



June 15, 2016

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

RE: Comment Letter – June 21, 2016 Board Meeting – 2016 DWSRF IUP

Dear Ms. Townsend:

The San Francisco Public Utilities Commission (SFPUC) appreciates the opportunity to review and comment on the draft Policy for Implementing the Drinking Water State Revolving Fund (DWSRF Policy). We are pleased that the draft DWSRF Policy includes consideration of an Extended Term Financing (ETF) option for non-disadvantaged communities. Offering a thirty year loan term for all eligible agencies will ensure the growth and long-term viability of the DWSRF program, and allow more utilities to implement essential capital improvements. The standard capital market debt repayment term for new construction is thirty years, not twenty years. The new Water Enterprise assets, which could be built with SRF funds, are expected to have asset lives of forty to fifty years (or longer). The SFPUC strongly supports the inclusion of an ETF option with a repayment term of thirty years into the DWSRF IUP.

San Francisco has been a long time partner with the State Water Resources Control Board (SWRCB) on the State Revolving Fund (SRF). The SRF program administered by the SWRCB was instrumental in providing financial support for our facilities which were constructed under the San Francisco Clean Water Program Master Plan between 1989 and 1997, and recent changes to the Clean Water State Revolving Fund (CWSRF) encouraged us to re-examine the benefits of participating in the program. Earlier this year, we were fortunate to receive a \$7.4M CWSRF loan for our Lake Merced Green Infrastructure Project and are continuing to work with the Division of Financial Assistance (DFA) to identify low-cost financing options for our 20-year, multi-billion dollar Sewer System Improvement Program. We would welcome the opportunity to support the development of the DWSRF program by working with the DFA to secure DWSRF loan financing for our Water System capital improvements.

**Edwin M. Lee**  
 Mayor

**Francesca Vietor**  
 President

**Anson Moran**  
 Vice President

**Ann Moller Caen**  
 Commissioner

**Vince Courtney**  
 Commissioner

**Ike Kwon**  
 Commissioner

**Harlan L. Kelly, Jr.**  
 General Manager



The 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,

A handwritten signature in blue ink, appearing to read "M. Carlin" with a stylized flourish above the name.

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