

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE CITY AND COUNTY OF SAN FRANCISCO MINUTES - DRAFT

**Public Utilities Commission Building
525 Golden Gate Ave., 4th Floor
San Joaquin Conference Room
San Francisco, CA 94102**

June 6, 2016 - 9:00 AM

Regular Meeting

Purpose: The purpose of the RBOC is to monitor the expenditure of revenue bond proceeds related to the repair, replacement, upgrading, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities.

Mission: The goal of the RBOC is to make certain public dollars are spent according to authorization and applicable laws. Its purpose is to facilitate transparency and accountability in connection with the expenditure of revenue bond proceeds. The General Public is invited and welcomed to attend RBOC meetings and to provide input.

1. Call to Order and Roll Call

Seat 1 Holly Kaufman (Holdover status)
Seat 2 Kevin Cheng, Co-Chair (Holdover status)
Seat 3 Vacant
Seat 4 Marina Pelosi
Seat 5 Dari Barzel
Seat 6 Christina Tang, Vice Chair
Seat 7 Joshua Low, Co-Chair

Vice Chair Christina Tang called the meeting to order at 9:12 a.m. On the call of the roll, Members Kaufman, Barzel, and Tang were noted present. Members Cheng, Pelosi, and Low were noted absent. There was not a quorum. The Committee met for informational purposes only. No action was taken.

2. Agenda Changes

Vice Chair Tang requested that Items 6 and 7 be rescheduled to the July 11, 2016, RBOC meeting, due to the lack of quorum.

3. Public Comment: Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction but are not on today's agenda.

Public Comment: *Speakers: There were none.*

Items 4 through 7 were called and heard together.

4. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Sewer System Improvement Program (SSIP) Updates**

Karen Kubick, SSIP Director; and Dan Donahue, Pre-Construction Technical Advisor (SFPUC); presented on the Public Utilities Commission approval of the SSIP baseline, program goals, prioritization and refinement process, budget, program status, and construction updates. Richard Morales and Mike Brown (SFPUC); Mark Blake, Deputy City Attorney; provided information and responded to questions raised throughout the hearing.

Public Comment: Speakers: There were none.

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP) Updates**

Dan Wade, WSIP Director (SFPUC); presented on program status and revisions, new closeout projects, project-level budget revisions, pre-construction updates, Calaveras Dam project, and an update on regional construction contracts. Mark Blake, Deputy City Attorney; Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.

Public Comment: Speakers: There were none.

6. **Updates to RBOC Mission Statement**

Vice Chair Tang requested that Items 6 and 7 be rescheduled to the July 11, 2016, RBOC meeting, due to the lack of quorum.

Public Comment: Speakers: There were none.

7. **Strategic Planning Follow Up: Identifying Studies for Initiation**

Vice Chair Tang requested that Items 6 and 7 be rescheduled to the July 11, 2016, RBOC meeting, due to the lack of quorum.

Public Comment: Speakers: There were none.

8. **Announcements, Comments, Questions, and Future Agenda Items**

Derek Evans, Assistant Clerk of the Board of Supervisors, will work with Members, Cheng, Low, and Barzel to provide SFPUC staff (Mike Brown) with more information for the next staff presentation on Mountain Tunnel, as well as the WSIP stress test.

Richard Morales, Debt Manager, and Mike Brown (SFPUC), will provide a presentation on Green Bonds, as well as the results of the wastewater bond sale, at the July 11, 2016, RBOC regular meeting.

Committee members requested the upcoming Mountain Tunnel presentation by SFPUC staff include a general project update, as well as the reasons that led to why it was not included as part of the Water System Improvement Project.

Dan Wade, WSIP Director (SFPUC), confirmed that the next WSIP presentation would be at the September 19, 2016, RBOC regular meeting.

Public Comment: Speakers: There were none.

9. **Adjournment**

There being no further business, the meeting adjourned at 10:40 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Revenue Bond Oversight Committee on the matters stated but not necessarily in the chronological sequence in which the matters were taken up.

Agenda Item Information

Each item on the agenda may include: 1) Department or Agency cover letter and/or report; 2) Public correspondence; 3) Other explanatory documents. For more information concerning agendas, minutes, and meeting information, such as these documents, please contact RBOC Clerk, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 – (415) 554-5184.

Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at: http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97

For information concerning San Francisco Public Utilities Commission please contact by e-mail RBOC@sfgov.org or by calling (415) 554-5184.

Meeting Procedures

Public Comment will be taken before or during the Committee’s consideration of each agenda item. Speakers may address the Committee for up to three minutes on that item. During General Public Comment, members of the public may address the Committee on matters that are within the Committee’s jurisdiction and are not on the agenda.

Procedures do not permit: 1) persons in the audience to vocally express support or opposition to statements by Commissioners by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

LANGUAGE INTERPRETERS: Requests must be received at least 48 hours in advance of the meeting to help ensure availability. Contact Peggy Nevin at (415) 554-5184. AVISO EN ESPAÑOL: La solicitud para un traductor debe recibirse antes de mediodía de el viernes anterior a la reunion. Llame a Derek Evans (415) 554-5184. PAUNAWA: Ang mga kahilingan ay kailangang matanggap sa loob ng 48 oras bago mag miting upang matiyak na matutugunan ang mga hiling. Mangyaring tumawag kay sa (415) 554-5184.

Disability Access

Revenue Bond Oversight Committee meetings are held at the Public Utilities Commission, 525 Golden Gate Avenue, San Francisco, CA. The hearing rooms at the Public Utilities Commission are specified on the agenda and are wheelchair accessible. To request sign language interpreters, readers, large print agendas or other accommodations, please call (415) 554-5184. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

翻譯 必須在會議前最少四十八小時提出要求
請電 (415) 554-7719

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; phone at (415) 554-7724; fax at (415) 554-7854; or by email at soff@sfgov.org.

Citizens may obtain a free copy of the Sunshine Ordinance by printing San Francisco Administrative Code, Chapter 67, at <http://www.sfbos.org/sunshine>.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100, et. seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at: 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 581-3100; fax (415) 252-3112; website www.sfgov.org/ethics.

Sewer System Improvement Program (SSIP) Update

June 6, 2016

Karen Kubick, PE – SSIP, Program Director

Dan Donahue, PE – SSIP, Pre-Construction Technical Advisor



Commission Approved SSIP Baseline March 22, 2016

- Endorsed updated SSIP Goals and Levels of Service
- Endorsed updated overall SSIP \$6.976B
- Endorsed 2016 baseline scope, budget, and schedule for Phase 1 projects
- Phase 2 begins July 2018
- Authorized Bond Sale

Commission-Endorsed Program Goals

August 28, 2012



- Provide a Compliant, Reliable, Resilient, and Flexible System that can **Respond to Catastrophic Events**



- Integrate Green & Grey Infrastructure to **Manage Stormwater** and **Minimize Flooding**



- Provide **Benefits** to Impacted **Communities**

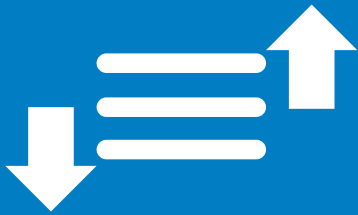


- Modify the System to **Adapt to Climate Change**

New infrastructure must accommodate expected sea level rise within the service life of the asset (~~i.e. 16 inches by 2050, 25 inches by 2070, 55 inches by 2100~~) **(i.e., 6 inches by 2030, 11 inches by 2050, 36 inches by 2100)** and be consistent with the **City's Guidance for Incorporating Sea Level Rise into Capital Planning.**

Refining the SSIP

**Prioritization
Process**



**Refinements
from 2012**



**Cost &
Schedule
Updates**



Prioritization & Refinement Process

- **Prioritization of Project Scopes and Cost**
 - Priority 1: must remain
 - Priority 2: eliminate or defer with acceptable risk
 - Priority 3: eliminate or defer without risk
- **Refinement of Projects**
 - Receiving water model results
 - Central Bayside System Improvement Project tunnel resizing
- **Phased Implementation & Schedule Update**



2012 and 2016 Budget Comparison

2012 Commission-Endorsed Budget	Phase 1 (\$M)	Phase 2 (\$M)	Phase 3 (\$M)	Total Cost (\$M)
Treatment Plants	2,233	1,215	407	3,855
Collection System	354	1,928	476	2,758
Program Management	125	152	43	320
Total SSIP	2,712	3,295	926	6,933

2016 Baseline Budget	Phase 1 (\$M)	Phase 2 (\$M)	Phase 3 (\$M)	Total Cost (\$M)
Treatment Plants	2,280	1,299	407	3,986
Collection System	291	1,445	476	2,212
Program Management	125	152	43	320
Total SSIP	2,696	2,896	926	6,518

Additional Projects

Additional needs and opportunities have arisen since 2012-endorsement:

- North Shore Force Main
- Interdepartmental Projects
- Flood Resilience Projects



Additional Phase 1 Projects

North Shore Force Main.....\$30M

Interdepartmental Projects.....\$96M

- Van Ness BRT Sewer Improvements.....\$15M
- Better Market Street Sewer Improvements.....\$32M
- Geary BRT Sewer Improvements.....\$17M
- Geary BRT Sewer Improvements Phase 2..... \$2M
- Central Subway Sewer Improvements..... \$4M
- Mission Bay Loop Sewer Improvements..... \$2M
- Masonic Avenue Sewer Improvements..... \$4M
- Taraval Sewer Improvements.....\$20M

Flood Resilience Projects.....\$88M

- Flood Resilience Planning & Project Development..... \$9M
- Wawona St/15th Ave Stormwater Detention Project..... \$23M
- Cayuga Ave Stormwater Detention Project..... \$8M
- Folsom Area Stormwater Improvement Project Planning & Design..... \$36M
- 17th/Folsom Permanent Barriers Project..... \$3M
- Hydraulic Drainage Improvement Projects..... \$9M

