition E Certificates for the prior \$300,000,000 authorization are
19 on file with the Clerk of the Board in File No. 061298 and are part of Ordinance No. 266-06
20 and Ordinance No. 91-12. The Proposition E Certificates describing additional improvements
21 to the facilities of the Wastewater Enterprise are on file with the Clerk of the Board, in
22 accordance with Proposition E, in File No. 120354 and support the issuance of additional
23 wastewater commercial paper, revenue bonds and other forms of indebtedness authorized by
24 this Ordinance; and

1 WHEREAS, The Commission has determined that it is necessary and desirable to
2 make certain additional improvements to the facilities of the Wastewater Enterprise (the
3 "Improvements"), and has further determined to finance the Improvements through the
4 issuance of wastewater revenue bonds, and in anticipation of the issuance of such
5 wastewater revenue bonds, through the expansion of the use of the Commission's
6 commercial paper program and the issuance and reissuance of its commercial paper notes
7 from time to time; and

8 WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 105-14 appropriating
9 \$950,906,000 for the Wastewater Enterprise's Capital Improvement Program and Sewer
10 System Improvement Program for Fiscal Years 2014-2015 and 2015-2016; and

11 WHEREAS, On June 24, 2014, the Board adopted Ordinance No. 107-14 approving
12 the issuance and sale of wastewater revenue bonds in an aggregate principal amount not to
13 exceed \$819,035,941, inclusive of financing costs; and

14 WHEREAS, On August 26, 2014 the Commission approved resolution 14-0139 to
15 authorize an increase in the principal amount of the Commission's Wastewater Enterprise
16 Commercial Paper Program from \$300,000,000 to \$500,000,000, together with the approval
17 of security documents related thereto and the appointment of professionals therefor; and

18 WHEREAS, The Board now desires to authorize an increase in the aggregate principal
19 amount outstanding for the Commission's Wastewater Enterprise Commercial Paper Program
20 pursuant to said Section 8B.124; now, therefore be it

21 RESOLVED, That this Board hereby finds and declares the above recitals are true and
22 correct; and, be it

23 FURTHER RESOLVED, That this Board hereby declares that the Proposition E
24 Certificates on file with the Clerk of the Board in File No. 120354 satisfy the requirements of
25

1 Section 8B.124 of the Charter, and in accordance therewith, the Commission is hereby
2 authorized to issue additional debt pursuant to this authorization; and, be it

3 FURTHER RESOLVED, That this Board hereby approves a \$200,000,000 increase of
4 the principal amount of the Commission's Wastewater Enterprise Commercial Paper Program
5 commercial paper authorization to \$500,000,000 from \$300,000,000 pursuant to Section 8B.
6 124 of the Charter and approves the issuance and sale of Commercial Paper in one or more
7 series from time to time by the Commission pursuant to the Charter and in accordance with a
8 resolution of the Commission; provided however that any Commercial Paper issued by the
9 Commission shall not exceed twelve percent (12%) per annum; and that the Commission is
10 hereby authorized to determine the timing, amount and manner of sale of each series of
11 Commercial Paper issued pursuant to this authorization; provided however Commission's
12 authorization to issue Commercial Paper is subject to the approval, by a resolution of the
13 Commission, of the form of offering document prepared in connection with issuance of the
14 Commercial Paper; and, be it

15 FURTHER RESOLVED, The General Manager of the Commission, the Controller, the
16 Director of the Office of Public Finance, the Treasurer, the General Manager of the
17 Commission, the City Attorney and other officers of the City and their duly authorized deputies
18 and agents are hereby authorized and directed, jointly and severally, to take such actions and
19 to execute and deliver such certificates, agreements, requests or other documents, as they
20 may deem necessary or desirable to facilitate the issuance, sale and delivery of the
21 Wastewater Commercial Paper Notes, and otherwise to carry out the provisions of this
22 Resolution; and, be it

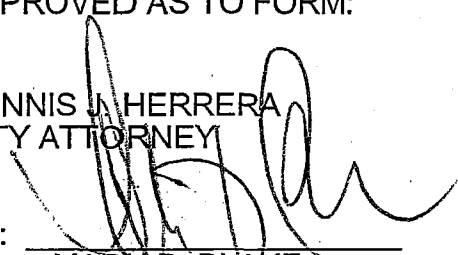
23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
24 heretofore taken are hereby ratified, approved and confirmed by this Board; and, be it
25

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

3
4 APPROVED AS TO FORM:

5
6 DENNIS J. HERRERA
CITY ATTORNEY

7
8 BY:


9 MARK D. BLAKE
Deputy City Attorney

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Item 7 File 14-0955	Department: Public Utilities Commission (PUC)
EXECUTIVE SUMMARY	
Legislative Objectives	
<p>The proposed resolution would increase the Wastewater Enterprise Commercial Paper authorization by a principal aggregate not-to-exceed amount of \$200,000,000 from the existing authorized amount not to exceed \$300,000,000 to the requested authorized amount not to exceed \$500,000,000 to finance fiscal year 2014-15 capital projects including some projects in the Sewer System Improvement Program.</p>	
Key Points	
<ul style="list-style-type: none"> • Master planning for the PUC Sewer System Improvement Program (SSIP) began in 2004 with the goal of bringing the City's aging sewer system to a state of good repair and ensuring continued regulatory compliance and system reliability. • In August 2012, the PUC approved phase I of the SSIP for an amount of approximately \$6.9 billion over the 20-year period from 2012 to 2032. • In October 2006, the Board of Supervisors approved an ordinance (File 06-1298) that authorized the PUC to issue Wastewater Enterprise Commercial Paper in the aggregate principal amount not to exceed \$150,000,000. • In May 2012, the Board of Supervisors approved an ordinance (File 12-0354) that increased the PUC's authority by \$150,000,000 from an aggregate principal not-to-exceed amount of \$150,000,000 to an aggregate principal not-to-exceed amount of \$300,000,000. 	
Fiscal Impact	
<ul style="list-style-type: none"> • The proposed resolution would increase the Wastewater Enterprise Commercial Paper authorization by an amount not to exceed \$200,000,000, which has associated bank fees, dealer fees, and interest payments that are estimated to be \$1,285,000 and depending on when the PUC issues the commercial paper. • Bank fees, dealer fees, and interest payments are not included in the \$200,000,000 principal aggregate not-to-exceed amount and will be repaid with Wastewater Enterprise Revenue Bond proceeds to be issued in the spring of 2015. • Approving the proposed resolution would not increase the PUC's debt service payments for Wastewater Enterprise Revenue Bonds. 	
Recommendation	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 8B.124 states that the Public Utilities Commission may issue revenue bonds, including notes, commercial paper, or other forms of indebtedness in order to reconstruct, replace, expand, repair or improve Public Utilities Commission water facilities or clean water facilities and that such debt issuances are subject to a two-thirds approval by the Board of Supervisors.

Background

Master planning for the PUC Sewer System Improvement Program (SSIP) began in 2004 with the goal of bringing the City's aging sewer system to a state of good repair and ensuring continued regulatory compliance and system reliability. In August 2012, the PUC approved phase I of the SSIP for an amount of approximately \$6.9 billion over the 20-year period from 2012 to 2032.

The PUC will redeem any revenue bonds, including notes, commercial paper, or other forms of indebtedness used to finance SSIP projects from revenues collected from sewer service fees charged to San Francisco residents and businesses. As a technical matter, the PUC may issue commercial paper in advance of an anticipated revenue bond sale in order to provide a short-term funding source for projects under the SSIP.¹

In October 2006, the Board of Supervisors approved an ordinance (File 06-1298) that authorized the PUC to issue Wastewater Enterprise Commercial Paper in the aggregate principal amount not to exceed \$150,000,000. In May 2012, the Board of Supervisors approved an ordinance (File 12-0354) that increased the PUC's authority by \$150,000,000 from an aggregate principal not-to-exceed amount of \$150,000,000 to an aggregate principal not-to-exceed amount of \$300,000,000.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would increase the PUC Wastewater Enterprise Commercial Paper authorization for projects in the Wastewater Enterprise, including the SSIP and non-SSIP projects, by \$200,000,000 from the existing principal aggregate not-to-exceed amount of \$300,000,000 to a principal aggregate not-to-exceed amount of \$500,000,000.

According to Mr. Carlos Jacobo, PUC budget director, as of September 16, 2014, the PUC had expended, encumbered and allocated \$297,146,264 against its existing \$300,000,000 authority for Wastewater Enterprise Commercial Paper, leaving a balance of \$2,853,736. The PUC is requesting the increased authorization of \$200,000,000 in order to provide funding for projects in FY 2014-15, as shown in Table 1 below.

¹ Commercial paper is short term debt (no more than 270 days) that can be used to fund capital projects pending the sale of longer term revenue bonds. The revenue bond proceeds are used to repay the commercial paper.

Table 1: Summary of Fiscal Year 2014-15 Projects to Be Funded With Commercial Paper and Wastewater Enterprise Revenue Bonds

Sources of Funds	
Existing Commercial Paper Authority	\$2,853,736
Requested Commercial Paper Authority	200,000,000
Repayment of Outstanding Commercial Paper with Revenue Bonds	51,788,264
Total Sources	\$254,642,000
Uses of Funds	
Project Costs	
Biosolids/Digester Project Budget	\$42,600,000
Collection System Renewal and Replacement	40,422,000
Treatment Plant Improvements-Southeast	42,420,000
Stormwater Management	37,300,000
Program-Wide Management	28,000,000
Treatment Plant Improvements	22,100,000
Collection System Improvements	16,500,000
Central Bayside System Improvements	14,000,000
Southeast Community Center	7,000,000
Urban Watershed Assessment Project	3,000,000
Collection System/Pump Stations	1,300,000
Total Uses	\$254,642,000

In order to finance the fiscal year 2014-15 capital projects shown in Table 1 above, the PUC is planning to use the balance of previously authorized and available Wastewater Enterprise Commercial Paper, the requested \$200,000,000 in additional Wastewater Enterprise Commercial Paper authority, and \$51,788,264 in currently allocated Wastewater Enterprise Commercial Paper that will be repaid and made available by Wastewater Enterprise Revenue Bonds. In May 2014, the Board of Supervisors approved a resolution and ordinance (Files 14-0481 and 14-0483) that authorized the PUC to issue and sell Wastewater Enterprise Revenue Bonds in the not-to-exceed principal aggregate amount of \$819,035,941. According to Mr. Jacobo, the PUC intends to issue Wastewater Enterprise Revenue Bonds in the spring of 2015 and will use those bond proceeds to convert short-term commercial paper debt into long-term revenue debt.

FISCAL IMPACT

The proposed resolution would increase the PUC's authorization to issue Wastewater Enterprise Commercial Paper by the principal aggregate amount not to exceed \$200,000,000, from the existing authorized amount of not to exceed \$300,000,000 to the requested authorized amount not to exceed \$500,000,000. According to Mr. Jacobo, the commercial paper will be used to finance Fiscal Year 2014-15 SSIP and non-SSIP projects, as identified in

Table 1 above, pending the sale of Wastewater Enterprise Revenue Bonds in the spring of 2015, and will not increase the PUC’s long-term debt authority or debt service costs.

Table 2 below shows the maximum amount of Wastewater Enterprise Commercial Paper revenues that the PUC could issue under the requested authorized amount not to exceed \$200,000,000, including the associated bank fees, interest payments, and dealer fees.

Table 2: Summary of Principal and Annual Interest and Fees Costs²

Principal Amount Available for Projects	\$200,000,000
Barclays Bank Fees (0.375% on \$100 Million Annually)	375,000
State Street Bank Fees (0.310% on \$100 Million Annually)	310,000
Dealer Fees (0.05% Annually)	100,000
Interest Payments (0.25% Annually)	500,000
Total Costs	\$201,285,000

The principal aggregate not-to-exceed \$200,000,000 amount included in the proposed resolution will be entirely used to finance capital projects and does not include the bank fees, dealer fees, or interest payments. According to Mr. Mike Brown, PUC Capital Finance, the bank fees, dealer fees, and interest payments will be made from proceeds from Wastewater Enterprise Revenue Bonds to be issued in the spring of 2015.

RECOMMENDATION

Approve the proposed resolution.

² The actual amount of fees will vary depending on when the PUC issues commercial paper

TEXT OF PROPOSED CHARTER AMENDMENT PROPOSITION E

Describing and setting forth a proposal to the qualified electors of the City and County of San Francisco to amend the Charter of said City and County by creating a new Article VIII B by adding Sections 8B.120 through 8B.127, and deleting Section 9.111-1 and amending Section 16.103, to establish exclusive control of utilities; rate setting standards and methods; planning and reporting requirements; transfer of surplus funds between utilities; independence in contracting; revenue bonds or other financing methods.

The Board of Supervisors of the City and County of San Francisco hereby submits to the qualified electors of said City and County at an election to be held therein on November 5, 2002, a proposal to amend the Charter of said City and County by creating a new Article VIII B Sections 8B.120 through 8B.128, and deleting Section 9.111-1 and amending Section 16.103 to read as follows:

Note: Additions are single-underline italics.
Deletions are ~~strikethrough italics~~.

Section 1. The San Francisco Charter is hereby amended by creating a new Article VIII B: Public Utilities, to read as follows:

SEC. 8B.120. PREAMBLE

The Public Utilities Commission operates the Water, Clean Water and Power Utilities of the City and County of San Francisco. Hetch Hetchy Water and Power System is an irreplaceable asset of the people of the City and County of San Francisco. The system is fundamental to the economic vitality of San Francisco and the Bay Area. The voters of the City and County of San Francisco are committed to preserving and protecting the system as well as safeguarding the extraordinary quality of the water from Yosemite and local watersheds. The voters find that the protection, maintenance and repair of the system are among their highest priorities.

