

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE

c/o San Francisco Public Utilities Commission
525 Golden Gate Avenue, 2nd floor, San Francisco, CA 94102
Telephone (415) 554-5184 Email: RBOC@sfgov.org

March 20, 2018

The Honorable Mark Farrell, Mayor
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mayor Farrell:

On behalf of my fellow Committee members, I am pleased to present you with the 2017 Annual Report of the Public Utilities Revenue Bond Oversight Committee.

The Revenue Bond Oversight Committee (RBOC) was established in November 2003 pursuant to Proposition P, which was approved by the San Francisco voters during the November 2002 election. The attached report of the Committee describes our activities during 2017.

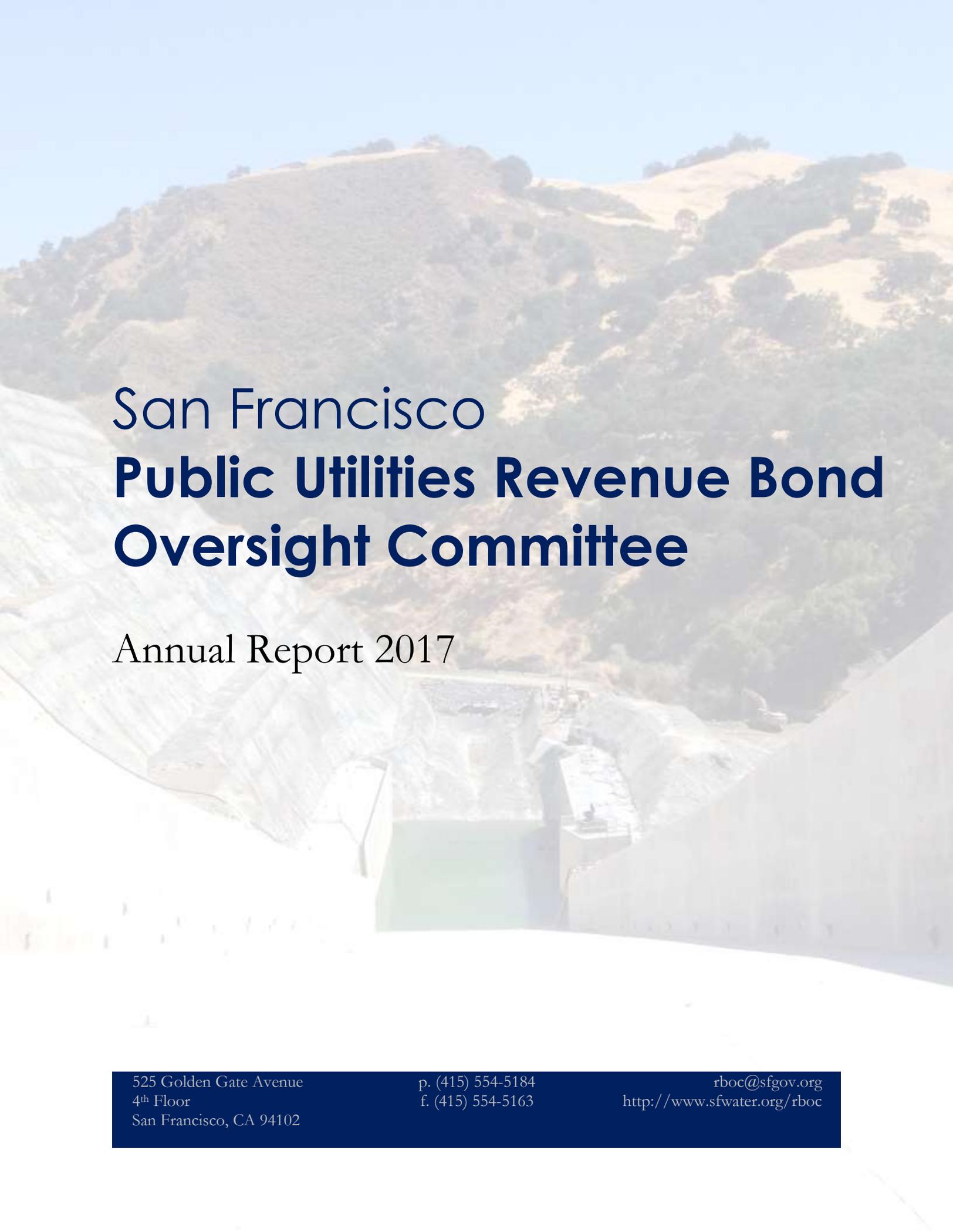
Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Leshner', with a long horizontal line extending to the right.

