

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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

January 23, 2017 - 9:00 AM

## Regular Meeting

**Mission:** The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

### 1. Call to Order and Roll Call

Seat 1 Holly Kaufman (Holdover status)  
Seat 2 Kevin Cheng, Chair (Holdover status)  
Seat 3 Robert Leshner  
Seat 4 Tim Cronin  
Seat 5 Travis George  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jadie Wasilco

*Chair Cheng called the meeting to order at 9:20 a.m. On the call of the roll, Chair Cheng, Vice Chair Tang, Members Cronin, George, Kaufman, Leshner, and Wasilco were noted present. There was a quorum.*

### 2. Agenda Changes

*Item 8 was called and heard before Item 7.*

### 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.*

#### 4. **Strategic Planning Session – Introductions**

*Chair Cheng introduced strategic planning facilitator Carmen Clark, who briefly discussed her background and meeting purpose. Participants introduced themselves to the Committee and provided backgrounds: RBOC Committee Members Cheng, Cronin, George, Leshner, Kaufman, Tang, and Wasilco; SFPUC Staff Charles Perl, Dan Wade, Karen Kubick, Mike Brown, Frank McParland, and Sheena Johnson; Deputy City Attorney Mark Blake; Strategic Planning Facilitator Carmen Clark; and Assistant Clerk of the Board of Supervisors Derek Evans. Discussion then focused on the meeting purpose: reviewing the legislative history and mission of RBOC, discussing strategic issues/directions for the committee, and developing a preliminary work plan for 2017, in addition to hearing from PUC staff.*

*Public Comment. Speakers: None.*

#### 5. **Staff Presentation:** Brief overview and legislative history of the PUC and RBOC

*Mark Blake (City Attorney's Office); presented a legislative history and provided the context for establishment of the Committee. Charles Perl, Deputy Chief Financial Officer, and Mike Brown (SFPUC); provided information and responded to questions raised throughout the discussion.*

*Public Comment. Speakers: None.*

#### 6. **San Francisco Public Utilities Commission (SFPUC) Staff Presentation:** Capital budget overview

*Charles Perl, Deputy Chief Financial Officer, Frank McParland, and Mike Brown (SFPUC); responded to questions raised throughout the discussion and provided an overview of SFPUC Capital Planning Process, including the following: dynamics of capital planning process; capital planning development process; capital planning approval process, and capital financing.*

*Public Comment. Speakers: None.*

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

*Karen Kubick, SSIP Director, and Sheena Johnson (SFPUC); provided a high-level overview of the Sewer System Improvement Program, including the following: priority challenges, levels of service goals, baseline budget summary, phased implementation plan, phase 1 projects, major project schedule, organizational management, SSIP organizational structure, project delivery, as well as summary project descriptions and governance guide. Mike Brown (SFPUC); Mark Blake, Deputy City Attorney; provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

8. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Water System Improvement Program (WSIP) Updates - High-level overview of WSIP initial budget and rebaselining, including overtime, contingencies that exceeded forecasts, risk register, and reporting requirements

*Dan Wade, WSIP Director (SFPUC); provided a high-level overview of the Water System Improvement Program, including the following: initial budget and rebaselining, including overtime, contingencies that exceeded forecasts, risk register, and reporting requirements.*

*Public Comment. Speakers: None.*

9. **Approval of Minutes:** 2016 RBOC Meeting Minutes

*Public Comment. Speakers: None.*

*Member Kaufman, seconded by Member George, moved to AMEND the December 12, 2016, meeting minutes on page 2, by changing 'February 24, 2017' to 'February 28, 2017,' and that the 2016 RBOC Meeting Minutes be APPROVED. The motion passed by the following vote:*

*Ayes: 7 - Cheng, Cronin, George, Leshner, Kaufman, Tang, and Wasilco*

10. **2016 Annual Report Finalization and Approval**

*Committee members made edits to the working draft, which will be included in the packet material for the February 13, 2017, RRBOC meeting agenda for final approval. The report will be presented to the SFPUC at the February 24, 2017, Commission meeting.*

*Public Comment. Speakers: None.*

*By unanimous consent, the Committee moved to CONTINUE this item to the February 13, 2017, RBOC meeting.*

*Items 11 through 14 were heard together.*

11. **Discussion of 2017 Strategic Issues**

*Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion.*

*Discussion focused on (1) succession planning, (2) verification of RBOC purpose relating to bond proceeds, (3) items that significantly change construction schedules, (4) delivery methods and design build, (5) green infrastructure projects, (6) depth and scope of RBOC oversight, (7) lessons learned review, (8) capital planning seminar, and (9) presentation on rate design.*

*Public Comment. Speakers: None.*

*An additional report of the results of this discussion is forthcoming.*

**12. Develop Preliminary 2017 Work Plan and Schedule**

*Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion.*

*Discussion focused on (1) succession planning, (2) verification of RBOC purpose relating to bond proceeds, (3) items that significantly change construction schedules, (4) delivery methods and design build, (5) green infrastructure projects, (6) depth and scope of RBOC oversight, (7) lessons learned review, (8) capital planning seminar, and (9) presentation on rate design.*

*Public Comment. Speakers: None.*

*An additional report of the results of this discussion is forthcoming.*

**13. Strategic Planning Summary and Next Steps**

*Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion.*

*Discussion focused on (1) succession planning, (2) verification of RBOC purpose relating to bond proceeds, (3) items that significantly change construction schedules, (4) delivery methods and design build, (5) green infrastructure projects, (6) depth and scope of RBOC oversight, (7) lessons learned review, (8) capital planning seminar, and (9) presentation on rate design.*

*Public Comment. Speakers: None.*

*An additional report of the results of this discussion is forthcoming.*

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

*Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion.*

*Discussion focused on (1) succession planning, (2) verification of RBOC purpose relating to bond proceeds, (3) items that significantly change construction schedules, (4) delivery methods and design build, (5) green infrastructure projects, (6) depth and scope of RBOC oversight, (7) lessons learned review, (8) capital planning seminar, and (9) presentation on rate design.*

*Public Comment. Speakers: None.*

*An additional report of the results of this discussion is forthcoming.*

15. **Adjournment**

*There being no further business, the meeting adjourned at 3:20 p.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.*

*Approved by the Revenue Bond Oversight Committee on February 13, 2017.*

TO : Public Utilities Revenue Bond Oversight Committee  
FROM: Mark D. Blake, Deputy City Attorney  
DATE: January 23, 2017  
RE: Overview of the Purpose of the Public Utilities Revenue Bond Oversight Committee

This memorandum is a general overview of the purposes of the Public Utilities Revenue Bond Oversight Committee (RBOC).

### **Background**

The RBOC was an initiative measure sponsored placed on the November 2002 ballot by then Supervisors Daly, Gonzalez, Hall, and Yee. [Footnote 1.] The measure provides additional oversight regarding the SFPUC's expenditure of revenue bond proceeds. The RBOC is a good government measure to ensure *accountability* and *efficiency* with respect to capital expenditures. Proposition P was approved by 56% of the voters in November 2002.

The RBOC, as an advisory committee, reports publicly to the Mayor, the Public Utilities Commission ("PUC") and the Board of Supervisors regarding the PUC's expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities. Admin Code section 5A.34.

The RBOC is one of three oversight committees in the City, along with the Citizen's General Obligation Bond Committee and the San Francisco Transportation Agency's Bond Oversight Committee.

The Board has twice acted to extend the sunset date of the RBOC, and the RBOC is currently set to sunset January 1, 2019. See Ordinance 236-12 and 198-15.

### **Purpose:**

The purpose of the Committee, among other things, is to provide oversight to ensure that:

- (1) The proceeds from revenue bonds authorized by the Board and/or the voters of the City are spent in accordance with the authorizing bond resolution and applicable law;
- (2) Bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution; and
- (3) Revenue bond funds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and to the PUC's customers.

### **Powers**

The RBOC may comment to the Board of Supervisors on the development and drafting of proposed legislation regarding whether to submit a measure for voter approval or authorizing the issuance of revenue bonds, if no voter approval is not required. The Board of Supervisors Under the Charter Section 2.113, four or more supervisors can place declarations of policy, or and any matter upon which the Board is empowered to pass.

is not required to accept the RBOC's recommendations. In furtherance of its purpose, the RBOC may also engage in any of the following activities:

(1) Inquiring into the disbursement and expenditure of the proceeds of PUC revenue bonds authorized and issued in accordance with the San Francisco Charter by receiving any and all reports, financial statements, correspondence or other documents and materials requested by the Committee related to the expenditure of revenue bond funds by the PUC;

(2) Holding public hearings to review the disbursement and expenditure of the proceeds of such revenue bonds;

(3) Inspecting facilities financed with the proceeds of such revenue bonds;

(4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the PUC related to the City's water, power or wastewater infrastructure and funded by bond proceeds;

(5) Reviewing efforts by the City to maximize bond proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional, consulting and similar fees and expenses related to site preparation and project design; (ii) recommendations regarding the cost-effective and efficient use of core facilities; (iii) developing and using alternate technologies; and, (iv) accessing other sources of infrastructure funding, excluding bond refunding; and

(6) Commissioning independent review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by accessing any funds set aside for this purpose under Subsection (d) of this Section to retain outside auditors, inspectors and necessary experts to conduct such independent review.

In addition the RBOC is permitted, by majority vote of all of its members after consultation with the City Attorney, to prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold if the RBOC determines (i) that revenue bonds are being or have been expended (A) for purposes not authorized by the authorizing bond resolution, or (B) otherwise amount to (i) an illegal expenditure or (ii) illegal waste of such revenue bond proceeds within the meaning of applicable law. See 5A.34 of the Admin Code.

To date, the RBOC has not exercised this power.

The RBOC does not have the power to participate or interfere in the selection process of any vendor hired to execute bond-funded projects.

#### Legislative Notes

1. Proposition P is a measure designed to increase stakeholder confidence. The measure ensures public accountability regarding the expenditure of PUC revenue bond proceeds. The RBOC created to shadow the expected significant expenditure by the PUC on capital improvements for the water, wastewater and power enterprises.

2. The RBOC was created to provide 'persistent, vigorous and independent' review regarding the expenditure of PUC revenue bond proceeds. Independence of RBOC is a core organizing principle. Thus, except as provided by Proposition P, members of RBOC cannot be employees of City. In addition, no vendor, contractor or consultant of the City that performs work funded by bonds issued by the City may serve on the Committee. Finally, the RBOC's protects its Under the Charter Section 2.113, four or more supervisors can place declarations of policy, or and any matter upon which the Board is empowered to pass.

independence through its authority to hire independent auditors, inspect bond-financed facilities and review the PUC's capital improvement plans.

3. Audit review by RBOC has teeth. The RBOC can, by majority vote of all of its members after consultation with the City Attorney, vote to prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold if the RBOC determines (i) that revenue bonds are being or have been expended (A) for purposes not authorized by the authorizing bond resolution, or (B) otherwise amount to (i) an illegal expenditure or (ii) illegal waste of such revenue bond proceeds within the meaning of applicable law. See 5A.34 of the Admin Code. Proposition P does not define terms 'illegal expenditure' or 'illegal waste.'

Under the Charter Section 2.113, four or more supervisors can place declarations of policy, or and any matter upon which the Board is empowered to pass.





## **Overview of SFPUC Capital Planning Process**

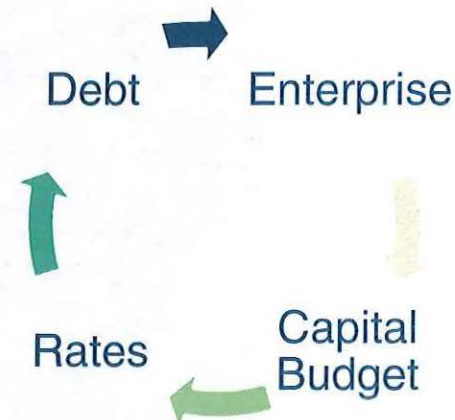
Revenue Bond Oversight Committee

January 23, 2017

# Capital Planning Process Overview

Services of the San Francisco Public Utilities Commission

- Dynamics of capital planning process
  - Asset Management and Condition Assessment
  - Asset criticality
  - Asset maintenance vs replacement
  - Capital project identified
  - Project costs
  - Project timelines
  - Capital funding alternatives
    - (debt vs pay-as-you-go)
  - Ratepayer impact / Affordability
- Capital planning is an interactive, dynamic process





# Capital Planning Development Process

Services of the San Francisco Public Utilities Commission

- SFPUC staff and management - General Manager / Commission develop priorities
- Budget instructions - Developed and distributed to departments
- 2-Year Capital & Operating budgets / 10-year plans developed
  - Step 1 - Asset management
  - Step 2 - Condition assessment
  - Step 3 - Capital project prioritization
  - Step 4 - Projects recommended
  - Step 5 - Funding source, revenue and/or debt
  - Step 6 - Rate impacts and fiscal impacts



Steps 4,5 & 6 iterative



# Capital Planning Approval Process

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Services of the San Francisco Public Utilities Commission

- Oversight / Approval Bodies
  - Commission
  - Capital Planning Committee
  - Board of Supervisors
- Legislation developed and approved
  - 2-Year budgets & 10-Year capital/financial plans
  - Project appropriation
  - Bond authorization



# Capital Financing

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Services of the San Francisco Public Utilities Commission

- RBOC - Present financing plan to oversight body
- Bond Authorization - Discuss with bond counsel and City Attorney appropriate authorization
- Financing – Debt instrument, method of sale and project funding timed to meet requirements, schedule and market conditions
- Commission and Board of Supervisors / Budget Analyst – Financing resolution prior to debt issuance
- Rating Agencies - Credit review and ratings prior to debt issuance
- Bond Sale – Disclosure (POS), investor outreach, set pricing terms
- Bond Closing – Proceeds transferred to City Treasurer, Trustee



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Services of the San Francisco Public Utilities Commission

**Questions?**













# **High-level Overview of Sewer System Improvement Program (SSIP): Schedule, Budget, and Projects**

**January 23, 2017**  
**Karen Kubick, PE – SSIP, Program Director**

# Some of Our Priority Challenges



**Treatment Plants: Aging Infrastructure**



**Seismic Safety**



**Southeast Plant treats 80% of City's flow and is vulnerable to failure**

# Some of Our Priority Challenges



# SSIP's Levels of Service Goals



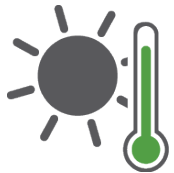
Provide a Compliant, Reliable, Resilient, & Flexible System that can **Respond to Catastrophic Events**