San Francisco faces an unprecedented challenge: to restore its aging water system to ensure a reliable Bay Area water supply through the next century. Repairs must be accomplished as quickly as possible to avoid system outages, which could be caused by natural disasters such as earthquake. In planning for its future needs and those of its wholesale customers, the City must promote water conservation and responsible stewardship of its natural resources. The effectiveness of the City's Public Utilities Commission, which has jurisdiction over the system, is essential to achieving these goals.

In addition, San Francisco must upgrade and repair its clean water system to meet changes in state and federal water quality requirements, and to ensure reliability of the system, parts of which are outdated, aged or seismically vulner-

able. The voters find that the operation of the clean water system should not unnecessarily place a disproportionate environmental burden on any community.

This measure is intended to enhance public confidence in the City's stewardship of public utilities by:

1. Clarifying that the Public Utilities Commission has exclusive control of water, clean water and power assets owned or maintained by the City and County of San Francisco;
2. Establishing rates sufficient to meet operation, maintenance and financial needs of the system based on costs and sound budgeting and auditing procedures to protect retail ratepayers and reduce interest paid on bonds and other indebtedness while ensuring public review;
3. Establishing the Public Utilities Commission as an independent revenue department not subject to undue financial pressures to contribute to the City's general fund;
4. Requiring the development of long term Capital, Financial and Strategic Plans to ensure that the utilities are operated efficiently in accordance with best public utility practice;
5. Authorizing the Public Utilities Commission to independently enter into certain contracts;
6. Giving the Public Utilities Commission the ability to finance needed capital improvements through revenue bonds or other financing methods consistent with the powers of other major public utilities in California; and
7. Promoting labor stability to ensure that the Capital Improvement Plan is completed expeditiously and efficiently.

SEC. 8B.121. PUBLIC UTILITIES COMMISSION

- (a) Notwithstanding Charter section 4.112, the Public Utilities Commission shall have exclusive charge of the construction, management, supervision, maintenance, extension, expansion, operation, use and control of all water, clean water and energy supplies and utilities of the City as well as the real, personal and financial assets, that are under the Commission's jurisdiction or assigned to the Commission under Section 4.132.
- (b) The Public Utilities Commission may enter into Joint Powers Agreements with other public entities in furtherance of the responsibilities of the Commission.
- (c) Except to the extent otherwise provided in this Article, the Public Utilities Commission shall be subject to the provisions of Charter sections 4.100 et seq. generally applicable to boards and commissions of the City and County.
- (d) The General Manager shall have the authority to organize and reorganize the

department. The General Manager shall adopt rules and regulations governing all matters within the jurisdiction of the department subject to section 4.102 as applicable.

- (e) Ownership or control of any public utility or any part thereof under the jurisdiction of the Public Utilities Commission may not be transferred or conveyed absent approval by the Public Utilities Commission and approval by a vote of the electors of the City at the election next ensuing not less than 90 days after the adoption of such ordinance, which shall not go into effect until ratified by a majority of the voters voting thereon. Voter approval shall not be required for sales or transfers of real property declared surplus to the needs of any utility by the Public Utilities Commission or to leases or permits for the use of utility real property approved by the Public Utilities Commission.

SEC. 8B.122. GOALS AND OBJECTIVES RELATED TO WATER AND CLEAN WATER

- (a) The Commission shall develop, periodically update and implement programs to achieve goals and objectives consistent with the following:
 - (1) Provide water and clean water services to San Francisco and water service to its wholesale customers while maintaining stewardship of the system by the City;
 - (2) Establish equitable rates sufficient to meet and maintain operation, maintenance and financial health of the system;
 - (3) Provide reliable water and clean water services and optimize the systems' ability to withstand disasters;
 - (4) Protect and manage lands and natural resources used by the Commission to provide utility services consistent with applicable laws in an environmentally sustainable manner. Operate hydroelectric generation facilities in a manner that causes no reasonably anticipated adverse impacts on water service and habitat;
 - (5) Develop and implement priority programs to increase and to monitor water conservation and efficiency system-wide;
 - (6) Utilize state-of-the-art innovative technologies where feasible and beneficial;
 - (7) Develop and implement a comprehensive set of environmental justice guidelines for use in connection with its operations and projects in the City;
 - (8) Create opportunities for meaningful community participation in development

(Continued on next page)

LEGAL TEXT OF PROPOSITION E (CONTINUED)

and implementation of the Commission's policies and programs; and

- (9) Improve drinking water quality with a goal of exceeding applicable drinking water standards if feasible.

SEC. 8B.123 PLANNING AND REPORTING

(A) Planning and Reporting

The Public Utilities Commission shall annually hold public hearings to review, update and adopt:

- (1) A Long-Term Capital Improvement Program, covering projects during the next 10-year period, including cost estimates and schedules.
- (2) A Long-Range Financial Plan, for a 10-year period, including estimates of operation and maintenance expenses, repair and replacement costs, debt costs and rate increase requirements.
- (3) A Long-Term Strategic Plan, setting forth strategic goals and objectives and establishing performance standards as appropriate.

The Capital Improvement Program and Long-Range Financial Plan shall serve as a basis and supporting documentation for the Commission's capital budget, the issuance of revenue bonds, other forms of indebtedness and execution of governmental loans under this Charter.

(B) Citizens' Advisory Committee

The Board of Supervisors, in consultation with the General Manager of the Public Utilities Commission, shall establish by ordinance a Citizens' Advisory Committee to provide recommendations to the General Manager of the Public Utilities Commission, the Public Utilities Commission and the Board of Supervisors.

SEC. 8B.124. WATER AND CLEAN WATER REVENUE BONDS

Notwithstanding, and in addition to, the authority granted under Charter Section 9.107, the Public Utilities Commission is hereby authorized to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities or combinations of water and clean water facilities under the jurisdiction of the Public Utilities Commission.

Any legislation authorizing the issuance of revenue bonds (except for refunding bonds) under this section shall be subject to the referendum requirements of Section 14.102 of this Charter. The ordinance authorizing the issuance of such revenue bonds shall not become effective until 30 days after its adoption.

Notwithstanding any other provision of this Charter or of any ordinance of the City and

County, 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.

(b) Certification by the San Francisco Planning Department that facilities under the jurisdiction of the Public Utilities Commission funded with such bonds will comply with applicable requirements of the California Environmental Quality Act.

Except as expressly provided in this Charter, all revenue bonds may be issued and sold in accordance with state law or any procedure provided for by ordinance of the Board of Supervisors.

SEC. 8B.125. RATES

Notwithstanding Charter sections 2.109, 3.100 and 4.102 or any ordinance (including, without limitation, Administrative Code Appendix 39), the Public Utilities Commission shall set rates, fees and other charges in connection with providing the utility services under its jurisdiction, subject to rejection -- within 30 days of submission -- by resolution of the Board of Supervisors. If the Board of Supervisors fails to act within 30 days the rates shall become effective without further action.

In setting retail rates, fees and charges the Commission shall:

1. Establish rates, fees and charges at levels sufficient to improve or maintain financial condition and bond ratings at or above levels equivalent to highly rated utilities of each enterprise under its jurisdiction, meet requirements and covenants under all bond resolutions and indentures, (including, without limitation, increases necessary to pay for the retail water customers' share of the debt service on bonds and operating expenses of any state financing authority such as the Regional Water System Financing Authority), and provide sufficient resources for the continued financial health (including appropriate reserves), operation, maintenance and repair of each enterprise, consistent with good utility practice;
2. Retain an independent rate consultant to conduct rate and cost of service studies for each utility at least every five years;

3. Set retail rates, fees and charges based on the cost of service;

4. Conduct all studies mandated by applicable state and federal law to consider implementing connection fees for water and clean water facilities servicing new development;

5. Conduct studies of rate-based conservation incentives and/or lifeline rates and similar rate structures to provide assistance to low income users, and take the results of such studies into account when establishing rates, fees and charges, in accordance with applicable state and federal laws;

6. Adopt annually a rolling 5-year forecast of rates, fees and other charges; and

7. Establish a Rate Fairness Board consisting of seven members: the City Administrator or his or her designee; the Controller or his or her designee; the Director of the Mayor's Office of Public Finance or his or her designee; two residential city retail customers, consisting of one appointed by the Mayor and one by the Board of Supervisors; and two city retail business customers, consisting of a large business customer appointed by the Mayor and a small business customer appointed by the Board of Supervisors. The Rate Fairness Board may:

- i. Review the five-year rate forecast;
- ii. Hold one or more public hearings on annual rate recommendations before the Public Utilities Commission adopts rates;
- iii. Provide a report and recommendations to the Public Utilities Commission on the rate proposal; and
- iv. In connection with periodic rate studies, submit to the Public Utilities Commission rate policy recommendations for the Commission's consideration, including recommendations to reallocate costs among various retail utility customer classifications, subject to any outstanding bond requirements.

These provisions shall be effective January 3, 2003 for the setting of retail rates, fees and charges related to the clean water system. If the voters approve bonds for the Public Utilities Commission's Capital Improvement Program at the November 5, 2002 election then the provisions of this section shall take effect on July 2, 2006 for the setting of retail rates, fees and charges related to the water system. If the voters do not approve such bonds then this section will take effect on January 3, 2003.

SEC. 8B.126. PERSONNEL AND MERIT SYSTEM

(a) The General Manager shall be selected under the provisions of Charter sections

(Continued on next page)

LEGAL TEXT OF PROPOSITION E (CONTINUED)

3.100 and 4.102. The General Manager may be employed under an individual contract. His or her compensation shall be comparable to the compensation of the chief executive officers of the public water, wastewater and/or power systems in the United States that the Commission, after an independent survey, determines most closely resemble the Public Utilities Commission in size, mission, and complexity. In addition, the Public Utilities Commission may provide an incentive compensation bonus plan for the General Manager based on performance goals established by the Commission.

(b) The General Manager may negotiate an individual contract with the employee appointed to perform the duties of general infrastructure management and oversight of the Capital Improvement Program subject to approval by the Commission and notwithstanding Charter Section A8.409 et seq.

(c) For purposes of approving individual employment contracts the Public Utilities Commission may exercise all powers of the City and County, the Board of Supervisors, the Mayor, and the Director of Human Resources under Article XI of this charter. Individual employment contracts shall utilize and shall not alter or interfere with, the Retirement or Vacation provisions of this Charter or the Health Plans established by the City's Health Service Board; provided however, that the Commission may contribute toward defraying the cost of the employee's health premiums and retirement pick-up.

SEC. 8B.127. CONTRACTING AND PURCHASING

Notwithstanding Charter Section 9.118 or any ordinance, the Public Utilities Commission shall have the sole authority to enter into agreements for the purchase of water; the sale of water to wholesale customers; and agreements necessary to implement Joint Powers Agreements with any wholesale water customer.

In order to promote labor stability and to ensure the Capital Improvement Program is completed expeditiously and efficiently, the Public Utilities Commission is authorized, to the extent legally appropriate, to enter into project labor agreements, with appropriate Building Construction and Trades Councils, covering significant capital projects.

Section 2. The San Francisco Charter is hereby amended by deleting Section 9.111-1 as follows:

SEC. 9.111-1. ENVIRONMENT PROTECTION LOANS

Notwithstanding any other provision in the Charter, the City and County and its commissions shall have the authority to enter into loans (or other indebtedness) directly or indirectly with, or have any of its indebtedness

guaranteed or subsidized by, the State of California or United States of America. All loans or other indebtedness must comply with the following provisions:

a. proceeds must be used for projects which protect, preserve, or enhance water resources or the environment; and
b. must be the most cost effective method of financing a project; and
c. shall be subject to the approval of the Board of Supervisors; and

d. (i) cannot increase the amount of approved debt; or
(ii) in the case of a refinancing of revenue or general obligation bonds of the City and County or any commission, must result in net debt service savings to the City and County or commission, calculated as provided by ordinance.

For purposes of this Section 9.111-1, the determination of what constitutes the most cost effective method of financing shall be certified by the Controller.

Section 3. The San Francisco Charter is hereby amended by amending Section 16.103 as follows:

SEC. 16.103. UTILITY REVENUES AND EXPENDITURES

(a) Receipts from each utility operated by the Public Utilities Commission shall be paid into the City and County treasury and maintained in a separate fund for each such utility. Appropriations from such funds shall be made for the following purposes for each such utility in the order named, ~~viz~~:

1. For the payment of operating expenses, pension charges and proportionate payments to such compensation and other insurance and accident reserve funds as the Commission may establish or the Board of Supervisors may require;
2. For repairs and maintenance;
3. For reconstruction and replacements as hereinafter described;
4. For the payment of interest and sinking funds on the bonds issued for acquisition, construction or extension by the Public Utilities Commission pursuant to this charter;
5. For extensions and improvements; and
6. For a surplus fund.

For any utility with outstanding bonds for which the indenture requires different payment priorities, the bond priorities will control over the priorities set forth in this section.

(b) For the purpose of providing funds for reconstruction and replacements due to physical and functional depreciation of each of the utilities under the jurisdiction of the Commission, the Commission must create and maintain a reconstruction and replacement fund for each such utility, sufficient for the purposes mentioned in this section, and in accordance with an

established practice for utilities of similar character, which shall be the basis for the amount necessary to be appropriated annually to provide for said reconstruction and replacements.

