



Memorandum

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

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

Date: November 10, 2020

Subject: Board of Supervisors Bond Sale Savings Report
\$664,395,000 Water Revenue Bonds, 2020 Series EFGH

Background:

In September 2020, the Board of Supervisors of the City and County of San Francisco (the “Board of Supervisors”) adopted Ordinance No. 174-20 which authorized the issuance of revenue bonds to finance capital projects benefiting the Water Enterprise pursuant to Proposition E and Proposition A (which were both approved by voters in 2002). As authorized by Ordinance No. 174-20, the San Francisco Public Utilities Commission (the “SFPUC”) issued the Water Revenue Bonds, 2020 Series EFGH (the “2020 Series EFGH Bonds”) on October 21, 2020 for the purposes of refunding \$625.080 million of outstanding SFPUC water revenue bonds for debt service savings.

Per Ordinance No. 174-20, within 30 days of the issuance of refunding bonds, the SFPUC must file with the Clerk of the Board of Supervisors a savings report (the “Report”) that reflects at least a three percent net present value debt service savings (“NPV Savings”), together with a copy of the final Official Statement for the refunding bonds.

The SFPUC has requested that Montague DeRose and Associates, LLC, who served as co-financial advisor to the 2020 Series EFGH Bonds, prepare this Report for purposes of complying with the requirements set forth in Ordinance No. 174-20.

Bond Sale Savings Report:

As noted, the SFPUC issued \$664.395 million of the 2020 Series EFGH Bonds on October 21, 2020, which were made up of the Sub-Series E (Refunding-Federally Taxable-WSIP-Green Bonds), Sub-Series F (Refunding-Federally Taxable-Non-WSIP), Sub-Series G (Refunding-Federally Taxable-Local Water), and Sub-Series H (Refunding-Federally Taxable-Hetch Hetchy Water) Bonds. The SFPUC sold the 2020 Series EFGH Bonds via negotiated sale on October 7, 2020. Details of the combined 2020 Series EFGH Bonds and each of the Sub-Series Bonds, including debt service savings, are noted in Table 1 below:

Table 1 | Summary Statistics: 2020 Series EFGH Bonds

	2020 Series EFGH Bonds (combined)	Sub-Series E Bonds (Refunding-Federally Taxable-WSIP-Green Bonds)	Sub-Series F Bonds (Refunding-Federally Taxable-Non-WSIP)	Sub-Series G Bonds (Refunding-Federally Taxable-Local Water)	Sub-Series H Bonds (Refunding-Federally Taxable-Hetch Hetchy Water)
Pricing Date			October 7, 2020		
Closing Date			October 21, 2020		
Method of Sale			Negotiated		
Par Amount	\$664.395 MM	\$341.435 MM	\$136.880 MM	\$120.585 MM	\$65.495 MM
Par Amount of Refunded Bonds	\$625.080 MM	\$330.195 MM	\$114.795 MM	\$125.165 MM	\$54.925 MM
NPV Savings (%)	12.032%	10.952%	13.438%	12.977%	13.433%
NPV Savings (\$)	\$75.212MM	\$36.164 MM	\$15.427 MM	\$16.243 MM	\$7.378 MM

A copy of the final Official Statement for the 2020 Series EFGH Bonds is included with this bond sale savings report.