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



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



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



Achieve **Economic & Environmental Sustainability**



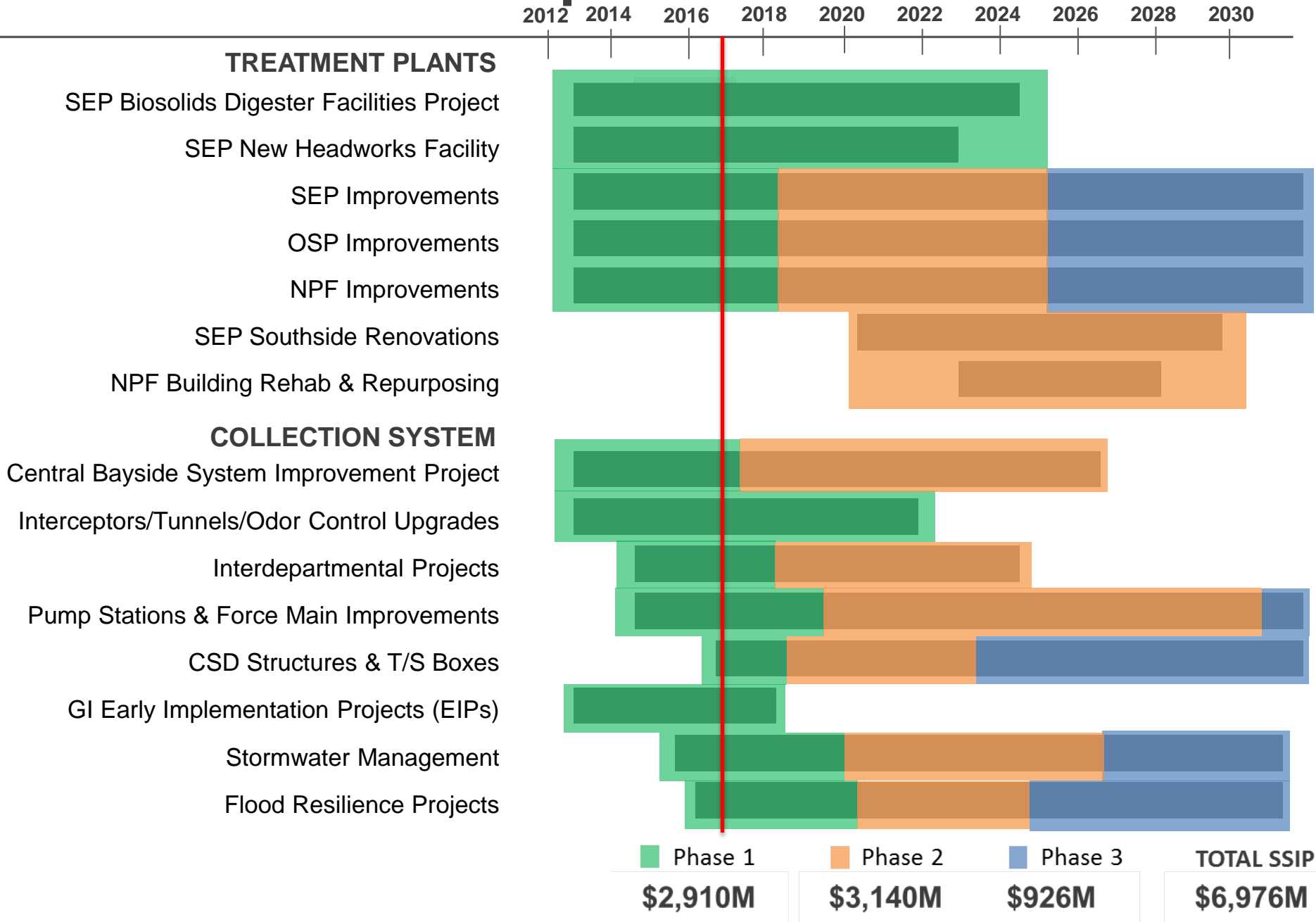
Maintain **Ratepayer Affordability**

# SSIP Baseline Budget Summary

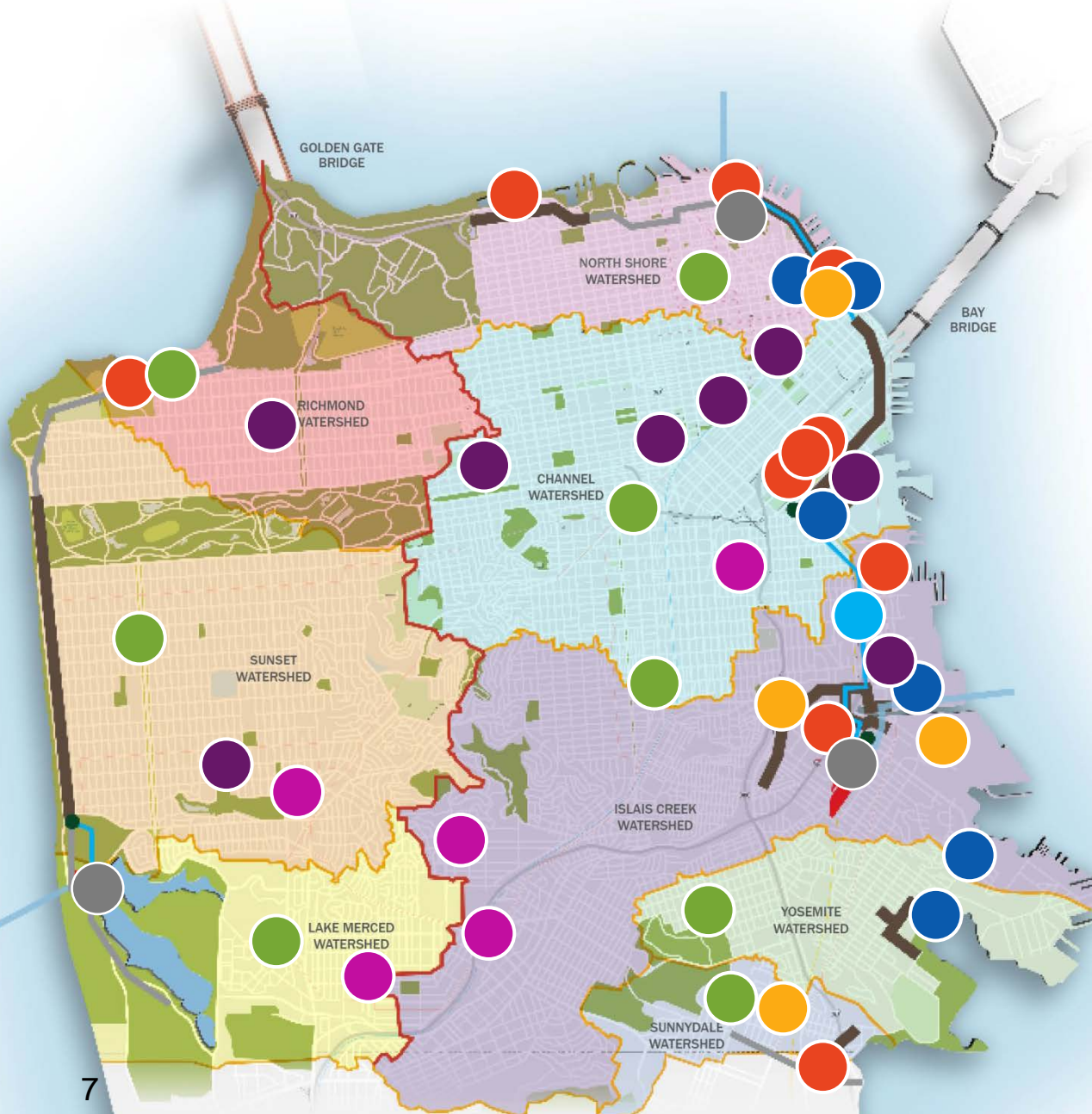
Subprograms	Phase 1 (\$M)	Phase 2 (\$M)	Phase 3 (\$M)	Total Cost (\$M)
<b>Treatment Plants</b>	<b>2,182</b>	<b>1,299</b>	<b>407</b>	<b>3,888</b>
Biosolids Digester Facilities Project	1,276	47	-	1,323
Southeast Treatment Plant New Headworks Facility	359	-	-	359
Southeast Treatment Plant (SEP) Improvements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



# SSIP's Phased Implementation Plan

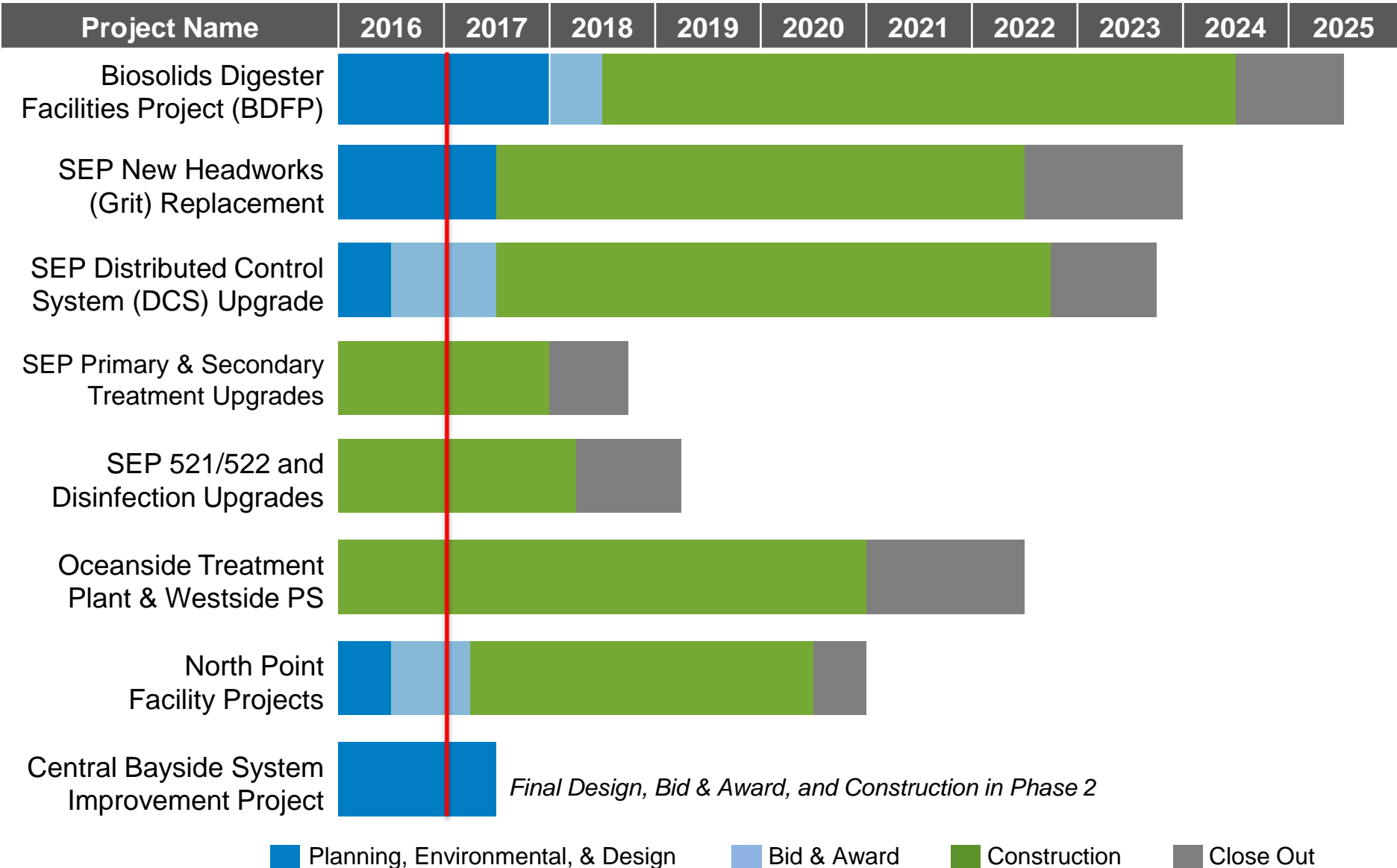


# SSIP Phase 1 Projects | \$2.9 Billion

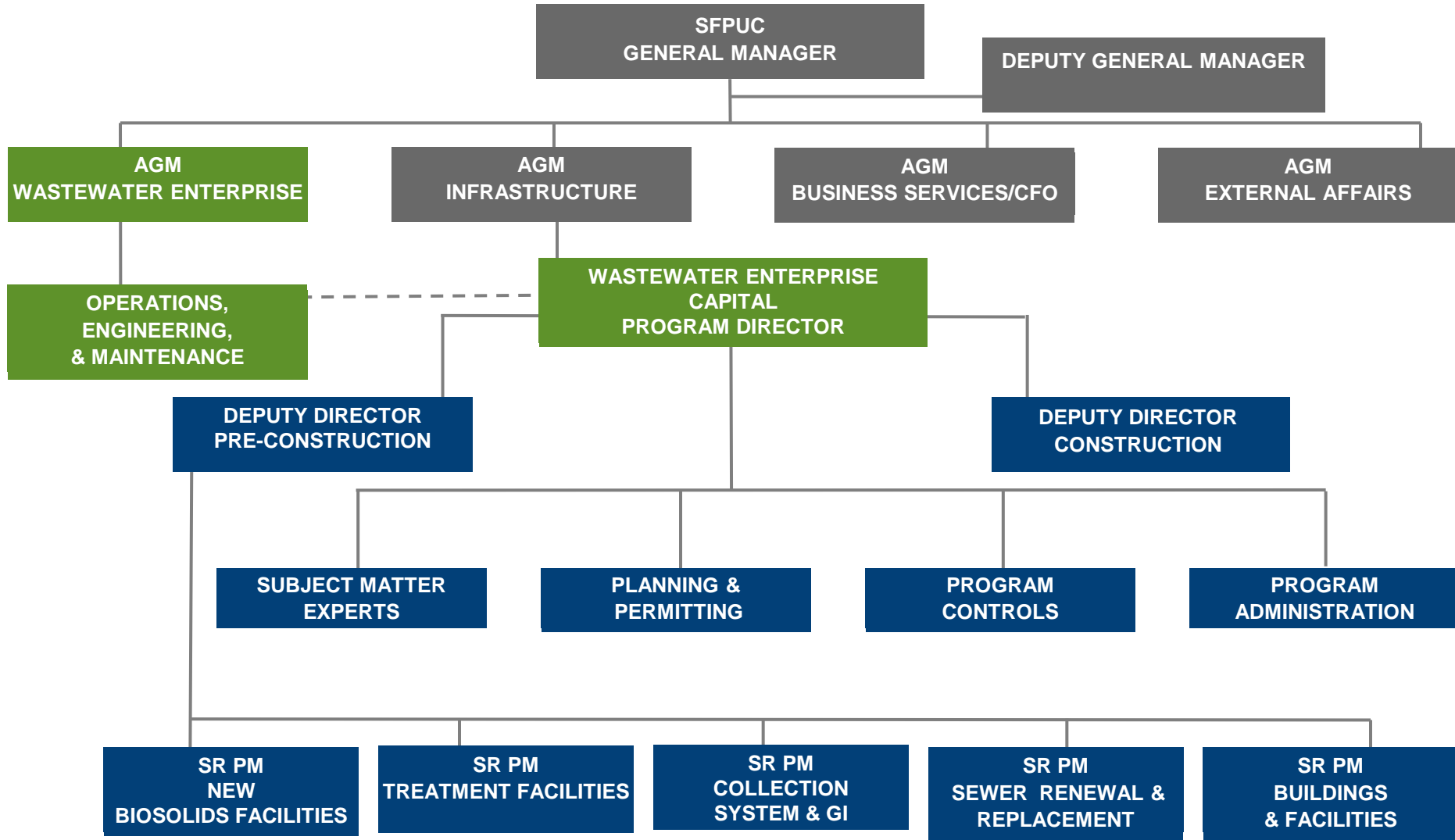


- Treatment Plants
- Central Bayside System Improvement Project
- Green Infrastructure & Early Implementation Projects
- Large Sewers, Tunnels, and Odor Control
- Pump Stations and Force Main Improvements
- Flood Resilience Projects
- Combined Sewer Discharge Structures & Transport/Storage Boxes
- Interdepartmental Projects

