



**Public Comment**  
**SFY 2019-20 (FFY 2019) CWSRF IUP**  
**Deadline: 5/28/19 by 12 noon**

May 28, 2019

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



RE: Comment Letter – June 18, 2019 Board Meeting – SFY 2019-20 (FFY 2019) CWSRF IUP

Dear Chair Esquivel and Members of the Board:

The San Francisco Public Utilities Commission (SFPUC) appreciates the opportunity to review and comment on the draft State Fiscal Year 2019-20 Intended Use Plan for the Clean Water State Revolving Fund (FY19-20 CWSRF IUP). We understand that increased demand for low-interest financing has presented new challenges for California’s SRF programs and appreciate the steps the State Water Resources Control Board (State Water Board) and Staff have taken to solicit and incorporate feedback from borrowers. SFPUC supports many of the changes implemented under the draft FY19-20 CWSRF IUP and we encourage you to continue to explore opportunities to improve the program, including incentivizing use of complementary funding sources and identifying options to provide additional funding for projects receiving partial SRF financing.

SFPUC supports the FY19-20 CWSRF IUP establishment of an annual funding target, development of the fundable list, and the new scoring process, all of which provide greater certainty for potential borrowers awaiting a funding decision. Compliance with federal cross-cutters and use of interim financing to maintain SRF eligibility, without knowing whether a project will receive SRF financing, can be costly and inefficient for an applicant. We are hopeful that this new approach will support better cooperative planning between CWSRF applicants and the State Water Board.

While we support the new approach to scoring and prioritization in the FY19-20 CWSRF IUP, SFPUC encourages the State Water Board and Staff to consider revising the scoring criteria to include priority points for projects that have secured complementary funding. This would incentivize applicants to seek funding from sources that can be paired with SRF financing, rather than relying on SRF loans to finance 100% their project. Co-funding not only reduces the amount of CWSRF funds needed to complete a single project, it also supports more cost-effective use of these funds, since many of the administrative compliance and reporting requirements of SRF are the same for other subsidized programs, like EPA’s Water Infrastructure Finance and Innovation Act (WIFIA) program.

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SFPUC understands the rationale outlined in the FY19-20 CWSRF IUP that justifies committing only partial funding to large projects. However, we are concerned that this is the second year the CWSRF IUP has identified multiple projects that will receive only a portion of the total amount requested and it remains unclear whether these projects will receive additional funding in the future. To fulfill CWSRF application, approval, execution and ongoing administration requirements, the State Water Board, Staff and borrowers must make a significant investment in each SRF-funded project regardless of how much of the total project costs are financed under the SRF agreement. Many of these large projects will take several years to construct and we urge the State Water Board to evaluate options for obligating future SRF funds to projects that will already have a partial funding agreement in place.

Finally, we respectfully request that you correct the following text in the FY19-20 CWSRF IUP because, to date, SFPUC has not received an invitation from the EPA to submit a WIFIA loan application for CWSRF Project No 8286-110.

Section D.1.d. (p. 23)

*Two of these projects have also been invited to submit full WIFIA applications – Inland Empire Utilities Agency, 8173-210, and San Francisco Public Utilities Commission, 8286-110.*

We look forward to continuing to work with you to explore opportunities to expand the financial capacity of California's SRF programs. The SFPUC has a long history of partnering with the State Water Board to provide reliable and affordable services to our community while protecting the health of the Bay. Although San Francisco has a high median income level, the SFPUC also serves water and wastewater customers and maintains critical infrastructure facilities in low income/disadvantaged communities. As we reinvest in our infrastructure, we are committed to working with you to ensure that all San Francisco residents and taxpayers continue to have access to the benefits of SRF funding.

SFPUC appreciates the opportunity to provide written comments on this important program. If you have any questions regarding our comments, please contact Alexandra Gunnell at [agunnell@swater.org](mailto:agunnell@swater.org) or by phone at (415) 551-4505.

Sincerely,



Michael P. Carlin  
Deputy General Manager

cc: Eric L. Sandler, CFO and Assistant General Manager, Business Services  
Greg Norby, Assistant General Manager, Wastewater Enterprise  
Steve Ritchie, Assistant General Manager, Water Enterprise  
Kathryn How, Assistant General Manager, Infrastructure  
Juliet Ellis, Assistant General Manager, External Affairs