



San Francisco
Water Power Sewer
 Services of the San Francisco Public Utilities Commission

(6/20/17) Board Meeting
 FFY 2017 DWSRF IUP
 Deadline: 6/5/17 by 12 noon
 525 Golden Gate Avenue, 13th Floor
 San Francisco, CA 94102
 T 415.554.3155
 F 415.554.3161
 TTY 415.554.3488

June 5, 2017



Ms. Jeanine Townsend, Clerk to the Board
 State Water Resources Control Board
 1001 "I" Street, 24th Floor
 Sacramento, CA 95814

RE: Comment Letter – June 20, 2017 Board Meeting – FFY 2017 DWSRF IUP

Dear Ms. Townsend:

The San Francisco Public Utilities Commission (SFPUC) appreciates the opportunity to review and comment on the draft Drinking Water State Revolving Fund (DWSRF) Intended Use Plan for State Fiscal Year 2017-18 (2017 IUP). We support your implementation of a 30-year extended financing term for eligible borrowers and encourage you to continue to evaluate mechanisms that will ensure long-term stability and continued growth of California's DWSRF program.

The SFPUC congratulates the State Water Resources Control Board (State Water Board) on successfully working with the U.S. EPA to expand eligibility criteria for 30-year DWSRF financing and we support your plans to continue to offer extended term financing to non-disadvantaged communities in the upcoming year. The increased revenue generated from these 30-year loans will promote long-term growth of the DWSRF program, and your strategy of utilizing revenue bonds to address any short-term reduction in revenue (detailed on page 34 of the 2017 IUP) ensures that funding for small disadvantaged communities will not be jeopardized. We hope that the State Water Board and Staff will continue to explore additional opportunities to facilitate the growth of this valuable financing program.

We commend the State Water Board for the improvements to the DWSRF that have been implemented under your direction and understand that you are experiencing increased demand for DWSRF financing. The draft DWSRF 2017 IUP (on page 9), indicates that the DFA intends to "develop a long term leveraging strategy and debt management policy" by December 2017. The SFPUC requests that the State Water Board and Staff examine how other states have utilized leveraging to optimize SRF program financing capacity and consider how common growth-related challenges, that have arisen for SRF programs around the country, have been addressed.

We look forward to continuing to partner with the State Water Board under the SRF loan program to address the critical needs of our water system while

- Edwin M. Lee
Mayor
- Anson Moran
President
- Ike Kwon
Vice President
- Ann Moller Caen
Commissioner
- Francesca Vietor
Commissioner
- Vince Courtney
Commissioner
- Harlan L. Kelly, Jr.
General Manager



maintaining affordability for San Francisco ratepayers. If you have any questions regarding our comments, please contact Alexandra Gunnell at agunnell@sfgwater.org or by phone at (415) 551-4505.

Sincerely,

A handwritten signature in blue ink that reads "M. P. Carlin". The signature is written in a cursive style with a horizontal line underneath.

Michael P. Carlin, Deputy General Manager

cc: Steven R. Ritchie, Assistant General Manager, Water Enterprise
Kathryn How, Assistant General Manager, Infrastructure
Eric L. Sandler, CFO and Assistant General Manager, Business and
Financial Services