\$214M

Phase 1 SSIP + Additional Projects = \$2,910M



Additional Phase 2 Projects

Interdepartmental Projects.....\$44M

- Geary BRT Sewer Improvements Phase 2.....\$16M
- Future Mission Street Sewer Improvements.....\$26M
- Taraval Sewer Improvements.....\$2M

Flood Resilience Projects.....\$200M

\$244M

Phase 2 SSIP + Additional Projects = \$3,140M



2016 Program Baseline

Subprograms	Phase 1 (\$M)	Phase 2 (\$M)	Phase 3 (\$M)	Total Cost (\$M)
Treatment Plants	2,182	1,299	407	3,888
Biosolids Digester Facilities Project	1,276	47	-	1,323
SEP New Headworks	359	-	-	359
SEP Improvements	327	711	103	1,141
OSP Improvements	133	214	104	451
NPF Improvements	87	327	200	614
Collection System	505	1,689	476	2,670
CBSIP	64	782	-	846
Interceptors/Tunnels/Odor Control	58	131	-	189
Interdepartmental Projects	96	44	-	140
Pump Stations and Force Main Improvements	76	214	188	478
CSD & T/S Boxes	27	138	120	285
Stormwater Management	96	180	168	444
Flood Resilience	88	200	-	288
Land Reuse	98	-	-	98
Program Management	125	152	43	320
Total SSIP	2,910	3,140	926	6,976



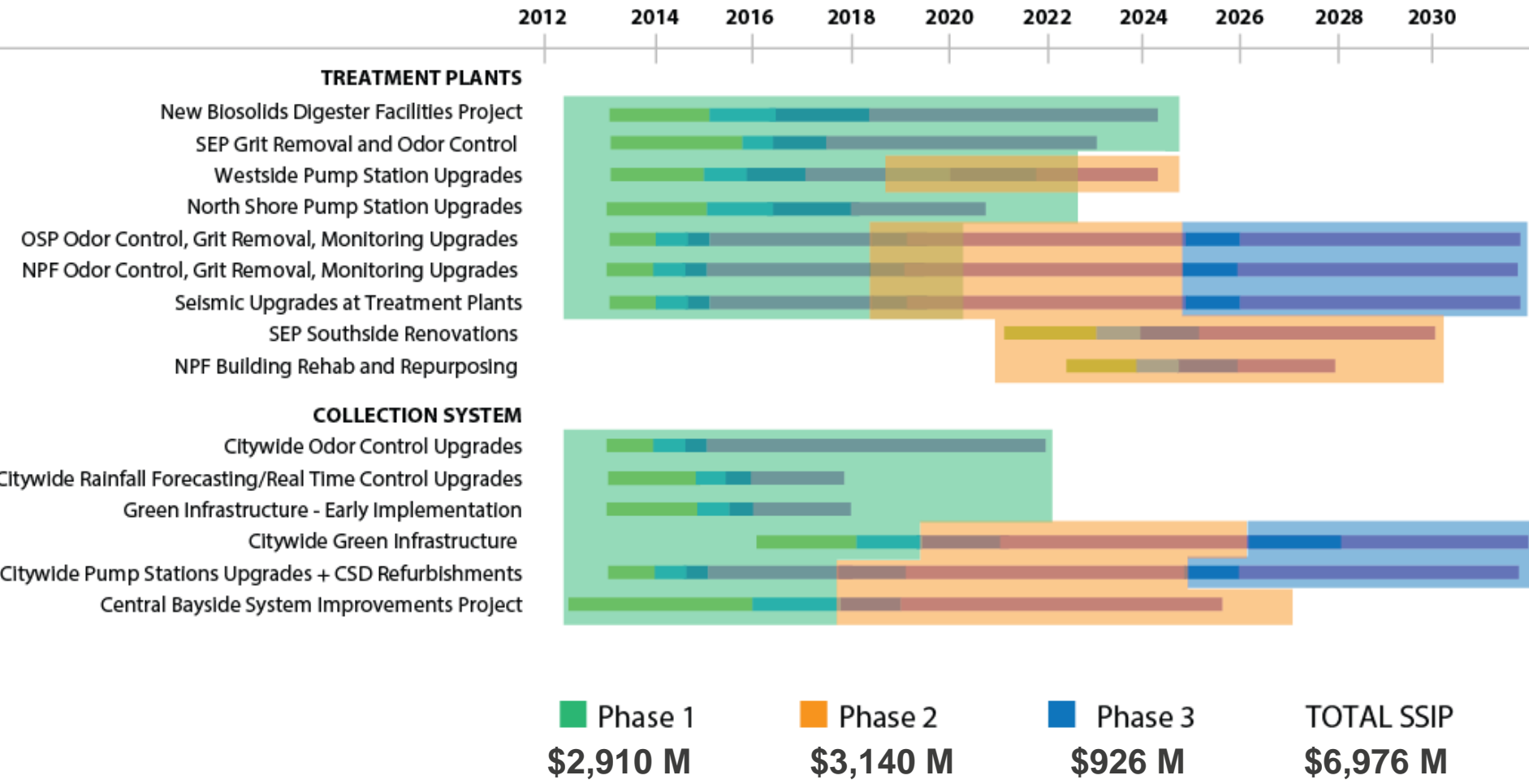
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Total SSIP	2,910	3,140	926	6,976



2016 Phased Implementation Schedule

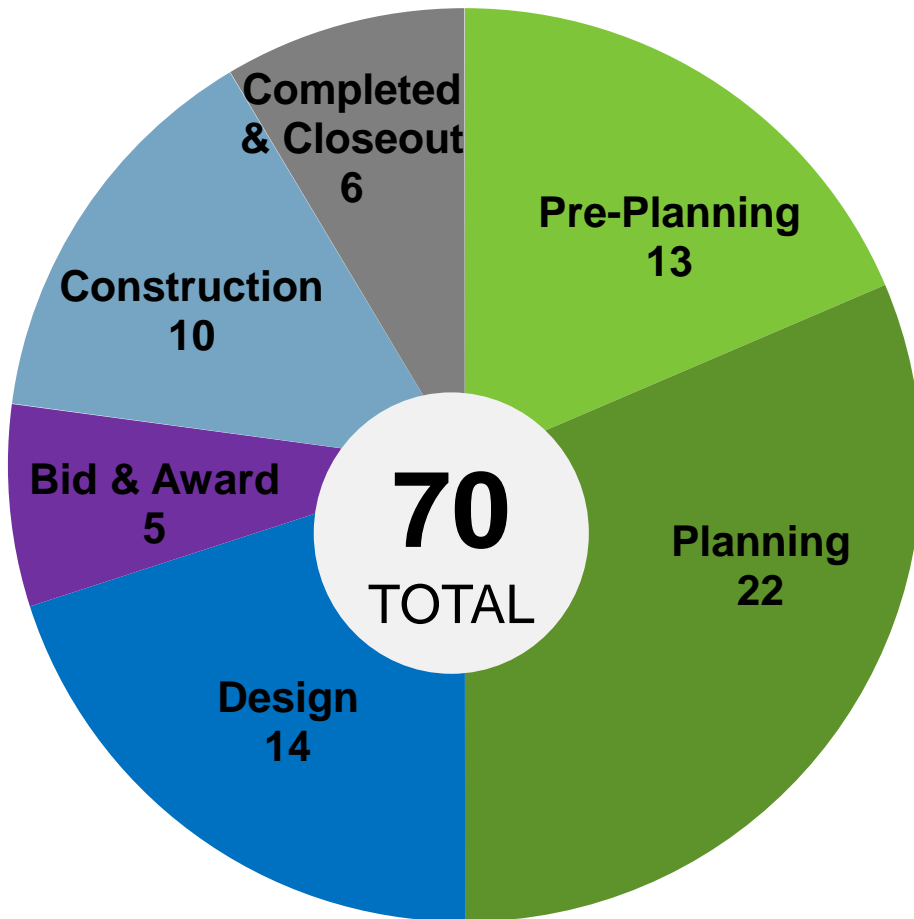


SSIP QUARTERLY UPDATE

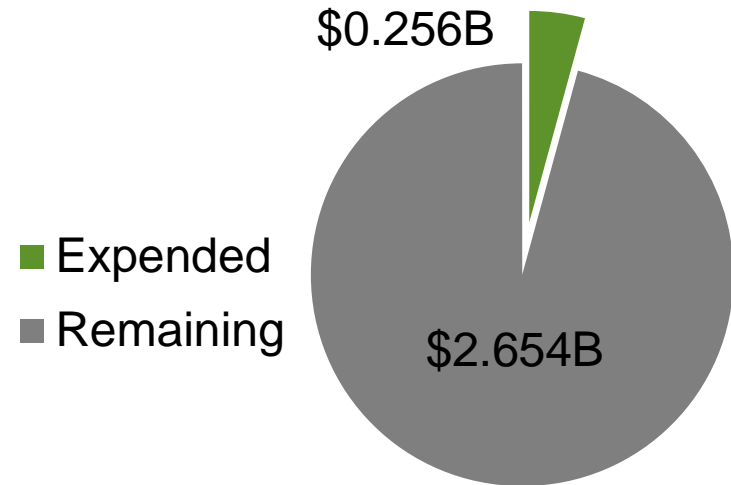


Program Status (As of March 2016)

Project Count by Phase



Expenditures (\$)