~~1-(c) If, at the end of any fiscal year, the Controller certifies that excess surplus funds of a utility exist, then such excess surplus funds may be transferred by the Board of Supervisors to the General Fund of the City and County, and shall be deposited by the Commission with the Treasurer to the credit of such General Fund. For the purposes of this subsection, excess surplus funds shall exist if the utility has unappropriated, unencumbered funds from hydropower assets or water or clean water assets in excess of 25 percent of the total expenditures of such utility in the previous fiscal year for costs of operation, repair and maintenance. mainten- ance and debt service coverage and required debt service reserves, the Public Utilities Commission may transfer that surplus revenue, in whole or in part, to any other utility system under the Commission's jurisdiction on the operative date of this section.~~

~~(2) (d) Any surplus revenue which the Public Utilities Commission unanimously finds is not required for utility purposes pursuant to sections (a) and (b) of this section may be transferred to the General Fund by the Public Utilities Commission with the concurrence of ~~it~~, as part of the budgeting process, the Controller estimates that there will exist, at the end of the budget year, excess surplus funds of a utility; three-fourths of the Board of Supervisors may budget such excess as revenue to the General Fund for that budget year. During the budget year, the Commission shall deposit with the Treasurer a pro rata portion of the then-estimated excess surplus funds no less frequently than quarterly. For the purposes of this subsection, excess surplus funds shall exist if the utility has unappropriated, unencumbered funds in excess of 25 percent of the total expenditure of such utility in the previous fiscal year for costs of operation, repair and maintenance.~~

~~3- At any time, the Commission may, with the concurrence of two thirds of the Board of Supervisors, authorize the transfer of any portion of a utility's surplus funds to the General Fund upon making all of the following findings of fact and judgment:~~

~~(4)-(a) That a surplus exists or is projected to exist after meeting the requirements of this section;~~

~~(b) That there is no unfunded operating or capital program or required reserve~~

(Continued on next page)

LEGAL TEXT OF PROPOSITION E (CONTINUED)

that by its lack of funding could jeopardize bond ratings, health, safety, water supply or power production;

~~(C)~~ (c) That there is no reasonably foreseeable operating contingency that cannot be funded without General Fund subsidy; and

~~(D)~~ (d) That such a transfer of funds in all other respects reflects prudent utility practice.

The Commission shall make such findings having received reports ~~from the manager of utilities and a public hearing and an affirmative recommendation from the General Manager and a public hearing~~, which shall have received no less than 30 days of public notice.

~~4-~~(e) The provisions of subsection ~~(b)~~(c) above shall not be applied in a manner that would be inconsistent with the provisions of any outstanding or future indentures, resolutions, contracts or other agreements of the City and County relating to bonded indebtedness issued in connection with the utility, or with any applicable state or federal laws.

Print

San Francisco Charter

SEC. 8B.124. WATER AND CLEAN WATER REVENUE BONDS.

Notwithstanding, and in addition to, the authority granted under Charter Section 9.107, the Public Utilities Commission is hereby authorized to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities or combinations of water and clean water facilities under the jurisdiction of the Public Utilities Commission.

Any legislation authorizing the issuance of revenue bonds (except for refunding bonds) under this section shall be subject to the referendum requirements of Section 14.102 of this Charter. The ordinance authorizing the issuance of such revenue bonds shall not become effective until 30 days after its adoption.

Notwithstanding any other provision of this Charter or of any ordinance of the City and County, 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.

(b) Certification by the San Francisco Planning Department that facilities under the jurisdiction of the Public Utilities Commission funded with such bonds will comply with applicable requirements of the California Environmental Quality Act.

Except as expressly provided in this Charter, all revenue bonds may be issued and sold in accordance with state law or any procedure provided for by ordinance of the Board of Supervisors.

(Added November 2002)

FILE NO. 98-0738

ORDINANCE NO. 203-98

1 [Public Utilities Commission Short-Term Indebtedness]

2 AMENDING PART I OF THE SAN FRANCISCO MUNICIPAL CODE (THE SAN FRANCISCO
3 ADMINISTRATIVE CODE) BY ADDING CHAPTER 84, SECTIONS 84.1 THROUGH 84.6 TO
4 PROVIDE A PROCEDURE FOR THE ISSUANCE BY THE PUBLIC UTILITIES
5 COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO OF COMMERCIAL
6 PAPER AND OTHER SHORT-TERM INDEBTEDNESS IN ANTICIPATION OF THE
7 ISSUANCE OF REVENUE BONDS

8 NOTE: This Chapter is new.

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

10 Section 1. FINDINGS. The Board of Supervisors of the City and County of San
11 Francisco hereby finds and declares as follows:

12 A. Section 9.107 of the Charter of the City and County of San Francisco provides
13 for the issuance of revenue bonds by the Public Utilities Commission of the City and County
14 of San Francisco following the approval of the issuance of such revenue bonds by a majority
15 of the voters, or, in the case of revenue bonds issued for the purposes set forth in clauses 1
16 and 6 of such Section, following approval by at least a three-fourths affirmative vote of the
17 members of the Board.

18 B. Pursuant to Section 4.102 of the Charter, the Commission is authorized to
19 execute such powers and duties as shall be prescribed by the Board.

20 C. Pursuant to Section 9.107 of the Charter, except as otherwise provided in the
21 Charter, all revenue bonds may be issued and sold in accordance with state law or any
22 procedure provided by City ordinance.

23 D. Pursuant to Section 9.113 of the Charter, the Board is authorized to borrow
24 money by the issuance of tax anticipation notes, temporary notes, commercial paper or any
25 other short-term debt instruments in the manner provided by state law or City ordinance.

PUBLIC UTILITIES COMMISSION
BOARD OF SUPERVISORS

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1 E. The Board wishes to establish a procedure pursuant to which the Commission
2 may issue or incur short-term indebtedness in anticipation of the issuance of revenue bonds
3 which have been authorized in accordance with the Charter.

4 Section 2. Part I of the San Francisco Municipal Code (the San Francisco
5 Administrative Code) is hereby amended by adding Chapter 84, to read as follows:

6 SEC. 84.1 DEFINITIONS. For purposes of this Chapter, the following terms shall
7 have the meanings given below:

- 8 (a) The term "Board" shall mean the Board of Supervisors of the City.
- 9 (b) The term "Charter" shall mean the Charter of this City.
- 10 (c) The term "City" shall mean the City and County of San Francisco.
- 11 (d) The term "Commission" shall mean the Public Utilities Commission of the City.
- 12 (e) The term "Director" shall mean Director of the Mayor's Office of Public Finance
13 or any successor to that office.

14 SEC. 84.2 AUTHORIZATION OF SHORT-TERM INDEBTEDNESS. Following voter
15 approval or Board approval, as the case may be, of the issuance of revenue bonds by the
16 Commission pursuant to Section 9.107 of the Charter, the Commission, in anticipation of the
17 issuance of such revenue bonds, may incur short-term indebtedness in the form of
18 commercial paper, temporary notes or other forms of indebtedness subject to the limitations
19 set forth below.

20 The issuance of such short-term indebtedness, and certain of the terms and conditions
21 thereof, shall be subject to prior authorization by the Board.

22 Except as provided in Section 84.5, use of the proceeds of any such short-term
23 indebtedness shall be limited to the purposes for which the applicable revenue bonds were
24 approved by the voters or by the Board, as the case may be. Short-term indebtedness
25 incurred pursuant to this Chapter shall not result in interest costs or a maturity date exceeding

PUBLIC UTILITIES COMMISSION
BOARD OF SUPERVISORS

1 the limits, if any, fixed by the voters or the Board, as the case may be, with respect to the
2 applicable revenue bond approval(s).

3 Such short-term indebtedness shall be payable solely from the proceeds of the
4 applicable revenue bonds, or revenues of the Commission pledged, or to be pledged, to the
5 payment of such revenue bonds. If any of the principal of such short-term indebtedness is
6 paid from revenues of the Commission (other than revenues derived from grants) rather than
7 from the proceeds of revenue bonds, the principal amount of revenue bonds the Commission
8 is thereafter authorized to issue shall be reduced by the principal amount of short-term
9 indebtedness paid from revenues (other than revenues derived from grants).

10 Any pledge of revenues by the Commission for the payment of short-term
11 indebtedness may, in the sole discretion of the Director upon recommendation of the
12 Commission, be subordinate to any pledge of the Commission for its revenue bonds.

13 All indebtedness incurred pursuant to this Chapter shall not constitute or evidence a
14 debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any
15 property of the City, or upon any income, receipt, revenue of the City, except the revenues or
16 funds, if any, pledged by the Commission.

17 All short-term indebtedness incurred pursuant to this Chapter must additionally comply
18 with each of the following provisions:

19 (a) shall be evidenced by notes, warrants, commercial paper or other
20 evidences of indebtedness maturing not later than five (5) years from
21 their issuance date; and

22 (b) any draw on such short-term indebtedness shall be subject to approval
23 by the Director.

24 Such short-term indebtedness may be sold at the discretion of the Director, upon
25 recommendation of the Commission, by public or private sale. All other terms and conditions

1 for such short-term indebtedness shall be determined by the Director, upon recommendation
2 of the Commission.

3 SEC. 84.3 CREDIT OR LIQUIDITY SUPPORT. The Director, upon
4 recommendation of the Commission, may arrange for credit or liquidity support for short-term
5 indebtedness issued pursuant to this Chapter or may arrange for credit or liquidity support to
6 provide an additional source of repayment for such short-term indebtedness.

7 Notwithstanding anything to the contrary in this Chapter, any monies paid by a
8 financial institution under any agreement for credit or liquidity support (a "Credit Facility")
9 shall:

- 10 (a) be repaid over a period not exceeding the maximum maturity, if any,
11 fixed by the voters or the Board, as the case may be, with respect to the
12 applicable revenue bond approval;
- 13 (b) bear interest at a rate that does not cause the aggregate average
14 interest cost to exceed the maximum approved interest cost on such
15 short-term indebtedness over the entire period such short-term
16 indebtedness is outstanding; and
- 17 (c) have such other terms and conditions as the Director, upon the
18 recommendation of the Commission, shall fix.

19 SEC. 84.4 MAXIMUM SHORT-TERM INDEBTEDNESS. The maximum principal
20 amount of all short-term indebtedness outstanding and incurred under this Chapter, including
21 any amounts outstanding under any Credit Facility, together with the outstanding principal
22 amount of related revenue bonds, shall not at any time exceed the maximum principal
23 amount of the applicable revenue bonds approved by the voters or the Board, as the case
24 may be.

25 ///

1 SEC. 84.5 REFUNDING SHORT-TERM INDEBTEDNESS. The Commission, with
2 the prior approval of the Director, may issue commercial paper, refunding notes, warrants, or
3 other evidences of short-term indebtedness, in anticipation of the issuance of revenue bonds,
4 for the purpose of paying and redeeming, at or prior to maturity, outstanding short-term
5 indebtedness issued in accordance with this Chapter. Notwithstanding the preceding
6 sentence, any short-term indebtedness issued to refund outstanding short-term indebtedness
7 may not:

- 8 (a) exceed the interest cost limitation set forth in Section 84.2; and
- 9 (b) exceed the limitation on the maximum principal amount of short-term
10 indebtedness set forth in Section 84.4; and
- 11 (c) mature more than five (5) years from the original date of issuance of the
12 original short-term indebtedness it is refunding.

13 Short-term indebtedness issued to refund outstanding short-term indebtedness may be
14 refunded by the Commission in accordance with this Section 84.5.

15 SEC. 84.6. CONSTRUCTION. The powers conferred by the provisions of this
16 Chapter are in addition to and supplemental to the powers conferred by the Charter or any
17 other ordinance or law.

18
19 APPROVED AS TO FORM:

20 LOUISE H. RENNE, City Attorney

21
22
23 By: 

24 DAVE ANGELO SANCHEZ
25 Deputy City Attorney

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PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0197

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

WHEREAS, Pursuant to Section 43.5 of the San Francisco Administrative Code, enacted by Ordinance No 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of the City on June 19, 1998, the Board established a procedure pursuant to which the Commission may issue short-term indebtedness, including the issuance of commercial paper in anticipation of the issuance of its revenue bonds; and

WHEREAS, Under Section 8B.124 of the Charter of the City (the "Charter"), the Board's authority to authorize an issuance of debt under Proposition E is subject to its receipt of a certification from an independent engineer that (i) the projects to be financed by such debt meet utility standards and (ii) estimated net revenue will be sufficient to meet operating, maintenance, debt service coverage and other indenture or resolution requirements (the "Engineer Certification"); and

WHEREAS, The Board's authority to authorize an issuance of debt under Proposition E is also subject to its receipt of a certification from the San Francisco Planning Department that facilities financed with such debt will comply with applicable requirements of the California Environmental Quality Act (together with the Engineer Certification, the "Proposition E Certificates"); and

WHEREAS, The Commission (Resolution No. 06-0164) and the Board (Ordinance No. 266-06) have previously authorized the issuance of commercial paper notes for the Wastewater Enterprise in an aggregate principal amount not to exceed \$150,000,000 against Proposition E authorization; and

WHEREAS, on July 27, 2010, Commission Resolution 10-0114 established Levels of Service Goals for the proposed Sewer System Improvement Program Goals, which anticipates the issuance of more than \$4 billion dollars of revenue bonds over the upcoming decade if projects within the SSIP are approved and implemented; and

WHEREAS, the Commission has determined that it is desirable to provide \$150,000,000 additional short-term financing of capital improvements, capitalized interest and related costs for improvements, betterments and additions to the Wastewater Enterprise of the City through the increase in the amount which may be outstanding at any one time, increasing authorization to \$300 million from \$150,000,000 of commercial paper notes, exclusive of interest reserve, if applicable (the "Notes") or bank notes (the "Bank Notes"); and

WHEREAS, Certificates meeting the Proposition E requirements are on file with the Clerk of the Board in File No. 061298 and as part of Ordinance No. 266-06, and revised Proposition E Certificates describing additional proposed improvements to the facilities of the Wastewater Enterprise are needed; and

WHEREAS, The Commission has determined that it is necessary and desirable to make certain additional improvements to the facilities of the Wastewater Enterprise (the "Improvements"), and has further determined to finance the Improvements through the issuance of wastewater revenue bonds, and in anticipation of the issuance of such wastewater revenue bonds, through the expansion of the use of the Commission's commercial paper program and the issuance and reissuance of its commercial paper notes from time to time; and