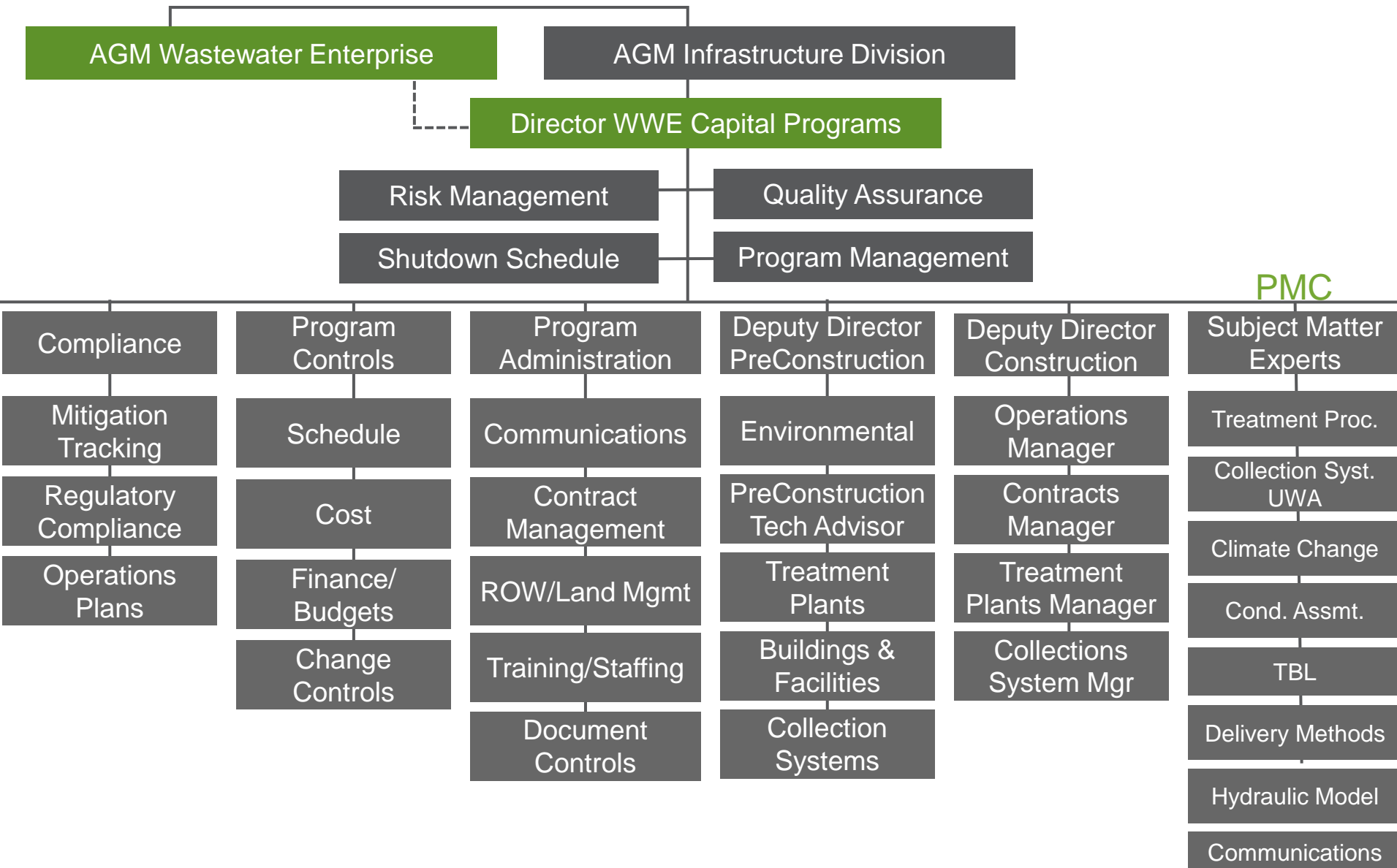
# SSIP's Major Project Schedule



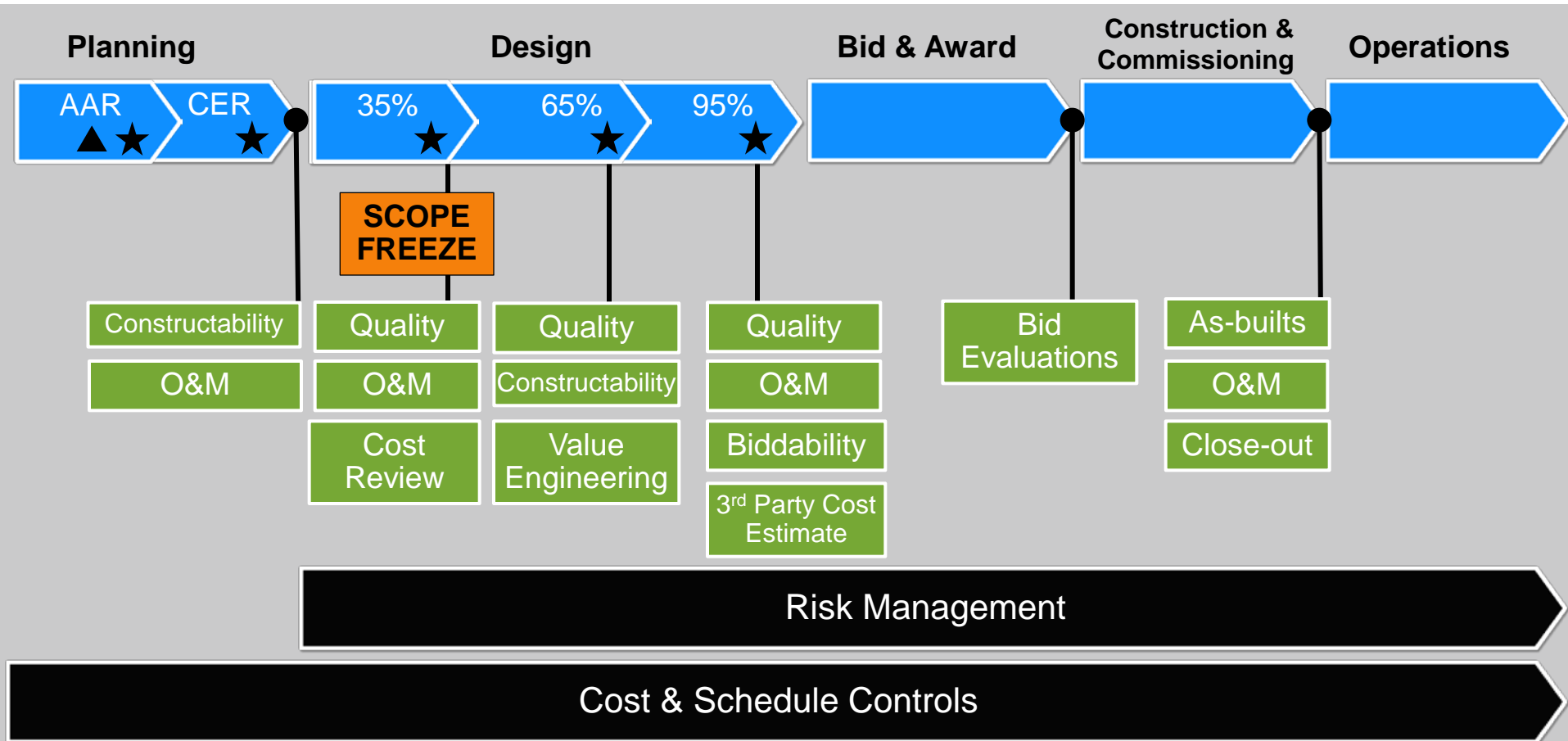
# Organizational Management



# SSIP Structure



# Project Delivery



★ TSC: Technical Steering Committee    ▲ TBL: Triple Bottom Line

# What's in Your Binder?

1. SSIP High Level Overview Presentation
2. SSIP Goals, Levels of Service, and Phase 1 Strategies
3. SSIP Phase 1 Budget Summary
4. SSIP Phase 1 Budget and Schedule
5. SSIP Phase 1 Summary Project Descriptions
6. SSIP Governance Guide

# 2. SSIP Goals, Levels of Service, and Phase 1 Strategies

## Sewer System Improvement Program (SSIP) Goals, Levels of Service (LOS), Program and Phase 1 Strategies (Endorsed March 22, 2016)

Wastewater Enterprise Goals	Wastewater Enterprise Levels of Service	Sewer System Improvement Program Strategies (\$6.9B)	Phase 1 Strategies (\$2.9B)
<b>1. Provide a Compliant, Reliable, Resilient, and Flexible System that can Respond to Catastrophic Events</b>			
1.1. Full compliance with State and Federal regulatory requirements applicable to the treatment and disposal of sewage and stormwater.	a. Reduce the annual long-term average of Combined Sewer Discharge (CSD) occurrences within the Central drainage basin (Channel and Islais Creek urban watersheds) by 2 (from 12 to 10), consistent with the NPDES permit.	Complete Planning and Environmental Review of the Central Bayside System Improvement Project, for Channel Force Main redundancy, to achieve a maximum long-term average of 10 CSD occurrences, consistent with the NPDES permit.	
	b. Comply with Liquid and Biosolids wastewater treatment plant permit requirements.	Construct Liquid and Biosolids projects at SEP, OSP, and NPF for permit compliance (SEP: Headworks, Disinfection, Primary and Secondary Clarification, Oxygen Generation Plant, Biosolids, and Existing Digesters; OSP: Digester Gas Upgrades, Westside Pump Station; NPF: Outfall Rehabilitation, North Shore Pump Station). Rehabilitate, or replace, critical sewers based on condition assessment and prioritization within the budgeted amount.	
	c. Improve combined sewer discharge (CSD) structures to increase floatables control, consistent with the NPDES permit.	Rehabilitate CSD structures (Beach St., Sansome St., Fifth St., Sixth St.-North, and Division St.) to increase floatables control, consistent with the NPDES permit.	
1.2. Critical functions are built with redundant infrastructure.	a. Construct redundancy of Channel, North Shore, and Westside Force Mains.	Complete Planning and Environmental Review of Central Bayside System Improvement Project, for Channel Force Main redundancy. Rehabilitate the remaining section of North Shore Force Main near The Embarcadero and Jackson Street.	
	b. Ensure electrical redundancy to treatment facilities.	Provide redundant electrical feeds to SEP, OSP, and NPF.	
1.3. Dry weather primary treatment, with disinfection, must be on-line within 72 hours of a major earthquake.	c. Rehabilitate and add redundant pumps, as necessary, at major pump stations.	Upgrade Westside, Bruce Flynn, and North Shore Pump Stations with the ability to pump peak flow with the largest pump out of service, and rehabilitate other pump stations (Griffith, Mariposa, and Hudson), as identified by condition assessment.	
	a. Design critical and new treatment facilities to withstand the following seismic events: Magnitude 7.8 earthquake on the San Andreas fault; and, Magnitude 7.1 earthquake on the Hayward fault.	Design new facilities at SEP (Headworks, Biosolids, Disinfection, Oxygen Generation Plant, Power Switchgear Building) to withstand 7.8 earthquake on the San Andreas fault and 7.1 earthquake on the Hayward fault. Provide seismic retrofits to SEP Building 042, to provide primary treatment of dry weather flows.	
<b>2. Integrate Green and Grey Infrastructure to Manage Stormwater and Minimize Flooding</b>			
2.1. Control and manage flows from a storm of a three hour duration that delivers 1.3 inches of rain (Level of Service storm).	a. Maximize protection of the City during the Level of Service storm.	Assess flood risk citywide and prioritize infrastructure needs. Implement projects in neighborhoods including: Kansas/Marin Streets, Cayuga Ave./Rousseau St., Wawona St./15th Ave., Victoria St./Urbano Dr., Jost Ave./Foerster St., and 17th St./Folsom St. (Planning and Design only). Implement additional measures to reduce flood risk beyond the capacity of the collection system.	
	b. Develop projects using an urban watershed approach which employs the Triple Bottom Line.	Complete the Urban Watershed Assessment plan. Apply Triple Bottom Line to applicable projects during the Alternatives Analysis phase.	
	c. Identify, evaluate, and develop projects to reduce combined sewer discharge (CSD) occurrences on public beaches.	Complete Urban Watershed Assessment plan.	
	d. Develop Design Standards for Green Infrastructure that are informed by the performance of the Early Implementation Projects (EIPs).	Construct EIPs and monitor performance.	
<b>3. Provide Benefits to Impacted Communities</b>			
3.1. Limit plant odors to within the treatment facility's fence lines.	a. Construct effective odor control systems at SEP, OSP, and NPF.	Design and construct the new Headworks and Biosolids facilities at SEP to meet 5 dilutions/threshold (D/T) odor criteria at the fence line.	
	b. Use operational controls and infrastructure modifications to minimize odors from the Collection System (sewers).	Develop a Collection System Odor Model to identify potential areas of significant odor. Implement Cargo Way Flushing Line and repair of Westside Flushing Line to minimize odors.	
3.2. All projects will adhere to the Environmental Justice and Community Benefits policies.	c. Incorporate visual improvements into projects at the treatment plants and pump stations, where feasible and appropriate.	Incorporate visual and architectural improvements in the design and construction of the new Headworks and Biosolids projects at SEP.	
	d. Provide community benefits including job creation, workforce development, contracting opportunities, and greening.	Provide green infrastructure contractor training and coordinate all jobs through the Contractors Assistance Center.	
	e. Work with other City and County agencies on capital projects they have initiated to protect the value and function of wastewater facilities, maximize economic development, and minimize construction impacts and costs.	Coordinate and implement interdepartmental sewer projects (Central Subway, Van Ness BRT, Better Market Street, Geary BRT Phase 1 & 2, Masonic Ave, and Mission Bay Loop).	
	f. Engage residents in locating green infrastructure where multiple benefits can be optimized using the Triple Bottom Line.	Utilize Triple Bottom Line and public process in development of EIPs.	
<b>4. Modify the System to Adapt to Climate Change</b>			
4.1. New infrastructure must accommodate expected sea level rise within the service life of the asset (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.	a. Site new facilities to accommodate, or adapt to, expected sea level rise over the life of the asset.	Build new infrastructure at SEP (Headworks, Biosolids, Disinfection, Oxygen Generation Plant, Power Switchgear Building) and Mariposa Pump Station to accommodate expected sea level rise in 2100.	
	4.2. Existing infrastructure that is impacted by sea level rise, within the service life of the asset, will be modified based on sea level rise projections.	b. Develop and implement an adaptation plan for existing infrastructure to address expected sea level rise within the service life of the asset.	Modify existing Bayside CSD structures that experience seawater intrusion. The following CSD structures are considered: Jackson St., Pierce St., Mariposa St., Beach St., Fifth St., Sixth St.-North, Division St., Howard St., Islais Creek-North, Marin St., Selby St., and Yosemite Ave.
<b>5. Achieve Economic and Environmental Sustainability</b>			
5.1. Beneficial use of 100% of Biosolids.	a. Upgrade biosolids to treatment Class "A".	Upgrade SEP biosolids to treatment Class "A" which, contain no detectible levels of pathogens, and can be applied without restriction on food crops. Size the new Biosolids Digester Facilities to meet solids loading projections for the year 2045.	
	5.2. Beneficial use of 100% of methane generated by treatment facilities, during normal operation.	b. Provide cogeneration, or other beneficial methane use options, at SEP and OSP.	Construct cogeneration facilities at SEP and OSP for a total output of 5MW.
	5.3. Use non-potable water sources to meet WWE facilities non-potable water demands.	c. Incorporate conservation measures, recycled water, and other non-potable reuse facilities into projects, where feasible and appropriate.	In order to maximize use of non-potable water, upgrade the treated effluent pump system at SEP and incorporate its use into designs, where applicable. Accommodate space for recycled water treatment facilities at SEP and OSP.
<b>6. Maintain Ratepayer Affordability</b>			
6.1. Combined sewer and water bill will be less than 2.5% of average household income for a single family residence.	a. Plan and phase projects to ensure affordability and predictability for ratepayers.	Plan and phase projects to ensure affordability and predictability for ratepayers.	
		Identify and apply for Federal and State loans and grants to reduce the financial burden on ratepayers.	

SEP: Southeast Treatment Plant; OSP: Oceanside Treatment Plant; NPF: North Point Wet Weather Facility; NPDES: National Pollutant Discharge Elimination System (US EPA)



# 3. SSIP Phase 1 Budget Summary

Subprograms	Phase 1 (\$M)	Phase 2 (\$M)	Phase 3 (\$M)	Total Cost (\$M)
<b>Treatment Plants</b>	<b>2,182</b>	<b>1,299</b>	<b>407</b>	<b>3,888</b>
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Pump Stations and Force Main Improvements	76	214	188	478
Combined Sewer Discharge & Transport/Storage Boxes	27	138	120	285
Stormwater Management Projects	96	180	168	444
Flood Resilience Projects	88	200	-	288
<b>Land Reuse</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>98</b>
<b>Program Management</b>	<b>125</b>	<b>152</b>	<b>43</b>	<b>320</b>
<b>Total SSIP</b>	<b>2,910</b>	<b>3,140</b>	<b>926</b>	<b>6,976</b>



# 5. SSIP Phase 1 Summary Project Descriptions

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## Sewer System Improvement Program