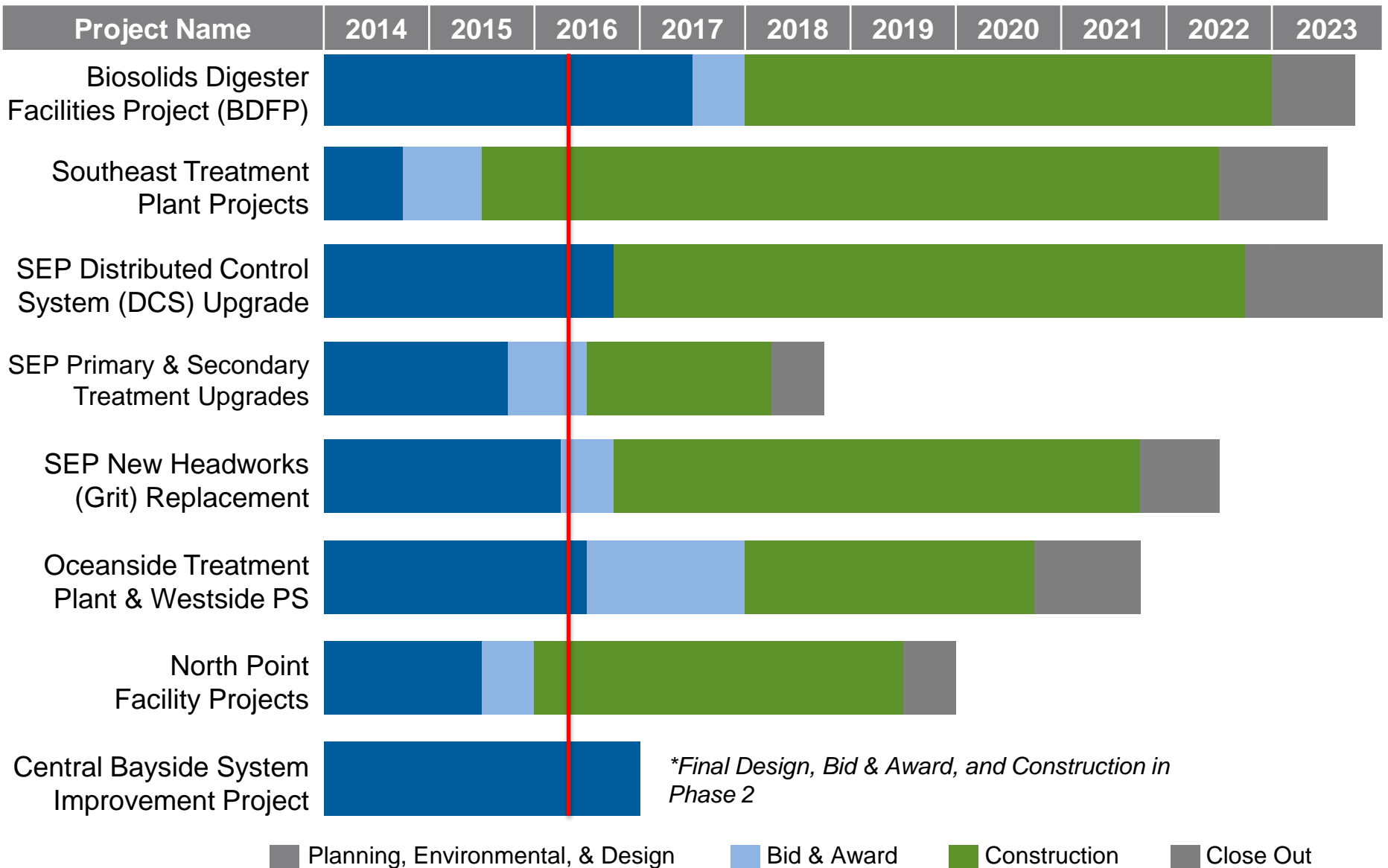


% Complete

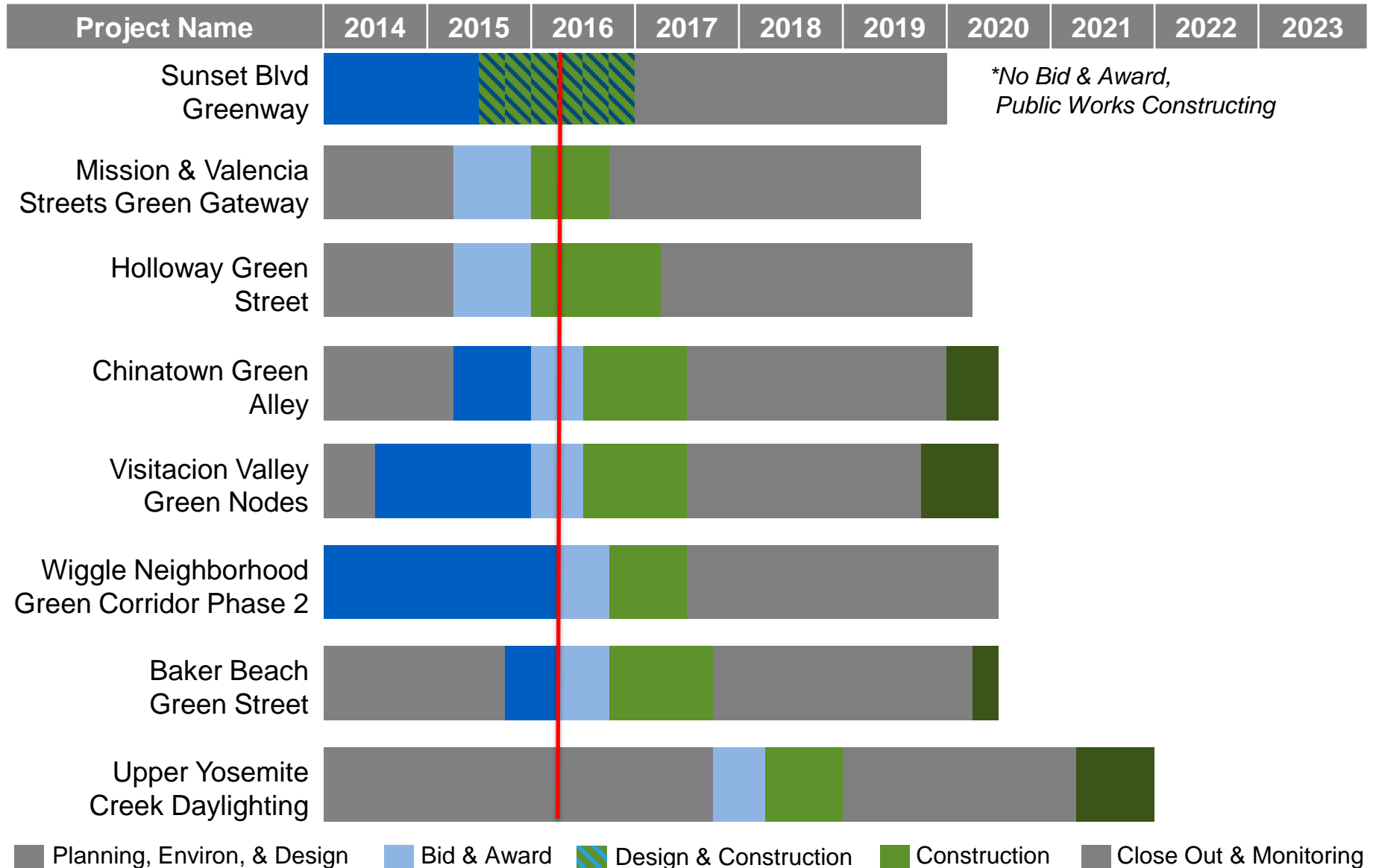
11.4% of Phase 1 Projects



Program Status (As of March 2016)



Green Infrastructure Early Implementation Projects (EIPs) (As of March 2016)



Construction Updates

Current

- Westside Pump Station Reliability Improvements
Oct 2014 – Sep 2016
- Sunset Blvd. Greenway
Aug 2015 – Feb 2017
- Holloway Green Street
Jan 2016 – Mar 2017
- Mission & Valencia Streets Green Gateway
Feb 2016 – Jul 2016
- SEP Primary and Secondary Clarifier Upgrades
Mar 2016 – Jan 2018
- SEP 521/522 and Disinfection Upgrades
Mar 2016 – Apr 2018

Upcoming

- Chinatown Green Alley
Jun 2016 – Apr 2017
- SEP Digester Gas Handling Improvements
Aug 2016 – Oct 2018
- NPF Outfall System Rehabilitation
Sep 2016 – Feb 2018