WHEREAS, On April 27, 2010, the Board adopted Ordinance No. 95-10 appropriating \$348,064,054 for the Wastewater Enterprise's Capital Improvement Program and Sewer System Improvement Program for Fiscal Years 2010-2011 and 2011-2012, of which \$297,756,241 is to be funded by revenue bond proceeds or other forms of indebtedness, and placing \$329,962,235 on Controller's reserve pending the issuance of such revenue bonds or other forms of indebtedness and/or the receipt of other fees and revenues; and

WHEREAS, On July 26, 2011, the Board adopted Ordinance No. 147-11, the Annual Appropriation Ordinance, increasing the amount of the \$348,064,054 appropriation to be funded by revenue bond proceeds or other forms of indebtedness from \$297,756,241 to \$327,756,241; and

WHEREAS, The Commission reasonably expects to reimburse certain capital expenditures incurred prior to the execution and delivery of the commercial paper with proceeds derived from the financing and hereby declares its official intent to reimburse certain expenditures for capital equipment from future financing proceeds for purposes of complying with certain provisions of the Internal Revenue Code of 1986, as amended; and,

WHEREAS, Section 1.150.2 of the Treasury Regulations requires that the SFFUC declare its reasonable official intent to reimburse prior expenditures with proceeds of the commercial paper; now, therefore, be it

RESOLVED, That the Commission hereby authorizes the issuance and sale of existing commercial paper notes (the "Commercial Paper Notes") to temporarily finance a portion of the design, acquisition and construction of the additional Improvements, as well as paying costs of issuance and other incidental costs, provided, however, that (i) the maximum principal amount of Commercial Paper Notes at any one time outstanding, when combined with the total principal amount of outstanding and unpaid obligations issued to the provider(s) of any credit or liquidity facility (the "Liquidity Provider") executed in connection with such Commercial Paper Notes, shall increase to a not to exceed principal amount of \$300,000,000 from a not to exceed principal amount of \$150,000,000, exclusive of interest reserve, if applicable, (ii) the principal amount of Commercial Paper Notes outstanding at any one time shall not exceed the principal component available to be drawn under any credit facilities or liquidity facilities (the "Liquidity Facility") executed in connection therewith (as authorized below); and (iii) the Commercial Paper Notes shall not mature later than five (5) years from their respective date of issuance (provided that obligations issued to the Liquidity Provider may have a longer maturity) and have a maximum rate or rates of interest of not to exceed twelve percent (12%) per annum. The Commercial Paper Notes (and any repayment obligations owing to the Liquidity Provider) may, in the discretion of the General Manager upon recommendation by the Commission, be subordinate to the payment of the Wastewater Revenue Bonds (including any wastewater revenue bonds current outstanding). The authorization of the Commercial Paper Notes pursuant to this Resolution is in

addition to the authorization of any commercial paper notes authorized by Resolution 06-0164 of this Commission or any other prior resolution or ordinance; and be it

FURTHER RESOLVED, Pursuant to Treasury Regulation Section 1.150-2, the SFPUC hereby declares its intent to reimburse itself, from financing proceeds, for capital expenditures paid within sixty (60) days prior to the effective date of this resolution and other expenditures permitted to be reimbursed pursuant to Treasury Regulation Section 1.150-2. Any reimbursement allocation of financing proceeds to be made with respect to expenditures incurred prior to the execution and delivery of the commercial paper (excluding certain de minimis expenditures and preliminary expenditures in an amount not to exceed twenty percent (20%) of the issue price of the commercial paper) will occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is paid, or (ii) the date on which the facilities are placed in service, but in no event more than three (3) years after the expenditure is paid. Further, any reimbursable cost will be of a type properly chargeable to a capital account under general federal income tax principles; and be it

FURTHER RESOLVED, That revised Proposition E Certificates describing additional improvements to the facilities of the Wastewater Enterprise have been completed and are herein incorporated by reference; and be it

FURTHER RESOLVED, That the Board of Supervisors is hereby urged to authorize by resolution or ordinance, as the case may be, an increase of commercial paper program for the Wastewater Enterprise in an amount up to \$300,000,000 for the purpose of providing low cost and flexible financing for the capital programs of the Wastewater Enterprise; provided that the sole source of repayment of such commercial paper notes or bank notes, as the case may be, shall be from the Wastewater Enterprise revenues; and be it

FURTHER RESOLVED, That, subject to Board of Supervisors approval, the General Manager or his appointed designee is hereby authorized and directed to take any and all necessary action expeditious to the issuance of the Commercial Paper Notes and the expansion of a commercial paper program for the Wastewater Enterprise, including but not limited to, the Commercial Paper Notes, and all prior actions heretofore taken towards that end are hereby ratified, approved and confirmed by this Commission; provided, however, that the General Manager or his appointed designee is hereby authorized and directed to return to this Commission for approval of any bank credit facilities negotiated with any bank in connection with the terms of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of December 13, 2011


Secretary, Public Utilities Commission

[Wastewater Enterprise Commercial Paper Program - Not to Exceed \$300,000,000]

Ordinance authorizing an increase of the Wastewater Enterprise's Commercial Paper program to an amount not to exceed \$300,000,000 to be issued from time to time by the San Francisco Public Utilities Commission (the Commission) to finance various capital projects benefitting the Wastewater Enterprise each pursuant to amendments to the Charter (the Charter) of the City and County of San Francisco (the City) enacted by the voters on November 5, 2002, as Proposition E (Proposition E); and ratifying previous actions taken in connection therewith.

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

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

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

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

1 B. Pursuant to Section 43.5 of the San Francisco Administrative Code, enacted by
2 Ordinance No. 203-98 adopted by the Board on June 8, 1998, and signed by the Mayor of
3 the City on June 19, 1998, the Board established a procedure pursuant to which the
4 Commission may issue short-term indebtedness, including the issuance of commercial
5 paper in anticipation of the issuance of its revenue bonds.

6 C. Under Section 8B.124 of the Charter of the City (the "Charter"), the Board's
7 authority to authorize an issuance of debt under Proposition E is subject to its receipt of a
8 certification from an independent engineer that (i) the projects to be financed by such debt
9 meet utility standards and (ii) estimated net revenue will be sufficient to meet operating,
10 maintenance, debt service coverage and other indenture or resolution requirements (the
11 "Engineer Certification").

12 D. The Board's authority to authorize an issuance of debt under Proposition E is
13 also subject to its receipt of a certification from the San Francisco Planning Department that
14 facilities financed with such debt will comply with applicable requirements of the California
15 Environmental Quality Act (together with the Engineer Certification, the "Proposition E
16 Certificates").

17 E. The Commission (Resolution No. 06-0164) and the Board (Ordinance No. 266-
18 06) have previously authorized the issuance of commercial paper notes for the Wastewater
19 Enterprise in an aggregate principal amount not to exceed \$150,000,000 against Proposition
20 E authorization.

21 F. On July 27, 2010, Commission Resolution 10-0114 established Levels of
22 Service Goals for the Sewer System Improvement Program Goals, which anticipates the
23 issuance of more than \$4 billion dollars of revenue bonds over the upcoming decade.

24 G. On December 13, 2011 the Commission approved Resolution 11-0197 to
25 increase the commercial paper authorization to \$300,000,000 from \$150,000,000 to provide

1 additional short-term financing of capital improvements and related costs for improvements,
2 betterments and additions to the Wastewater Enterprise.

3 H. The Proposition E Certificates for the prior \$150,000,000 authorization are on
4 file with the Clerk of the Board in File No. 061298 and are part of Ordinance No. 266-06.
5 The Proposition E Certificates describing additional improvements to the facilities of the
6 Wastewater Enterprise are on file with the Clerk of the Board, in accordance with
7 Proposition E, in File No. 120354 and support the issuance of additional wastewater
8 commercial paper, revenue bonds and other forms of indebtedness authorized by this
9 Ordinance.

10 I. The Commission has determined that it is necessary and desirable to make
11 certain additional improvements to the facilities of the Wastewater Enterprise (the
12 "Improvements"), and has further determined to finance the Improvements through the
13 issuance of wastewater revenue bonds, and in anticipation of the issuance of such
14 wastewater revenue bonds, through the expansion of the use of the Commission's
15 commercial paper program and the issuance and reissuance of its commercial paper notes
16 from time to time.

17 J. On April 27, 2010, the Board adopted Ordinance No. 95-10 appropriating
18 \$348,064,054 for the Wastewater Enterprise's Capital Improvement Program and Sewer
19 System Improvement Program for Fiscal Years 2010-2011 and 2011-2012, of which
20 \$297,756,235 is to be funded by revenue bond proceeds or other forms of indebtedness,
21 and placing \$329,962,235 on Controller's reserve pending the issuance of such revenue
22 bonds or other forms of indebtedness and/or the receipt of other fees and revenues.

23 K. On April 27, 2010, the Board adopted Ordinance No. 93-10 approving the
24 issuance and sale of wastewater revenue bonds in an aggregate principal amount not to
25

1 exceed \$297,756,235 which represents \$241,182,550 in supplemental capital improvement
2 program appropriations and \$56,573,685 in financing costs.

3 L. The Board now desires to authorize an increase in the aggregate principal
4 amount outstanding for the Commission's Wastewater Enterprise Commercial Paper
5 Program pursuant to said Section 8B.124.

6 Section 2. Proposition E Certificates. The Board hereby declares that the
7 Proposition E Certificates on file with the Clerk of the Board in File No. 120354 satisfy the
8 requirements of Section 8B.124 of the Charter, and in accordance therewith, the
9 Commission is hereby authorized to issue additional debt pursuant to this authorization.

10 Section 3. Approval of Increase in Commercial Paper Notes Authorization. The
11 Board hereby approves an increase of the Commission's Commercial Paper program
12 commercial paper authorization to \$300,000,000 from \$150,000,000 pursuant to Section 8B.
13 124 of the Charter and approves the issuance and sale of Commercial Paper in one or more
14 series from time to time by the Commission pursuant to the Charter and in accordance with
15 a resolution of the Commission; provided however that any Commercial Paper issued by
16 the Commission shall not exceed twelve percent (12%) per annum. The Commission is
17 hereby authorized to determine the timing, amount and manner of sale of each series of
18 Commercial Paper issued pursuant to this authorization; provided however Commission's
19 authorization to issue Commercial Paper is subject to the approval, by a resolution of the
20 Commission, of the form of offering document prepared in connection with issuance of the
21 Commercial Paper.

22 Section 4. General Authority. The Controller, the Director of the Office of Public
23 Finance, the Treasurer, the General Manager of the Commission, the City Attorney and
24 other officers of the City and their duly authorized deputies and agents are hereby
25 authorized and directed, jointly and severally, to take such actions and to execute and

1 deliver such certificates, agreements, requests or other documents, as they may deem
2 necessary or desirable to facilitate the issuance, sale and delivery of the Wastewater
3 Commercial Paper Notes, and otherwise to carry out the provisions of this Ordinance.

4 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
5 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

6 Section 6. File Documents. All documents referred to as on file with the Clerk of the
7 Board are in File Nos. 120354.

8 Section 7. Effective Date. Pursuant to Section 14.102 of the Charter, this Ordinance
9 shall take effect thirty (30) days after its adoption.

10
11
12 APPROVED AS TO FORM:

13 DENNIS J. HERRERA, City Attorney

14
15
16 By: 

17 Mark D. Blake
18 Deputy City
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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 120354

Date Passed: May 08, 2012

Ordinance authorizing an increase of the Wastewater Enterprise's Commercial Paper Program to an amount not to exceed \$300,000,000 to be issued from time to time by the San Francisco Public Utilities Commission to finance various capital projects benefitting the Wastewater Enterprise each 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; and ratifying previous actions taken in connection therewith.

April 25, 2012 Budget and Finance Sub-Committee - RECOMMENDED

May 01, 2012 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

May 08, 2012 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120354

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
5/8/2012 by the Board of Supervisors of the
City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor



Date Approved

1 [Authorization for the Public Utilities Commission to issue Commercial Paper Notes
2 (Wastewater Series) in an aggregate principal amount not exceeding \$150,000,000]

3 **Ordinance approving the issuance by the Public Utilities Commission of its Commercial**
4 **Paper Notes (Wastewater Series) in an aggregate principal amount not exceeding**
5 **\$150,000,000 pursuant to Article VIII B of the City Charter and Article V of Chapter 43 of**
6 **Part I of the San Francisco Administrative Code, as amended, for the purpose of**
7 **reconstructing and improving certain capital improvements related to the Wastewater**
8 **Enterprise; approving the form and authorizing the execution of a credit facility, an**
9 **issuing and paying agent agreement, one or more dealer agreements, an offering**
10 **memorandum and other documents relating to such notes; approving the maximum**
11 **interest rate on such notes; and related matters.**

12
13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Findings. The Board of Supervisors of the City and County of San
15 Francisco hereby finds, determines, and declares as follows:

16 A. At a duly called and held election on November 5, 2002, a majority of voters
17 voting on the measure approved Proposition E ("Proposition E") which added Article VIII B to
18 the City Charter. Among other things, Article VIII B provided a new procedure for Public
19 Utilities Commission (the "Commission") to issue revenue bonds, including notes, commercial
20 paper and other forms of indebtedness, under certain conditions and when authorized by a
21 two-thirds vote of the Board of Supervisors of the City (the "Board"), for the purposes of
22 reconstructing, replacing, expanding, repairing or improving water facilities or clean water
23 facilities or combinations thereof under the jurisdiction of the Commission.

24 B. The Commission is currently engaged in the development of a sewer system
25 master plan (the "Master Plan") for its Wastewater Enterprise, formerly known as its Clean

APPROVED
9/11/06
MARTIN

1 Water Enterprise (the "Enterprise"). When completed, the Master Plan is expected include a
2 program of capital improvements, repairs and replacements to the sanitary waste and storm
3 water systems which are anticipated to be required over the following 30 years, along with an
4 estimate of the funds and an identification of the funding sources needed to complete such
5 program. The Master Plan development process is expected to be completed in 2008, with
6 financing and construction to commence thereafter.

