

An aerial photograph of a large water reservoir, likely the Sausalito Reservoir, with a dam in the foreground. The reservoir is surrounded by hills with sparse vegetation. The sky is clear and blue.

San Francisco Public Utilities Revenue Bond Oversight Committee

Annual Report 2019

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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 December 11, 2018, the Board of Supervisors approved Ordinance No. 309-18, BOS File No. 180123, extending the RBOC through January 1, 2025.

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.

Accomplishments in 2019

During 2019, RBOC achievement highlights include the following:

- Strategized with SFPUC and other city staff to prepare for the revenue bond expenditure audits process.
- Worked with city staff to prepare and release RFQ for audit consultants and selected consultant
- Monitored the outcome of bond sales and ongoing debt plans.
- Toured *Southeast Treatment Plant* and *Calaveras Dam*.
- 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.
- Heard presentations from SFPUC staff on results of Wastewater bond sales and updates on the WIFIA loan transaction.

Future Activities

Activities and topics the RBOC expects to cover in 2020 include the following:

- Work with the SFPUC staff to increase transparency and certification of compliance with bond expenditure policies.
- Initiate bond proceeds expenditure audits in coordination with city staff.
- Monitor completion of the Water System Improvement Program (WSIP) and other major Water Enterprise capital projects, including Mountain Tunnel.
- Review the SFPUC's work, both planned and completed, towards the Sewer System Improvement Program (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.

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 2019.

Member Biographies



Robert Leshner (Resigned 01/28/19)

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.



Kevin Cheng (Resigned 02/12/20)

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.

Ettore Leale

Appointed by the Board of Supervisors



Ettore Leale is an executive and investor with 20 years of Silicon Valley / Global Technology experience in the internet, software, and digital education industries. At heart Ettore is a business builder and growth driver passionate about taking embryonic products and ideas and scaling them into large profitable businesses. His sweet spot is at the intersection of technology investments and portfolio company operational improvements. His board of directors experience includes serving on audit and compensation committees, and working alongside company CEOs on acquisitions, organic growth initiatives, and new product launches. His specialties include digitalization, internationalization, and go to market in the US and emerging markets.

Christina Tang (Vice-Chair)

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 15 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 (Chair) (Resigned 09/22/20)

Appointed by the Controller

Having served in multiple roles 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 (Resigned 01/25/19, Reappointed June 25, 2019, Resigned 11/19/19)

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.



Ashley Clark (Resigned June 25, 2019)

Appointed by the Budget and Legislative Analyst's Office (succeeding Jennifer Millman). As an Analyst for the San Francisco Board of Supervisors Budget & Legislative Analyst's Office, Ashley conducts legislative and policy analysis, budget review, and performance audits. Ashley previously worked for the Asia Foundation on their Governance and Law Unit, and for the Government of Timor-Leste as a Fulbright Public Policy Fellow. Ashley holds a B.A. in Political Science from Middlebury College, and an MPP/MA-IAS from the Goldman School of Public Policy at UC Berkeley.



Reuben Holober

Appointed by the Budget and Legislative Analyst's Office (succeeding Jennifer Millman).

As an Analyst for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office, Reuben conducts legislative and policy analysis, budget review, and performance audits. Reuben holds a Bachelor's Degree in Political Science and Communication from the University of Washington and a Master's Degree in Public Policy from the Goldman School of Public Policy at UC Berkeley.

2019 Meeting Schedule

The RBOC held 9 meetings and performed 2 site visits in 2019. 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>

2019 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, 2019, RBOC had an account balance of \$2,189,807 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 2019 “Debt Overview.”

Meeting Schedule: 2019

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.

- January 28, 2019
- February 19, 2019
- March 15, 2019
- April 15, 2019
- May 20, 2019
- June 17, 2019 (Cancelled)
- July 15, 2019
- August 19, 2019
- September 30, 2019
- October 21, 2019
- November 22, 2019 (Site Visit)
- December 9, 2019 (Site Visit)

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, CFO Eric Sandler, Deputy CFO Charles Perl, Water Enterprise Assistant General Manager Steven Ritchie, former Director, Water Capital Projects and Programs Dan Wade, former acting SSIP Director Howard Fung, SSIP Director Stephen Robinson, Sheena Johnson, Richard Morales, Mike Brown, Frank McParland, Yolanda Manzone, Kristina Cordero, and Erin Franks.

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

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

From the Board of Supervisors, the RBOC wishes to thank Victor Young, Assistant Clerk, for his technical and administrative support.