Mission & Valencia Streets Green Gateway

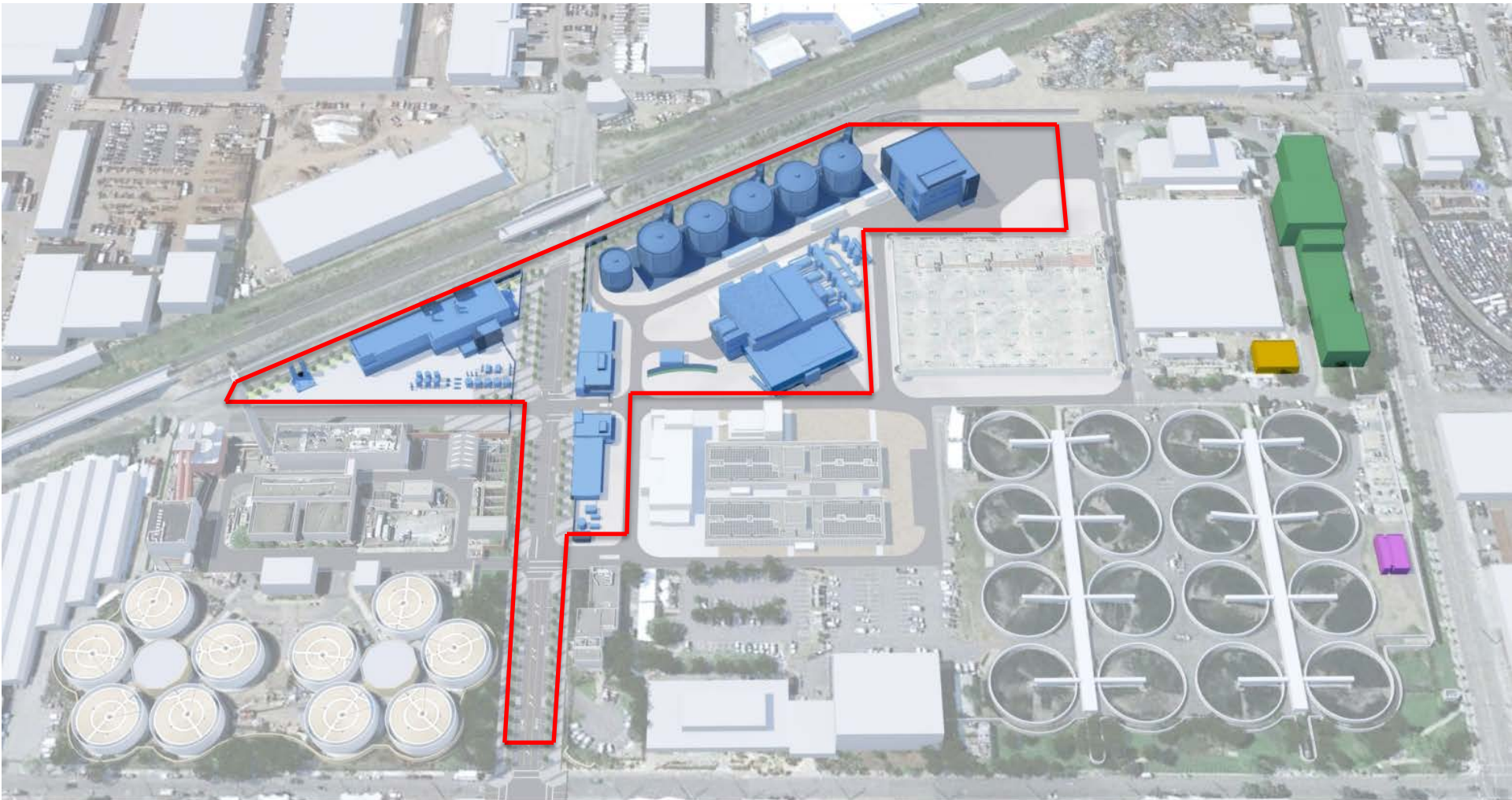


Biosolids Digester Facilities Project (BDFP) Update

- Address aging infrastructure – Construct new modern, proven and efficient treatment technologies
- Maintain regulatory compliance
- Build critical processes with redundant infrastructure to provide reliability and operational flexibility
- Improve seismic reliability
- Beneficially use 100% of Biosolids and Biogas produced
- Improve odor, noise and visual quality



BDFP Project Layout



- LEGEND**
- SEP 521/522 & Disinfection Upgrades**
 - Power Feed & Primary Switchgear Upgrades**
 - Headworks Facility**
 - Biosolids Digester Facilities Project (BDFP)**

BDFP Conceptual Rendering



SEP New Headworks (Grit) Facility Project Update

- Build a new Headworks facility to provide treatment for the permitted capacity of 250 MGD.
- Provide reliability and operational flexibility.
- Improve seismic reliability
- Improve odor, noise, and visual quality
- Protect downstream process/equipment






SEP New Headworks (Grit) Facility Layout




LEGEND

 SEP 521/522 & Disinfection Upgrades

 Power Feed & Primary Switchgear Upgrades

 Headworks Facility

 Biosolids Digester Facilities Project (BD22)

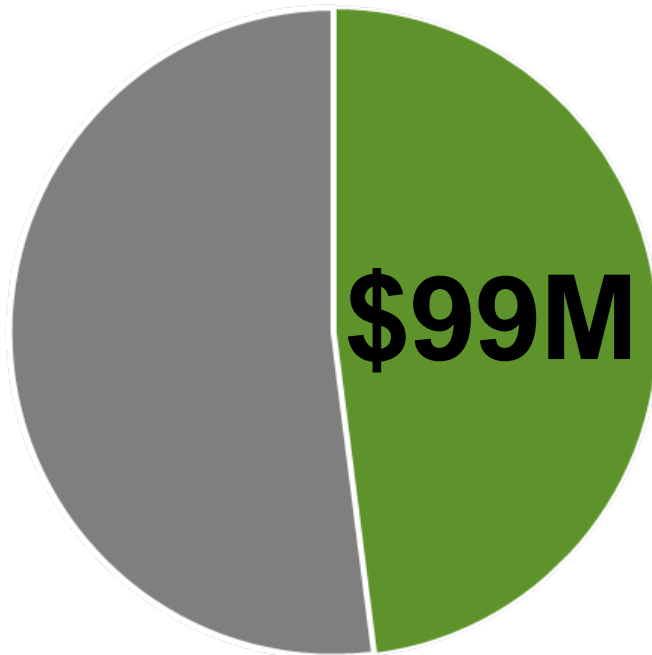
SEP New Headworks (Grit) Facility Project Conceptual Rendering



Elevated view looking South

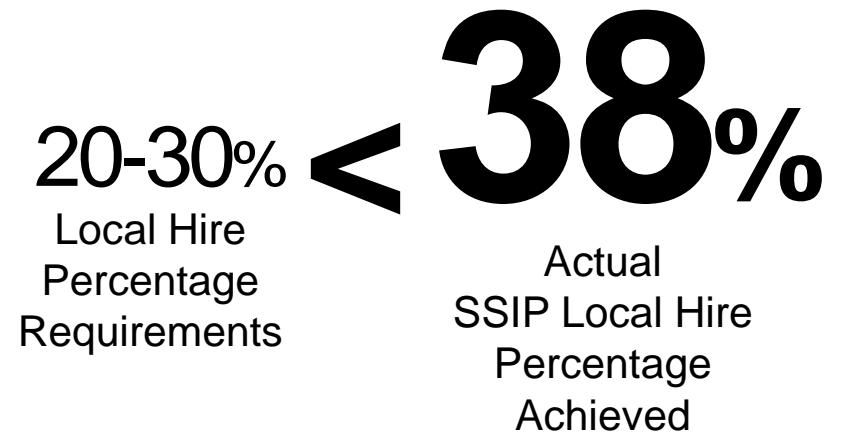
Local Participation Updates

SSIP Local Business Enterprise (LBE) Achievement



26% of the total subcontracting awards has gone to San Francisco LBEs

SSIP Local Hire Ordinance Achievement



San Francisco residents have earned a combined \$6M in wages from SSIP projects

Stakeholder Engagement

Key Outreach Events:

- Community Open House to discuss RainReadySF
- SE Working Group Meeting on SECF/Greenhouses
- Flooding Workshop, SFPUC Commission Presentation
- Noticed project areas for MVGG and Holloway EIP ground breaking
- Held SEP Headworks CM/CG Pre-Bid meeting

By the Numbers (for 2016):

- **95,000+** Sewer Rap Video views
- **12,600+** Followers on Twitter
- **5,600+** eNewsletter Subscribers
- **8** SSIP media mentions
- **19** Tours with **332** attendees



SEP Headworks CM/CG Pre-Bid Meeting



Tour our Treatment Plant!

Take a free tour to find out how
we make dirty water clean again.

[Learn More](#)



Services of the San Francisco Public Utilities Commission



March 2016 Revised WSIP and Quarterly Update

Revenue Bond Oversight Committee
June 6, 2016

Daniel L. Wade, WSIP Director
Infrastructure

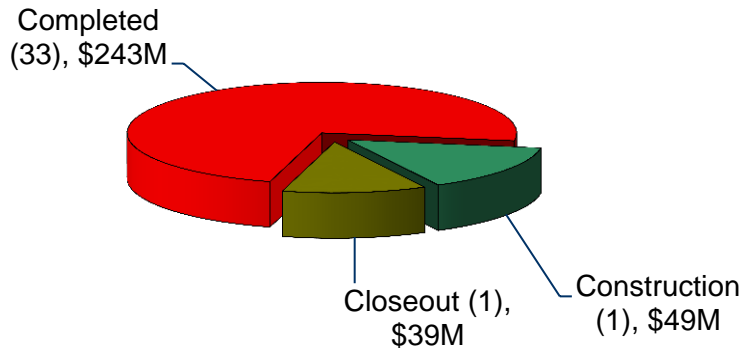


Why Revise the Program?

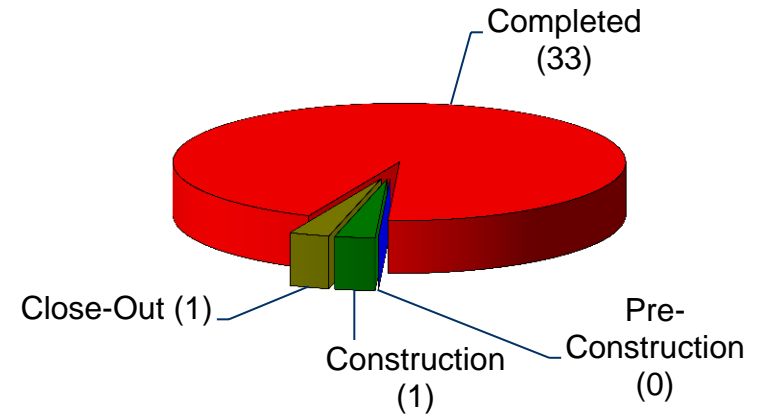
- Incorporate latest available information in WSIP scope, schedule and budget
- Transfer forecasted project savings to projects with forecasted overruns
- Secure funding required to complete all projects
- Re-establish WSIP Director's Reserve for future unforeseen contingencies
- Comply with California Water Code