Robert Leshner, Chair
Public Utilities Revenue Bond Oversight Committee

- c. Angela Calvillo, Clerk of the Board of Supervisors
Members, San Francisco Board of Supervisors
Donna Hood, Commission Secretary, San Francisco Public Utilities Commission
Members, San Francisco Public Utilities Commission
Ben Rosenfield, Controller
Harlan Kelly, General Manager, Public Utilities Commission
Nicole Sandkulla, General Manager, Bay Area Water Supply & Conservation Agency



San Francisco **Public Utilities Revenue Bond Oversight Committee**

Annual Report 2017

525 Golden Gate Avenue
4th Floor
San Francisco, CA 94102

p. (415) 554-5184
f. (415) 554-5163

rboc@sfgov.org
<http://www.sfwater.org/rboc>

Background

In November 2003, the Public Utilities Revenue Bond Oversight Committee (RBOC) was formed after passage of Proposition P (November 2002), adding Sections 5A.30 through 5A.36 to the San Francisco Administrative Code.

The RBOC facilitates transparency and accountability in the expenditure of revenue bond proceeds. The public is invited and welcome to attend RBOC meetings and provide input.

Pursuant to Administrative Code, Section 5A.36, the RBOC is charged with providing independent oversight of the expenditure of public utility revenue bond proceeds for capital improvements. The committee helps ensure an uninterrupted supply of water, power, and wastewater treatment services to the City and County and San Francisco Public Utilities Commission (SFPUC) customers. Further, it helps ensure public dollars are spent in accordance with the authorizing bond resolutions and applicable laws.

After conducting an independent audit, and consulting with the City Attorney, the RBOC may determine that proceeds of a revenue bond program were not utilized for purposes authorized in accordance with the associated bond resolution or applicable law. It may be further determined that this surmounts to an illegal expenditure or waste of such revenue bonds. By majority vote, the RBOC may prohibit the issuance or sale of authorized revenue bonds that have yet to be issued or sold.

Any RBOC decision to prohibit the sale of authorized but unsold revenue bonds may be appealed to the Board of Supervisors. The SFPUC can provide evidence of corrective measures to the Board, and the Board may decide to overturn the decision by the RBOC, upon a two-thirds vote of all of its members. To date, the RBOC has not prevented any issuance of SFPUC revenue bonds.

The SFPUC continues to incur bonded indebtedness to finance capital improvements related to its two major enterprises, the Water and Sewer systems. Each of these enterprises have embarked on major system improvement programs, which are expected to be completed in 2021 and beyond, respectively. However, the provisions of Proposition P were set to expire on January 1, 2013, unless extended by an ordinance of the Board of Supervisors.

In 2012, the Board extended the sunset date to January 1, 2016, (see Ordinance No. 236-12, BOS File No. 120221). Accordingly, in 2015, the SFPUC submitted, and the Board of Supervisors approved, a resolution supporting the extension of the RBOC until January 1, 2019. On October 27, 2015, the Board of Supervisors approved Ordinance No. 189-15, BOS File No. 150913, extending the RBOC through January 1, 2019. In 2018, the RBOC intends to request another extension.