7 C. The Commission has identified a program of capital improvements to address
8 flooding, odor and other operational issues within the Enterprise that it finds advisable to
9 pursue during the development of the Master Plan. These projects are known as the "Five-
10 Year CIP." The Commission is now seeking to issue commercial paper in an amount not to
11 exceed \$150,000,000 to finance the Five-Year CIP.

12 D. The Commission is authorized to issue short term indebtedness pursuant to the
13 procedures set forth in Article V of Chapter 43 of Part I of the San Francisco Administrative
14 Code enacted by Ordinance No. 203-98, adopted by the Board on June 8, 1998 and signed
15 by the Mayor of the City on June 19, 1998 (the "Original Procedural Ordinance"). In
16 connection with this Ordinance the Board is considering an ordinance amending the Original
17 Procedural Ordinance to reflect the passage of Proposition E (as so amended, the
18 "Procedural Ordinance"). The Procedural Ordinance, with the short title "Public Utilities
19 Commission Short Term Indebtedness," is on file with the Clerk of the Board in File No. 061298
20 The Board's adoption of the Procedural Ordinance is a condition to the effectiveness of this
21 Ordinance.

22 E. Under the Procedural Ordinance, the Commission may issue or incur
23 commercial paper or other short-term indebtedness authorized in accordance with Article
24 VIII B of the Charter.
25

1 F. Section 8B.124 of the Charter allows for the issuance of commercial paper or
2 other forms of indebtedness by ordinance approved by two-thirds of the Board, subject to the
3 following conditions:

4 i. Certification by an independent engineer retained by the Public Utilities
5 Commission that:

6 (a) the projects to be financed by such debt, including the prioritization,
7 cost estimates and scheduling, meet utility standards; and

8 (b) that estimated net revenue after payment of operating and
9 maintenance expenses will be sufficient to meet debt service coverage and other indenture or
10 resolution requirements, including debt service on the debt to be issued, and estimated repair
11 and replacement costs.

12 ii. Certification by the San Francisco Planning Department that facilities
13 under the jurisdiction of the Commission funded with such debt will comply with applicable
14 requirements of the California Environmental Quality Act.

15 G. Certificates meeting the requirements set forth in Section 1.F. above (the
16 "Certificates") are on file with the Clerk of the Board in File No. ⁰⁶¹²⁹⁸, which is hereby declared
17 to be a part of this Ordinance as if set forth fully herein.

18 H. At its meeting on September 26, 2006, the Commission adopted a resolution
19 approving the forms of documents relating to the establishment of a commercial paper
20 program and urging the Board to authorize the issuance of such indebtedness on the terms
21 set forth herein. Such resolution is on file with the Clerk of the Board in File No. ⁰⁶¹²⁹⁸, which is
22 hereby declared to be a part of this Ordinance as if set forth fully herein.

23 Section 2. Approval of the Issuance of Commercial Paper. This Board hereby
24 declares that the Certificates satisfy the conditions of Section 8B.124 of the Charter, and
25 therefore in accordance with the Charter and the Procedural Ordinance, the Public Utilities

1 Commission is hereby authorized to issue Commercial Paper Notes (Wastewater Series) (the
2 "Commercial Paper Notes") for the purposes of reconstructing, replacing, expanding, repairing
3 or improving facilities of the Enterprise, as well as paying costs of issuance and other
4 incidental costs; provided however, that (i) the maximum principal amount of Commercial
5 Paper Notes at any one time outstanding, when combined with the total principal amount of
6 outstanding and unpaid obligations issued to the provider of any credit or liquidity facility
7 executed in connection with such Commercial Paper Notes, shall not exceed \$150,000,000,
8 and (ii) the principal amount of Commercial Paper Notes outstanding at any one time shall not
9 exceed the principal component available to be drawn under any credit facilities or liquidity
10 facilities executed in connection therewith.

11 Section 3. Approval of Credit or Liquidity Facility and Authorization of Bank Notes.

12 The form of the Letter of Credit and Reimbursement Agreement (the "Credit Facility"),
13 between the Commission and BNP Paribas acting through its San Francisco Branch (the
14 "Credit Provider"), in substantially the form presented to the Board, a copy of which is on file
15 with the Clerk of the Board, is hereby approved. The General Manager of the Commission
16 (the "General Manager") is hereby authorized to execute the Credit Facility, in substantially
17 said form, with such additions thereto and changes therein as the City Attorney and Co-Bond
18 Counsel may approve or recommend in accordance with Section 10 hereof. The Commission
19 is authorized to negotiate and execute an extension to the Credit Facility or another credit or
20 liquidity facility to support the Commercial Paper Notes authorized to be issued hereunder, on
21 such terms and conditions as the General Manager, in consultation with the City Attorney,
22 shall determine; provided that any obligations issued to the credit or liquidity provider,
23 including the Credit Provider (the "Bank Notes"), (i) shall be repaid over a period not
24 exceeding ten (10) years, or such other repayment period as the Commission and this Board
25 shall approve, (ii) bear interest at a rate or rates that does not cause the aggregate average

1 interest cost to exceed 12% per annum, and (iii) any outstanding and unpaid principal
2 obligation under any such Bank Notes shall not, when combined with the total principal
3 amount of outstanding Commercial Paper Notes, exceed \$150,000,000 in aggregate principal
4 amount.

5 Section 4. Issuing and Paying Agent Agreement. The form of the Issuing and Paying
6 Agent Agreement (the "Issuing and Paying Agent Agreement"), between the City and U.S.
7 Bank, National Association, in substantially the form presented to the Board, a copy of which
8 is on file with the Clerk of the Board, is hereby approved. The General Manager is hereby
9 authorized to execute the Issuing and Paying Agent Agreement in substantially said form, with
10 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
11 approve or recommend in accordance with Section 10 hereof.

12 Section 5. Dealer Agreements. The form of the Dealer Agreement (the "Dealer
13 Agreement"), between the City and the securities dealers listed therein, in substantially the
14 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
15 approved. The General Manager is hereby authorized to execute one or more Dealer
16 Agreements in substantially said form, with such additions thereto and changes therein as the
17 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section
18 10 hereof.

19 Section 6. Offering Memorandum. The Offering Memorandum relating to the
20 Commercial Paper Notes (the "Offering Memorandum"), in substantially the form presented to
21 the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
22 General Manager is hereby authorized to cause the distribution of the Offering Memorandum
23 in connection with the offering of the Commercial Paper Notes, in substantially said form, with
24 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
25 approve or recommend in accordance with Section 10 hereof.

1 Section 7. No Conflict. The Commercial Paper Notes and Bank Notes, if any,
2 approved by this Ordinance shall be issued pursuant to the terms of the Issuing and Paying
3 Agent Agreement, the Credit Facility and any other agreement or agreements relating to the
4 liquidity or credit facility supporting the Commercial Paper Notes and such agreements and
5 documents as the Commission shall deem necessary or desirable for the purpose of
6 implementing the issuance, sale and delivery of such Commercial Paper Notes or Bank
7 Notes, if any, and as shall be approved by the City Attorney, which approval shall be
8 conclusively evidenced by the signature of the City Attorney on each such additional
9 agreement; provided, that the terms of the Issuing and Paying Agent Agreement, the Credit
10 Facility or any other agreement or agreements relating to the liquidity or credit facility
11 supporting the Commercial Paper Notes and any such additional agreements and documents
12 shall not conflict with the requirements of the Charter, the Procedural Ordinance or this
13 Ordinance.

14 Section 8. Maximum Interest Rate. Pursuant to Section 43.5.2 of the Procedural
15 Ordinance, the maximum interest rate for any Commercial Paper Notes or Bank Notes shall
16 not exceed 12% per annum.

17 Section 9. Additional Agreements. The approvals contained herein shall extend to any
18 agreements relating to the liquidity or credit facility supporting the Commercial Paper Notes
19 and any and all agreements of the Commission supplemental and/or incidental thereto, as
20 well as to such additional agreements as the Commission may adopt for the purpose of
21 implementing the issuance, sale and delivery of the Commercial Paper Notes or Bank Notes,
22 if any. The approvals contained herein shall continue to apply to the Commercial Paper Notes
23 or the Bank Notes, if any, in the event such Commercial Paper Notes or Bank Notes, if any,
24 are renamed, renumbered or reissued by the Commission pursuant to the Issuing and Paying
25

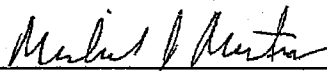
1 Agent Agreement and/or agreements relating to any liquidity or credit facility supporting the
2 Commercial Paper Notes.

3 Section 10. Modifications, Changes, Additions. The General Manager, in consultation
4 with the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
5 modifications, changes or additions to the Credit Facility, the Issuing and Paying Agent
6 Agreement, the Dealer Agreement and the Offering Memorandum as may be necessary or
7 advisable, subject to the provisions of Section 2 hereof. The approval of any modification,
8 addition or change to any of the aforementioned documents shall be evidenced conclusively
9 by the execution and delivery of the document in question.

10 Section 11. General Authority. The Director of the Office of Public Finance or her
11 designee, the City Attorney, the General Manager and all other appropriate officers,
12 employees, representatives and agents of the Commission are hereby authorized and
13 directed to do everything necessary or desirable to provide for the issuance of the
14 Commercial Paper Notes or Bank Notes, if any.

15
16 APPROVED AS TO FORM:

17 DENNIS J. HERRERA
18 City Attorney

19 By: 
20 MICHAEL J. MARTIN
21 Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Ordinance

File Number: 061298

Date Passed:

Ordinance approving the issuance by the Public Utilities Commission of its Commercial Paper Notes (Wastewater Series) in an aggregate principal amount not exceeding \$150,000,000 pursuant to Article VIII B of the City Charter and Article V of Chapter 43 of Part I of the San Francisco Administrative Code, as amended, for the purpose of reconstructing and improving certain capital improvements related to the Wastewater Enterprise; approving the form and authorizing the execution of a credit facility, an issuing and paying agent agreement, one or more dealer agreements, an offering memorandum and other documents relating to such notes; approving the maximum interest rate on such notes; and related matters.

October 17, 2006 Board of Supervisors — PASSED ON FIRST READING

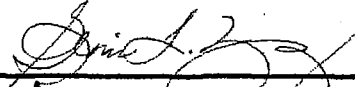
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

October 24, 2006 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, Mirkarimi, Peskin, Sandoval
Excused: 1 - McGoldrick

File No. 061298

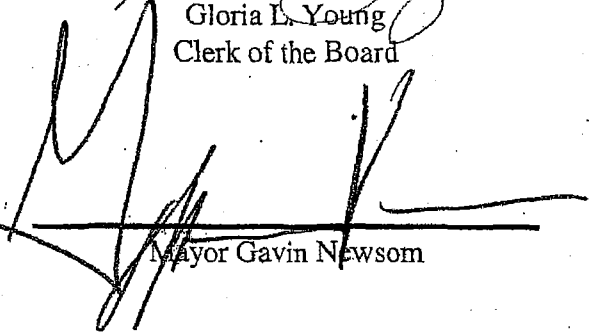
I hereby certify that the foregoing Ordinance
was FINALLY PASSED on October 24, 2006
by the Board of Supervisors of the City and
County of San Francisco.



Gloria L. Young
Clerk of the Board

Oct. 31, 2006

Date Approved



Mayor Gavin Newsom

1 [Appropriation - Proceeds from Revenue Bonds, Wastewater Revenues and Capacity Fees of
2 \$950,906,000 for Wastewater Capital Improvements, and Amending Ordinance No. 108-12 -
3 FYs 2014-2015 and 2015-2016]

4 Ordinance appropriating \$950,906,000 of proceeds from revenue bonds, wastewater
5 revenue and capacity fees for the San Francisco Public Utilities Commission (SFPUC)
6 Wastewater Enterprise's Capital Improvement Program for FY2014-2015 at
7 \$342,775,000 and FY2015-2016 at \$608,131,000; and placing \$846,906,000 by functional
8 improvement area for the Sewer System Improvement Program (SSIP) at \$629,504,000
9 and the non-SSIP project at \$217,402,000 on Controller's reserve subject to SFPUC's
10 and the Board of Supervisors' approval following completion of project-related analysis
11 pursuant to the California Environmental Quality Act, where required; receipt of
12 proceeds of indebtedness; and amending Ordinance No. 108-12.

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

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

22 Section 1. The sources of funding outlined below are herein appropriated to reflect the
23 funding available for FY2014-2015.
24
25

1 **SOURCES Appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	5C CPF 15A - WWE-	*CWP5CCPF15A /	80111	Proceeds Sale	\$292,775,000
5	Capital Projects-2015A	WWE30001		of Bonds	
6	Bond Fund				
8	5C CPF R&R - WWE	*CWWPZZZC505C /	9505C	Wastewater	\$39,000,000
9	Renewal &	CWWRNRC00		Enterprise	
10	Replacement Fund			Revenue	
12	5C CPF CAP -	*CWP5CCPFCAP /	99999B	Wastewater	\$11,000,000
13	Wastewater Capacity	CWWRNRC00		Capacity Fee	
14	Fee				
16	Total SOURCES Appropriation				\$342,775,000

18 Section 2. The uses of funding outlined below are herein appropriated by functional
 19 improvement area in the designated functional Subobject 06700 Buildings Structures and
 20 Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits and 081XX Revenue
 21 Bond Oversight Committee, and reflects the projected uses of funding to support the
 22 Wastewater Capital Improvement Program at the San Francisco Public Utilities Commission
 23 for FY2014-2015. The Controller may reallocate funds between projects within functional
 24 improvement areas, and is authorized to recategorize projects in the functional improvement
 25 areas as necessary to conform to Generally Accepted Accounting Principles. The Controller

Mayor Lee
 BOARD OF SUPERVISORS

1 shall report to the Board of Supervisors on any transfers of appropriation authority between
 2 projects within functional program areas that exceed the receiving project appropriation by
 3 more than 10%.