Program Status

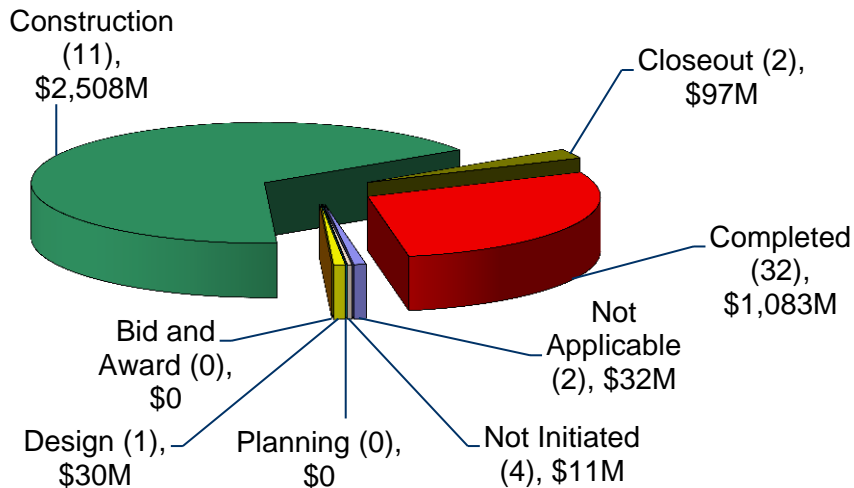
Local Projects Completion by Cost



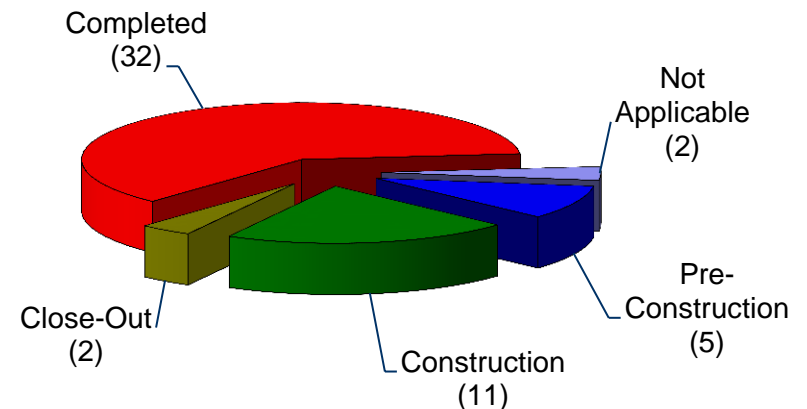
Local Projects Completion by Number



Regional Projects Completion by Cost



Regional Projects Completion by Number





Revision Summary

- **Scope refinements to 4 projects:**
 - Alameda Creek Recapture
 - Calaveras Dam Replacement
 - Bioregional Habitat Restoration
 - Watershed Environmental Improvement Program
- Added **WSIP Closeout Project** to each of following regions:
San Joaquin, Sunol Valley, Bay Division and Peninsula
- **Revised Program Completion:** December 20, 2019
 - Seven months schedule extension
- **Revised Program Budget:** \$4,845.5M
 - \$80.0M budget increase (or 1.7%)



New WSIP Closeout Projects

- Include miscellaneous scope items needed to fully meet WSIP Level of Service (LOS) goals
 - Some new items
 - Some items moved from existing Regional projects to WSIP Closeout
- **WSIP Closeout Projects:**
 - San Joaquin Region: \$1.6M
 - Sunol Valley Region: \$3.2M
 - Bay Division Region: \$1.1M
 - Peninsula Region: \$4.9M



Project-Level Budget Revision

- Regional Projects with largest **cost savings**:
 - BDPL Reliability Upgrade – Tunnel: \$11.7M
 - CS / SA Transmission Upgrades: \$10.0M
 - BDPL Reliability Upgrade – Pipeline: \$3.6M
 - System Security Upgrade: \$3.4M
 - San Joaquin Pipeline System: \$3.1M
 - SFPUC/EBMUD Intertie: \$1.4M
 - Peninsula Pipelines Seismic Upgrade: \$1.8M
 - San Antonio Backup Pipeline: \$1.0M
- Local Projects cost savings: \$6.5M



Project-Level Budget Revision

- Regional Projects with largest **cost increases**:
 - Calaveras Dam Replacement: (\$91.7M)
 - New Irvington Tunnel: (\$8.0M)
 - Bioregional Habitat Restoration: (\$6.1M)
 - Program Management: (\$2.8M)
 - HTWTP Long-Term Improvements: (\$2.0M)
 - Seismic Upgrade of BDPL Nos. 3 & 4: (\$1.9M)
- Local Projects: no cost increases



March 2016 Revised WSIP Budget Revisions

WSIP Budget	Current Approved	Proposed March 2014	Change
Regional Projects	\$3,674,597,918	\$3,761,065,661	(\$86,467,743)
Local Projects	\$619,185,753	\$612,718,010	\$6,467,743
Financing	\$471,700,000	\$471,700,000*	\$0
Program Total	\$4,765,483,671	\$4,845,483,671	(\$80,000,000)

*Actual financing costs will be revised downward in future reports based on favorable bond interest rates.



WSIP Program Status (Based on March 2016 Revised WSIP)

- Regional: **89.0%**
- Local: **99.8%**
- Overall WSIP: **90.0%**





Recent Accomplishments

- Reached Final Construction Completion on one project:
 - Peninsula Pipelines Seismic Upgrade (Contract WD-2727)
- Reached Final Project Closeout on one project:
 - BDPL Reliability Upgrade Pipeline – Peninsula Reaches (WD-2542)
- Completed **196** of **207** system shutdowns to date
- Achieved Level of Service on **40** of **48** Regional Projects
- Safety record exemplary based on **8.2 million** recorded hours
- Recent Awards: APWA Silicon Valley (HTWTP Long-Term Improvements); ASCE OPAL (Seismic Upgrades of Bay Division 3 & 4 at Hayward Fault)



Pre-Construction Update

- Alameda Creek Recapture
 - Design Phase at 95% completion
 - First Administrative Draft EIR under review
- Alameda Creek Fish Passage Facilities
(Sub-Project to Calaveras Dam Replacement)
 - Administrative NTP for submittals issued March 2016
 - Construction NTP issued April 2016

Calaveras Dam Replacement



Active Treatment System

Disposal Site

Disposal Site

Bluestone Building

Left Abutment (Observation Hill)

Electrical Building

Upper Spillway Chute

Staging Area

Intake Tower

New Dam Axis

Existing Dam (Cofferdam)

Disposal Site

Lower Spillway Chute

Borrow Area B

78" Pipeline

Existing Stilling Basin

New Stilling Basin

Right Abutment

Spillway Completion





Calaveras Dam
Replacement Project
Spillway Completion
April 2016



Regional Groundwater Storage & Recovery



Regional Groundwater Storage & Recovery





BHR – Goldfish Pond



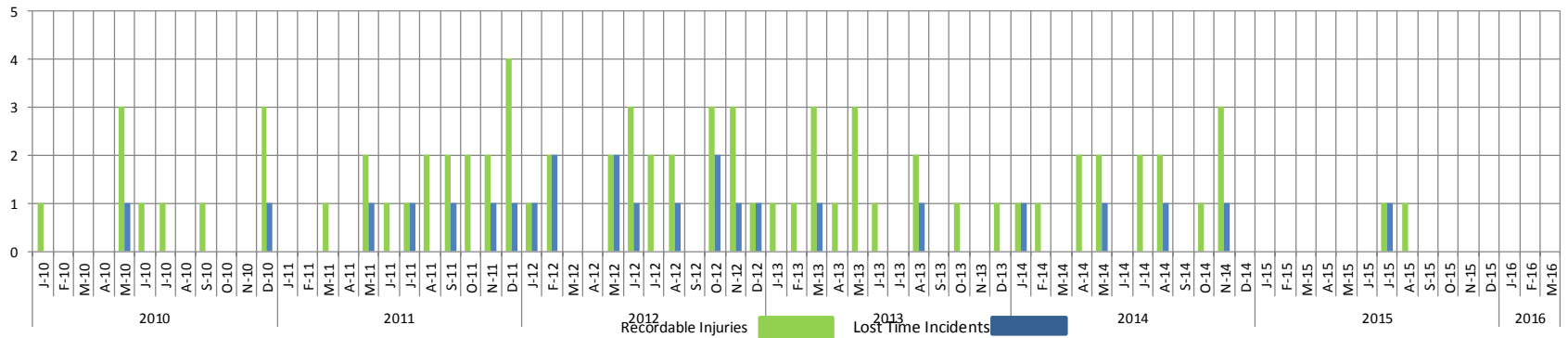
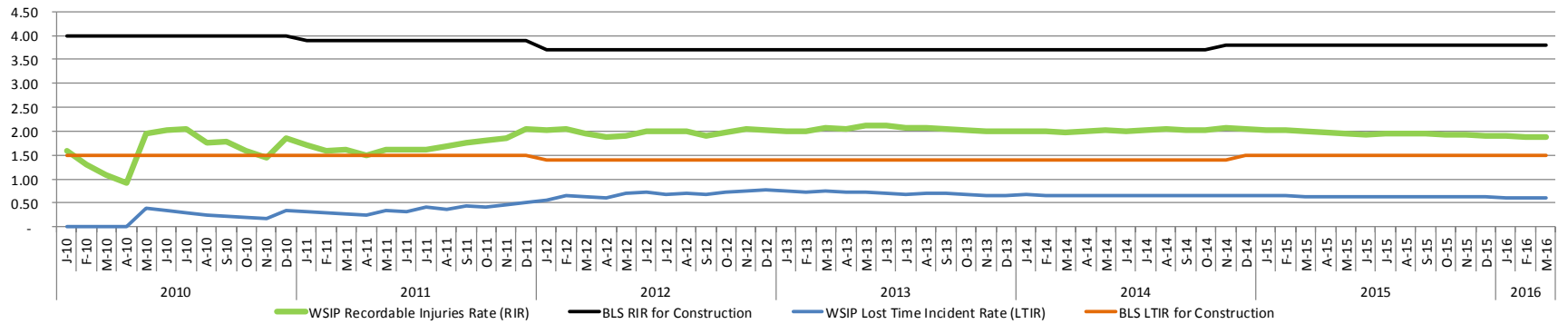
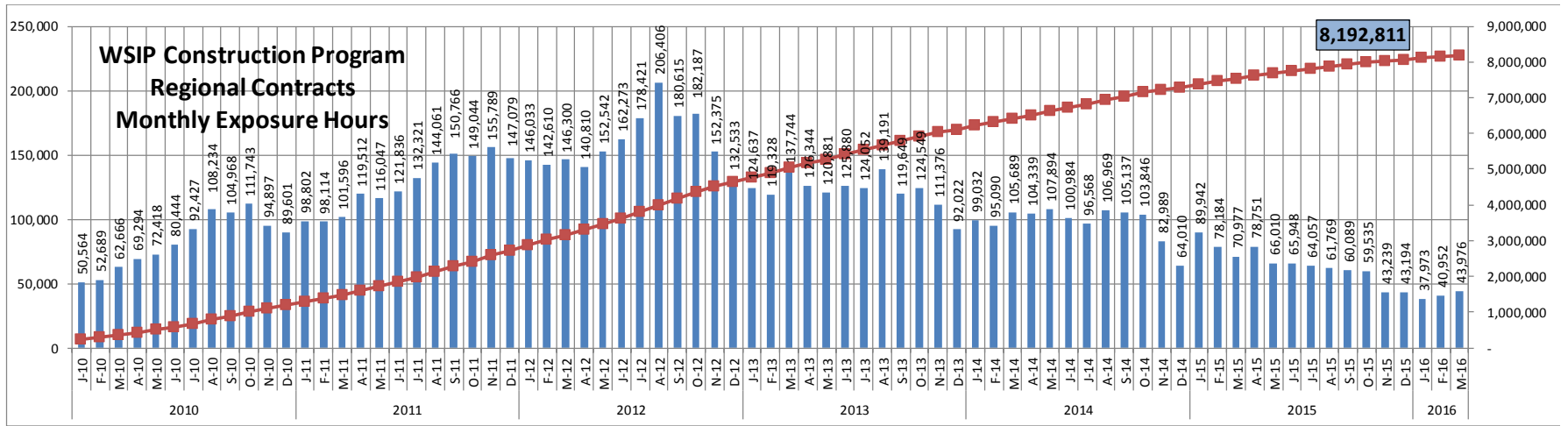
BHR – Pond B at Sheepcamp Creek