Mission Statement

The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

Future Activities

Activities and topics the RBOC expects to cover in 2018 include the following:

- Work with the SFPUC staff to increase transparency and certification of compliance with bond expenditure policies.
- Identify appropriate potential opportunities and initiate an audit, with the guidance of lessons learned from the WSIP, that will be the focus of RBOC's review effort in 2018.
- Determine a fund management policy to allocate financial resources efficiently towards oversight responsibilities.
- Monitor completion of the WSIP, including a focus on the Calaveras Dam Replacement Project.
- Review the SFPUC's work, both planned and completed, towards the SSIP.
- Ensure the continuity of oversight through member succession planning and work with the Board of Supervisors to extend the RBOC charter.
- Improve outreach to ensure greater public awareness and input related to the SFPUC's expenditure of revenue bond proceeds.

Accomplishments in 2017

During 2017, RBOC achievement highlights include the following:

- Hired a contractor to facilitate the RBOC's third annual strategic planning session, held on January 23, 2017. The committee reviewed the legislative history and mission of the RBOC, discussed strategic directions for the committee, and developed a work plan for the year. During 2017, the RBOC accomplished the work it set for itself, including to review succession planning, items that significantly change construction schedules, alternative project delivery methods versus conventional design-build, green infrastructure projects, and lessons learned from the Water System Improvement Project (WSIP) that can be applied to the Sewer System Improvement Program (SSIP). The RBOC also heard presentations on capital financial planning and rate design.
- Initiated an SFPUC annual bond expenditure certification process for bond compliance.
- Heard an SFPUC staff presentation regarding the SFPUC's Environmental Justice (EJ) policy, goals, and implementation.
- Reviewed progress of WSIP and SSIP with particular focus on the accuracy of budgeting and scheduling forecasts and continued attention to ensuring that lessons learned from the WSIP are applied during implementation of the SSIP.
- Toured WSIP project site of the Calaveras Dam Replacement Project to enable new RBOC members to gain firsthand knowledge of challenges and opportunities of the WSIP capital program. Members also toured the Alameda Creek Recapture and Fish Passage Project and Sunol Water Temple.
- Toured the San Francisco Southeast Treatment Plant owing to the RBOC's oversight responsibilities shifting focus in 2017 from primarily the WSIP to primarily the SSIP. As part of this tour, SFPUC staff provided RBOC with a presentation on the SSIP, green infrastructure, and flooding abatement.
- Heard presentations from SFPUC staff on bond ratings, green bonds and SFPUC bond sales, and changes to the SFPUC financial policies.
- Learned about credit and the rating process and its implications on bond interest rates in a presentation from an RBOC member who formerly worked for a bond rating agency.

- Heard from Controller's staff about the City's auditing services and the approved consultant pool for such services in order to plan for potential future RBOC audits; began developing a list of proposed topics for potential auditing.
- Received and provided feedback on a presentation from SFPUC staff regarding CleanPowerSF, an independent community choice aggregation program being implemented by the SFPUC. Staff also discussed the SFPUC's Power Enterprise's experience and potential for issuing revenue bonds to support electric generation and transmission projects.
- Reviewed RBOC succession planning, welcomed new RBOC members Travis George and Jennifer Millman, and held officer elections. RBOC is grateful for the service of Dari Barzel and Jadie Wasilco who left in 2017.

Committee Membership

Membership

The RBOC is comprised of seven members:

- Two seats appointed by the Mayor
- Two seats appointed by the Board of Supervisors
- One seat appointed by the City Controller
- One seat appointed by the Bay Area Water User's Association (BAWUA), under the auspices of the Bay Area Water Supply and Conservation Agency (BAWSCA), and
- One seat occupied by the Budget and Legislative Analyst or his/her representative.

At a minimum, the members appointed by the Mayor and the Board shall, individually or collectively, have expertise, skills and experience in economics, the environment, construction, and project management.

The member appointed by the Controller shall have background and experience in auditing, accounting, and project finance.