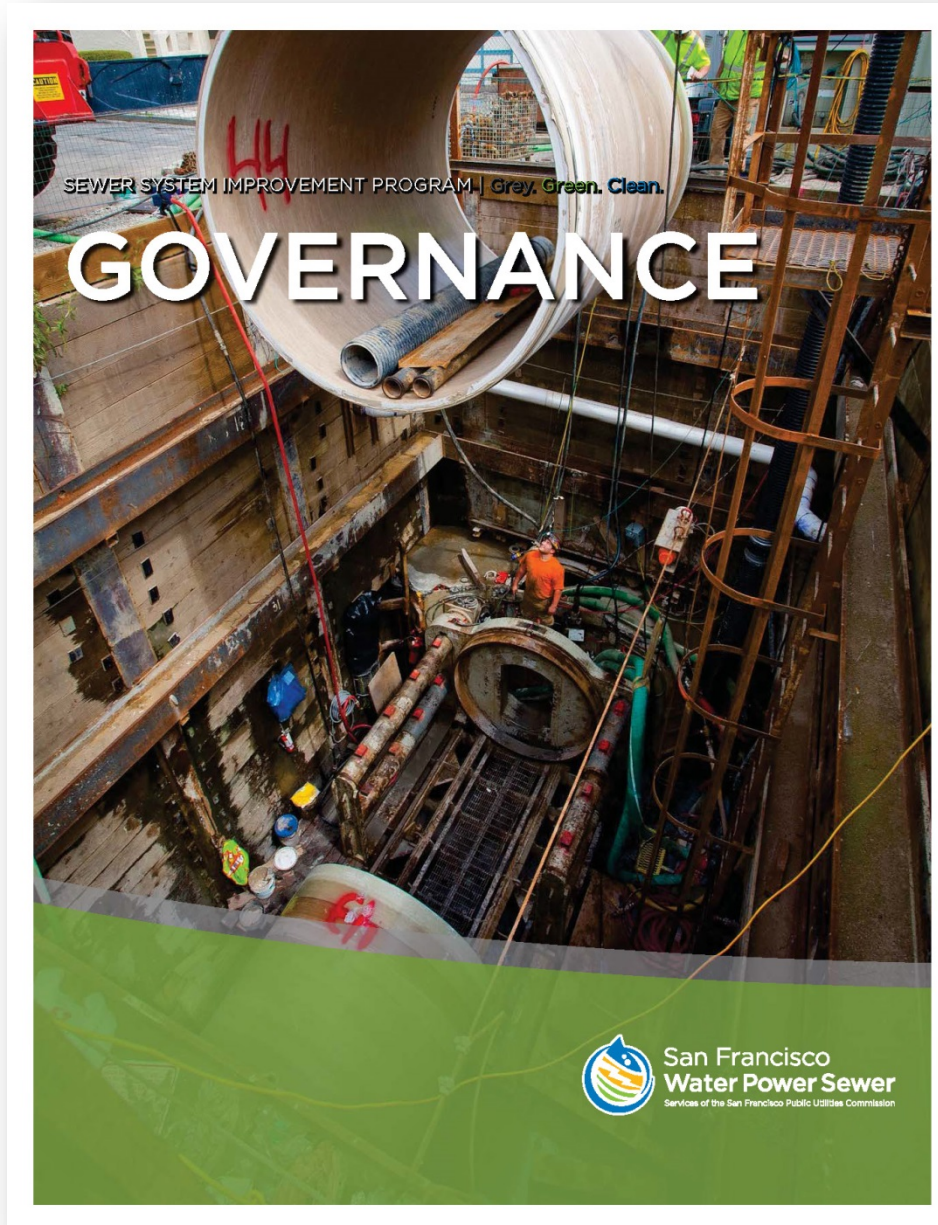


**San Francisco Public Utilities Commission**

March 2016

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# 6. SSIP Governance Guide



# WATER SYSTEM IMPROVEMENT PROGRAM

Revenue Bond  
Oversight Committee  
January 23, 2017

Daniel L. Wade, P.E., G.E.  
WSIP Director



San Francisco  
**Water Power Sewer**

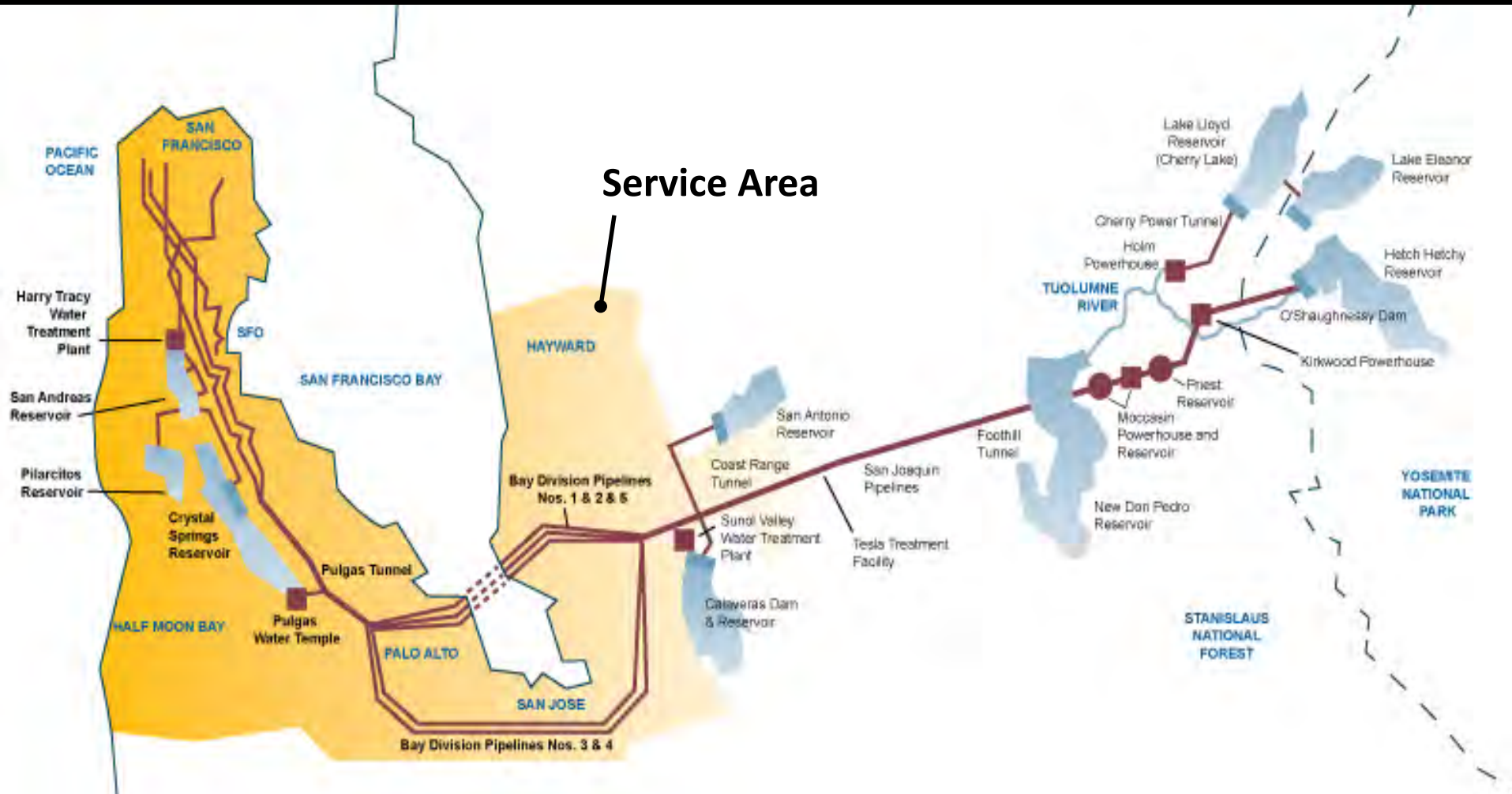
Services of the San Francisco Public Utilities Commission

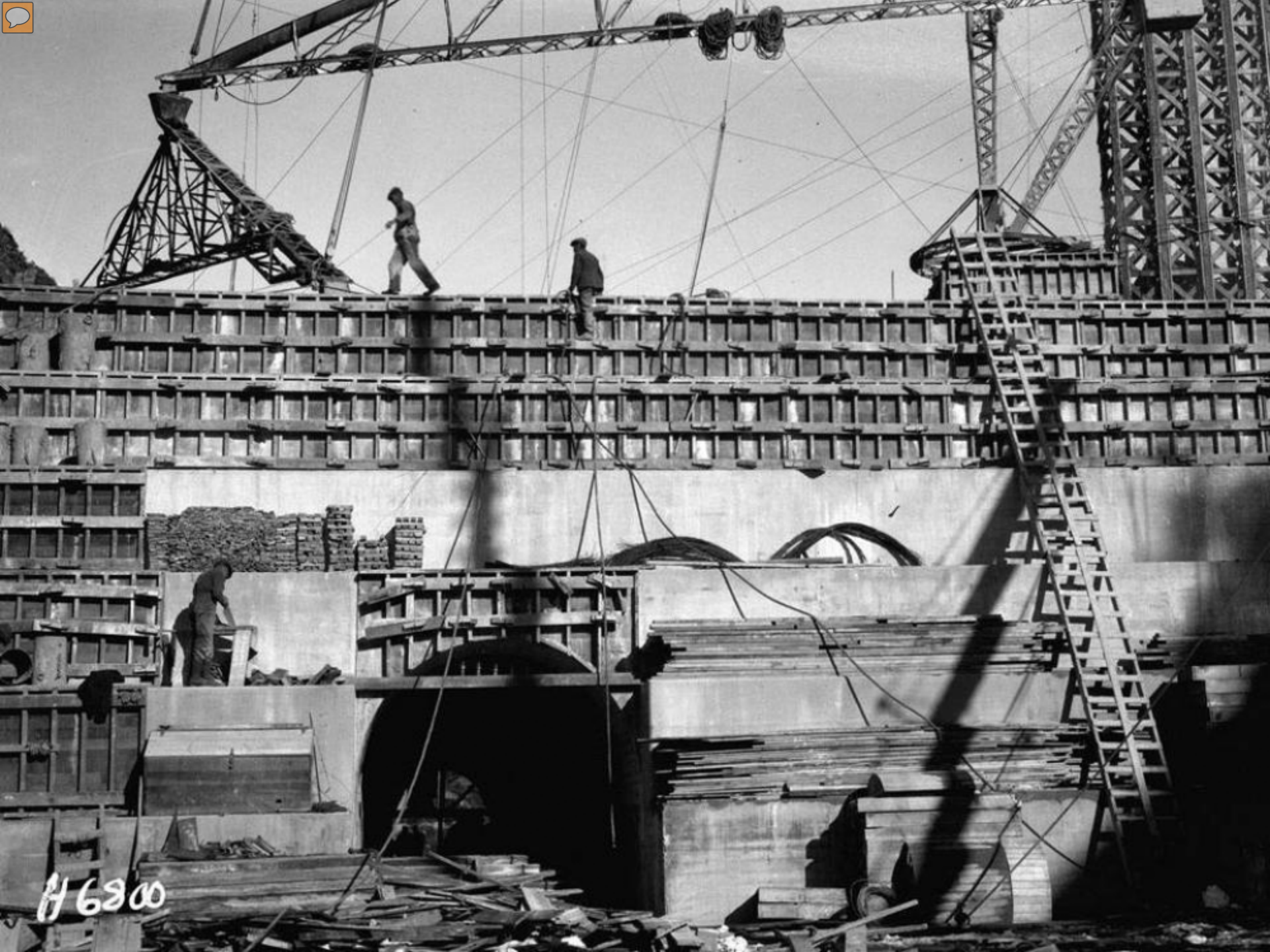


# AGENDA

- Overview and History of the WSIP
- WSIP Initial Budget and Re-baselining
- Project and Program Controls
- Change Control
  - Risk Management
  - Issues, Trends and Potential Changes
- Construction Contingencies & Director's Reserve
- Reporting Requirements & Key Metrics
- Key WSIP Projects

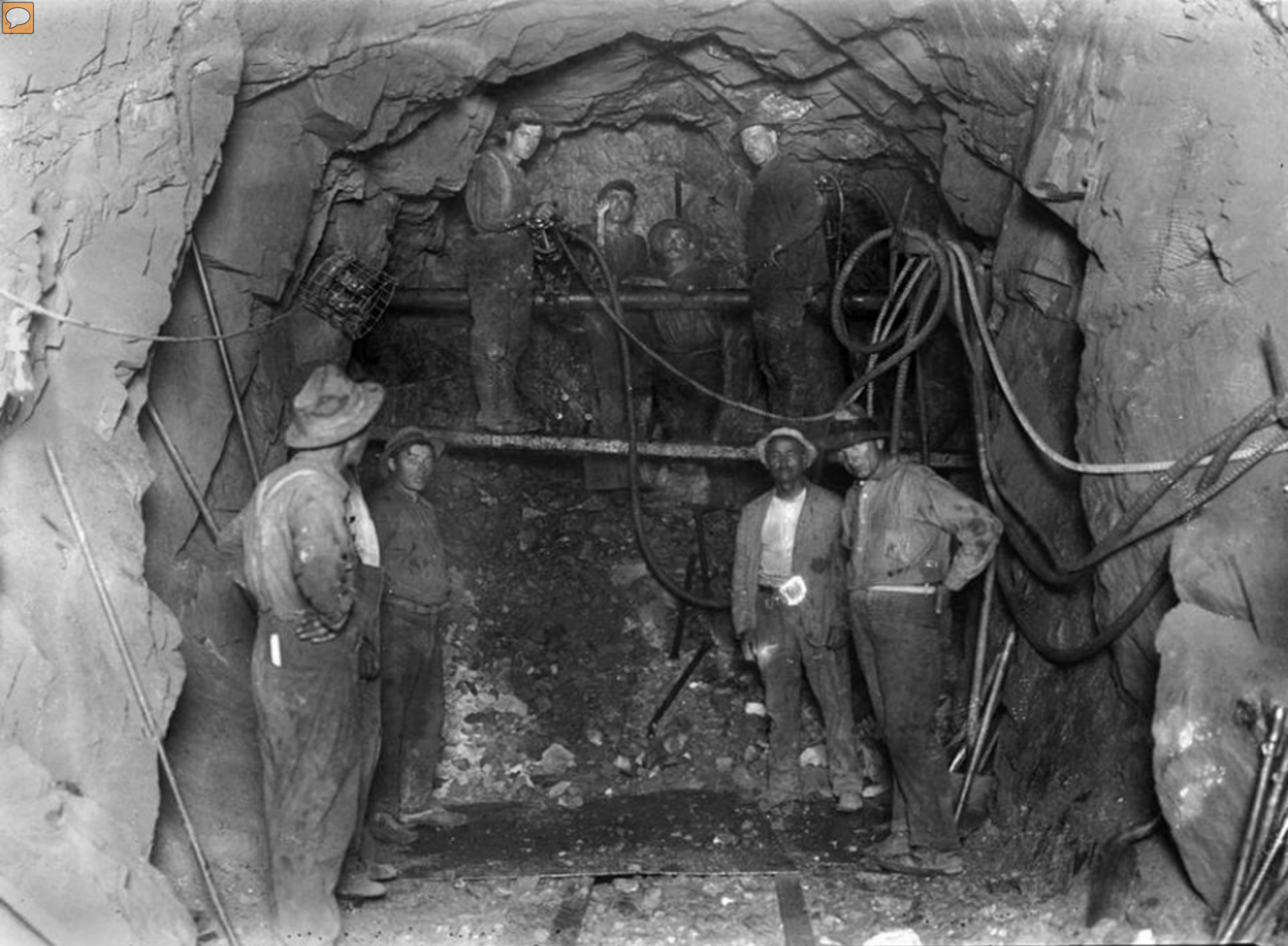
# HETCH HETCHY WATER SYSTEM





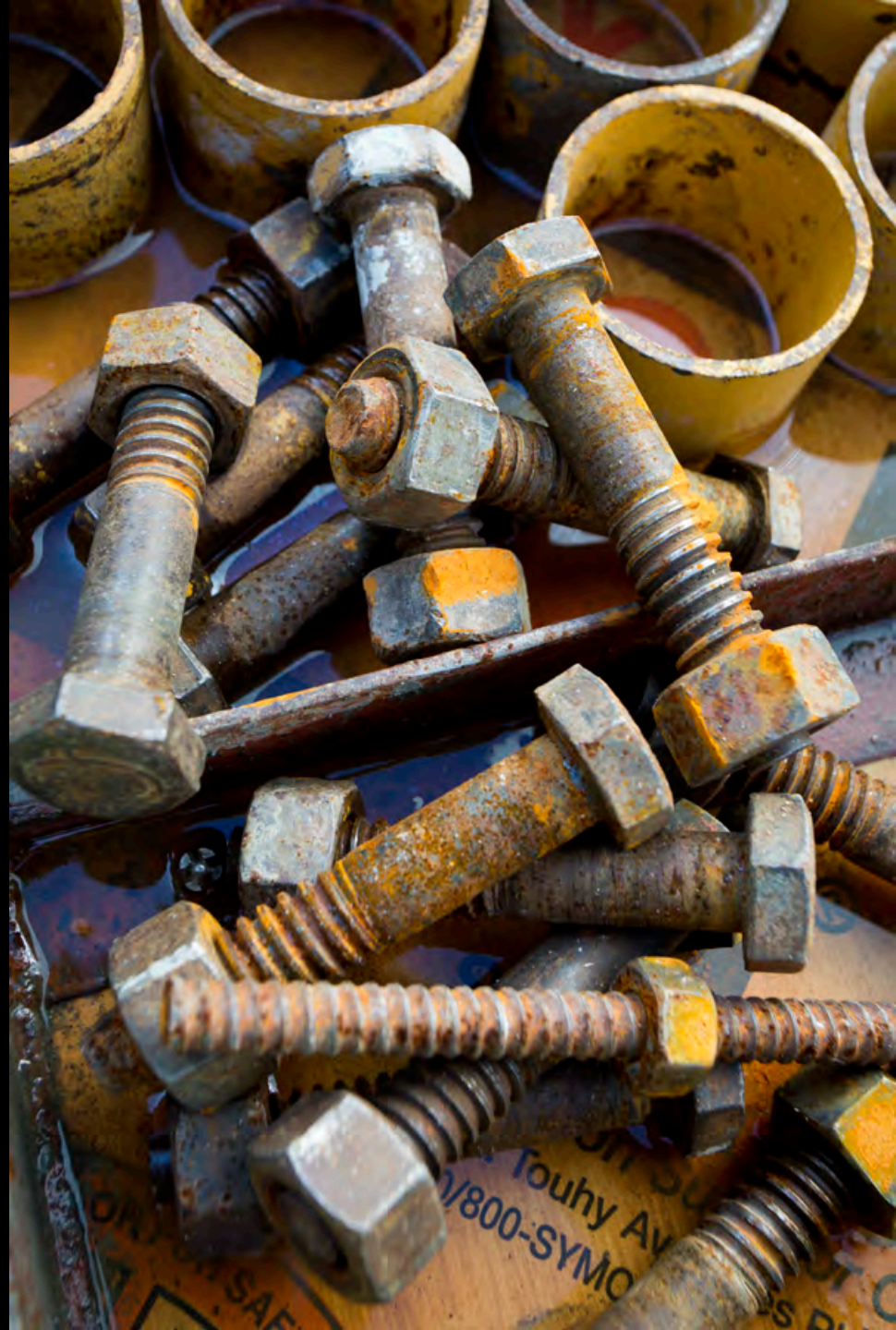
0089H





5300 8-6-18 Face of Priest Tunnel - 500 ft. in.