WSIP Regional Construction Program

Status of Construction Contracts

March 2016



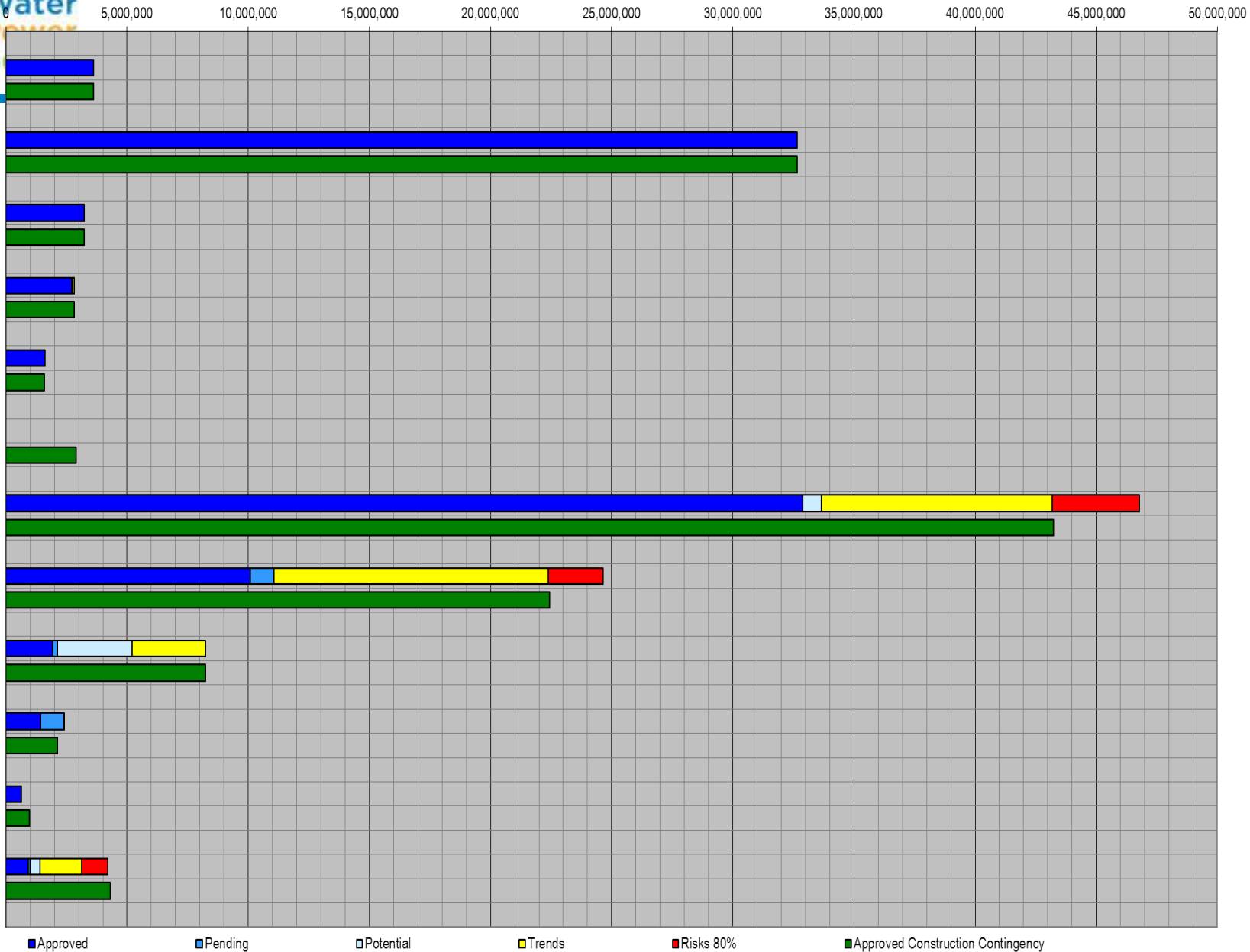
3.8 = Annual BLS construction industry national average Total Recordable Injury Incidence Rate (RIR) for 2013
 1.5 = Annual BLS construction industry national average Total Lost Time Incidence Rate (LTIR) for 2013



WSIP Active Construction Contracts

Approved, Pending, Potential COs, Trends, & Risks vs. Contingency
Status as of March 2016

Note: Projects are ordered by Percent Complete



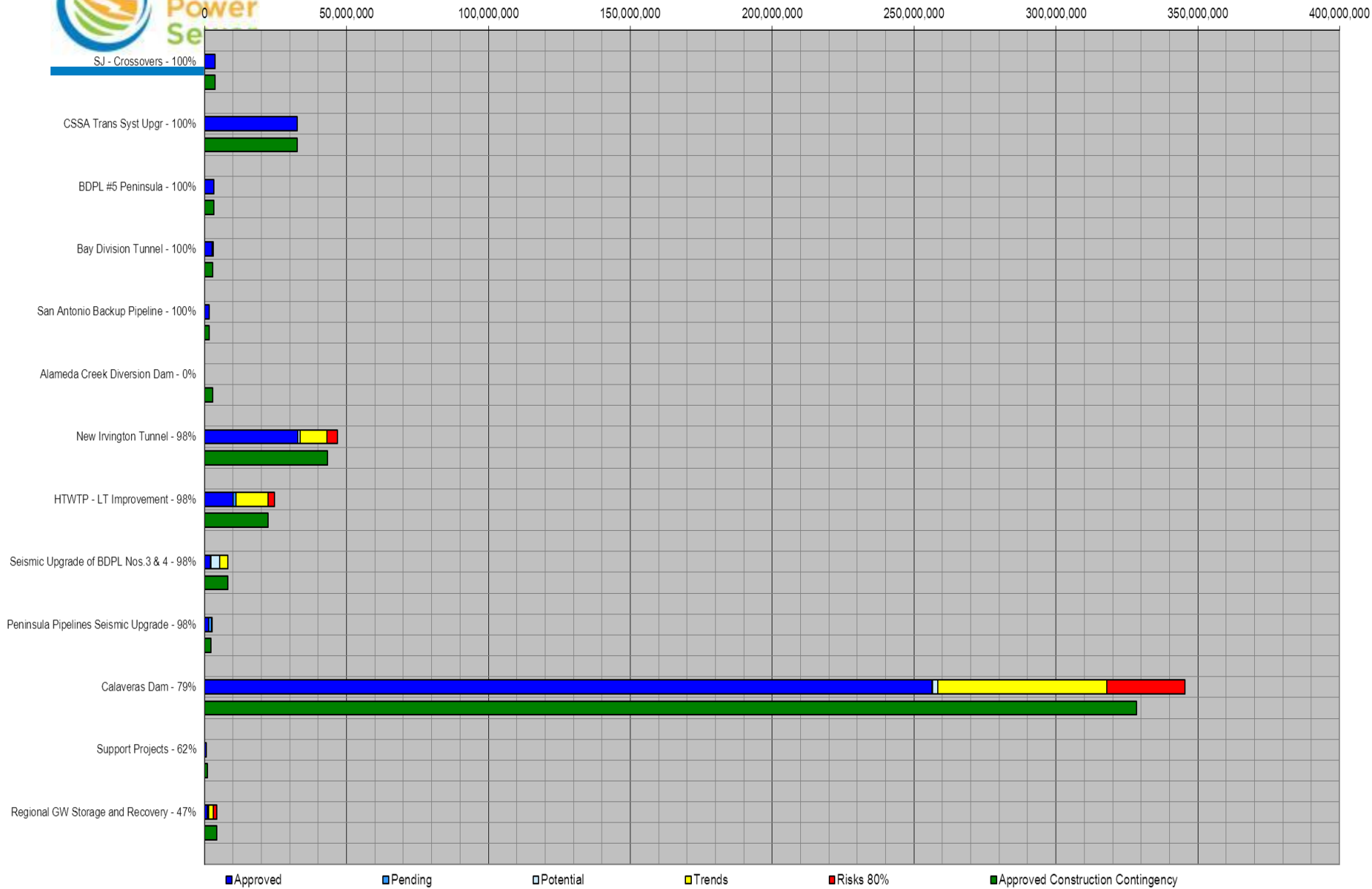
Note: CDRP data not shown



WSIP Active Construction Contracts

Approved, Pending, Potential COs, Trends, & Risks vs. Contingency
Status as of March 2016