Biographies of current RBOC members is included below. Please see Appendix 1 for information on past members who served during 2017.

Member Biographies



Kevin Cheng

Appointed by the Mayor

Former principal management consultant developing and executing strategy and operation work for major Fortune 500 corporations, with particular expertise in project management. Current managing partner of a San Francisco-based development company.



Holly Kaufman (Co-Chair)

Appointed by the Mayor

CEO of a strategic advisory firm, designing and managing initiatives that integrate environmental and economic needs. Clients include the White House Council on Environmental Quality, Hewlett Packard, the California Wind Energy Association, the Union of Concerned Scientists and the Natural Resources Defense Council. Served in the Clinton administration as a United Nations climate change treaty negotiator representing the Departments of State and Defense. Speaks and publishes widely on climate change, green business, clean tech, sustainability and ecological protection issues. Vice-Chair of SF Board of Supervisors' Energy Efficiency Coordinating Committee.

Christina Tang

Appointed by BAWSCA



Finance Manager for the Bay Area Water Supply and Conservation Agency (BAWSCA) representing its 26 members' collective interests in their relationship with the SFPUC on matters related to water supply, facility reliability, operations, water quality and wholesale water rates. Christina has over 14 years of experience in public finance, including direct experience in debt management. Christina received her Master of Science degree in Finance from the University of Houston, and her Master of Public Administration from the University of Illinois at Springfield. Christina is a certified Public Finance Officer designated by GFOA.



Travis George (Vice-Chair)

Appointed by the Controller

Debt Administrator for the East Bay Municipal Utility District, Travis has a background in both utilities and municipal finance. Before his current role, Travis worked at Moody's Investors Service where he served five years as a credit rating analyst. During his time with Moody's he rated a wide range of municipal issuers including many water, wastewater and electric utilities. Travis also previously served as an analyst for both Con Edison in New York City and Bonneville Power Administration in Portland, OR. Travis holds a bachelor's degree in Economics from Portland State University and a master's degree in Public Administration and Policy from New York University.



Jennifer Millman

Appointed by the Budget and Legislative Analyst's Office. As Senior Analyst for the San Francisco Board of Supervisors Budget & Legislative Analyst's Office, Jennifer conducts legislative and policy analysis, budget review, and performance audits. Jennifer previously worked for an environmental planning firm, where she managed the environmental review for a variety of development projects throughout California. Jennifer holds a B.S. in Environmental Economics & Policy from UC Berkeley, and an M.P.P. from the Goldman School of Public Policy at UC Berkeley.



Robert Leshner (Co-Chair)

Appointed by Board of Supervisors

President of Compound Labs, a software laboratory focused on bridging blockchain technology and banking institutions.

Previously, Robert led the merchant division of Postmates, after founding two venture backed technology companies. Before that, Robert was a founding employee of HPM Partners, a financial advisor with \$8bn of assets under management, where he was a member of the Investment Committee and led interest rate and fixed income analysis. Prior, he managed risk, liquidity, and issuance planning for \$60bn of funding at Discover Bank. Robert holds a B.A. in Economics from the University of Pennsylvania, and is a Chartered Financial Analyst.



Tim Cronin

Appointed by Board of Supervisors

Tim Cronin is an attorney in the San Francisco office of Wilson Sonsini Goodrich & Rosati, where he advises clients on issues relating to the development, financing, and regulation of energy and infrastructure projects, with a focus on community solar and community choice aggregation.

Tim holds a bachelor's degree in Law & Society from American University and a law degree from U.C. Berkeley. Before attending law school, Tim worked at the American Council On Renewable Energy (ACORE) in Washington, DC, where he promoted international partnerships among government actors, renewable energy companies, and financiers as the organization's manager of international programs.

2017 Meeting Schedule

The RBOC held 12 meetings in 2017. Please see Appendix 2 for a summary of agenda topics.