# WHY FIX THE SYSTEM?



# END OF USEFUL LIFE



LACK OF REDUNDANCY

# 3 MAJOR EARTHQUAKE FAULTS



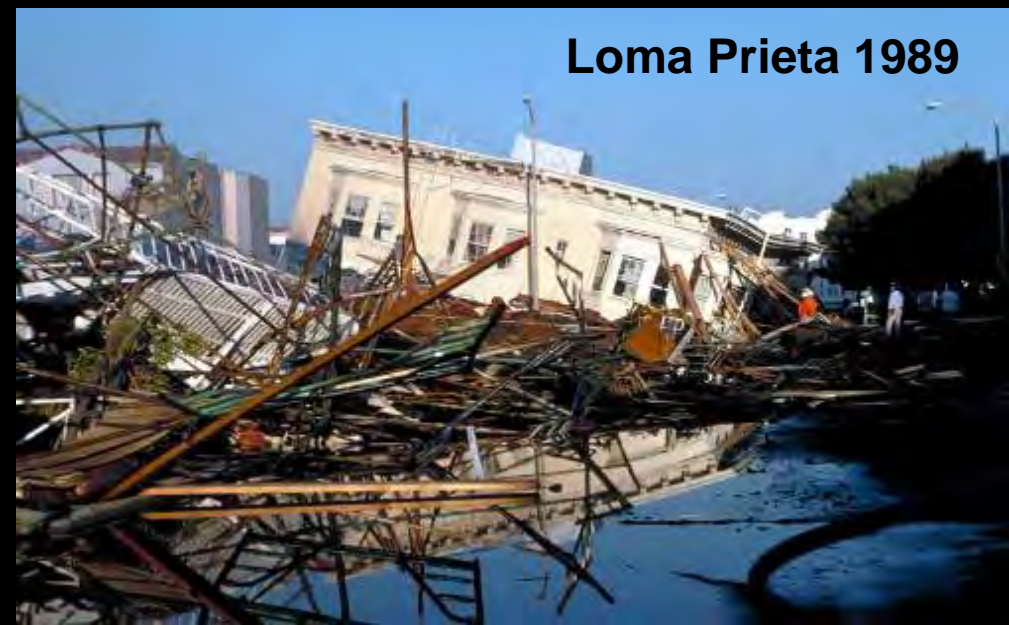
# IT'S NOT "IF" BUT "WHEN"



San Francisco 1906



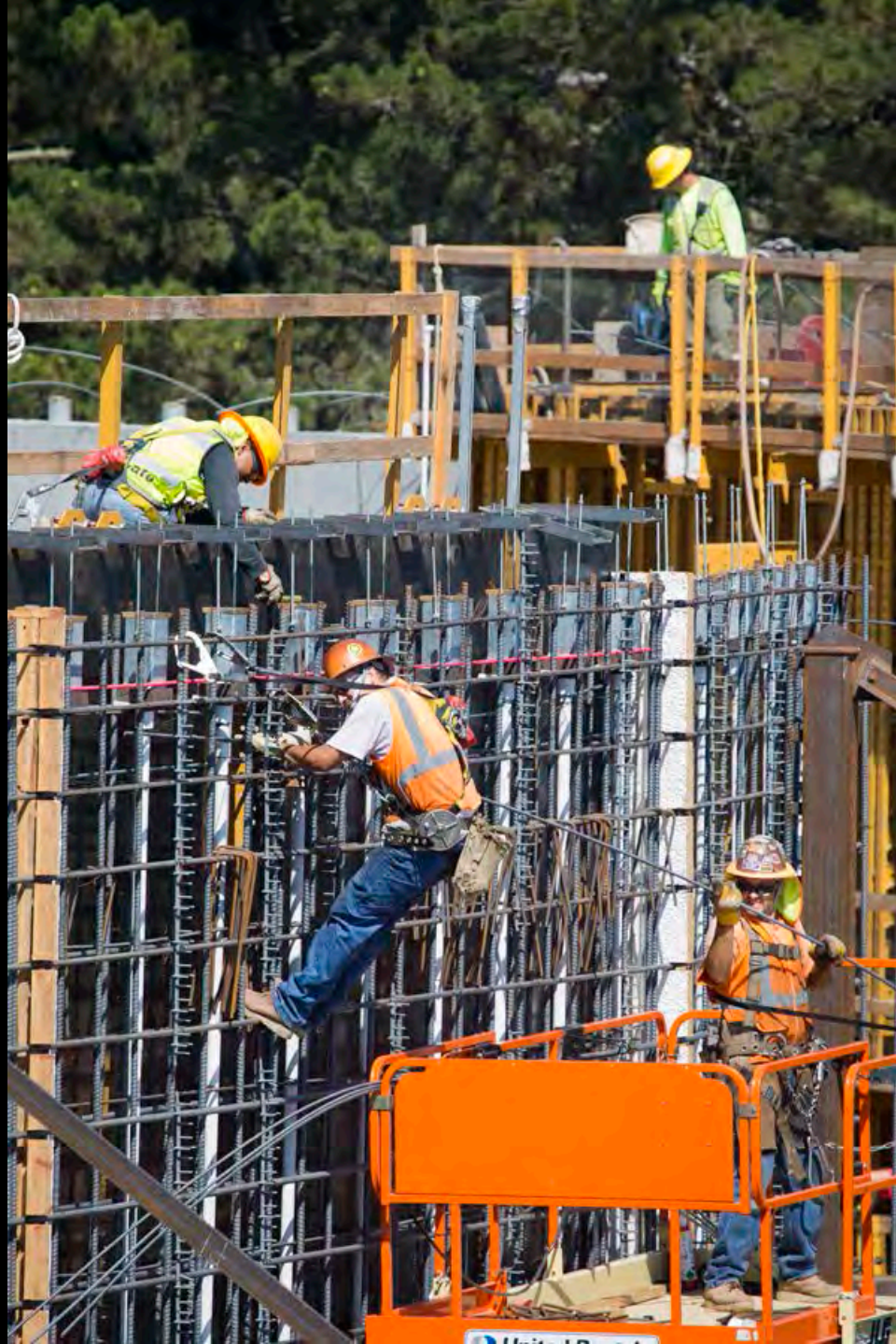
Hayward 1868



Loma Prieta 1989

# WATER SYSTEM IMPROVEMENT PROGRAM

- 87 Projects
  - 2 dams
  - 3 tunnels
  - 3 treatment facilities
  - Pipelines, pump stations, reservoirs, tanks, etc.
- 7 Counties
- \$4.8 Billion
- 2019 Completion



# HOW THE PROGRAM STARTED

- Ongoing master planning efforts
- Tipping Point: Loma Prieta
- Wholesale Customers → State Legislation
- 2002 ballot measures
- Refinement of project scopes schedules, and budgets
- Adoption of Level of Service Goals & Objectives





# OUR GOALS

Seismic Reliability

Delivery Reliability

Water Quality

Water Supply





# A (VERY) PUBLIC PROGRAM



Governmental/  
Regulatory Agencies



Special Interest  
Groups



Labor/Contractor

**With Many  
Stakeholders**



Elected Officials



Oversight  
Bodies



Impacted  
Communities



Wholesale/Retail  
Customers

# OVERALL MANAGEMENT APPROACH

- City-led program through matrix organization
- 3-Tier organizational structure
- Integration of consultants
- Use of state-of-the-art technology
- Key implementation strategies
  - Environmental
  - Contracting
  - Transparency



# PROGRAM TRANSPARENCY

Transparency

+

Accountability

=

Public Trust

- Reaching out to stakeholders
- Accountability to oversight bodies
- Reviews by independent panels
- Extensive reporting
- WSIP Website ([sfwater.org/wsip](http://sfwater.org/wsip))
- Use of social media





# BASELINE SCHEDULE & BUDGET

- Foundation for accountability
- 2005 Baseline: \$4.3B
- 2016 Baseline: \$4.8B
- 12% Increase to Overall WSIP Budget
- Individual Projects have Underruns and Overruns



# KEY PROJECTS THAT EXCEEDED 2005 BUDGETS

# KEY PROJECTS UNDER 2005 BUDGETS

Projects Under Budget									
March 2016 Revised WSIP - 2003 to 2016 Budget Changes									
A	B	C	D	E	F	G	H	I	J=C-I
Project No.	Project Name	2005 Baseline Budget	2007 Revised WSIP	2009 Revised WSIP	2011 Revised WSIP	2013 Revised WSIP	2014 Revised WSIP	2016 Revised WSIP	Variance
<b>San Joaquin Region</b>									
CUW37301	San Joaquin Pipeline System	\$352,732,000	\$270,346,843	\$278,055,413	\$203,608,758	\$207,416,022	\$205,961,446	\$202,886,020	\$149,845,980.00
CUW37302	Rehabilitation of Existing San Joaquin Pipelines	\$80,000,000	\$89,999,545	\$31,852,309	\$22,242,218	\$21,318,258	\$21,284,284	\$21,153,438	\$58,846,562.00
<b>Sunol Valley Region</b>									
CUW35902	Alameda Siphon #4	\$78,577,000	\$61,859,768	\$60,881,458	\$61,645,964	\$65,082,000	\$65,093,582	\$65,093,582	\$13,483,418.00
CUW38101	SWWTP Expansion & Treated Water Reservoir	\$235,544,438	\$154,226,090	\$149,943,183	\$131,441,567	\$140,226,596	\$134,820,267	\$134,650,270	\$100,894,168.00
<b>Bay Division Region</b>									
CUW36801	BDPL Reliability Upgrade - Tunnel	\$572,022,634	\$352,320,841	\$346,660,244	\$307,081,069	\$286,372,630	\$287,599,138	\$275,931,544	\$296,091,090.00
<b>Peninsula Region</b>									
CUW35601	New Crystal Springs Bypass Tunnel	\$83,222,790	\$100,622,777	\$94,608,996	\$86,444,995	\$81,462,828	\$81,460,035	\$81,435,610	\$1,787,180.00
CUW37801	Crystal Springs Pipeline No. 2 Replacement	\$93,926,000	\$68,316,098	\$71,243,333	\$57,469,321	\$57,195,477	\$56,054,876	\$56,152,026	\$37,773,974.00
CUW37901	San Andreas Pipeline No. 3 Installation	\$42,029,941	\$46,659,868	\$31,903,033	\$29,910,051	\$27,500,388	\$27,495,558	\$27,495,558	\$14,534,383.00
<b>San Francisco Regional Region</b>									
CUW37201	University Mound Reservoir - North Basin	\$102,882,610	\$72,302,623	\$46,146,700	\$44,423,084	\$43,420,000	\$43,420,000	\$43,420,000	\$59,462,610.00

# KEY PROJECTS THAT EXCEEDED 2005 BUDGETS

## Projects Over Budget

March 2016 Revised WSIP - 2003 to 2016 Budget Changes

A	B	C	D	E	F	G	H	I	J=C-I
Project No.	Project Name	2005 Baseline Budget	2007 Revised WSIP	2009 Revised WSIP	2011 Revised WSIP	2013 Revised WSIP	2014 Revised WSIP	2016 Revised WSIP	Variance (I-J)
<b>San Joaquin Region</b>									
CUW38401	Tesla Treatment Facility	\$101,643,001	\$119,404,314	\$114,162,348	\$110,683,233	\$113,670,336	\$113,386,184	\$113,225,946	(\$11,582,945.00)
<b>Sunol Valley Region</b>									
CUW35901	New Irvington Tunnel	\$214,650,004	\$342,679,908	\$337,703,984	\$313,424,513	\$323,734,000	\$339,110,995	\$347,128,023	(\$132,478,019.00)
CUW37401	Calaveras Dam Replacement	\$256,511,407	\$307,756,121	\$409,444,761	\$415,637,844	\$620,813,000	\$718,311,764	\$810,024,424	(\$553,513,017.00)
<b>Bay Division Region</b>									
CUW35302	Seismic Upgrade of BDPL Nos. 3 & 4	\$66,792,849	\$66,786,229	\$85,193,182	\$92,199,810	\$78,211,285	\$75,129,259	\$76,980,435	(\$10,187,586.00)
<b>Peninsula Region</b>									
CUW36701	HTWTP Long-Term Improvements	\$167,570,000	\$175,760,181	\$359,063,409	\$276,896,409	\$283,238,337	\$278,238,337	\$280,238,337	(\$112,668,337.00)
CUW37101	Crystal Springs/San Andreas Transmission	\$148,582,655	\$170,668,718	\$192,070,722	\$164,722,000	\$193,623,446	\$200,779,600	\$190,740,623	(\$42,157,968.00)
<b>San Francisco Regional Region</b>									
CUW35801	Sunset Reservoir - North Basin	\$61,975,999	\$65,922,929	\$64,334,929	\$64,374,385	\$64,271,570	\$64,271,570	\$64,271,570	(\$2,295,571.00)

# KEYS TO WSIP PROJECT / PROGRAM MANAGEMENT

- **Program and Project Controls**
  - Standardization and common understanding
- **Quality Management**
  - Must be a priority in all phases of implementation
- **Risk Management**
  - An integral part of day-to-day management
- **Change Management**
  - Controlling scope creep





# PROGRAM MANAGEMENT FUNCTIONS

- 
- Program Controls
  - Quality Management
  - Risk Management
  - Change Management
  - Construction Management
  - Environmental Review and Mitigation
  - Design and System Engineering
  - System Operation
  - Permitting
  - Real Estate / ROW
  - Contracts
  - Legal
  - Finance
  - Labor Relations
  - Outreach  
(Public / Contractor)



# COST OF CHANGE



Planning



Early Design



Late Design

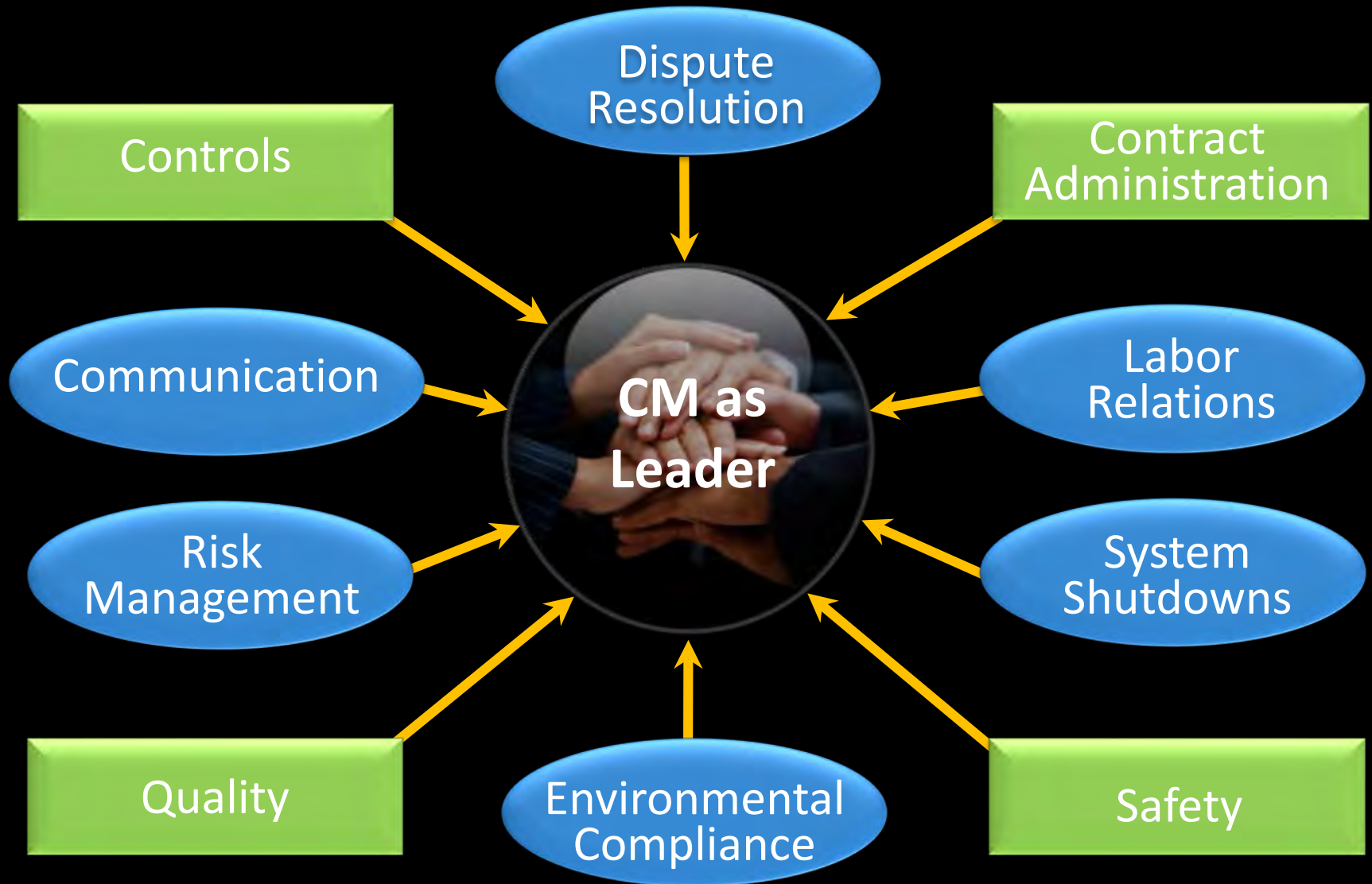


Construction



Post Construction

# STRONG CM LEADERSHIP & PROCEDURES



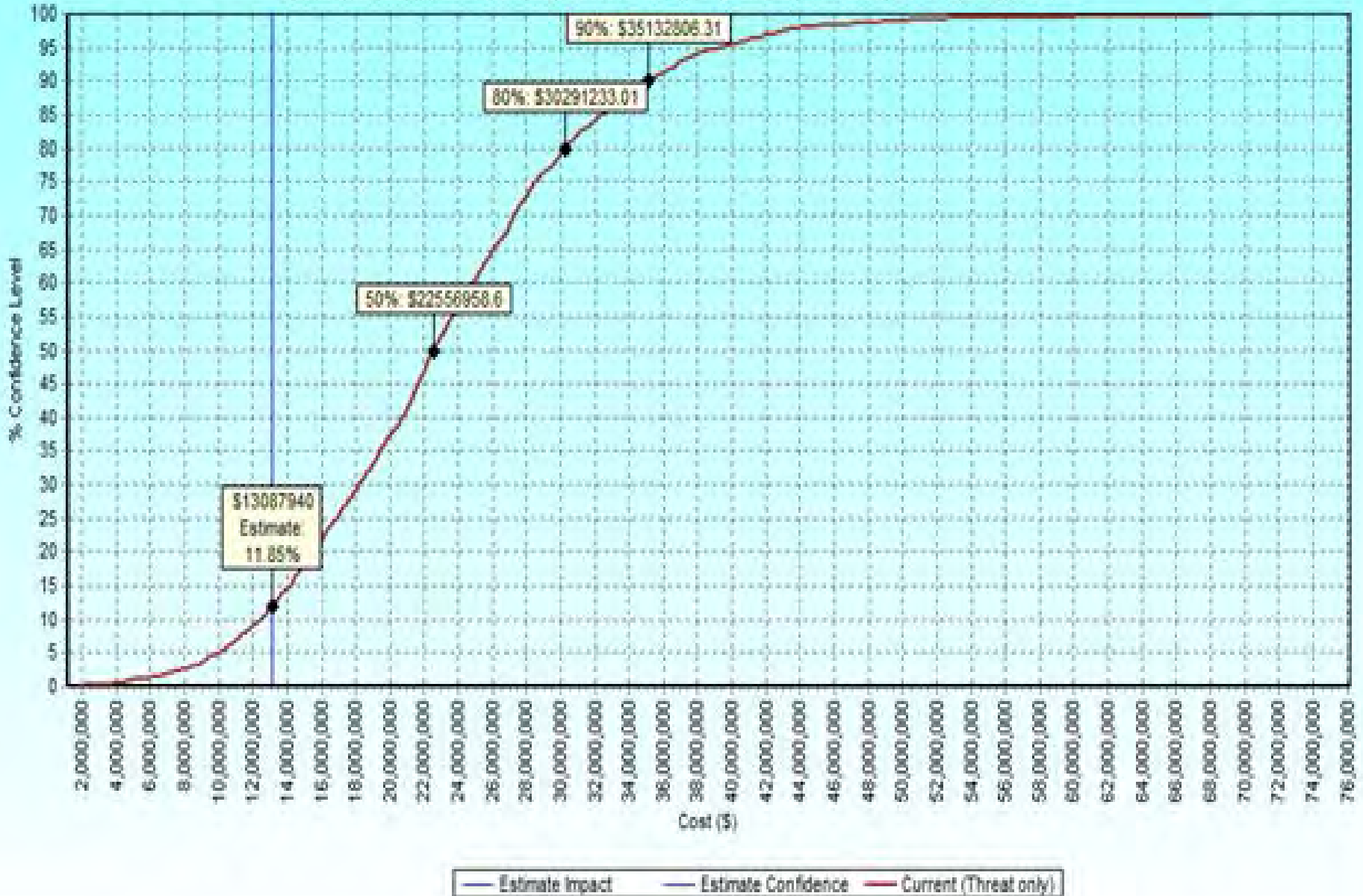
# CHANGE CONTROL

- WSIP CM Procedures and Authority Matrix
- Risk Management Process
- Use of Construction Management Information System (CMIS)
- Issues, Trends and Change Logs in CMIS
- Reviews by Change Control Board for any Operations-requested Change in Exceedance of \$50K
- Monthly & Quarterly Project Review Meetings
- Program CM Project Audits
- Lessons Learned Reports