Note: Projects are ordered by Percent Complete

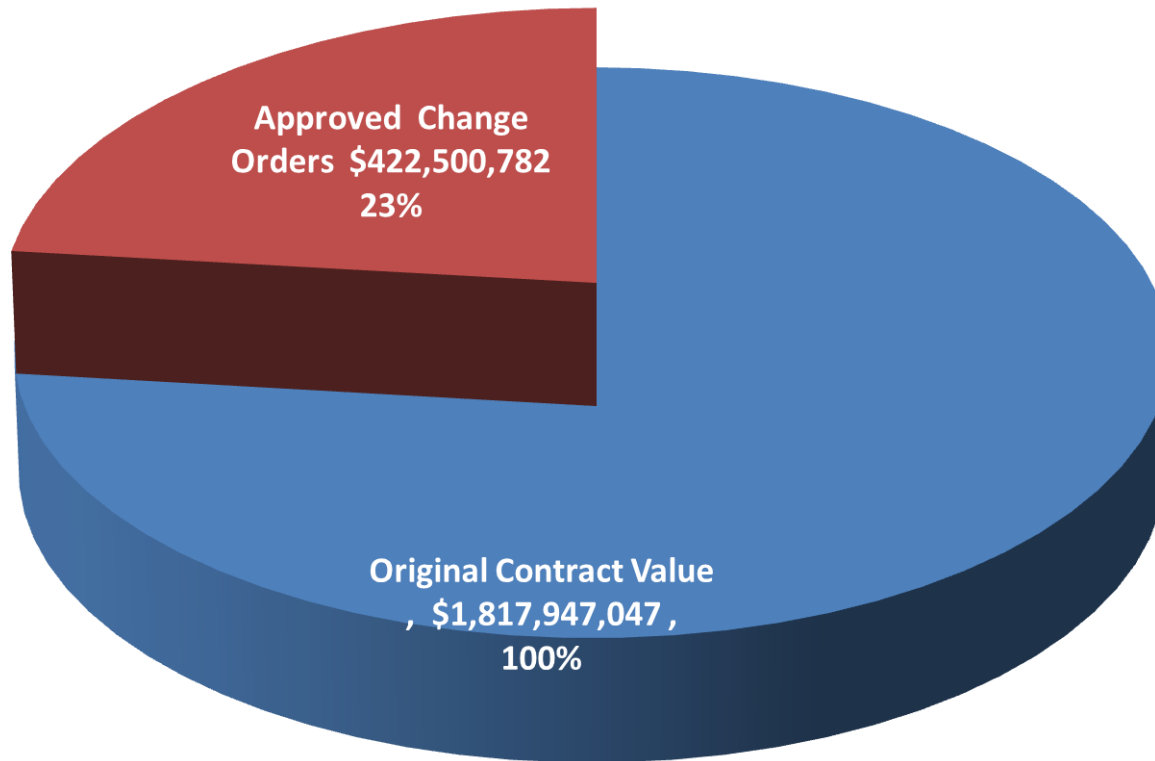




WSIP **Active & Completed** including BHR Regional Construction Contracts

Percentage of Approved Changes vs. Awarded Amount

March 2016



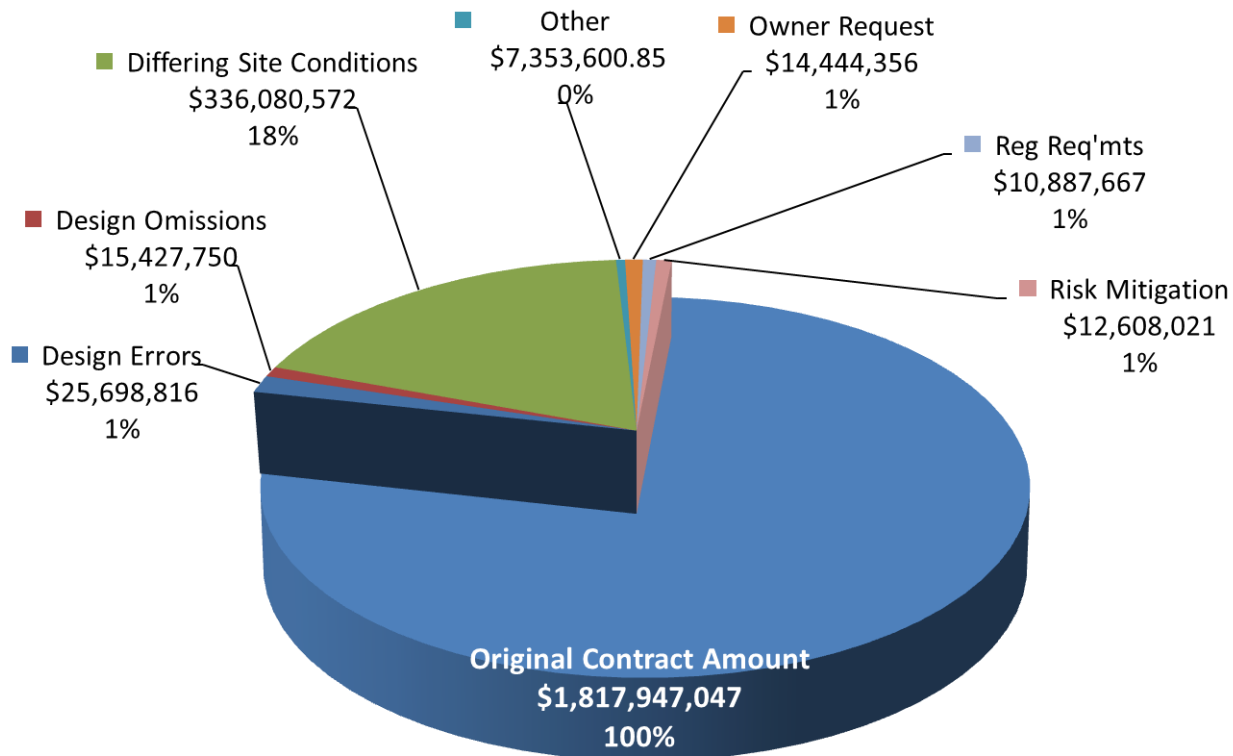


WSIP Active & Completed including BHR Regional Construction Contracts

Change Reason vs. Awarded Amount

March 2016

Approved Change Orders = \$422.5M 23%



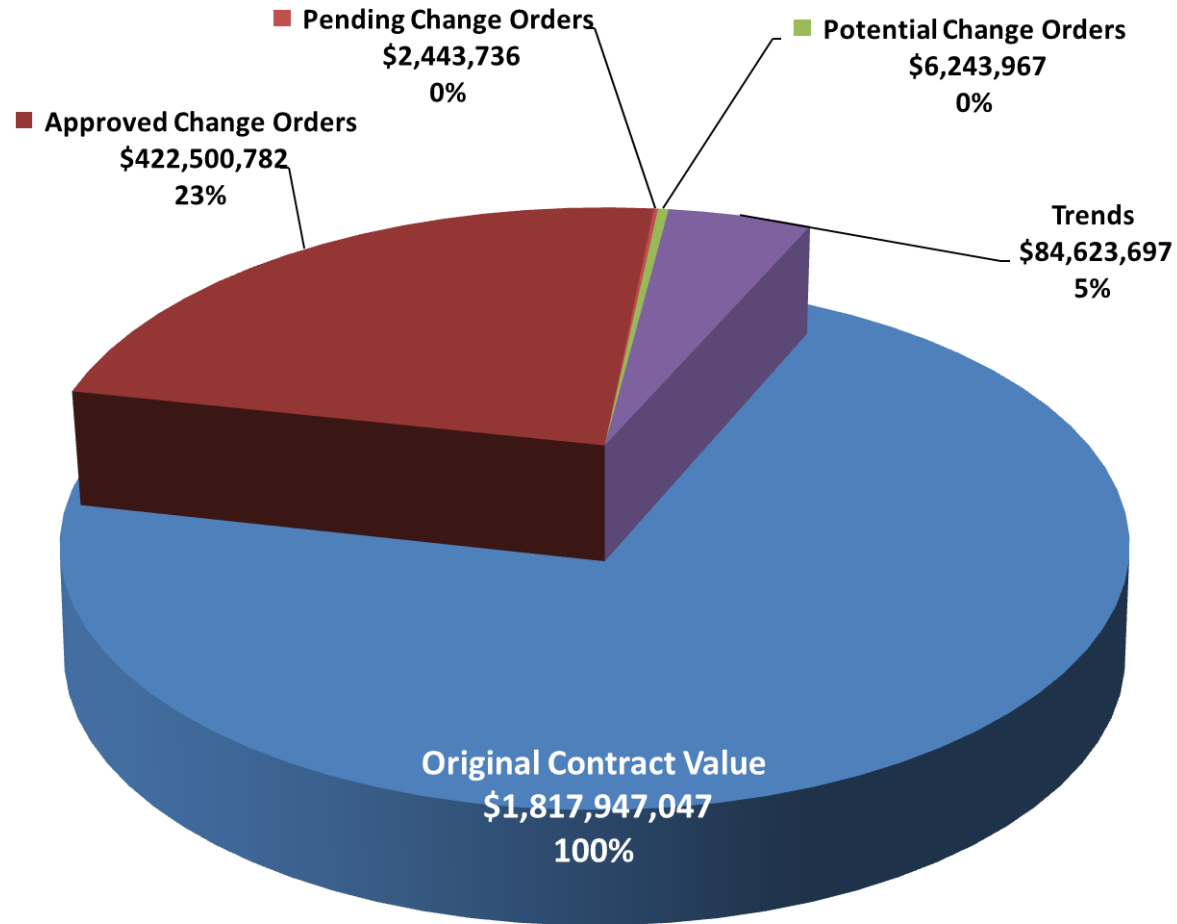


WSIP **Active & Completed** including BHR Regional Construction Contracts