Full agendas and minutes for each meeting are available at:

<http://www.sfwater.org/rboc>

2017 Account Summary

Pursuant to Proposition P, the RBOC receives 1/20th of 1% of gross revenue bond proceeds to fund the cost of retaining the services of “outside auditors, inspectors and necessary experts” to perform independent reviews.

As of December 31, 2017, RBOC had an account balance of \$1,701,816 with actual expenditures to-date (including encumbrances) of \$1,083,783. A complete accounting of RBOC funds can be found in Appendix 3.

Bond Expenditure Certification

As part of its mission, the RBOC asks staff to affirm that all bond proceeds are spent “appropriately and according to authorization and applicable laws.”

Please see Appendix 4 for the “Bond Expenditure Certification” and Appendix 5 for the 2017 “Debt Overview.”

Meeting Schedule: 2018

Regularly scheduled meetings of the RBOC meet monthly on the following dates at 9:00 A.M. at the SFPUC Building located at 525 Golden Gate Avenue, in San Francisco, unless otherwise specified.

Meeting agendas of the RBOC will be posted on <http://www.sfwater.org> and at the SF Main Library, 5th Floor.

The public is invited to attend RBOC meetings and provide input.

- February 26, 2018
- March 19, 2018
- April 23, 2018
- May 21, 2018
- June 25, 2018
- July 16, 2018
- August 20, 2018
- September 17, 2018
- October 15, 2018
- November 26, 2018
- December 17, 2018

Acknowledgements

The RBOC would like to express its appreciation to the SFPUC staff and others for facilitating the tasks of the committee. Specifically, the committee would like to acknowledge the following staff:

Public Utilities Commission - General Manager Harlan Kelly, Deputy CFO Charles Perl, WSIP Director Dan Wade, SSIP Director Karen Kubick, Sheena Johnson, Martin Dorward, Steven Ritchie, Richard Morales, Mike Brown, Maria Le, Betsy Lauppe Rhodes, Eric Gee, Frank McParland, Yolanda Manzone, Lenore Koutney, Amy Javelose-Rio, Erin Franks, and Simone Hudson.

City Attorney's Office - Deputy City Attorney Mark Blake.

Controller's Office - Audit Director Tonia Lediju, Nicole Kelly, and Melissa Ng.

From the Board of Supervisors, the RBOC wishes to thank Derek K. Evans, Assistant Clerk, who completed his work with the committee, and Victor Young, Assistant Clerk, for their technical and administrative support.

Additionally, the committee would like to thank Carmen Clark, strategic planning consultant.

Appendix 1. RBOC Members 2017

Member	Appointment and Terms	Qualifications
Kevin Cheng	Mayor Appointee Appointed on 5/19/10 Term expired on 11/12/13 (Hold Over Status)	Former management consultant developing and executing strategy and operation work for major Fortune 500 corporations, with particular expertise in project management. Current managing partner of San Francisco based development company.
Holly Kaufman Co-Chair	Mayor Appointee Appointed on 2/15/12 Term expired on 11/12/15 (Hold Over Status)	CEO of a strategic advisory firm that designs and manages initiatives that integrate environmental and economic needs. Clients include the White House Council on Environmental Quality, Hewlett Packard, the California Wind Energy Association, the Union of Concerned Scientists and the Natural Resources Defense Council. Served in the Clinton Administration as a United Nations climate change treaty negotiator representing the Departments of State and Defense. Speaks and publishes widely on climate change, green business, clean tech, sustainability, and ecological protection issues. Vice-Chair of SF Board of Supervisors' Energy Efficiency Coordinating Committee.
Christina Tang	Bay Area Water Users Association Appointee Appointed on 7/1/2014 Term expires on 7/1/2018	Finance Manager for the Bay Area Water Supply and Conservation Agency (BAWSCA) representing its 26 members' collective interests in their relationship with the SFPUC on matters related to water supply, facility reliability, operations, water quality and wholesale water rates. Christina has almost fourteen years of experience in financial operations with City and County governments and special district governmental entities, including debt issuance and debt management. Christina received her Master of Science degree in Finance from the University of Houston, and her Master of Public Administration from the University of Illinois at Springfield.
Travis George Vice-Chair	Controller Appointee Appointed on 1/20/2017 Term expires on 11/12/2019	Debt Administrator for the East Bay Municipal Utility District, Travis has a background in both utilities and municipal finance. Before his current role, Travis worked at Moody's Investors Service where he served five years as a credit rating analyst. During his time with Moody's he rated a wide range of municipal issuers including many water, wastewater and electric utilities. Travis also previously served as an analyst for both Con Edison in New York City and Bonneville Power Administration in Portland, OR. Travis holds a bachelor's degree in Economics from Portland State University and a master's degree in Public Administration and Policy from New York University.

