

1 [Amending Ordinance No. 173-20 - San Francisco Public Utilities Commission Wastewater
2 Revenue Bond Issuance - Not to Exceed \$563,430,430]

3 **Ordinance amending Ordinance No. 173-20 to authorize the issuance and sale of tax-**
4 **exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as**
5 **described below) by the San Francisco Public Utilities Commission (Commission) in an**
6 **aggregate principal amount not to exceed \$563,430,430 to finance the costs of various**
7 **capital wastewater projects benefitting the Wastewater Enterprise pursuant to**
8 **amendments to the Charter of the City and County of San Francisco enacted by the**
9 **voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater**
10 **Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise**
11 **Commercial Paper; declaring the Official Intent of the Commission to reimburse itself**
12 **with one or more issues of tax-exempt bonds or other forms of indebtedness; and**
13 **ratifying previous actions taken in connection therewith, as defined, herein.**

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

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

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

25 A. On November 5, 2002, the voters of the City and County of San Francisco
("City") approved Proposition E ("Proposition E"), which among other things, authorized the

1 San Francisco Public Utilities Commission (“Commission”) to issue revenue bonds, including
2 notes, commercial paper or other forms of indebtedness (which forms of indebtedness may
3 include without limitation for purposes of Proposition E, loans and other forms of indebtedness
4 provided by governmental agencies and/or commercial or investment banks), when
5 authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the
6 purpose of reconstructing, replacing, expanding, repairing or improving water facilities or
7 clean water facilities or combinations of water and clean water facilities under the jurisdiction
8 of the Commission; and

9 B. The Commission adopted the Indenture dated as of January 1, 2003, as further
10 amended and supplemented from time to time (“Indenture”), between the Commission and U.
11 S. Bank National Association and in connection therewith, has from time to time issued
12 revenue bonds to finance projects benefitting the Wastewater Enterprise; and

13 C. By Resolution 20-0031 adopted by the Commission on February 11, 2020
14 (“Commission Resolution”) the Commission has determined to issue Wastewater Revenue
15 Bonds (“Wastewater Revenue Bonds”) and other forms of indebtedness (including without
16 limitation SRF Loans or WIFIA Loans , as described below), as well as interim funding
17 vehicles such as commercial paper, revolving credit notes, bond anticipation notes or other
18 forms of notes, which interim funding vehicles will be issued in advance of being paid off by
19 either Wastewater Revenue Bonds or other forms of indebtedness (including, without
20 limitation and for illustrative purposes only, SRF Loans or WIFIA Loans), to finance the costs
21 of various capital wastewater projects benefitting the Wastewater Enterprise ("Capital
22 Improvement Projects", such projects being more fully described in the Commission
23 Resolution), pursuant to Proposition E, and has formally requested this Board to authorize the
24 issuance and sale of Wastewater Revenue Bonds for such purposes, such Commission
25 Resolution being on file with the Clerk of the Board in File No. 210650; and

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

9 E. The Commission has authorized pursuant to Resolution No. 17-0086, approved
10 by the Commission on April 25, 2017, and the Board has approved pursuant to Resolution No.
11 193-17, adopted by the Board on May 23, 2017, and signed by the Mayor on May 26, 2017, a
12 resolution to increase the Wastewater CP Program to an aggregate principal amount not to
13 exceed \$750 million of commercial paper notes outstanding at any one time, and the
14 Commission has caused from time to time wastewater commercial paper to be issued; and

15 F. In order to finance the costs of the Capital Improvement Projects, the Board now
16 desires to authorize pursuant to Proposition E the issuance and sale of Wastewater Revenue
17 Bonds and other forms of indebtedness for such purposes, including without limitation State
18 Revolving Fund Loans and/or grants from the State Water Resources Control Board (“SRF
19 Loans”) or U.S. Environmental Protection Agency Water Infrastructure Finance and Innovation
20 Act loans (“WIFIA Loans”) and such other indebtedness as may be advantageous to the
21 Commission; and

22 G. The Commission has paid, beginning no earlier than 60 days prior to the
23 adoption of this Ordinance and will pay, on and after the date hereof, certain expenditures
24 (“Expenditures”) in connection with the acquisition, construction and/or equipping of the
25 Capital Improvement Projects; and

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2 H. This Board is concurrently considering with this Ordinance, a Capital
3 Improvement Program related supplemental appropriation ordinance totaling \$792,696,320 for
4 fiscal years ending 2021 and 2022, including the proceeds of such Wastewater Revenue
5 Bonds and other forms of indebtedness (including, without limitation and for illustrative
6 purposes only) SRF Loans, WIFIA Loans, commercial paper, revolving credit notes and bond
7 anticipation notes); and

8 J. In order to finance and refinance the costs of any Wastewater Enterprise
9 facilities or improvements financed with bonds issued pursuant Proposition E, the Board now
10 desires to authorize the issuance and sale of Wastewater Revenue Refunding Bonds.