Appendix 1. RBOC Members 2019

| Member | Appointment and Terms | Qualifications |
|--|---|---|
| Kevin Cheng | Mayor Appointee Appointed on 5/19/2010 Term expired on 11/12/2013 Resigned 02/12/2020 | 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. |
| Christina Tang Vice Chair | Bay Area Water Users Association Appointee Appointed on 7/1/2014 Term expired on 7/1/2018. Reappointed on 02/06/2019 | 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 Chair | Controller Appointee Appointed on 1/20/2017 Term expires on 11/12/2019 (Resigned 09/22/2020) | 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 (succeeding Jadie Wasilco) (succeeding Ashley Clark) | Budget Analyst Appointee Resigned 11/19/2019 | 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>Ashley Clark (succeeding Jennifer Millman)</p> | <p>Budget Analyst Appointee Appointed on 01/25/ 2019 Resigned 06/25/2019</p> | <p>Ashley Clark is an Analyst for the San Francisco Board of Supervisors Budget & Legislative Analyst's Office, Ashley conducts legislative and policy analysis, budget review, and performance audits. Ashley previously worked for the Asia Foundation on their Governance and Law Unit, and for the Government of Timor-Leste as a Fulbright Public Policy Fellow. Ashley holds a B.A. in Political Science from Middlebury College, and an MPP/MA-IAS from the Goldman School of Public Policy at UC Berkeley.</p> |
| <p>Reuben Holober Succeeding Jennifer Millman</p> | <p>Budget Analyst Appointee Appointed on 11/19/ 2019</p> | <p>As an Analyst for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office, Reuben conducts legislative and policy analysis, budget review, and performance audits. Reuben holds a Bachelor's Degree in Political Science and Communication from the University of Washington and a Master's Degree in Public Policy from the Goldman School of Public Policy at UC.</p> |
| <p>Robert Leshner Co-Chair</p> | <p>Board of Supervisors Appointee Appointed on 11/3/2016 Term expires on 11/12/2019 Resigned 01/27/ 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> |
| <p>Ettore Leale</p> | <p>Board of Supervisors Appointee Appointed on 01/28/2020 Term expiring on 11/12/2023</p> | <p>Ettore Leale is an executive and investor with 20 years of Silicon Valley / Global Technology experience in the internet, software, and digital education industries. At heart Ettore is a business builder and growth driver passionate about taking embryonic products and ideas and scaling them into large profitable businesses. His sweet spot is at the intersection of technology investments and portfolio company operational improvements. His board of directors experience includes serving on audit and compensation committees, and working alongside company CEOs on acquisitions, organic growth initiatives, and new product launches. His specialties include digitalization, internationalization, and go-to-market in the US and emerging markets.</p> |

Appendix 2: 2019 Meeting Summary

The RBOC held 9 meetings and visited 2 SFPUC sites in 2019. Listed below is a summary of agenda topics. Full agendas and minutes for each meeting are available at: <http://www.sfwater.org/rboc>

January 28, 2019

1. RBOC 2019 Strategic Planning, development of audit objective and review of contracting process

February 19, 2019

1. RBOC Development of audit objective and procedure

March 11, 2019

1. SFPUC Sewer System Improvement Program Update

April 15, 2019

1. RBOC: Draft Request for Proposal and Audit and Technical Services

May 20, 2019

1. SFPUC Waster System Update
2. RBOC Request for Proposal ad Audit Update

July 15, 2019

1. Request for Proposal and Selection Process Update
2. SFPUC Sewer System Capital Update

August 19, 2019

1. SFPUC Water System Update
2. RBOC Request for Proposal and Audit Update

September 30, 2019

1. RBOC Request for Proposal and Selection Process Update
2. SFPUC Water System Update
3. RBOC Comparison of similar Boards and Commission duties and reports