Percentage of Projected Changes vs. Awarded Amount

March 2016

Forecasted Changes Amount = \$515.8M 28%





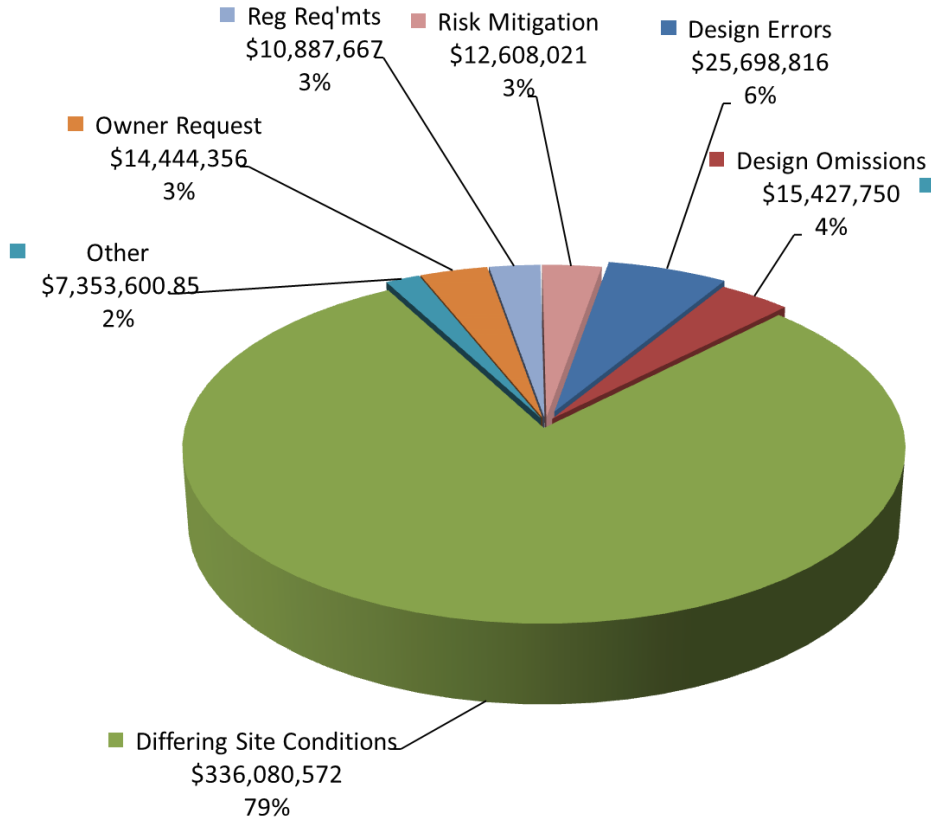
WSIP Active & Completed including BHR

Change Order Reason

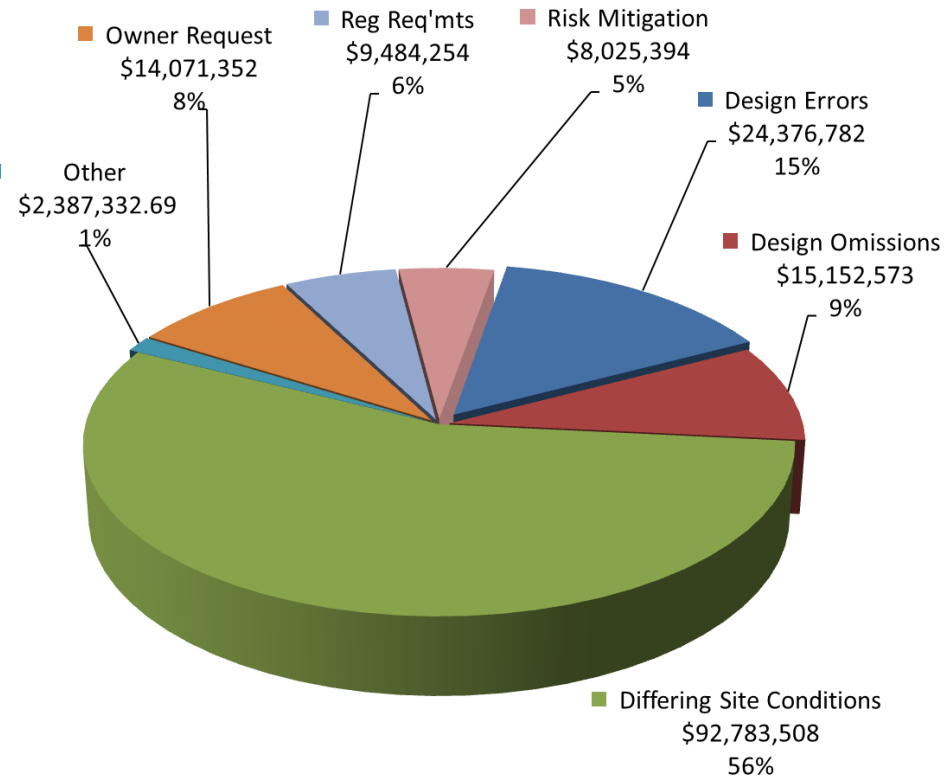
Approved Change Orders

MARCH 2016

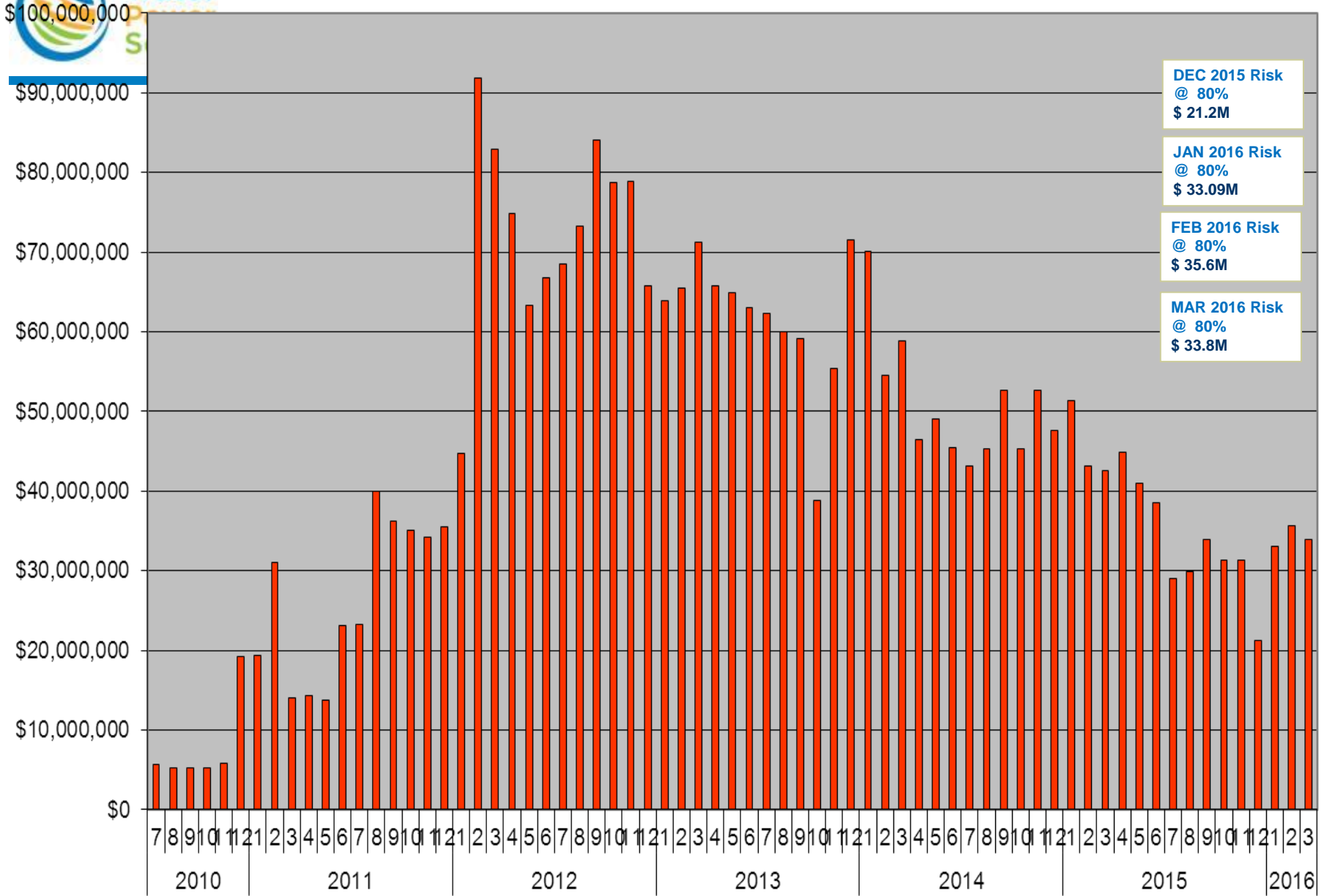
Total Approved CO
\$422.5 M 23%



Total less CDRP
\$166.2 M 11%



80 % Risk Confidence Level



Note:



WSIP Active & Completed including BHR

Forecasted Changes VS Contingency

MARCH 2016