4
 5 **USES Appropriation**

6 **Functional Improvement Area - SSIP Program-Wide Management:**

Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPPR00	06700 Buildings, Structures, and Improvements	SSIP – Program- Wide Management	\$23,000,000
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPPR00	06700 Buildings, Structures, and Improvements	SSIP – Land Reuse	\$5,000,000
Subtotal - SSIP Program-Wide Management				\$28,000,000

18
 19 **Functional Improvement Area - SSIP Treatment Facilities Program:**

Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPDP00	06700 Buildings, Structures, and Improvements	Biosolids/Digester Project	\$42,600,000

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Fund	Index Code / Project Code	Subsubject	Description	Amount
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPSE00	06700 Buildings, Structures, and Improvements	Treatment Plant Improvements - Southeast	\$42,420,000
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPTP00	06700 Buildings, Structures, and Improvements	Treatment Plant Improvements	\$22,100,000
Subtotal - SSIP Treatment Facilities Program				\$107,120,000

Functional Improvement Area - SSIP Sewer/Collection System Program:

Fund	Index Code / Project Code	Subsubject	Description	Amount
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPCT00	06700 Buildings, Structures, and Improvements	Central Bayside System Improvements	\$14,000,000
5C CPF 15A - WWE- Capital Projects- 2015A Bond Fund	CWPX5CCPF15A / CWWSIPCS00	06700 Buildings, Structures, and Improvements	Collection System Improvements	\$16,500,000

1	Fund	Index Code /	Subject	Description	Amount
2		Project Code			
3	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Pump Stations /	\$1,300,000
4	Capital Projects-	CWWSIPCSPS00	Structures, and	Bayside & Westside	
5	2015A Bond Fund		Improvements		
6					
7	Subtotal - SSIP Sewer/Collection System Program				\$31,800,000
8					
9	Functional Improvement Area - SSIP Storm Water/Flood Control Program:				
10					
11	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Storm Water	\$37,300,000
12	Capital Projects-	CWWSIPFC00	Structures, and	Management	
13	2015A Bond Fund		Improvements		
14					
15	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Urban Watershed	\$3,000,000
16	Capital Projects-	CWWSIPUW00	Structures, and	Assessment	
17	2015A Bond Fund		Improvements		
18					
19	Subtotal - SSIP Storm Water/Flood Control Program				\$40,300,000
20					
21	Functional Improvement Area - Non SSIP WASTEWATER:				
22	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Renewal &	\$40,422,000
23	Capital Projects-	CWWRNRCS00	Structures, and	Replacement -	
24	2015A Bond Fund		Improvements	Collection System	
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
1					
2					
3	5C CPF R&R – WWE	WWECS5CPFRNR /	06R00 Capital	Renewal &	\$23,858,000
4	Renewal &	CWWRNRCS00	Renewal Projects	Replacement –	
5	Replacement Fund			Collection System	
6					
7	5C CPF CAP –	CWPX5CCPFCAP /	06R00 Capital	Renewal &	\$11,000,000
8	Capacity Fee	CWWRNRCS00	Renewal Projects	Replacement –	
9				Collection System	
10					
11	5C CPF R&R – WWE	WWEF5CPFRNR /	06R00 Capital	Renewal &	\$12,442,000
12	Renewal &	CWWRNRTF00	Renewal Projects	Replacement –	
13	Replacement Fund			Treatment Facilities	
14					
15	5C CPF R&R – WWE	WWECS5CPFRNR/	06R00 Capital	Ocean Beach	\$2,700,000
16	Renewal &	CWWFAC01	Renewal Projects	Visioning Process	
17	Replacement Fund				
18					
19	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Southeast	\$7,000,000
20	Capital Projects-	CWWFAC03	Structures, and	Community Center	
21	2015A Bond Fund		Improvements	Improvements	
22					
23	Subtotal - Non SSIP WASTEWATER				\$97,422,000
24					
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5C CPF 15A - WWE-	CWPX5CCPF15A /	06700 Buildings,	Financing Costs	\$37,377,329
4	Capital Projects-	CWW30001	Structures, and		
5	2015A Bond Fund		Improvements		
7	5C CPF 15A - WWE-	CWPX5CCPF15A /	081C4 Internal	City Services	\$609,284
8	Capital Projects-	CWW30001	Audits	Auditor	
9	2015A Bond Fund				
11	5C CPF 15A - WWE-	CWPX5CCPF15A /	081XX	Revenue Bond	\$146,387
12	Capital Projects-	CWW30001		Oversight	
13	2015A Bond Fund			Committee	
15	Total USES Appropriation				<u><u>\$342,775,000</u></u>

Section 3: Of the above appropriated amount, \$609,284, representing 0.2% of the expenditure budget net of bond financing and audit costs, is to be allocated and available to support the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$146,387, representing 0.05% of gross bond proceeds is to be allocated and available to support the Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative Code Section 5A.31. These appropriations may be increased or decreased by the Controller based on changes to expenditure appropriations or actual gross bond proceeds to conform to the applicable Charter and Administrative Code formulas.

1 Section 4: \$292,775,000 of the total appropriation is hereby placed on Controller's
2 Appropriation Reserve by program for the SSIP at \$207,220,000, and by non-SSIP project at
3 \$85,555,000. Release of appropriation reserves by the Controller is subject to the prior
4 occurrence of: 1) the SFPUC's and the Board of Supervisors' discretionary adoption of CEQA
5 findings for projects, following review and consideration of completed project-related
6 environmental analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and
7 Chapter 31 of the San Francisco Administrative Code, and 2) the Controller's certification of
8 funds availability, including proceeds of indebtedness including Commercial Paper capacity.
9

10 Section 5: Associated Bond financing costs up to \$37,377,329 are also hereby
11 appropriated, including but not limited to, issuance costs, debt service reserve, capitalized
12 interest, rating agency, and disclosure costs. These costs shall be pleased on Controller's
13 reserve pending receipt of bond proceeds. To the extent that net available bond proceeds
14 after financing costs are more than budgeted, the Controller may approve the use of such
15 surplus bond proceeds as a substitute for other sources budgeted in this appropriation.
16

17 Section 6: The Controller is authorized to record transfers between funds and adjust
18 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
19 conform to Generally Accepted Accounting Principles.
20

21 Section 7. The sources of funding outlined below are herein appropriated to reflect the
22 funding available for FY2015-2016.
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24
25

1 **SOURCES Appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	5C CPF 16A - WWE-	*CWP5CCPF16A /	80111	Proceeds Sale	\$554,131,000
5	Capital Projects-2016A	WWE30001		of Bonds	
6	Bond Fund				
7					
8	5C CPF R&R - WWE	CWWPZZZC505C /	9505C	Wastewater	\$41,000,000
9	Renewal &	CWWNRNCS00		Enterprise	
10	Replacement Fund			Revenue	
11					
12	5C CPF CAP -	*CWP5CCPFCAP /	99999B	Wastewater	\$13,000,000
13	Wastewater Capacity	CWWNRNCS00		Capacity Fee	
14	Fee				
15					
16	Total SOURCES Appropriation				<u>\$608,131,000</u>

17

18 Section 8. The uses of funding outlined below are herein appropriated by project and

19 functional improvement area, in Subobject 06700 Buildings Structures and Improvements,

20 06R00 Capital Renewal Projects, 081C4 Internal Audits and 081XX Revenue Bond Oversight

21 Committee, and reflects the projected uses of funding to support the Wastewater Capital

22 Improvement Program at the San Francisco Public Utilities Commission for FY2015-2016.

23 The Controller may reallocate funds between projects within functional improvement areas,

24 and is authorized to recategorize projects in the functional improvement areas as necessary

25 to conform to Generally Accepted Accounting Principles. The Controller shall report to the

1 Board of Supervisors on any transfers of appropriation authority between projects within
 2 functional program areas that exceed the receiving project appropriation by more than 10%.

3
 4 **USES Appropriation**

Fund	Index Code / Project Code	Subobject	Description	Amount
Functional Improvement Area - SSIP Program-Wide Management:				
5C CPF 16A - WWE- Capital Projects- 2016A Bond Fund	CWPX5CCPF16A / CWWSIPPR00	06700 Buildings, Structures, and Improvements	SSIP -- Program- wide Management	\$24,000,000
5C CPF 16A - WWE- Capital Projects- 2016A Bond Fund	CWPX5CCPF16A / CWWSIPPR00	06700 Buildings, Structures, and Improvements	SSIP -- Land Reuse	\$29,253,000
Subtotal - SSIP Program-Wide Management				\$52,253,000
Functional Improvement Area - SSIP Treatment Facilities Program:				
5C CPF 16A - WWE- Capital Projects- 2016A Bond Fund	CWPX5CCPF16A / CWWSIPDP00	06700 Buildings, Structures, and Improvements	Biosolids/Digester Project	\$122,600,000

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Treatment Plant	\$102,981,000
4	Capital Projects-	CWWSIPSE00	Structures, and	Improvements -	
5	2016A Bond Fund		Improvements	Southeast	
6					
7	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Treatment Plant	\$45,280,000
8	Capital Projects-	CWWSIPTP00	Structures, and	Improvements	
9	2016A Bond Fund		Improvements		
10	Subtotal - SSIP Treatment Facilities Program				\$270,861,000
11					
12	Functional Improvement Area - SSIP Sewer/Collection System Program:				
13					
14	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Central Bayside	\$24,800,000
15	Capital Projects-	CWWSIPCT00	Structures, and	System	
16	2016A Bond Fund		Improvements	Improvements	
17					
18	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Collection System	\$41,100,000
19	Capital Projects-	CWWSIPCS00	Structures, and	Improvements	
20	2016A Bond Fund		Improvements		
21					
22	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Pump Stations /	\$8,600,000
23	Capital Projects-	CWWSIPCSPS00	Structures, and	Bayside & Westside	
24	2016A Bond Fund		Improvements		
25	Subtotal - SSIP Sewer/Collection System Program				\$74,500,000

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	Functional Improvement Area - SSIP Storm Water/Flood Control Program:				
4					
5	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Storm Water	\$23,670,000
6	Capital Projects-	CWWSIPFC00	Structures, and	Management	
7	2016A Bond Fund		Improvements		
8	Subtotal - SSIP Storm Water/Flood Control Program				\$23,670,000
9					
10	Functional Improvement Area – Non SSIP WASTEWATER:				
11					
12	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Renewal &	\$40,351,000
13	Capital Projects-	CWWRNRCS00	Structures, and	Replacement –	
14	2016A Bond Fund		Improvements	Collection System	
15					
16	5C CPF R&R – WWE	VWECS5CPFRNR /	06R00 Capital	Renewal &	\$24,637,000
17	Renewal &	CWWRNRCS00	Renewal Projects	Replacement –	
18	Replacement Fund			Collection System	
19					
20	5C CPF CAP –	CWPX5CCPFCAP /	06R00 Capital	Renewal &	\$13,000,000
21	Capacity Fee	CWWRNRCS00	Renewal Projects	Replacement –	
22				Collection System	
23					
24					
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5C CPF R&R – WWE	WWETF5CPFRNR /	06R00 Capital	Renewal &	\$13,063,000
4	Renewal &	CWWRNRTF00	Renewal Projects	Replacement –	
5	Replacement Fund			Treatment Facilities	
7	5C CPF R&R – WWE	WWECS5CPFRNR /	06R00 Capital	Ocean Beach	\$3,300,000
8	Renewal &	CWWFAC01	Renewal Projects	Visioning Process	
9	Replacement Fund				
11	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Collection Division	\$20,000,000
12	Capital Projects-	CWWFAC02	Structures, and	Consolidation	
13	2016A Bond Fund		Improvements		
14	Subtotal - Non SSIP WASTEWATER				\$114,351,000
16	5C CPF 16A - WWE-	CWPX5CCPF16A /	06700 Buildings,	Financing Costs	\$70,145,665
17	Capital Projects-	CWW30001	Structures, and		
18	2016A Bond Fund		Improvements		
20	5C CPF 16A - WWE-	CWPX5CCPF16A /	081C4 Internal	City Service Auditor	\$1,073,270
21	Capital Projects-	CWW30001	Audits		
22	2016A Bond Fund				

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5C CPF 16A - WWE-	CWPX5CCPF16A /	081XX	Revenue Bond	\$277,065
4	Capital Projects-	CWW30001		Oversight	
5	2016A Bond Fund			Committee	
6					
7	Total USES Appropriation				\$608,131,000

8

9 Section 9: Of the above appropriated amount, \$1,073,270, representing 0.2% of the

10 expenditure budget net of bond financing and audit costs, is to be allocated and available to

11 support the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$277,065,

12 representing 0.05% of gross bond proceeds is to be allocated and available to support the

13 Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative

14 Code Section 5A.31. These appropriations may be increased or decreased by the Controller

15 based on changes to expenditure appropriations or actual gross bond proceeds to conform to

16 the applicable Charter and Administrative Code formulas.

17

18 Section 10: \$554,131,000 of the total appropriation is hereby placed on Controller's

19 Appropriation Reserve by program for the SSIP at \$422,284,000 and for non-SSIP projects at

20 \$131,847,000. Release of appropriation reserves by the Controller is subject to the prior

21 occurrence of: 1) the SFPUC's and the Board of Supervisors' adoption of CEQA findings for

22 projects, following review and consideration of completed project-related environmental

23 analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of

24 the San Francisco Administrative Code, and 2) the Controller's certification of funds

25 availability, including proceeds of indebtedness including Commercial Paper capacity.

1 Section 11: Associated Bond financing costs up to \$70,145,665 is also hereby
2 appropriated, including but not limited to, issuance costs, debt service reserve, capitalized
3 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
4 bond proceeds. To the extent that net available bond proceeds after financing costs are more
5 than budgeted, the Controller may approve the use of such surplus bond proceeds as a
6 substitute for other sources budgeted in this appropriation

7
8 Section 12: The Controller is authorized to record transfers between funds and adjust
9 the accounting treatment of sources and uses appropriated in this ordinance, including but not
10 limited to recategorization of projects within functional improvement areas, as necessary to
11 conform to Generally Accepted Accounting Principles.