October 21, 2019

1. SFPUC Capital Financing Plan Update
2. RBOC Audit Contract Update

November 22, 2019

1. SFPUC Site Visit – Southeast Treatment Plant

December 9, 2019

1. SFPUC Site Visit – Calaveras Dam

Appendix 3: 2019 Budget Summary

RBOC Account Summary December 2019

| Funding Sources (\$) | | | | |
|--|------------------|----------------------|------------------------|------------------|
| <u>Series</u> | <u>5W Water</u> | <u>5C Wastewater</u> | <u>5T Hetchy Power</u> | <u>Total</u> |
| 2006 A Bonds | 263,462 | - | - | 263,462 |
| 2008 CREBS* | - | - | 3,163 | 3,163 |
| 2009 A Bonds | 212,390 | - | - | 212,390 |
| 2009 B Bonds | 217,209 | - | - | 217,209 |
| 2010 A Bonds | 31,426 | 27,122 | - | 58,547 |
| 2010 B Bonds | 208,860 | 96,258 | - | 305,118 |
| 2010 D Bonds | 41,629 | - | - | 41,629 |
| 2010 E Bonds | 172,995 | - | - | 172,995 |
| 2010 F Bonds | 93,085 | - | - | 93,085 |
| 2010 G Bonds | 177,501 | - | - | 177,501 |
| 2011 A Bonds | 316,504 | - | - | 316,504 |
| 2011 B Bonds | 15,240 | - | - | 15,240 |
| 2011 C Bonds | 17,698 | - | - | 17,698 |
| 2011 QECBS | - | - | 4,146 | 4,146 |
| 2012 NCREBS | - | - | 3,300 | 3,300 |
| 2012 A Bonds | 316,351 | - | - | 316,351 |
| 2012 B Bonds | 8,433 | - | - | 8,433 |
| 2013 B Bonds | - | 183,555 | - | 183,555 |
| 2015 A Bonds | - | - | 17,979 | 17,979 |
| 2015 B Bonds | - | - | 4,227 | 4,227 |
| 2015 NCREBS | - | - | 2,050 | 2,050 |
| 2016 A Bonds | - | 140,691 | - | 140,691 |
| 2016 B Bonds | - | 39,662 | - | 39,662 |
| 2016 C Bonds | 129,580 | - | - | 129,580 |
| 2017 A Bonds | 70,451 | - | - | 70,451 |
| 2017 B Bonds | 85,953 | - | - | 85,953 |
| 2017 C Bonds | 41,122 | - | - | 41,122 |
| 2018 A Bonds | - | 131,757 | - | 131,757 |
| 2018 B Bonds | - | 110,222 | - | 110,222 |
| 2018 C Bonds | - | 89,573 | - | 89,573 |
| A Subtotal Sources - All | 2,419,888 | 818,838 | 34,864 | 3,273,590 |
| Charges Against Budget (\$) | | | | |
| Actual Charges | | | | |
| WSIP Expenditures & CP (2006) | 59,370 | - | - | 59,370 |
| Financial Review of WSIP (2007) | 92,050 | - | - | 92,050 |
| 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 IRP (2011/2012) | 11,489 | - | - | 11,489 |
| IBBS Consulting for IRP (2011/2012) | 47,000 | - | - | 47,000 |
| CSA Audit - Final Bill Q3 12 | 29,625 | - | - | 29,625 |
| RM Block WSIP Evaluation (Nov 12-Aug 14) | 531,926 | - | - | 531,926 |
| RBOC Strategic Planning Meeting - 2015 | 970 | 970 | 970 | 2,911 |
| RBOC Strategic Planning Meeting - 2016 | 1,078 | 1,078 | 1,078 | 3,234 |
| RBOC Strategic Planning Meeting - 2017 | 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 | 1,371,490 | 786,270 | 32,046 | 2,189,807 |
| Pending Charges | | | | |
| C Subtotal Pending Charges | - | - | - | - |
| A - B - C Available Funds After Pending Charges | 1,371,490 | 786,270 | 32,046 | 2,189,807 |

Note: Water Bonds Series 2019 ABC were issued on 01/09/2020 and will be listed in the 2020 Annual Report.

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 reasonably have deemed necessary for purposes of this certification, including:

1. The Financial Statements of the SFPUC Water Enterprise, including the opinion letter of KPMG, dated as of December 9, 2019 ;
2. The Financial Statements of the SFPUC Wastewater Enterprise, including the opinion letter of KPMG, dated as of December 23, 2019;
3. The Financial Statements of SFPUC Hetch Hetchy Water and Power and CleanPowerSF, dated as of December 23, including the opinion letter of KPMG, dated as of December 23, 2019;
4. The WSIP Quarterly Reports of the SFPUC related to the Water Enterprises;
5. The SSIP Quarterly Reports of the SFPUC related to the Wastewater Enterprise

Based upon a review of such documents, together with such other information that I reasonably have deemed necessary for purposes of providing this certification, I hereby advise you that no facts have come to my attention, after due inquiry, that cause me, exercising the judgment reasonably expected of my office and position, to believe that proceeds of any bond issue of the SFPUC have been wasted, not used for their authorized purposes 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 the review described above, in my role as Chief Financial Officer, Assistant General Manager for Business Services of the SFPUC.

This certification is delivered to you this 27th day of October 2020.