Cumulative Results for Cost Impact of WSIP on 17 Oct 2016

100 Slices, 2000 Iterations, Fixed Seed (1475859053).

Current (Threat only): Mean (Sampled): 23414162.42, Mean (Arithmetic): 23359996, SD: 9252652.99, CV: 0%



# Construction Contingencies and Director's Reserve

- Initial Construction Contingencies were Generally Set at 10 percent of base construction bid
- Re-baselining added contingency to key projects with higher risks
- Director's Reserve allows WSIP Director to add contingency to projects with higher risks if needed

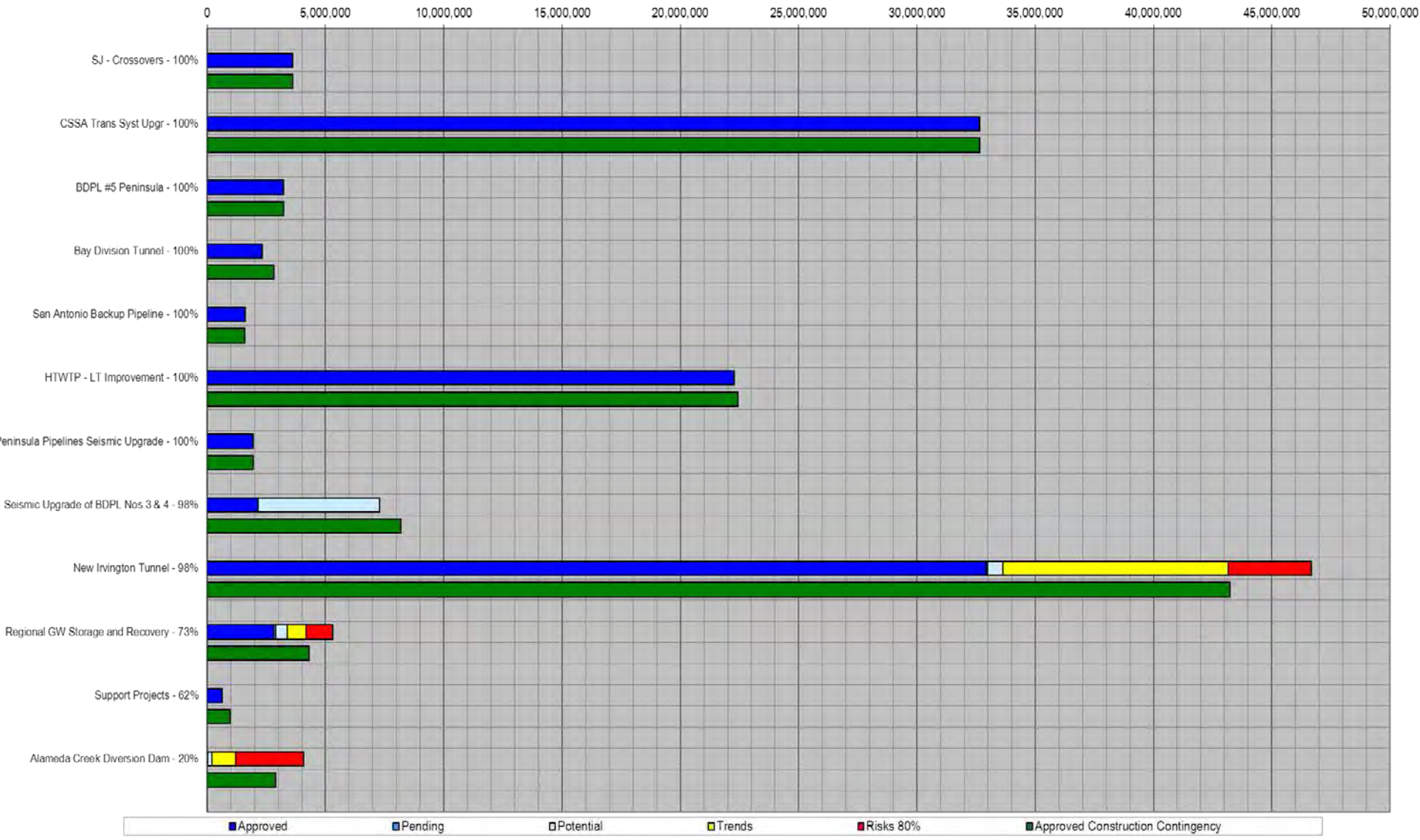
# Key Reporting Requirements

- Quarterly Reports
- Annual Reports
- 30-Day Notice of Public Hearing for Changes
- Notice of Changes Reports (Re-baselines)
- Quarterly Status Update Presentations to:
  - SFPUC Commission
  - RBOC
  - BAWSCA
  - Board of Supervisors