12
13 Section 13. The funding below was previously appropriated and no additional funding is
14 requested in this supplemental appropriation ordinance.

15
16 Section 14. The uses of funding outlined below are herein re-appropriated in Subobject
17 06700 (Buildings, Structures, and Improvement Project-Budget) and reflects a reallocation of
18 funding previously approved in the FY 2013-14 Wastewater Supplemental Appropriation
19 Ordinance 108-12.

1 **Uses De-appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP -Biosolids /	\$35,000,000
5	Capital Projects-	CWWSIPDP00	Structures, and	Digester Project	
6	2013A Bond Fund		Improvements		
7					
8	Total USES De-Appropriation				\$35,000,000

11 **Uses Re-Appropriation.**

12	Fund	Index Code /	Subobject	Description	Amount
13		Project Code			
14	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	SSIP – Land Reuse	\$35,000,000
15	Capital Projects-	CWWSIPPR00	Structures, and		
16	2013A Bond Fund		Improvements		
17					
18	Total USES Re-Appropriation				\$35,000,000

20 Section 15. PUC capital improvements for the Sewer System Improvement Program
 21 shall be budgeted and approved by functional improvement area (Program Wide
 22 Management, Treatment Facilities, Sewer/Collection System, Storm Water/Flood Control
 23 Management), and may be defined based on functional improvements. The Controller may
 24 reallocate funds between projects within functional improvement areas, and is authorized to
 25 recategorize projects in the functional improvement areas as necessary to conform to

FILE NO. _____

ORDINANCE NO. _____

RO#15002
SA#40-02

1 Generally Accepted Accounting Principles. The Controller shall report to the Board of
2 Supervisors on any transfers of appropriation authority between projects within functional
3 program areas that exceed the receiving project appropriation by more than 10%.

4
5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

8 By:


9 THOMAS OWEN
10 Deputy City Attorney

By:


11 MONIQUE ZMUDA
12 Deputy Controller



City and County of San Francisco

Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140481

Date Passed: June 24, 2014

Ordinance appropriating \$950,906,000 of proceeds from revenue bonds, wastewater revenue and capacity fees for the Public Utilities Commission (PUC) Wastewater Enterprise's Capital Improvement Program for FY2014-2015 at \$342,775,000 and FY2015-2016 at \$608,131,000; and placing \$846,906,000 by functional improvement area for the Sewer System Improvement Program (SSIP) at \$629,504,000 and the non-SSIP project at \$217,402,000 on Controller's reserve subject to PUC's and the Board of Supervisors' approval following completion of project-related analysis pursuant to the California Environmental Quality Act, where required; receipt of proceeds of indebtedness; and amending Ordinance No. 108-12.

May 21, 2014 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

June 11, 2014 Budget and Finance Committee - RECOMMENDED

June 17, 2014 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

June 24, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140481

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
6/24/2014 by the Board of Supervisors of
the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

7/2/2014
Date Approved

6/11/14

FILE NO. 140483

ORDINANCE NO. 107-14

1 [Wastewater Revenue Bond Issuance and Sale - Public Utilities Commission - Not to
2 Exceed \$819,035,941 ~~846,906,000~~]

3 Ordinance approving the issuance and sale of wastewater revenue bonds by the San
4 Francisco Public Utilities Commission in an aggregate principal amount not to
5 exceed \$819,035,941 ~~846,906,000~~ to finance the costs of various projects benefitting the
6 Wastewater Enterprise pursuant to amendments to the Charter of the City and County
7 of San Francisco enacted by the voters on November 5, 2002, as Proposition E;
8 declaring the official intent of the Commission to reimburse itself with one or more
9 issues of tax-exempt bonds; and ratifying previous actions taken in connection
10 therewith.

11
12 NOTE: Additions are single-underline italics Times New Roman;
13 deletions are ~~strike-through italics Times New Roman~~.
14 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

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

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

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

1 B. The Commission adopted the Indenture dated as of January 1, 2003, as
2 amended and supplemented (the "Indenture"), between the Commission and U. S. Bank
3 National Association and in connection therewith, has from time to time issued revenue
4 bonds to finance projects benefitting the Wastewater Enterprise; and

5 C. By Resolution No.14-0032 adopted by the Commission on February 11, 2014,
6 (the "Commission Resolution"), the Commission has determined to issue one or more
7 additional series of revenue bonds (the "Wastewater Revenue Bonds") to finance the costs
8 of all or a portion of certain capital projects described therein benefitting the Wastewater
9 Enterprise (the "Capital Projects" such projects as further described in the Commission
10 Resolution), as well as for the payment of costs of issuance and other incidental costs
11 related thereto, and formally requested this Board of Supervisors to authorize the issuance
12 and sale of the Wastewater Revenue Bonds for such purposes, pursuant to Charter Section
13 8B.124, such Commission Resolution being on file with the Clerk of the Board in File No.
14 140483, which is hereby declared to be a part of this Ordinance as if set forth fully
15 herein.

16 D. The Commission has determined that it is necessary and desirable to make
17 certain additional improvements to the facilities of the Wastewater Enterprise (the
18 "Improvements"), and has further determined to finance the costs of the Improvements
19 through the issuance of wastewater revenue bonds. The Board now desires to authorize the
20 issuance and sale of the Wastewater Revenue Bonds by the Commission pursuant to
21 Proposition E; provided however, the Commission shall file with the Commission Board and
22 this Board of Supervisors any and all certifications required by Charter Section 8B.124 prior
23 to the issuance of Wastewater Revenue Bonds authorized hereby (as further described
24 below); and

25

1 E. Proposition E allows for the issuance of revenue bonds or other forms of
2 indebtedness by ordinance approved by two-thirds of the Board, subject to the provision of
3 certain certifications of an independent engineer retained by the Commission and certain
4 certifications by the San Francisco Planning Department, which certifications shall make the
5 findings and determinations set forth in Proposition E; and

6 F. The Commission has paid, beginning no earlier than 60 days prior to the
7 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures
8 (the "Expenditures") in connection with the acquisition, construction and/or equipping of the
9 Capital Projects, and

10 G. This Board of Supervisors, on behalf of the Commission, adopts this Ordinance
11 as official action of the Commission in order to comply with Treasury Regulation §1.150-2
12 and any other regulations of the Internal Revenue Service relating to the qualification for
13 reimbursement of Commission expenditures incurred prior to the date of issue of the
14 Wastewater Revenue Bonds, and

15 H. This Board is concurrently considering with this ordinance Capital Improvement
16 Program related supplemental appropriations totaling \$950,906,000 for fiscal years ending
17 2015 and 2016, such amount being inclusive of the Wastewater Revenue Bonds.

18 Section 2. Approval of the Wastewater Revenue Bonds. Subject to the terms of this
19 Ordinance, the Commission is hereby authorized to issue the Wastewater Revenue Bonds
20 pursuant to Proposition E to finance a portion of the design, acquisition and construction of
21 the Capital Projects (including the costs of issuance for such obligations) and other
22 incidental costs relating thereto; and the Board hereby approves the issuance and sale of
23 the Wastewater Revenue Bonds in one or more series from time to time by the Commission
24 pursuant to Charter Proposition E and in accordance with the Prior Ordinance and the
25 Commission Resolution, in an aggregate principal amount not to exceed \$819,035,941

1 ~~846,906,000~~ (inclusive of financing costs), at a maximum rate or rates of interest of not to
2 exceed twelve percent (12%) per annum. The Commission is hereby authorized to
3 determine the timing, amount and manner of sale of each series of Wastewater Revenue
4 Bonds issued pursuant to this authorization; provided however, the Commission's
5 authorization to issue Wastewater Revenue Bonds is subject to approval by the
6 Commission's Board of the form of offering document and the filing with its Board and the
7 Clerk of the Board any certifications required by Proposition E prior to the issuance of any
8 bonds herein authorized.

9 Section 3. Declaration of Official Intent. The Board, on behalf of the Commission,
10 hereby declares the official intent of the Commission to reimburse the Commission with
11 proceeds of the Wastewater Revenue Bonds for the Expenditures with respect to the Capital
12 Projects made on and after a date that is no more than 60 days prior to the adoption of this
13 Ordinance. The Commission reasonably expects on the date hereof that it will reimburse
14 the Expenditures with proceeds of the Wastewater Revenue Bonds. Each said Expenditure
15 was and will be either (A) of a type properly chargeable to a capital account under general
16 federal income tax principles (determined in each case as of the date of the Expenditure),
17 (B) a cost of issuance with respect to the Bonds, (C) a nonrecurring items that is not
18 customarily payable from current revenues, or (D) a grant to pay a party that is not related to
19 or an agent of the issuer so long as such grand does not impose any obligation or condition
20 (directly or indirectly) to repay any amount to or for the benefit of the Commission. The
21 maximum principal amount of the Wastewater Revenue Bonds to be issued for the Capital
22 Projects is \$819,035,941 ~~846,906,000~~ (inclusive of financing costs).

23 The Commission will make a reimbursement allocation, which is a written allocation
24 by the Issuer that evidences the Commission's use of proceeds of the Wastewater Revenue
25 Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on

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

7 Section 4. General Authority. The Controller, Treasurer, the City Attorney and other
8 officers of the City and their duly authorized deputies and agents are hereby authorized and
9 directed, jointly and severally, to take such actions and to execute and deliver such
10 certificates, agreements, requests or other documents, as they may deem necessary or
11 desirable to facilitate the issuance, sale and delivery of the Wastewater Revenue Bonds to
12 obtain bond insurance or other credit enhancements with respect to the Wastewater
13 Revenue Bonds, to obtain a surety bond, to obtain title and other insurance with respect to
14 the facilities to be financed, and otherwise to carry out the provisions of this Ordinance.

15 Section 5. Ratification of Prior Actions. All actions authorized and directed by this
16 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

17 Section 6. File Documents. All documents referred to as on file with the Clerk of the
18 Board are in File Nos. 140483.

19 Section 7. Effective Date. Pursuant to Charter Section 14.102, this Ordinance shall
20 take effect thirty (30) days after its adoption.

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

23 By: 
24 MARK D. BLAKE
Deputy City Attorney

25 n:\financlas2014\1300183\00930017finalwasterev611final2014.doc



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140483

Date Passed: June 24, 2014

Ordinance approving the issuance and sale of wastewater revenue bonds by the Public Utilities Commission in an aggregate principal amount not to exceed \$819,035,941 to finance the costs of various 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; declaring the official intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds; and ratifying previous actions taken in connection therewith.

June 11, 2014 Budget and Finance Committee - AMENDED

June 11, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

June 17, 2014 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

June 24, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140483

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/24/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

7/2/2014

Date Approved

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 14-0139

WHEREAS, on November 5, 2002, the voters of the City and County of San Francisco (the "City") approved Proposition E, which among other things, authorized the San Francisco Public Utilities Commission (the "Commission") to issue indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors of the City (the "Board"), for the purpose of reconstructing, replacing, expanding, repairing or improving wastewater facilities under the jurisdiction of the Commission (the "Wastewater Enterprise"); and

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

WHEREAS, the Commission has previously authorized pursuant to Resolution No. 06-0164, approved by the Commission on September 26, 2006, and the Board has previously approved pursuant to Ordinance No. 266-06, adopted by the Board on October 24, 2006, and signed by the Mayor on October 31, 2006, the establishment of a commercial paper program for the Wastewater Enterprise (the "Wastewater CP Program") and the issuance of up to \$150 million in principal amount of commercial paper notes (together with the additional New CP Notes (defined below) authorized hereunder, the "CP Notes"); and

WHEREAS, the Commission has previously authorized pursuant to Resolution No. 11-0197, approved by the Commission on December 13, 2011, and the Board has approved pursuant to Ordinance No. 91-12, adopted by the Board on May 1, 2012, and signed by the Mayor on May 14, 2012 (together with Ordinance No. 266-06, the "Ordinances"), an ordinance to authorize, an increase in the Wastewater CP Program to a not to exceed amount of \$300 million from \$150 million; and

WHEREAS, the Commission has determined that it is necessary and desirable to make certain additional improvements to the facilities of the Wastewater Enterprise (the "Improvements"), and has further determined to finance the Improvements through the issuance of wastewater revenue bonds, and in anticipation of the issuance of such wastewater revenue bonds, through the use of the Wastewater CP Program; and

WHEREAS, the Commission seeks to authorize an increase in the Wastewater CP Program an aggregate principal amount not to exceed \$500 million from \$300 million, contingent upon a resolution proposed for consideration and approval by the Board (the "Anticipated Resolution"); and

WHEREAS, pursuant to this Resolution, Resolution No. 11-0197, the Anticipated Resolution, if adopted, and the Ordinances, the Commission shall be authorized to take all necessary action in connection with the expansion of the Wastewater CP Program; and

WHEREAS, the Commission issued a request for bids from qualified banks to provide for one or more letters of credit or revolving lines of credit to secure the payment of the newly

authorized CP Notes in an aggregate principal amount not to exceed \$200 million (the "New CP Notes"); and

WHEREAS, after an evaluation of the responses to such request for bids, the Commission staff determined that the following offers were the most advantageous to the Commission (i) a reimbursement agreement (the "Reimbursement Agreement") with Barclays Bank PLC ("Barclays") pursuant to which Barclays will issue its direct-pay letter of credit (the "Letter of Credit") in an original stated amount not to exceed \$109 million (representing a principal amount of \$100,000,000 plus up to \$9,000,000 in interest, calculated at the maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 360 days and (ii) a revolving credit and term loan agreement (the "Revolving Loan Agreement") with State Street Bank and Trust ("State Street") with an aggregate principal commitment of \$100,000,000; and

WHEREAS, the proposed forms of the Reimbursement Agreement and its related fee agreement (the "Fee Agreement"), proposed to be entered into by the Commission and Barclays have been presented to the Commission and filed with the Secretary of the Commission, and the Commission finds it in its best interest to enter into such agreements; and