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: 2019

Summary of Enterprise Debt Programs (as of January 1, 2020)

| | Water | Wastewater | Power |
|---|---------------|---------------|--------------|
| Outstanding Debt | | | |
| Revenue Bonds | \$4.3B | \$1.5B | \$37.4M |
| SRF/WIFIA Loans (Executed/Drawn) | \$186M/\$0 | \$801M/\$52M | ---- |
| Tax Credit Bonds | ---- | ---- | \$9.5M |
| Commercial Paper: (Authorized/Drawn) | \$500M/\$162M | \$750M/\$294M | \$250M/\$64M |
| Credit Ratings | | | |
| Long-Term | Aa2/AA- | Aa3/AA | AA/AA- |
| Short-Term | P-1/A-1 | P-1/A-1+ | F1+/A-1 |

Appendix 5, Continued: Outstanding Revenue Bonds by Series

| Outstanding SFPUC Bonds (as of Dec 31, 2019) | RBOC | Issue Date | Maturity Date | Original Par (\$000s) | Outstanding Principal (\$000s) | Notes (All dollars in 000s) |
|---|------|---------------|------------------|--------------------------|--------------------------------------|--|
| WATER | | | | | | |
| 2010 Revenue Bonds, Series B | Yes | 06/17/10 | 11/01/40 | \$417,720 | \$373,420 | Water Capital – WSIP (Build America Bonds (BABs)) |
| 2010 Revenue Bonds, Series D (New Money) | Yes | 08/04/10 | 11/01/21 | \$71,360 | \$19,515 | Water Capital – WSIP |
| 2010 Revenue Bonds, Series D (Refunding) | No | | | \$31,365 | \$11,475 | Refunded part of 2002 Bonds |
| 2010 Revenue Bonds, Series E | Yes | 08/04/10 | 11/01/40 | \$344,200 | \$344,200 | Water Capital – WSIP (Build America Bonds (BABs)) |
| 2010 Revenue Bonds, Series F | Yes | 12/22/10 | 11/01/30 | \$180,960 | \$18,800 | Water Capital – WSIP |
| 2010 Revenue Bonds, Series G | Yes | 12/22/10 | 11/01/50 | \$351,470 | \$351,470 | Water Capital – WSIP (Build America Bonds (BABs)) |
| 2011 Revenue Bonds, Series A | Yes | 08/04/11 | 11/01/41 | \$602,715 | \$322,480 | Water Capital – WSIP |
| 2011 Revenue Bonds, Series B | Yes | 08/04/11 | 11/01/41 | \$28,975 | \$17,170 | Water Capital - Hetch Hetchy Water |
| 2011 Revenue Bonds, Series C | Yes | 08/04/11 | 11/01/41 | \$33,595 | \$18,715 | Water Capital - Water main improvements |
| 2011 Revenue Bonds, Series D | No | 08/04/11 | 11/01/28 | \$55,465 | \$19,135 | Refunded part of 2001 and 2002 Bonds |
| 2012 Revenue Bonds, Series A | Yes | 06/07/12 | 11/01/43 | \$591,610 | \$459,455 | Water Capital – WSIP |
| 2012 Revenue Bonds, Series B | Yes | 06/07/12 | 11/01/43 | \$16,520 | \$16,520 | Legal settlement reimbursement, Prop A (Nov 2002) |
| 2012 Revenue Bonds, Series C | No | 06/07/12 | 11/01/32 | \$93,750 | \$78,035 | Refunded part of 2002 Bonds and all remaining 2001 Bonds |
| 2015 Revenue Bonds, Series A | No | 04/16/15 | 11/01/36 | \$429,600 | \$412,380 | Refunded all outstanding 2006A bonds and a portion of 2009A Bonds (WSIP) |
| 2016 Revenue Bonds, Series A | No | 10/20/16 | 11/01/39 | \$763,005 | \$763,005 | Partially refunded 2009A, 2009B, and 2010F Bonds (WSIP) |
| 2016 Revenue Bonds, Series B | No | 10/20/16 | 11/01/30 | \$130,815 | \$95,980 | Fully refunded 2006B, 2006C, and partially refunded 2010A Bonds |
| 2016 Revenue Bonds, Series C (Green) | No | 12/14/16 | 11/01/46 | \$259,350 | \$242,755 | Taxable refunding of \$237M outstanding CP and \$20 million new money proceeds (WSIP) |
| 2017 Revenue Bonds, Series A (Green) | Yes | 12/13/17 | 11/01/47 | \$121,140 | \$121,140 | Water Capital – WSIP |
| 2017 Revenue Bonds, Series B | Yes | 12/13/17 | 11/01/47 | \$147,725 | \$147,725 | Water Capital – Non-WSIP |
| 2017 Revenue Bonds, Series C | Yes | 12/13/17 | 11/01/47 | \$70,675 | \$70,675 | Water Capital - Hetch Hetchy Water |
| 2017 Revenue Bonds, Series D (Green) | No | 12/28/17 | 11/01/35 | \$350,305 | \$348,610 | Partially refunded 2011A, and 2012A (WSIP) |
| 2017 Revenue Bonds, Series E | No | 12/28/17 | 11/01/31 | \$48,890 | \$48,890 | Partially refunded 2011C, 2011D and 2012C |
| 2017 Revenue Bonds, Series F | No | 12/28/17 | 11/01/31 | \$8,705 | \$8,705 | Partially refunded 2011B |
| 2017 Revenue Bonds, Series G (Green) | No | 12/28/17 | 11/01/24 | \$33,780 | \$33,280 | Partially refunded 2011A (WSIP) |
| Total Bonds - Water | | | | \$5,183,695 | \$4,343,535 | Principal: 11/1 / Interest: 5/1 & 11/1 |