<p>Jadie Wasilco (previous member)</p>	<p>Budget Analyst Appointee Appointed on 8/24/2016 Resigned on March 27, 2017</p>	<p>Jadie Wasilco is a Senior Analyst at Harvey M. Rose Associates, LLC, which serves as the San Francisco Board of Supervisors' Budget & Legislative Analyst. Ms. Wasilco has experience in budget, legislative and policy analysis, as well as performance and management auditing. Ms. Wasilco previously held positions in the public, private and non-profit sectors in real estate consulting, environmental planning and government relations. Ms. Wasilco holds a Bachelor of Arts from UC Berkeley, and a Masters' in Urban and Regional Planning from UCLA's Luskin School of Public Affairs.</p>
<p>Jennifer Millman (succeeding Jadie Wasilco)</p>	<p>Budget Analyst Appointee Appointed on March 28, 2017</p>	<p>Jennifer Millman is a Senior Analyst for the San Francisco Board of Supervisors Budget & Legislative Analyst's Office, Jennifer conducts legislative and policy analysis, budget review, and performance audits. Jennifer previously worked for an environmental planning firm, where she managed the environmental review for a variety of development projects throughout California. Jennifer holds a B.S. in Environmental Economics & Policy from UC Berkeley, and an M.P.P. from the Goldman School of Public Policy at UC Berkeley.</p>
<p>Robert Leshner Co-Chair</p>	<p>Board of Supervisors Appointee Appointed on 11/3/2016 Term expires on 11/12/2019</p>	<p>Robert Leshner leads the merchant division of Postmates, a technology and logistics company, after founding two venture backed technology companies. Before that, Robert was a founding employee of HPM Partners, a financial advisor with \$8bn of assets under management, where he was a member of the Investment Committee and led interest rate and fixed income analysis. Prior, he managed risk, liquidity, and issuance planning for \$60bn of funding at Discover Bank. Robert holds a B.A. in Economics from the University of Pennsylvania, and is a Chartered Financial Analyst.</p>

<p>Tim Cronin</p>	<p>Board of Supervisors Appointee Appointed on 12/3/2016 Term expires on 11/12/2020</p>	<p>Tim Cronin is an attorney in the San Francisco office of Wilson Sonsini Goodrich & Rosati, where he advises clients on issues relating to the financing, development, and regulation of energy and infrastructure projects. Tim has represented developers and investors in financings involving large distributed and utility-scale renewable energy project portfolios. In addition, he provides counsel to energy and infrastructure companies with respect to customer agreements and federal, state, and local regulations as such companies seek to enter new markets and offer new distributed energy services to residential and commercial customers. Before attending law school at U.C. Berkeley, Tim worked at the American Council On Renewable Energy (ACORE) in Washington, DC, where he promoted international partnerships among government actors, renewable energy companies, and financiers as the organization's manager of international programs.</p>
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Appendix 2: 2017 Meeting Summary

The RBOC held 12 meetings in 2017. Listed below is a summary of agenda topics. Full agendas and minutes for each meeting are available at: <http://www.sfwater.org/rboc>