WHEREAS, the proposed forms of the Revolving Credit and Term Loan Agreement and its related fee letter (the "Fee Letter") to be entered into by the Commission and State Street have been presented to the Commission and filed with the Secretary of the Commission, and the Commission finds it in its best interest to enter into such agreements; and

WHEREAS, the Commission will issue a separate series of New CP Notes secured by the Letter of Credit and the Revolving Loan Agreement, respectively, and each such series may be further divided into separate tax-exempt and taxable subseries, and the Commission will prepare and cause the distribution of an offering memorandum related to the New CP Notes; and

WHEREAS, in order to accommodate the use of the Reimbursement Agreement and the Revolving Loan Agreement, the Commission finds it appropriate and in its best interest to execute a new issuing and paying agent agreement (the "Paying Agent Agreement") with U.S. Bank, National Association, as issuing and paying agent (the "Paying Agent") for each series of the New CP Notes; and

WHEREAS, the forms of the proposed Paying Agent Agreements and the proposed offering memorandum (the "Offering Memorandum") have also been submitted to the Commission and filed with the Secretary; and

WHEREAS, the Commission finds it necessary to execute one or more commercial paper dealer agreements for the New CP Notes with the commercial paper dealers for the Commission's existing CP Notes; and

WHEREAS, the proposed form of amended dealer agreement (the "Dealer Agreement") has been presented to the Commission and filed with the Secretary, and the Commission finds it in its best interest to enter into such agreement with one or more of the qualified commercial paper dealers currently serving as commercial paper dealers for the Commission's other series of CP Notes; and

WHEREAS, on May 19, 2014, the Environmental Review Officer issued a Certificate of the City and County of San Francisco Planning Department (pursuant to Section 8B.124(b) of the Charter of the City) (the "Planning Department Certificate") with respect to environmental review for projects to be funded by the issuance of the debt to the Board of Supervisors and as a result of the issuance of the Planning Department Certificate the issuance of any subsequent certificate is unnecessary; and now therefore be it

RESOLVED by the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Increase of Authorized Amount of Commercial Paper Notes. The Commission hereby approves the \$200 million increase in the Wastewater CP Program to a not to exceed amount of \$500 million from \$300 million, contingent upon adoption by the Board of the Anticipated Resolution. The General Manager of the Commission (the "General Manager") or his or her designee is authorized to issue up to \$500 million of Commercial Paper Notes in accordance with the terms hereof.

Section 2. Approval of Reimbursement Agreement. The Reimbursement Agreement and Fee Agreement, in substantially the forms submitted to this Commission, are hereby approved and recommended to the Director of the City's Office of Public Finance (the "Director") for approval pursuant to Article V. The General Manager or his or her designee is authorized and directed to negotiate and execute and deliver the Reimbursement Agreement and the Fee Agreement, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Reimbursement Agreement and Fee Agreement, provided that the Commission may enter into the Reimbursement Agreement so long as the original stated amount does not to exceed \$109 million (representing a principal amount of \$100,000,000 plus up to \$9,000,000 in interest, calculated at the maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 360 days, and the initial term of the Reimbursement Agreement is for a period not to exceed four years, with optional annual extensions not to exceed five years from the commencement date of the initial term.

Section 3. Approval of Revolving Loan Agreement. The Revolving Loan Agreement and Fee Letter, in substantially the forms submitted to this Commission, are hereby approved and recommended to the Director for approval pursuant to Article V. The General Manager or his or her designee is authorized and directed to negotiate and execute and deliver the Revolving Loan Agreement and the Fee Letter, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Revolving Loan Agreement and Fee Letter, provided that the General Manager may enter into the Revolving Loan Agreement so long as the principal commitment does not exceed \$100,000,000, and the initial term of the Revolving Loan Agreement is for a period not to exceed two years, with optional annual extensions not to exceed five years from the commencement date of the initial term.

Section 4. Appointment of Banks. The General Manager is hereby authorized to appoint Barclays to provide a Letter of Credit to secure the payment of up to \$100,000,000 in principal amount of New CP Notes and State Street to provide a Revolving Loan Agreement to secure the payment of up to \$100,000,000 in principal amount of New CP Notes, or to select and appoint another financial institution or financial institutions if Barclays is unwilling to agree to acceptable terms of Reimbursement Agreement and the Fee Agreement, or State Street is unwilling to agree to acceptable terms of the Revolving Loan Agreement and the Fee Letter, in either case, that have been submitted to the Commission subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director have approved, provided, however, that the General Manager, upon consultation with the City Attorney and Director, shall determine that such agreements shall not impose any obligations materially more onerous than under the agreements approved in Section 2 or Section 3 of this Resolution, respectively.

Section 5. Approval of Paying Agent Agreements. The proposed forms of the Paying Agent Agreements between the Commission and the Paying Agent, submitted to this Commission, are hereby approved and recommended to the Director for approval pursuant to

Article V. The General Manager or his or her designee is authorized and directed to negotiate and execute and deliver the Paying Agent Agreements, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of each such Paying Agent Agreement.

Section 6. Appointment of Paying Agent. The General Manager or his or her designee is hereby authorized to appoint U.S. Bank National Association as Paying Agent for each series of the New CP Notes, provided that the General Manager or his or her designee, upon consultation with the City Attorney and Director, may select an alternative paying agent if such selection is more advantageous to the Commission.

Section 7. Approval of Dealer Agreement. The Dealer Agreement, in substantially the form submitted to this Commission, is hereby approved and recommended to the Director for approval pursuant to Article V. The General Manager or his or her designee is authorized and directed to negotiate and execute and deliver one or more Dealer Agreements in substantially said form, subject to such additions thereto or changes therein which the General Manager, upon consultation with the City Attorney and Director, shall approve, such approval to be conclusively evidenced by the execution and delivery of such Dealer Agreements, provided that the Dealer Agreement(s) are awarded to one or more qualified commercial paper dealers for a period not to exceed three years, with optional annual extensions not to exceed five years from the commencement date of the initial term.

Section 8. Appointment of Commercial Paper Dealers. The General Manager or his or her designee is hereby authorized to select and appoint one or more qualified commercial paper dealers from the pool of dealers that contract with the Commission to market its CP Notes, provided that the General Manager or his or her designee, upon consultation with the City Attorney and Director, shall select one or more dealers that are more advantageous to the Commission.

Section 9. Limitations. This Resolution shall be ineffective unless and until the Anticipated Resolution is adopted by the Board, and approved by the Mayor. Consistent with the Ordinances, in no event shall the aggregate principal amount of CP Notes exceed \$500,000,000 and in no event shall the interest rate or interest rates cause the aggregate average interest cost to exceed 12% per annum, and in no event shall the term of any bank reimbursement obligation exceed 5 years.

Section 10. Offering Memorandum. The General Manager or his or her designee, in consultation with the City Attorney and the Director, is hereby authorized and directed to prepare and cause the distribution of an Offering Memorandum relating to the New CP Notes, in substantially the form submitted to this Commission, subject to such additions thereto and changes therein, and any amendments or supplements thereto from time to time which the General Manager, in consultation with the City Attorney and the Director, shall approve.

Section 11. Further Actions; Extensions of Term of Reimbursement Agreement, Revolving Loan Agreement or Dealer Agreement(s). The General Manager or his or her designee, and in consultation with the City Attorney and the Director, is hereby authorized and directed to negotiate and execute such other agreements, certifications or documents and to take any and all action necessary and in furtherance of the marketing and sale of the CP Notes. The General Manager is further authorized, in consultation with the City Attorney and the Director, to execute amendments to extend the term of either the Reimbursement Agreement or the Revolving Loan Agreement or both for an aggregate period not exceeding five years from their respective commencement date(s), provided that the annual facility fee payable to the Banks

shall not exceed \$750,000 per year in the aggregate for the New CP Notes and the amendments shall otherwise comply with Section 6 hereof. The General Manager is further authorized, in consultation with the City Attorney and the Director, to execute one or more amendments to extend the term of any Dealer Agreement authorized hereunder for a period not to exceed three years, with optional annual extensions not to exceed five years from the commencement date of the initial term, so long as the total compensation to the commercial paper dealer(s) for their services with respect to the New CP Notes shall not exceed an aggregate of \$100,000 per year.

Section 12. Delegation. The General Manager is authorized to delegate any of the responsibilities or duties set forth in this resolution to the Assistant General Manager, Business Services and Chief Financial Officer of the Commission.

Section 13. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to increasing the aggregate principal amount of the Wastewater CP Program and obtaining credit support for the Wastewater CP Program, a paying agent for each series of New CP Notes and dealers for the New CP Notes and the issuance and sale of the New CP Notes are hereby approved, confirmed and ratified.

Section 14. Effective Date. This resolution shall take effect from and after its adoption. PASSED AND ADOPTED on August 26, 2014, by the following vote:

AYES: Courtney, Caen, Vietor, Moran, Torres

NOS: None.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of August 26, 2014



Secretary, Public Utilities Commission

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *EL* Mayor Edwin M. Lee *NW*
RE: Wastewater Enterprise Commercial Paper Program - Not to Exceed
\$500,000,000
DATE: September 9, 2014

Attached for introduction to the Board of Supervisors is a resolution authorizing an increase of the principal amount of the Wastewater Enterprise's Commercial Paper Program by \$200,000,000 from a principal amount not to exceed \$300,000,000 to a principal amount not to exceed \$500,000,000 to be issued from time to time by the San Francisco Public Utilities Commission (the Commission) to finance various capital projects benefitting the Wastewater Enterprise each pursuant to amendments to the Charter (the Charter) of the City and County of San Francisco (the City) enacted by the voters on November 5, 2002, as Proposition E (Proposition E); and ratifying previous actions taken in connection therewith.

I respectfully request that this item be calendared at Budget and Finance Committee on September 17th.

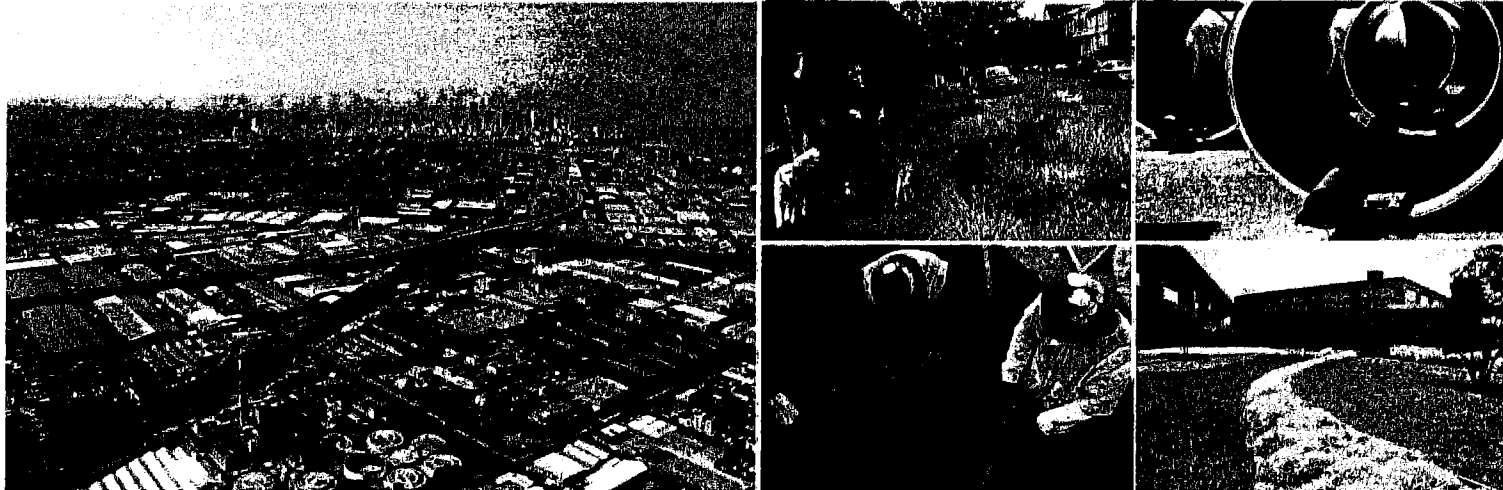
Should you have any questions, please contact Nicole Wheaton at (415) 554-7940.

140955



File # 140955
C. Budget member
Received at Committee
9/24/14

Services of the San Francisco Public Utilities Commission



**SFPUC Wastewater Commercial Paper Program
\$200M Authorization Increase
Board of Supervisors, Budget and Finance Committee**

**September 24, 2014
Charles Perl, Deputy CFO**

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Wastewater Commercial Paper Program

Services of the San Francisco Public Utilities Commission

1. October 2006 – Board established program of \$150M
2. May 2012 – Board increased program from \$150M to \$300M
3. Today's meeting requests increase of \$200M, to \$500M, authorized by Proposition E
4. Provides low-cost, short-term financing for Wastewater capital projects in advance of long-term financing, < 1%
5. Sized to time Revenue Bond Issuance every 6-18 months

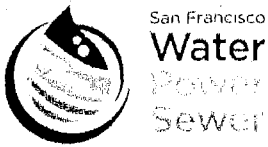
902



Near-Term Wastewater Capital Financing Needs

Services of the San Francisco Public Utilities Commission

1. \$819M needed for FY 2014-15 and FY 2015-16 projects under Proposition E
2. \$300M existing authorization fully allocated to capital financing needs
3. \$200M proposed increase covers capital financing needs for FY 2013-14 and portion of FY 2014-15
4. Current commercial paper rates of less than 1% provide low cost financing alternative



Long-Term Wastewater Capital Financing Needs

Services of the San Francisco Public Utilities Commission

1. \$5 billion in long-term Wastewater capital financing over next 10 years
2. \$500M CP program provides lower borrowing costs over longer-term debt
3. \$300M planned spring 2015 bond sale and subsequent transactions more efficiently timed with expanded CP Program