

Fle# 161011 Consulta

10/24/16

for

prise Revenue Series 2016 C

Board of Supervisors Budget & Finance Committee October 26, 2016

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KOMAYSI

Charles Perl Deputy CFO



- Transaction Description
- Sources and Uses of Funds
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Transaction Description

- \$295M not-to-exceed amount
 - Plan for bonds to be sold competitively, and as taxable, senior lien, long-term, fixed rate debt
 - Green Bonds certification under Climate Bonds Water Criteria
 - Primarily refunds Outstanding Taxable Commercial Paper used to fund WSIP private activity
 - Bonds authorized by BOS Ordinance Nos. 89-10



Sources and Uses of Funds

Sources:

Bond Proceeds Par Amount: Total \$295,000,000 \$295,000,000

Uses:

Commercial Paper Payoff: WSIP Project Fund Capitalized Interest Fund Cost of Issuance Underwriter's Discount Total \$239,000,000 26,000,000 29,000,000 400,000 600,000 \$295,000,000



Board of Supervisors Resolution

- Authorize the issuance of up to \$295,000,000 of Water Revenue Bonds under Proposition E to fund previously authorized capital projects
- Affirm covenants contained in the Water Revenue Bonds indenture
- Approve the form of related bond financing documents
- Delegate execution of bond issuance to SFPUC General Manager



Form of Transaction Documents

- Preliminary Official Statement (POS)
 Describes bond terms and financial and operating information of Water Enterprise
- 2. 23rd Supplemental Indenture Agreement between SFPUC and bondholders
- 3. Notice of Intention to Sell

Notifies financial community of pending bond issuance

4. Official Notice of Sale

Notifies underwriters of bidding parameters for competitive bond sale

5. Bond Purchase Contract

Outlines terms of bond sale for negotiated transaction

6. Continuing Disclosure Certificate (Appendix in POS) Outlines disclosure reporting requirements during term of bonds



Disclosure Questions & Answers

Key Disclosure Issues

Purpose of Issuance

To finance previously authorized Water Enterprise WSIP projects

Structure of Bonds

Senior lien, long-term fixed rate debt

Method of Sale

The bonds will be sold competitively

Bond Repayment

Repaid from net revenues of the Water Enterprise, in accordance with the Water Indenture



Disclosure Questions & Answers, Cont.

Key Disclosure Issues, Continued

How much debt does the Water Enterprise have?

How will the Bonds impact rates?

Approximately \$4.1 billion, not including the proposed 2016 C Bonds

Water rates will increase approximately \$3.00/month per average bill to meet the increased costs related to bonds; this has been factored into the 10-Year Financial Plan

What will the impact of
the Bonds be on SFPUCNo negative impact from the issuance of the
Bonds, the ratings have been affirmed by S&P
(AA-) and Moody's (Aa3)



Transaction Schedule

Bond Sale Schedule

Commission Approval

Board of Supervisors, Budget & Finance Committee

Board of Supervisors, Full Board

Bond Pricing

Bond Closing

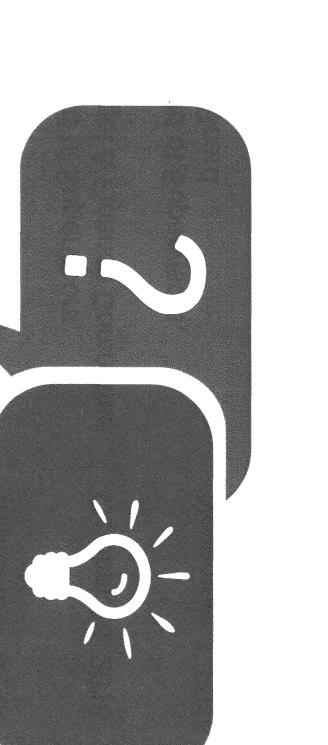
September 13, 2016

October 26, 2016

November 1, 2016

Week of Nov. 28, 2016 (est)

Week of Dec. 12, 2016 (est)



Water Power Sewer