January 23, 2017

1. Strategic Planning Meeting

February 13, 2017

1. Strategic planning meeting follow up and 2017 work plan
2. Mountain Tunnel project overview
3. Environmental Justice discussion
4. Water bond sales results
5. Fund balance reserves policy changes

March 6, 2017

1. Sewer System Improvement Project (SSIP) update and alternative project delivery discussion
2. Capital financing policy discussion
3. Debt service coverage policy discussion
4. Environmental Justice update and next steps

April 10, 2017

1. Assurance of bond expenditure certification and 1st quarter financial reports
2. Generic rating process discussion
3. Election of officers

May 8, 2017

1. Water System Improvement Project (WSIP) update
2. Ratemaking presentation
3. Avoiding cost overruns and options for consultant audits
4. Review of RBOC account budget

June 12, 2017

1. SSIP update
2. Debt management policy and planning, including green bonds
3. Environmental Justice presentation
4. Review RBOC account and budget
5. Preview of bond expenditure certification
6. Site visit planning

July 24, 2017

1. WSIP update
2. Mountain Tunnel update
3. City Services Staff Report: Consultant Pool presentation
4. Draft Certification for bond expenditures

August 7, 2017

1. Off-site Visit of WSIP: Calaveras Dam Replacement Project

September 18, 2017

1. SSIP update
2. Avoiding cost overruns

October 16, 2017

1. SSIP update
2. Succession planning
3. Reviewed Environmental Justice subcommittee work
4. Reviewed consultant pool work
5. Scheduled strategic planning meeting

November 6, 2017

1. SSIP update
2. Green infrastructure and flooding update
3. Site visit to the Southeast Wastewater Treatment Plant

December 11, 2017

1. Clean Power SF financing update
2. Bond spending and bond expenditure certification process update
3. Natural resources accounting and valuation update
4. Development of strategic planning oversight agenda for January 2018

Appendix 3: Budget Summary 2017

RBOC Account Summary December 2017

Funding Sources (\$)		SW Water	5C Wastewater	5T Hetchy Power	Total
Series					
2008 A Bonds		223,310	-	-	223,310
2008 CREBS		-	-	3,163	3,163
2009 A Bonds		236,598	-	-	236,598
2009 B Bonds		206,000	-	-	206,000
2010 A Bonds		28,473	23,525	-	51,998
2010 B Bonds		208,860	96,258	-	305,118
2010 D Bonds		35,680	-	-	35,680
2010 E Bonds		172,100	-	-	172,100
2010 F Bonds		90,480	-	-	90,480
2010 G Bonds		175,735	-	-	175,735
2011 A Bonds		301,358	-	-	301,358
2011 B Bonds		14,488	-	-	14,488
2011 C Bonds		16,798	-	-	16,798
2011 QECBS		-	-	4,146	4,146
2012 NCREBS		-	-	3,300	3,300
2012A Bonds		295,805	-	-	295,805
2012B Bonds		8,260	-	-	8,260
2013B Bonds		-	165,793	-	165,793
2015A Bonds		-	-	19,778	19,778
2015 NCREBS		-	-	2,050	2,050
2016A Bonds		-	120,290	-	120,290
2016B Bonds		-	33,910	-	33,910
2016C Bonds		129,675	-	-	129,675
2017ABC Bonds*		169,770	-	-	169,770
A	Subtotal Sources - All	2,313,388	439,775	32,436	2,785,599
Charges Against Budget (\$)					
Actual Charges					
	WSIP Expenditures & CP (2006)	59,370	-	-	59,370
	Financial Review of WSIP (2007)	92,050	-	-	92,050
	Allocation prior to 2009 Report	1	-	-	1
	WSIP Sunset Reservoir (2009)	71,890	-	-	71,890
	CSA Controller's Audit (2011/2012)	86,219	29,750	-	115,969
	Independent Review Panel (IRP) (2011/2012)	116,010	-	-	116,010
	LADWP for Independent Review Panel (2011/2)	11,489	-	-	11,489
	IBBS Consulting for Independent Review Panel	47,000	-	-	47,000
	CSA Audit - Final Bill Q3 12	29,625	-	-	29,625
	RW Block WSIP Evaluation - (invoice for Nov 12)	531,926	-	-	531,926
	Facilitation Meeting for RBOC Strategic Planning	970	970	970	2,911
	Facilitation Meeting for RBOC Strategic Planning	1,078	1,078	1,078	3,234
	Facilitation Meeting for RBOC Strategic Planning	770	770	770	2,309
B	Subtotal Actual Charges	1,048,398	32,568	2,818	1,083,783
A - B	Available Funds Before Pending Charges	1,264,990	407,207	29,618	1,701,816
Pending Charges					
C	Subtotal Pending Charges	-	-	-	-
A - B - C	Available Funds After Pending Charges	1,264,990	407,207	29,618	1,701,816

