

Finance Department
1017 Middlefield Road
Redwood City, California 94063



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Sent via US Post

March 21, 2016

Kitty Kwong
Trust Associate
The Bank of New York
Securities Servicing
100 Pine Street Suite 3100
San Francisco, CA 94111

Re: Annual Disclosure – Water Revenue Bonds, Series 2007A

Dear Ms. Kwong,

Pursuant to Exhibit B of the Official Statement enclosed please find the Annual Report from City of Redwood City Public Financing Authority, Water Revenue Bonds – Series 2007A, for fiscal year ended June 30, 2015.

A link to City of Redwood City's website is provided as well in case you need a hard copy of the City's Comprehensive Annual Financial Report (CAFR).

Also, as per the Installment Purchase Contract, dated February 1, 2006, Section 5.11 (b) (1), the City has fulfilled all its obligations under the agreement throughout fiscal year 2014-2015 and there is no event of default.

Please feel free to call me at (650)780-7075 if you have any questions regarding the above matter.

Sincerely,

A handwritten signature in blue ink that reads 'Antonia Saldou'.

Antonia Saldou
Accountant

Enclosure: <http://www.redwoodcity.org/home/showdocument?id=7291>
Annual Report (Exhibit B of the Official Statement)

Cc: Ms. Starla Jerome Robinson, Interim Finance Director, City of Redwood City
Mr. Jenik Keshishians, BNY, 400 S. Hope Street, Los Angeles, CA 90071

EXHIBIT B

ANNUAL REPORT

\$15,150,000

CITY OF REDWOOD CITY PUBLIC FINANCING AUTHORITY,
WATER REVENUE BONDS,
SERIES 2007A

Date of this Annual Report: March 18, 2016

For Fiscal Year: 2014-2015

This Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (the "Disclosure Certificate") dated May 1, 2007 executed by the undersigned (the "City") for and on behalf of itself and the City of Redwood City Public Financing Authority (the "Authority") in connection with the issuance of the above-captioned bonds by the Authority.

Capitalized terms used in this Annual Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

Any or all of the items listed below may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

I. Audited Financial Statements

Attached is a link to audited financial statements of the City, which include financial statements of the City's municipal water system enterprise (the "Enterprise"), prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

II. Existing Water Supply and Demand

The table below sets forth the average daily demand and maximum daily demand on the Enterprise for the prior Fiscal Year.

	Average Daily Demand (million gallons per day)	Maximum Daily Demand (million gallons per day)
Current Demand	8.4	8.8
Current Supply Hetch Hetchy	10.9	10.9
Current Supply Recycled Water	2.9	2.9
Current Capacity Surplus	5.4	5.0

III. Enterprise Revenues

The table below sets forth Enterprise revenues by customer type for the prior Fiscal Year.

Enterprise Revenues by Customer Type Fiscal Year 2014-2015					
	No. of Accounts	Consumption (CCF)	% of Total Consumption	"Billed Water" Total \$ Revenues	% of Total Revenue
<u>Residential</u>					
Single-Family	19,146	1,916,358	44%	14,479,022	42%
Multi-Family Residential	1,669	750,209	17%	6,183,831	18%
Irrigation Residential	196	201,231	5%	1,251,438	4%
Subtotal	21,011	2,867,798	66%	21,914,291	64%
<u>Non-Residential</u>					
Municipal/Commercial	1,563	1,009,148	23%	8,255,220	24%
Irrigation Commercial	383	378,119	9%	2,616,024	8%
Subtotal	1,946	1,387,267	32%	10,871,245	32%
<u>Other</u>					
Fire/Other	776	71,786	2%	1,330,726	4%
Total	23,733	4,326,851	100%	34,116,261	100%

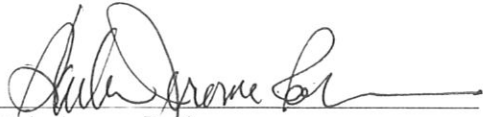
IV. Debt Service Coverage

The table below sets forth Enterprise revenues and expenses, debt service on the Bonds, and the resulting debt service coverage ratio for the prior Fiscal Year.

Revenues, Expenses and Debt Service Coverage	
Gross Revenue:	
Charges for Services	\$33,989,730
Investment Income/Interest	286,936
Connection Fees	1,045,740
Total Gross Revenue	<u>\$35,322,406</u>
Operating Expenses [1]	
Operating Expenses [1]	\$26,090,515
Transfers In/Out	(653,744)
Total Operating Expenses	<u>\$25,436,771</u>
Net Revenue	<u>\$9,885,635</u>
Debt Service on the Bond	\$4,576,351
Debt Service Coverage Ratio	<u>2.16</u>

[1] Net of depreciation and amortization.

CITY OF REDWOOD CITY

A handwritten signature in black ink, appearing to read "Starla Jerome Robinson", written over a horizontal line.

Starla Jerome Robinson
Interim Finance Director