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

Ordinance amending Ordinance No. 173-20 to authorize the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed $563,430,430 to finance the costs of various capital wastewater 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; authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined, herein.

Note: Unchanged Code text and uncoded text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font. Asterisks (****) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings. The Board of Supervisors ("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 (“City”) approved Proposition E (“Proposition E”), which among other things, authorized the San Francisco Public Utilities Commission (“Commission”) to issue revenue bonds, including notes, commercial paper or other forms of indebtedness (which forms of indebtedness may include without limitation for purposes of Proposition E, loans and other forms of indebtedness provided by governmental agencies and/or commercial or investment banks), 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; and

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

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

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D. 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 revenue bonds; and

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

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

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

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

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

Section 2. Authorization to Issue Wastewater Revenue Bonds and other forms of
indebtedness. The Board hereby authorizes the issuance and sale of Wastewater Revenue
Bonds in one or more series from time to time by the Commission pursuant to Proposition E
and in accordance with the Commission Resolution and the execution and delivery of SRF
Loan or WIFIA Loan agreements or the issuance of commercial paper, revolving credit notes,
or bond anticipation notes, in an aggregate principal amount not to exceed $[563,430,430]
(inclusive of financing costs), but exclusive of refunding indebtedness), bearing a maximum
rate or rates of interest of not to exceed twelve percent (12%) per annum to finance a portion
of the costs of the design, acquisition and construction of the Capital Improvement Projects.
Without limiting the foregoing, the Commission shall be authorized to incur SRF Loans from
the State Water Resources Control Board or WIFIA Loans from the U.S. Environmental
Protection Agency at such time, in such amounts, and upon such other terms and conditions
as the Commission may deem advantageous. The Commission is hereby further authorized
to determine the timing, amount and manner of sale (i.e., competitive or negotiated) of each
series of Wastewater Revenue Bonds, commercial paper, revolving credit notes, or bond
anticipation notes pursuant to this authorization; provided however, the Commission's
authorization to issue Wastewater Revenue Bonds or incur other forms of indebtedness
(including SRF Loans, WIFIA Loans, bond anticipation notes, commercial paper or revolving
credit notes) is subject to approval by the Commission of the form of substantially final offering
document related to such obligations (if any) and the approval of any related agreements,
financing documents and the filing with its Board and the Clerk of the Board any certifications
required by Proposition E prior to the issuance of any bonds or the incurrence of any
indebtedness herein authorized. The Commission shall also file, within 30 days of any bond
sale authorized hereby, with the Clerk of the Board of Supervisors a report showing the
results of the sale of Wastewater Revenue Bonds, SRF Loans or other form of indebtedness
including (i) principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity,
(iv) the facilities constructed and/or improved, and (v) a statement about the remaining
bonding authorization under this Ordinance (“Bond Report”); provided however that failure to
file the Bond Report shall not affect the validity of any bonds authorized hereunder.

Section 3. General Authority. The Controller, Treasurer, the City Attorney and other
officers of the City, including the Director of the Office of Public Finance, and their duly
authorized deputies and agents are hereby authorized and directed, jointly and severally, to
take such actions and to execute and deliver such certificates, agreements, requests or other
documents, as they may deem necessary or desirable to facilitate the issuance, sale and
delivery of the Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation
notes, commercial paper or Refunding Bonds, to obtain bond insurance or other credit or
liquidity enhancements with respect to any such obligations, and otherwise to carry out the
provisions of this Ordinance. The Commission is hereby directed to provide the final form to
the Clerk of the Board of any disclosure document (if any) prepared in connection with the
execution of any Wastewater Revenue Bonds, SRF Loans, WIFIA Loans, bond anticipation
notes, commercial paper or Refunding Bonds, and the final executed Installment Sale
Agreement or other document reflecting the incurrence of an SRF Loan or a WIFIA Loan,
within 30 days of the closing of such transactions; provided however that failure to provide
such document shall not affect the validity of the obligations authorized hereunder. The
Commission is further directed as a part of the two-year budget review to provide to this Board
of Supervisors a written report about Wastewater Revenue Bonds authorized hereunder,
detailing the total amount authorized, the total amount sold, the remaining authorized but
unissued amount, and the bond authorization no longer necessary due to changes in projects
and project financing. Finally, the Commission is further directed that upon the closing of any
refunding bond transaction authorized by this Ordinance, the Commission shall as soon as
practicable provide to the Clerk of the Board of Supervisors a copy of the final Official
Statement, together with a copy of the refunding savings report.

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

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

Section 6. Effective Date. Pursuant to Charter Section 8B.124, the remainder of this
Ordinance shall take effect thirty (30) days after its adoption.
APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: /s/ Mark D. Blake
Mark D. Blake
Deputy City Attorney
Ordinance amending Ordinance No. 173-20 to authorize the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (Commission) in an aggregate principal amount not to exceed $563,430,430 to finance the costs of various capital wastewater 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; authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined, herein.

June 21, 2021 Budget and Appropriations Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

June 21, 2021 Budget and Appropriations Committee - RECOMMENDED AS AMENDED

July 13, 2021 Board of Supervisors - CONTINUED ON FIRST READING
Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 20, 2021 Board of Supervisors - PASSED ON FIRST READING
Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Ronen, Safai, Stefani and Walton
Noes: 1 - Preston

July 27, 2021 Board of Supervisors - FINALLY PASSED
Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Ronen, Safai, Stefani and Walton
Noes: 1 - Preston
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 7/27/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

8/4/21
Date Approved