*Pending

Appendix 4: Bond Expenditure Certificate from SFPUC

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER & ASSISTANT
GENERAL MANAGER FOR BUSINESS SERVICES FOR
THE SAN FRANCISCO PUBLIC UTILITIES
COMMISSION TO THE REVENUE BOND
OVERSIGHT COMMITTEE

I, Eric Sandler, the duly authorized and acting Chief Financial Officer & Assistant General Manager for Business Services of the San Francisco Public Utilities Commission ("SFPUC"), hereby certify to the Public Utilities Revenue Bond Oversight Committee ("RBOC") that I have reviewed such documents as I have deemed necessary for purposes of this certification, including:

1. The Audited Financial Statements of the SFPUC for Fiscal Year 2016-17, including the KPMG Independent Auditor's Report, dated as of November 8, 2017; and
2. The Fiscal Year 2016-17 Water System Improvement Program (WSIP) Quarterly Reports related to the SFPUC Water Enterprise;
3. The Fiscal Year 2016-17 Sewer System Improvement Program (SSIP) Quarterly Reports related to the SFPUC Wastewater Enterprise.

Based upon a review of such documents, together with such other information that I have deemed necessary, I hereby advise the RBOC that no facts have come to my attention that cause me to believe that the proceeds from any SFPUC bond issue have been wasted, not used for their authorized purpose or otherwise used illegally. For purposes of this certification, I have not undertaken to audit or to cause to be audited any outstanding bond issue of the SFPUC, and only undertake to report to the RBOC the results of a review of information that has come to my attention in my role as an officer of the SFPUC during the period under review, Fiscal Year 2016-17.

Dated: February 14, 2018

PUBLIC UTILITIES COMMISSION OF
THE CITY AND COUNTY OF SAN
FRANCISCO



Eric Sandler

Chief Financial Officer
Assistant General Manager/ Business
Services

Appendix 5: Debt Overview: 2017

Summary of Enterprise Debt Programs

(as of January 1, 2018)

	Water	Wastewater	Power
Outstanding Debt			
Revenue Bonds	\$4.52B	\$957.27M	\$38.85M
SRF Loans	\$171.2M	\$102M	-
Tax Credit Bonds	-	-	\$14.06M
Commercial Paper (Authorized/Issued)	\$500M/\$25M	\$750M/\$111M	\$90M/\$20M
Ratings			
Long-Term	Aa3/AA-	Aa3/AA	AA-/A+
Short-Term	P-1/A-1	P-1/A-1	F1/A-1

SFPUC New Money Debt Issuance 2017

Enterprise	Debt Issuance	Amount (par)
Water	Bond Series 2017ABC*	\$339,540,000
	SRF Loan	\$171,220,000
Wastewater	SRF Loans (three)	\$94,651,953
Power	-	-

*Water Series 2017A sold as Green Bonds