# WSIP Active and Completed Construction Contracts

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

Note: Projects are ordered by Percent Complete



Note: CDRP data not shown



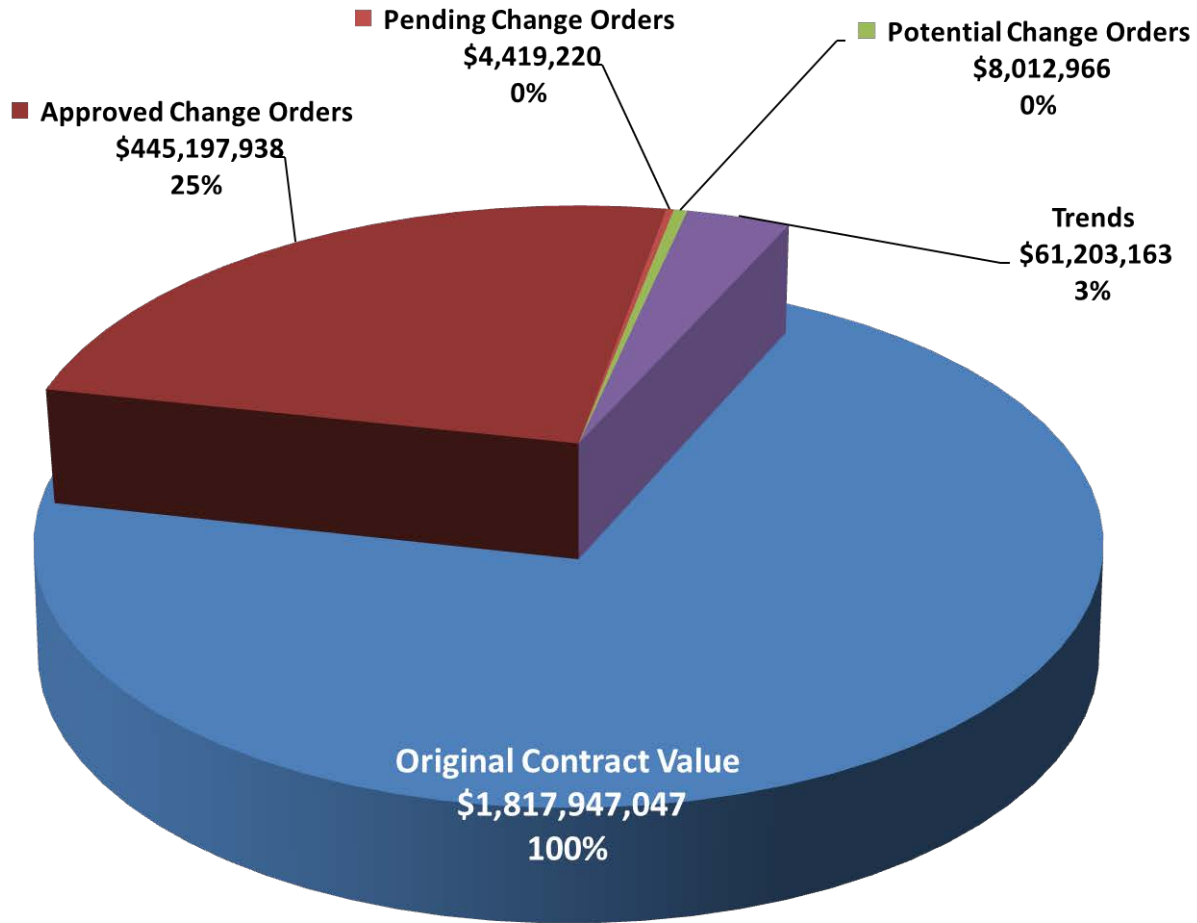


# WSIP Active & Completed including BHR

## Regional Construction Contracts

Percentage of Projected Changes vs. Awarded Amount  
September 2016

Forecasted Changes Amount = \$518.8M 29%



# WSIP Active & Completed including BHR

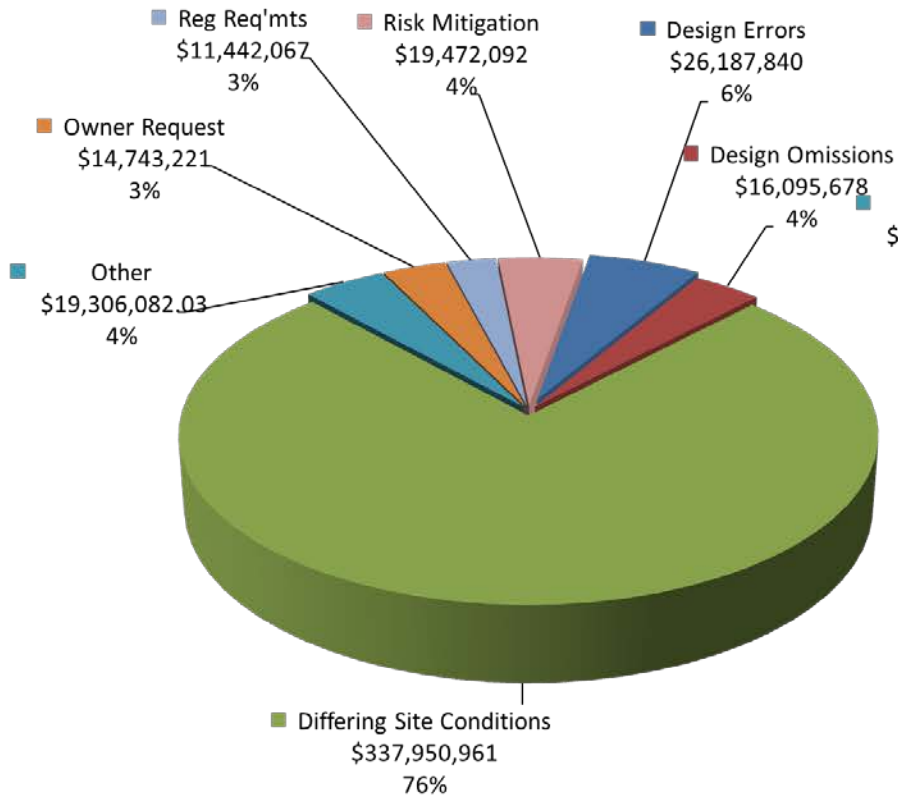
## Change Order Reason

Approved Change Orders

September 2016

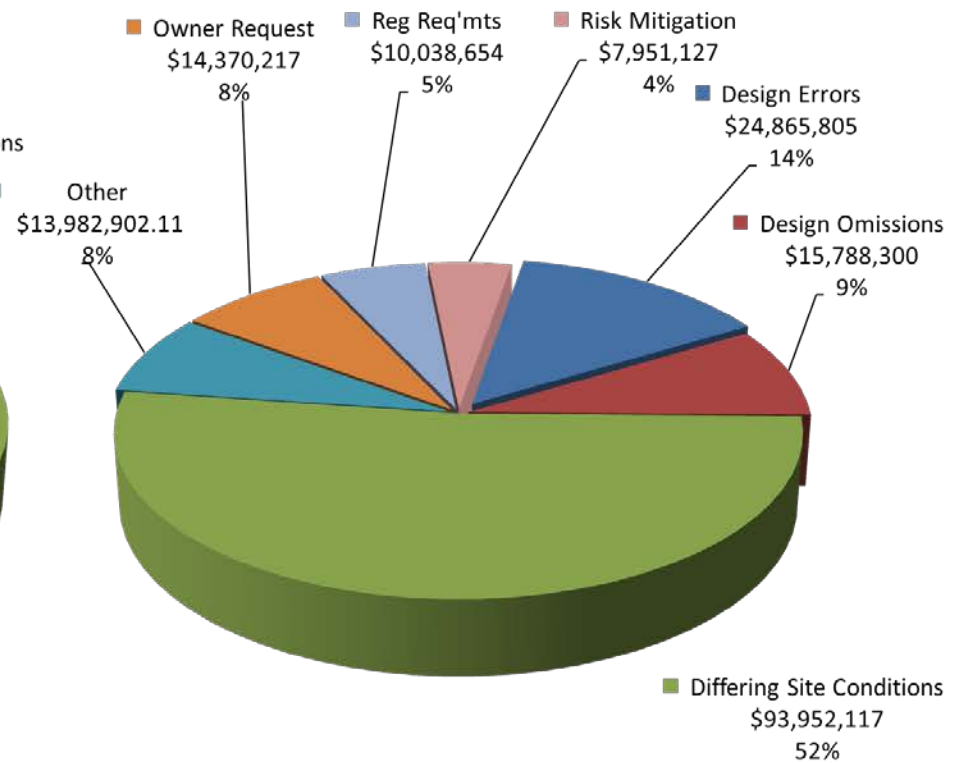
### Total Approved CO

**\$445.2 M 24%**



### Total less CDRP

**\$180.9 M 12%**

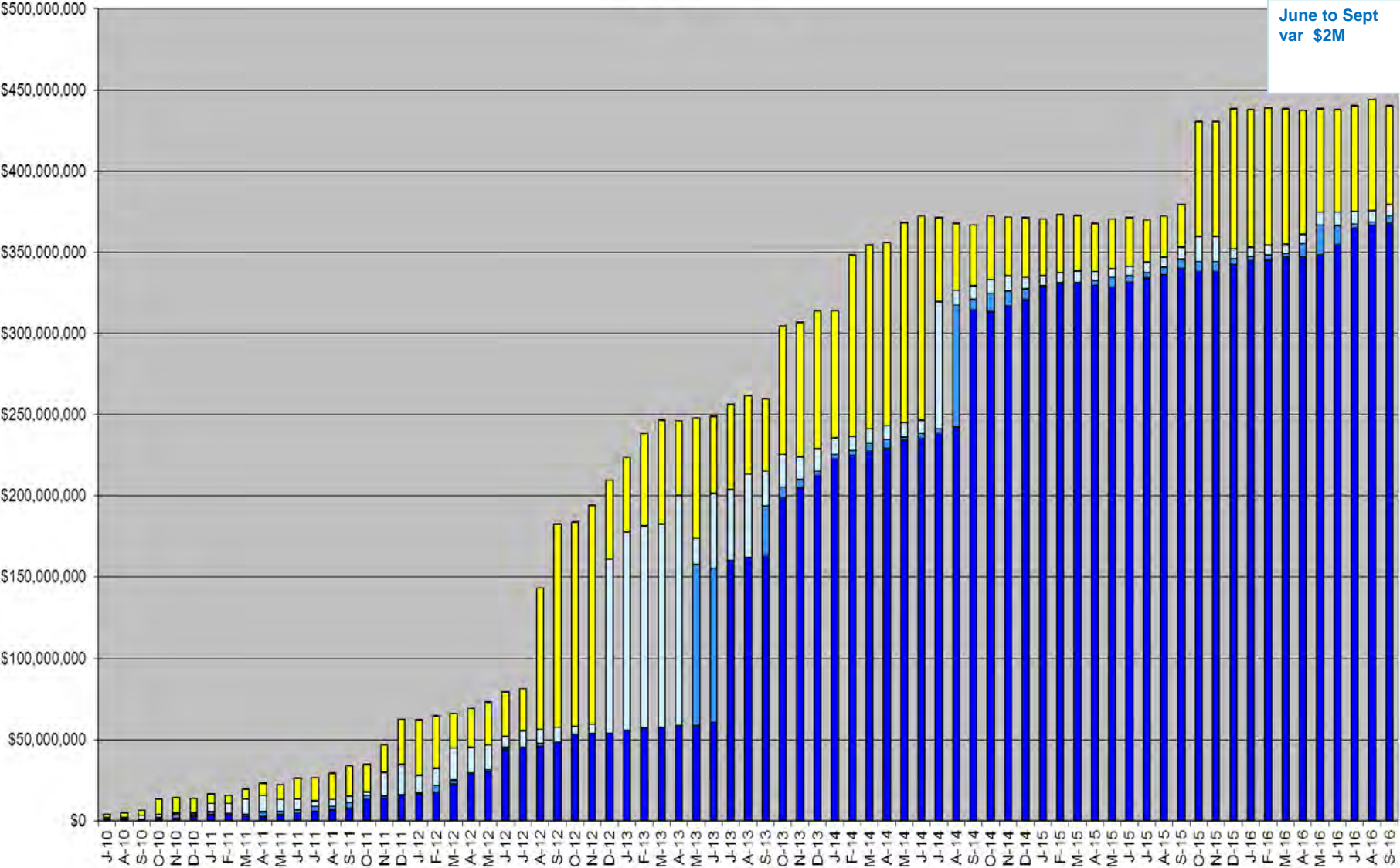


# Change Order + Trends (September 2016)

August to Sept  
var **-\$3.7M**

June to Sept  
var **\$2M**

Change Orders + Trends

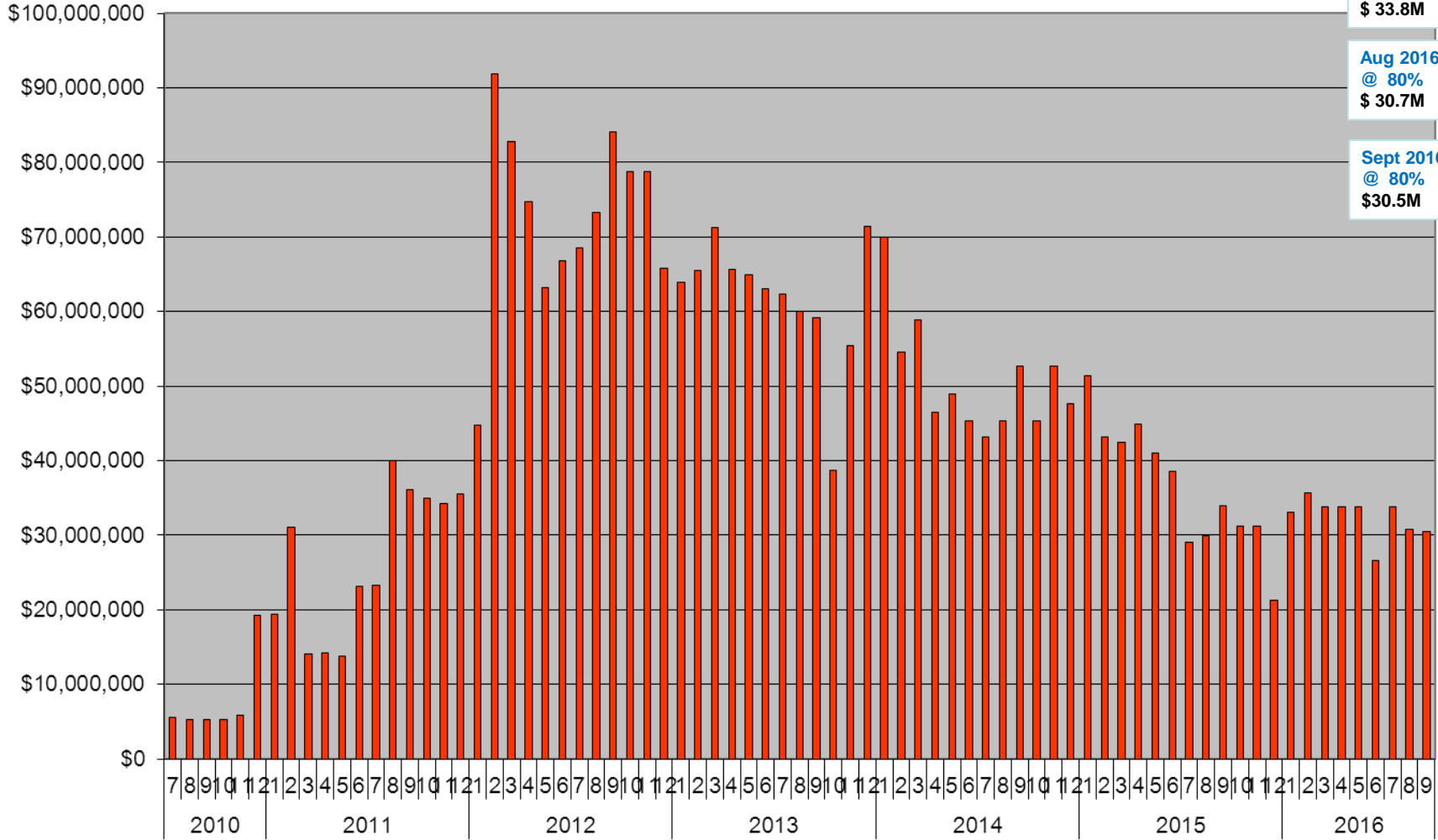


Note: Including BHR

# 80 % Risk Confidence Level

Name ▾

Sum of Montecarlo Risk 80%



Year ▾

Month ▾

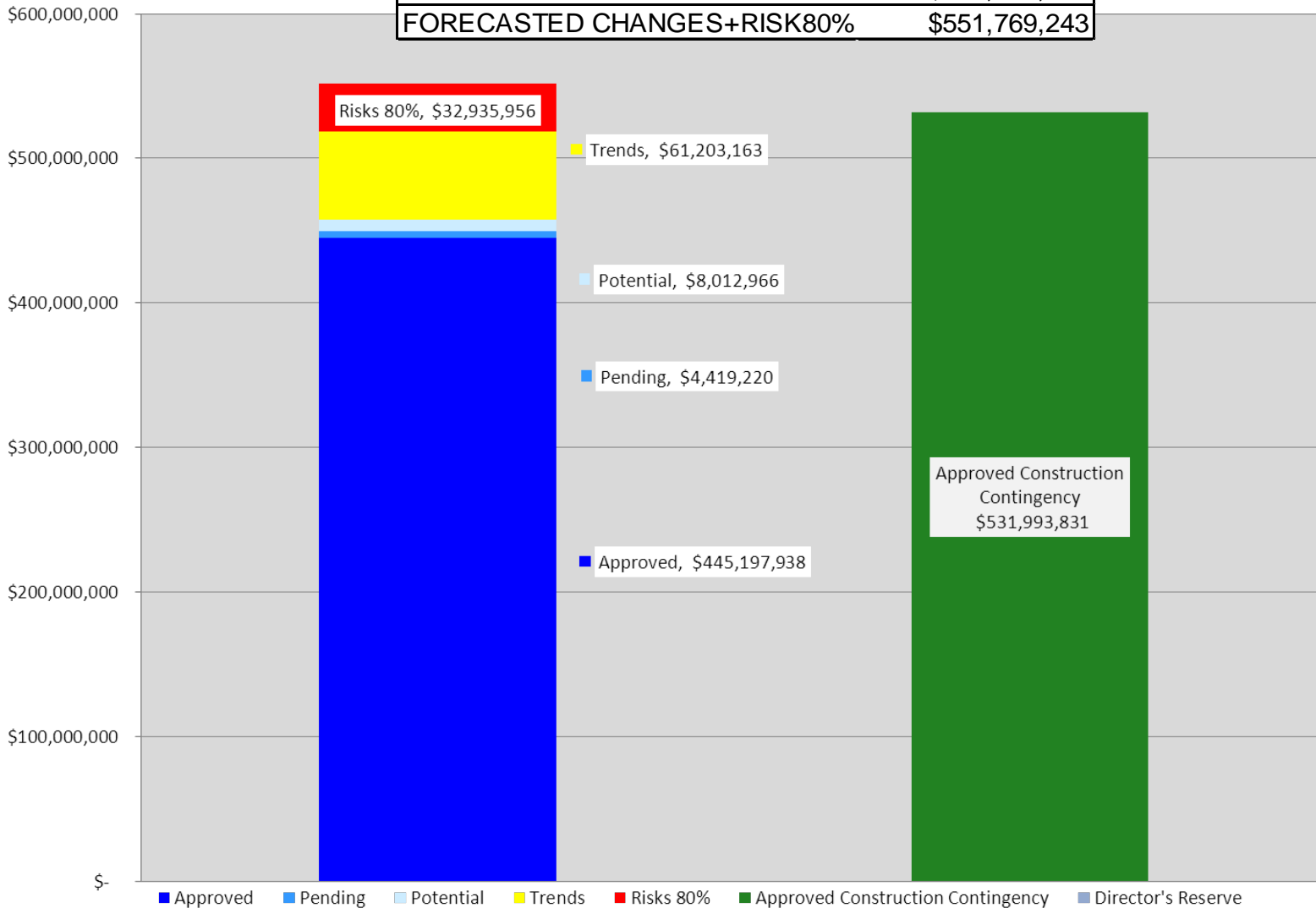
Note:

# WSIP Active & Completed including BHR

## Forecasted Changes VS Contingency

September 2016

FORECASTED CHANGES	\$516,395,327
FORECASTED CHANGES+RISK80%	\$551,769,243



# KEY WSIP PROJECTS





# TESLA UV TREATMENT FACILITY





# CALAVERAS DAM REPLACEMENT

# BAY TUNNEL

**ATTENTION**  
**NO**  
FOOT TRAFFIC  
WITHOUT A RADIO  
BEYOND THIS  
POINT

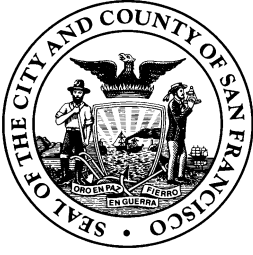


# HTWTP LONG-TERM IMPROVEMENTS



# SEISMIC UPGRADE OF BDPL 3 & 4





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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

December 12, 2016 - 9:00 AM

## Regular Meeting

**Mission:** The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

### 1. Call to Order and Roll Call

Seat 1 Holly Kaufman (Holdover status)  
Seat 2 Kevin Cheng, Chair (Holdover status)  
Seat 3 Robert Leshner  
Seat 4 Tim Cronin  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jadie Wasilco

*Vice Chair Tang called the meeting to order at 9:06 a.m. On the call of the roll, Vice Chair Tang, Members Barzel, Cronin, Leshner, and Wasilco were noted present. Chair Cheng and Member Kaufman were noted not present. There was a quorum.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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.*

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

Karen Kubick, SSIP Director, and Sarah Bloom (SFPUC); provided an update on the Sewer System Improvement Program, including the following: program status; current construction projects (including South East Plant, Westside Pump Station, and green infrastructure projects); major phase 1 project updates (including headworks and biosolids); phase 1 jobs update; stakeholder outreach; lessons learned from the Water System Improvement Project; budgeting and contingency; project delivery; contracting; change management; bidding; finance scheduling and reporting; risk assessment; material quality; shutdown planning and management; formalizing lessons learned process; green infrastructure lessons learned and project integration. Mike Brown (SFPUC); Mark Blake, Deputy City Attorney; provided information and responded to questions and answers throughout the discussion.

*Public Comment. Speakers: None.*

*Chair Cheng was noted present at 9:10 a.m. and for the remainder of the meeting. Member Kaufman was noted present at 9:19 a.m. and for the remainder of the meeting.*

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Mountain Tunnel 101 Presentation**, including overview of the issue, how it is being addressed, project update, project scope and budget, why Mountain Tunnel was not included as part of WSIP, possibility of inclusion in WSIP, project going forward (*Discussion*)

*Mike Brown (SFPUC); requested that this item be CONTINUED to the February 13, 2017, RBOC meeting.*

*Public Comment. Speakers: None.*

6. **Approval of Minutes: 2016 RBOC Meeting Minutes**

*By unanimous consent, the Committee CONTINUED this item to the January 23, 2017, RBOC meeting.*

*Public Comment. Speakers: None.*

7. **Annual Report Preparation**

*Committee members are to send any edits to the Clerk. A working draft will be compiled and included in the packet material for the January 23, 2017, Revenue Bond Oversight Committee meeting agenda and strategic planning session. The report will be presented to the SFPUC at the February 28, 2017, Commission meeting.*

*Public Comment. Speakers: None.*

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

*New Member Tim Cronin introduced himself to the Committee.*

*Travis George introduced himself as a member of the public who is interested in serving on the Committee.*

*Richard Morales, Debt Manager (SFPUC); provided information on new member orientation for background information on the agency and capital projects and further invited new members to arrange a meeting time for the orientation.*

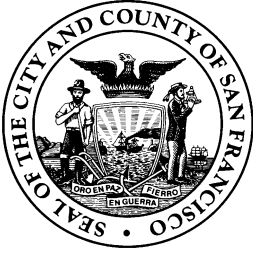
*Mark Blake, Deputy City Attorney, suggested that SFPUC staff provide the new member orientation and RBOC history at the January 23, 2016, strategic planning session.*

*Public Comment. Speakers: None.*

9. **Adjournment**

*There being no further business, the meeting adjourned at 10:12 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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

November 7, 2016 - 9:00 AM

## Regular Meeting

**Mission:** The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

### 1. Call to Order and Roll Call

Seat 1 Holly Kaufman (Holdover status)  
Seat 2 Kevin Cheng, Chair (Holdover status)  
Seat 3 Robert Leshner  
Seat 4 Tim Cronin  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jadie Wasilco

*Chair Cheng called the meeting to order at 9:07 a.m. On the call of the roll, Chair Cheng, Members Barzel, Kaufman, Leshner, and Wasilco were noted present. Vice Chair Tang and Member Cronin were noted not present. There was a quorum.*

### 2. Agenda Changes

*New Member Robert Leshner introduced himself to the Committee.*

### 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.*

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



*Dan Wade, WSIP Director (SFPUC); provided an update on the Water System Improvement Program, including the following: program status; recent accomplishments; Alameda Creek Recapture project (report to be released on November 30, 2016); Calaveras Dam Replacement project; placement of first lift of clay core; completion of intake tower; fish passage facilities at Alameda Creek Division Dam project; regional groundwater storage and recovery projects; bioregional habitat restoration projects, including hydroseeding; active and completed regional construction contracts; change orders and trends; risks and forecasted changes versus contingency. Mike Brown (SFPUC); provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

**5. Presentation of SFPUC Bond Sale Update**

*Richard Morales, Debt Manager, and Mike Brown (SFPUC); presented on wastewater bond sale results and water revenue refunding bonds sale results, including the following: water and wastewater credit ratings, favorable market conditions, successful bond sale, green bonds certification, press coverage, historically low rates, bond pricing, and debt service savings.*

*Public Comment. Speakers: None.*

**6. Annual Report Preparation**

*Committee members are to send any edits to the Clerk. A working draft will be compiled and included in the packet material for the December 12, 2016, Revenue Bond Oversight Committee meeting agenda.*

*Public Comment. Speakers: None.*

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

*Upcoming meeting to include a presentation on the capital budget overview, including funding for all projects, and the wastewater side to be presented by Eric Sandler and Karen Kubick.*

*The Committee requested the following updates to the next SSIP presentation: include SSIP binder; lessons learned from WSIP being applied to SSIP; how do green projects integrate with other projects; where are the assets? how old are assets? what are the lessons learned on green projects? what are the community benefit requirements? and what is the jobs report for SSIP on local hiring?*

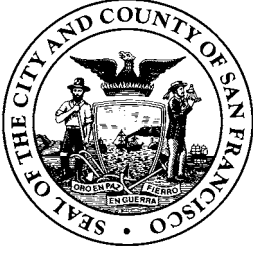
*Chair Cheng requested Dan Wade present (January 2017) on a high-level overview of the initial budget and rebaselining, including overtime, contingencies that exceeded forecasts, risk register, and reporting requirements.*

*Public Comment. Speakers: None.*

8. **Adjournment**

*There being no further business, the meeting adjourned at 10:56 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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

October 17, 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, Chair (Holdover status)  
Seat 3 Vacant  
Seat 4 Vacant  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jadie Wasilco

*Chair Cheng called the meeting to order at 9:07 a.m. On the call of the roll, Chair Cheng, Vice Chair Tang, and Members Barzel and Wasilco were noted present. Member Kaufman was noted not present. There was a quorum.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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: Gypsy; Nico Barawid; provided information on their professional backgrounds and expressed interest in applying to a vacant seat on the Committee.*

4. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Sewer System Improvement Program (SSIP) Quarterly Update and Communications Report**