| WASTEWATER | | | | | | |
|--|-----|----------|----------|--------------------|--------------------|--|
| 2010 Revenue Bonds, Series A | Yes | 06/08/10 | 10/01/21 | \$47,050 | \$17,210 | Wastewater Capital |
| 2010 Revenue Bonds, Series B | Yes | 06/08/10 | 10/01/40 | \$192,515 | \$192,515 | Wastewater Capital - Build America Bonds (BABs) |
| 2013 Revenue Bonds, Series A (Refunding) | No | 01/30/13 | 10/01/25 | \$193,400 | \$44,445 | Refunded 2003A Bonds and SRF loans |
| 2013 Revenue Bonds, Series B (New Money) | Yes | 02/27/13 | 10/01/42 | \$331,585 | \$331,585 | Wastewater Capital |
| 2016 Revenue Bonds, Series A (Green) | Yes | 05/24/16 | 10/01/46 | \$240,580 | \$240,580 | Wastewater Capital - SSIP |
| 2016 Revenue Bonds, Series B | Yes | 05/24/16 | 10/01/46 | \$67,820 | \$67,820 | Wastewater Capital - R&R |
| 2018 Revenue Bonds, Series A (Green) | Yes | 08/09/18 | 10/01/43 | \$229,050 | \$229,050 | Wastewater Capital - SSIP |
| 2018 Revenue Bonds, Series B | Yes | 08/09/18 | 10/01/43 | \$185,950 | \$185,950 | Wastewater Capital - R&R |
| 2018 Revenue Bonds, Series C (Green) | Yes | 08/09/18 | 10/01/48 | \$179,145 | \$179,145 | Wastewater Capital - SSIP |
| Total Bonds - Wastewater | | | | \$1,667,095 | \$1,488,300 | Principal: 10/1 / Interest: 4/1 & 10/1 |
| POWER | | | | | | |
| 2015 Revenue Bonds, Series A (Green) | Yes | 05/20/15 | 11/01/45 | \$32,025 | \$32,025 | Power Capital - Hydrogeneration and other capital |
| 2015 Revenue Bonds, Series B | Yes | 05/20/15 | 11/01/26 | \$7,530 | \$5,335 | Power Capital - Power transmission |
| Total Bonds - Power (Senior) | | | | \$39,555 | \$37,360 | Principal: 11/1 / Interest: 5/1 & 11/1 |
| Tax Credit Bonds | | | | | | |
| 2008 Cl. Renewable Energy Bonds | Yes | 11/07/08 | 12/15/22 | \$6,325 | \$1,265 | Solar projects |
| 2012 New Cl. Renewable Energy Bonds | Yes | 04/25/12 | 04/25/28 | \$6,600 | \$424 | Solar projects |
| 2011 Qualified Energy Cons. Bonds | Yes | 12/15/11 | 12/15/27 | \$8,291 | \$4,497 | Solar and building efficiency projects |
| 2015 New Cl. Renewable Energy Bonds | Yes | 10/15/15 | 10/25/32 | \$4,100 | \$3,307 | Solar projects |
| Total - CREBs, NCREBS, QECBs | | | | \$25,316 | \$9,492 | Payment dates: various / investors receive a tax credit in lieu of interest payment |
| TOTAL - SFPUC | | | | \$6,915,661 | \$5,878,687 | |

Note: Water Bonds Series 2019 ABC were issued on 01/09/2020 and will be listed in the 2020 Annual Report.

Appendix 5, Continued: SFPUC Debt Issuance 2019

| Enterprise | Debt Issuance | Amount (par) |
|------------|---------------|--------------|
| Water | | |
| Wastewater | - | - |
| Power | - | - |

Note: Water Bonds Series 2019 ABC were issued on 01/09/2020 and will be listed in the 2020 Annual Report.