11 Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of
12 indebtedness. The Board hereby authorizes the issuance and sale of Wastewater Revenue
13 Bonds in one or more series from time to time by the Commission pursuant to Proposition E
14 and in accordance with the Commission Resolution and the execution and delivery of SRF
15 Loan or WIFIA Loan agreements or the issuance of commercial paper, revolving credit notes,
16 or bond anticipation notes, in an aggregate principal amount not to exceed \$[563,430,430]
17 (inclusive of financing costs), but exclusive of refunding indebtedness), bearing a maximum
18 rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion
19 of the costs of the design, acquisition and construction of the Capital Improvement Projects.
20 Without limiting the foregoing, the Commission shall be authorized to incur SRF Loans from
21 the State Water Resources Control Board or WIFIA Loans from the U.S. Environmental
22 Protection Agency at such time, in such amounts, and upon such other terms and conditions
23 as the Commission may deem advantageous. The Commission is hereby further authorized
24 to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each
25 series of Wastewater Revenue Bonds, commercial paper, revolving credit notes, or bond

1 anticipation notes pursuant to this authorization; provided however, the Commission's
2 authorization to issue Wastewater Revenue Bonds or incur other forms of indebtedness
3 (including SRF Loans, WIFIA Loans, bond anticipation notes, commercial paper or revolving
4 credit notes) is subject to approval by the Commission of the form of substantially final offering
5 document related to such obligations (if any) and the approval of any related agreements,
6 financing documents and the filing with its Board and the Clerk of the Board any certifications
7 required by Proposition E prior to the issuance of any bonds or the incurrence of any
8 indebtedness herein authorized. The Commission shall also file, within 30 days of any bond
9 sale authorized hereby, with the Clerk of the Board of Supervisors a report showing the
10 results of the sale of Wastewater Revenue Bonds, SRF Loans or other form of indebtedness
11 including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity,
12 (iv) the facilities constructed and/or improved, and (v) a statement about the remaining
13 bonding authorization under this Ordinance ("Bond Report"); provided however that failure to
14 file the Bond Report shall not affect the validity of any bonds authorized hereunder.

15 Section 3. General Authority. The Controller, Treasurer, the City Attorney and other
16 officers of the City, including the Director of the Office of Public Finance, and their duly
17 authorized deputies and agents are hereby authorized and directed, jointly and severally, to
18 take such actions and to execute and deliver such certificates, agreements, requests or other
19 documents, as they may deem necessary or desirable to facilitate the issuance, sale and
20 delivery of the Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation
21 notes, commercial paper or Refunding Bonds, to obtain bond insurance or other credit or
22 liquidity enhancements with respect to any such obligations, and otherwise to carry out the
23 provisions of this Ordinance. The Commission is hereby directed to provide the final form to
24 the Clerk of the Board of any disclosure document (if any) prepared in connection with the
25 execution of any Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation

1 notes, commercial paper or Refunding Bonds, and the final executed Installment Sale
2 Agreement or other document reflecting the incurrence of an SRF Loan or a WIFIA Loan,
3 within 30 days of the closing of such transactions; provided however that failure to provide
4 such document shall not affect the validity of the obligations authorized hereunder. The
5 Commission is further directed as a part of the two-year budget review to provide to this Board
6 of Supervisors a written report about Wastewater Revenue Bonds authorized hereunder,
7 detailing the total amount authorized, the total amount sold, the remaining authorized but
8 unissued amount, and the bond authorization no longer necessary due to changes in projects
9 and project financing.

10 Section 4. Ratification of Prior Actions. All actions authorized and directed by this
11 Ordinance in connection with the issuance of the Wastewater Revenue Bonds or other forms
12 of indebtedness (including, without limitation and for illustrative purposes only, SRF Loans,
13 WIFIA Loans, bond anticipation notes or commercial paper), Refunding Bonds, and heretofore
14 taken are hereby ratified, approved and confirmed by this Board.

15 Section 5. File Documents. All documents referred to as on file with the Clerk of the
16 Board are in File Nos. 210650.

17 Section 6. Effective Date. Pursuant to Charter Section 8B.124, the remainder of this
18 Ordinance shall take effect thirty (30) days after its adoption.

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1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA, City Attorney

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4 By: /s/ Mark D. Blake
5 Mark D. Blake
6 Deputy City Attorney
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