*Karen Kubick, SSIP Director, and Chris Colwick (SFPUC); provided an update on the Sewer System Improvement Program, including program status and upcoming milestones, project count by phase, expenditures, green infrastructure early implementation projects status, recent accomplishments and challenges, stakeholder outreach, and communications goals and strategy. Mike Brown (SFPUC); provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

5. **Mountain Tunnel 101 Presentation:** overview of the issue, how it is being addressed, project update, project scope and budget, why Mountain Tunnel was not included as part of WSIP, possibility of inclusion in WSIP, project going forward

*Mike Brown (SFPUC); requested that this item be continued to the December 12, 2016, RBOC meeting, as PUC staff will be presenting new data on this topic to several bodies at that time.*

*Public Comment. Speakers: None.*

6. **Updates to RBOC Mission Statement**

*Committee members are to send any edits to the Clerk, which will be included in the packet material for the next agenda.*

*Public Comment. Speakers: None.*

*By unanimous consent, this item was APPROVED with recent edits from Member Kaufman, which were included in the agenda packet.*

*Ayes: 4 - Cheng, Barzel, Tang, Wasilco*

*Absent: 1 - Kaufman*

7. **Annual Report Preparation**

*Committee members are to send any edits to the Clerk. A working draft will be compiled and included in the packet material for the November 7, 2016, Revenue Bond Oversight Committee meeting agenda.*

*Public Comment. Speakers: None.*

8. **Strategic Planning Follow Up: Identifying Studies for Initiation, Metrics for Measuring Committee Performance**

*Clerk Derek Evans provided information on outreach to strategic planning session facilitator Carmen Clark regarding a follow-up meeting to be held in January 2017.*

*Public Comment. Speakers: None.*

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

*Chair Cheng requested a presentation on the capital budget overview, including funding for all projects, and the wastewater side to be presented by Eric Sandler and Karen Kubick.*

*The Committee requested the following updates to the next SSIP presentation: include SSIP binder; lessons learned from WSIP being applied to SSIP; how do green projects integrate with other projects; where are the assets? how old are assets? what are the lessons learned on green projects? what are the community benefit requirements? and what is the jobs report for SSIP on local hiring?*

*The Committee acknowledged email from Steve Lawrence regarding the Calaveras Dam Replacement project, capital improvements and financing, ratepayer protection, whistleblowers, and the RBOC annual report, and further requested that the meeting minutes include previous responses.*

*Public Comment. Speakers: None.*

10. **Adjournment**

*There being no further business, the meeting adjourned at 10:15 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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

September 19, 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, Chair (Holdover status)  
Seat 3 Vacant  
Seat 4 Vacant  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jadie Wasilco, Co-Chair

*Chair Cheng called the meeting to order at 9:25 a.m. On the call of the roll, Chair Cheng, Members Kaufman, Barzel, and Wasilco were noted present. Vice-Chair Tang was noted not present. There was a quorum.*

### 2. Agenda Changes

*Items 5 and 6 were called and heard together.*

### 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. Speaker: Tim Cronin; provided information on his professional background and expressed his interest in applying to a vacant seat on the Committee.*

Vice-Chair Tang was noted present at 9:30 a.m.

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

*Dan Wade, WSIP Director (SFPUC); provided an update on the Water System Improvement Program, including the following: program status; recent accomplishments; treatment, storage, and transmission projects; budget revisions, Alameda Creek Recapture project; Calaveras Dam Replacement project; fish passage facilities at Alameda Creek Division Dam project; regional groundwater storage and recovery projects; bioregional habitat restoration projects, and Peninsula non-native vegetation removal; active regional construction contracts; change orders and trends; risks and forecasts. Richard Morales, Debt Manager (SFPUC); and Mark Blake, Deputy City Attorney; provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

5. **Presentation of SFPUC Capital Financing Plan for FY2016-2017**

*Richard Morales, Debt Manager (SFPUC); provided an overview of the Capital Financing Plan for FY2016-2017, including the following: debt management policies and procedures, debt administration; enterprise and debt overview; market opportunities; existing debt portfolio; new money needs; and proposed FY2016-2017 transactions. Mark Blake, Deputy City Attorney; provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

6. **Updated Debt Management Policies and Procedures Approved by the Public Utilities Commission (September 13, 2016)**

*Richard Morales, Debt Manager (SFPUC); provided an overview of the Capital Financing Plan for FY2016-2017, including the following: debt management policies and procedures, debt administration; enterprise and debt overview; market opportunities; existing debt portfolio; new money needs; and proposed FY2016-2017 transactions. Mark Blake, Deputy City Attorney; provided information and responded to questions and answers throughout the discussion.*

*Public Comment. Speakers: None.*

7. **Updates to RBOC Mission Statement**

*Committee members are to send any edits to the Clerk, which will be included in the packet material for the next agenda.*

*Public Comment. Speakers: None.*

*By unanimous consent, this item was CONTINUED to the October 17, 2016, Revenue Bond Oversight Committee meeting.*

*Ayes: 6 - Cheng, Barzel, Kaufman, Pelosi, Tang, Wasilco*

**8. Annual Report Preparation**

*Committee members are to send any edits to the Clerk. A working draft will be compiled and included in the packet material for the October 17, 2016, Revenue Bond Oversight Committee meeting agenda.*

*Public Comment. Speakers: None.*

**9. Strategic Planning Follow Up: Identifying Studies for Initiation, Metrics for Measuring Committee Performance**

*Clerk Derek Evans will reach out to strategic planning session facilitator Carmen Clark regarding a follow-up meeting to be held in January 2017.*

*Public Comment. Speakers: None.*

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

*Chair Cheng requested that the October 17, 2016, Revenue Bond Oversight Committee agenda include a Mountain Tunnel 101 presentation that includes the following: overview of issue, how it is being addressed, project update, project scope and budget, why Mountain Tunnel was not included as part of WSIP, possibility of inclusion in WSIP, project going forward.*

*RBOC Clerk Derek Evans will work with Mike Brown (SFPUC) to setup next year's schedule, including WSIP presentations and follow-up tour of the Calaveras Dam Relocation project.*

*The Committee received the attached email from Steve Lawrence regarding the Calaveras Dam Replacement project, capital improvements and financing, ratepayer protection, whistleblowers, and the RBOC annual report.*

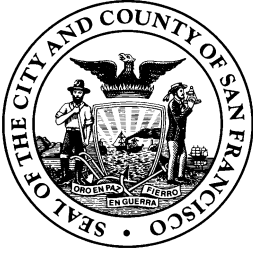
*Public Comment. Speakers: None.*

**11. Adjournment**

*There being no further business, the meeting adjourned at 11:06 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.*





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

Public Utilities Commission Building  
525 Golden Gate Ave., Lobby  
San Francisco, CA 94102

August 8, 2016 - 8:00 AM

## Rescheduled 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 Vacant  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Joshua Low, Co-Chair

*On the call of the roll, Co-Chair Low and Member Barzel were noted present. Members Cheng, Kaufman, and Tang were noted absent. There was not a quorum. The Committee then recessed for an off-site tour of the Calaveras Dam Replacement Project. Due to a lack of quorum, the Committee met for informational purposes only. No action was taken.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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: None.

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

*There were none.*

5. **Recessed Off-site Visit of Water System Improvement Project (WSIP): Calaveras Dam Replacement Project**

*Co-Chair Low and Member Barzel convened in the lobby at 525 Golden Gate Avenue, then recessed, and departed by van to 12750 Calaveras Road in Fremont, CA. Vice Chair Tang joined the tour group at 12750 Calaveras Road in Fremont, CA. Dan Wade, Director of the Water System Improvement Project; Maria Le; and Betsy Rhodes (SFPUC); led a tour of the Calaveras Dam. Mike Brown (SFPUC), and Jadie Wasilco (Budget and Legislative Analyst's Office); participated in the project tour. Rebecca Sterbentz and Justin Evans provided their own transportation and participated in the project tour.*

*The Calaveras Dam Replacement Project tour proceeded as follows:*

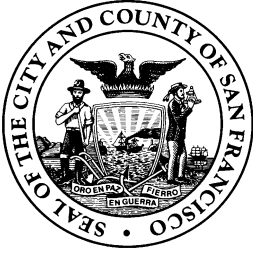
*9:30 a.m. Participants arrived at Sunol Regional trailer  
10:00 a.m. Participants took the van to the Calaveras Dam Replacement Project trailer for a safety briefing and quick overview  
10:45 a.m. Calaveras Dam Replacement Project tour  
12:15 p.m. Lunch and tour review  
1:00 p.m. Sunol Valley Water Treatment Plant tour*

*At 1:30 p.m., the group returned to their cars and those who arrived by van returned to 525 Golden Gate Avenue. The meeting reconvened at 2:55 p.m., without a quorum, and then adjourned. There was no action taken.*

6. **Adjournment**

*There being no further business, the meeting adjourned at 2:55 p.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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 4<sup>th</sup> 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.*

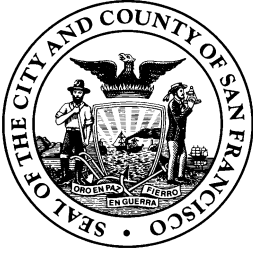
*Dan Wade, WSIP Director (SFPUC), confirmed that the next WSIP presentation would be at the September 19, 2016, RBOC regular meeting.*

*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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2nd Floor  
Yosemite Conference Room  
San Francisco, CA 94102

April 11, 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 (Holdover status)  
Seat 5 Dari Barzel  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Joshua Low, Co-Chair

*Co-Chairs Kevin Cheng and Joshua Low called the meeting to order at 9:11 a.m. On the call of the roll, Members Cheng, Pelosi, Barzel, and Low were noted present. Members Kaufman and Tang were noted absent. There was a quorum.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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. Updates to Mission Statement**

*Mike Brown (SFPUC); Mark Blake, Deputy City Attorney; provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

*Member Tang was noted present at 9:13 a.m. and for the remainder of the meeting. Member Kaufman was noted present at 9:15 a.m. and for the remainder of the meeting.*

*Member Low moved to CONTINUE this item to the May 9, 2016, RBOC Regular Meeting. The motion passed by the following vote:*

*Ayes: 6 - Barzel, Cheng, Low, Kaufman, Pelosi, Tang*

**5. Follow Up: Strategic Planning Session**

*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. RBOC Member Vacancies**

*Mark Blake, Deputy City Attorney; Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Mark Blake, Deputy City Attorney, will provide information regarding consecutive terms, as well as a list of past members who may be interested in serving on the Committee.*

*Derek Evans, Assistant Clerk of the Board of Supervisors, will provide the Committee with a list of Supervisors—each Committee member will reach out to select Supervisors.*

*Public Comment: Speakers: There were none.*

**7. RBOC Strategic Planning Preparations**

*Mark Blake, Deputy City Attorney; Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

**8. San Francisco Public Utilities Commission (SFPUC) Staff Report: Capital Planning**

*Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

Item Nos. 8 through 10 were called and heard together. Christina Andersson, Debt Manager (SFPUC); provided an overview of debt management practices for the agency. Discussion centered on her presentation (included with these minutes).

*Public Comment: Speakers: There were none.*

**San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP) Financial Audit Findings**

*Mark Blake, Deputy City Attorney; Christina Andersson, Debt Manager, and Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

9. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Legal Compliance with Bond Requirements**

*Mark Blake, Deputy City Attorney; Christina Andersson, Debt Manager, and Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

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

*Member Low will review and provide comments on the RBOC work plan.*

*Member Barzel will work with SFPUC staff (Mike Brown) to elaborate on the next staff presentation for the May 9, 2016, meeting.*

*Mark Blake, Deputy City Attorney, will provide comments on the RBOC Mission statement document (included with these minutes), information regarding Propositions H and B, and information on term limits, as well as a list of past members who may be interested in serving on the Committee.*

*Derek Evans, Assistant Clerk of the Board of Supervisors, will provide Committee members with a list of Supervisors and each Committee member will select and reach out to Supervisors.*

*Christina Andersson, Debt Manager (SFPUC), will provide to the Committee executive summaries of audits (included with these minutes), follow up with Nancy Hom, Director of Assurance and Internal Controls (SFPUC) regarding outliers, and follow up with the Committee regarding a City Services Auditor divisional audit 101 for the June or July RBOC regular meeting.*



*Member Cheng will work with Mike Brown (SFPUC) regarding upcoming presentation (date to be determined) on Mountain Tunnel.*

*Public Comment: Speakers: There were none.*

**11. Adjournment**

*There being no further business, the meeting adjourned at 10:30 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.*



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

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

March 7, 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 (Holdover status)  
Seat 5 Vacant  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Joshua Low, Co-Chair

*Co-Chairs Kevin Cheng and Joshua Low called the meeting to order at 9:09 a.m. On the call of the roll, Members Cheng, Pelosi, Tang, and Low were noted present. Member Kaufman was noted absent. There was a quorum.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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: Kevin Vega; Michele Nuñez; and Julian Blake; introduced themselves to the Committee.*

*Items 4 through 6 were called and heard together.*

4. **Follow Up: Strategic Planning Session**

*Public Comment: Speakers: There were none.*

5. **Updates to Mission Statement**

*Public Comment: Speakers: There were none.*

6. **RBOC Member Vacancies**

*Public Comment: Speakers: There were none.*

*The foregoing items were called and heard together, and by unanimous consent the Committee elected to continue the items to the April 11, 2016, regular meeting.*

7. **Adoption of 2016 Calendar**

*Public Comment: Speakers: Carmen Clark; provided a brief description of a follow-up document that she provided to the Committee.*

*By unanimous consent, the Committee adopted the work calendar as a work in progress; it will be included with the agenda for future meetings and will be adapted by the Committee as needed.*

8. **RBOC Strategic Planning Preparations**

*Christina Anderson, Audit Manager (SFPUC); provided a summary of an upcoming presentation on audits to be given at the April 11, 2016, regular meeting, and responded to questions raised throughout the discussion.*

*Public Comment: Speakers: There were none.*

9. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Sewer System Improvement Program (SSIP) Update, Re-baselining, Accuracy of Estimates and Program Comprehensiveness**

*Karen Kubick, Sewer System Improvement Program Director, and Dan Donahue, Sewer System Improvement Program Pre-construction Technical Advisor (SFPUC); presented an update of the SSIP, re-baselining, accuracy of estimates and program comprehensiveness, and responded to questions raised throughout the hearing. A SSIP report will be released in June. Mike Brown; and Sheena Johnson, System Improvement Program Administrator (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

*The Committee recessed from 10:00 a.m. until 10:04 a.m.*

10. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Water System Improvement Program (WSIP) Update; briefing on project cost management; lessons learned from WSIP, especially any from design build experience, Calaveras Dam update

*Dan Wade, Water System Improvement Program Director (SFPUC); presented an update of the WSIP, project cost management, lessons learned, and an update on the Calaveras Dam, and responded to questions raised throughout the hearing. The Committee discussed a possible site visit to the Calaveras Dam in July or August. Member Low voiced interest in the application of lessons learned enterprise wide; Dan Wade responded that teams currently bring specific lessons learned and that information is disseminated to other departments for future projects. Mark Blake, Deputy City Attorney; Richard Morales, Debt Manager, and Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

11. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Bond Sale Updates and Refunding

*Richard Morales, Debt Manager, and Mike Brown (SFPUC); provided information on upcoming bond sales and refunding, including upcoming pre-authorization request to the Board of Supervisors for refunding wastewater bonds, and a new bond sale at the end of the year; and answered questions raised throughout the hearing.*

*Public Comment: Speakers: There were none.*

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

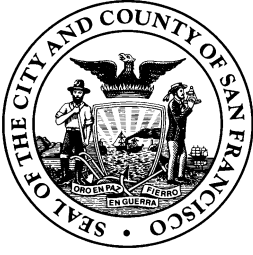
*Next SSIP presentation to the RBOC should include information on a stress-tested baseline and how lessons learned (e.g., Calaveras Dam) could be applied to SSIP, and will be followed by the Bond Finance presentation.*

*Public Comment: Speakers: There were none.*

13. **Adjournment**

*There being no further business, the meeting adjourned at 11:10 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.*



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

February 8, 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 (Holdover status)  
Seat 5 Vacant  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Joshua Low, Co-Chair

*Chair Kevin Cheng called the meeting to order at 9:17 a.m. On the call of the roll, Members Kaufman, Cheng, Pelosi, Tang, and Low were noted present. There was a quorum.*

### 2. Agenda Changes

*There were no agenda changes.*

**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: Dari Barzel, Treasury Manager (East Bay Municipal Utility*

District); Amara Mien Kaufman; made introductions and spoke on various concerns relating to the hearing matter.

### 3. **Strategic Planning Session**

Member Cheng introduced strategic planning facilitator Carmen Clark, who briefly discussed her background and meeting purpose. Discussion then focused on the meeting purpose: reviewing the legislative history and mission of RBOC, discussing strategic issues/directions for the committee, and developing a preliminary work plan for CY2016.

Mark Blake, Deputy City Attorney, presented a legislative history and provided the context for establishment of the committee. Charles Perl, Deputy Chief Financial Officer, and Mike Brown (SFPUC); provided a summary of their backgrounds and responded to questions raised throughout the discussion.

Public Comment: Heard in Committee. Speaker: Carmen Clark facilitated the strategic planning session, presented and documented information concerning the matter, and responded to questions raised throughout the discussion. Dari Barzel; spoke on various concerns relating to the hearing matter.

The Committee discussed the following items that require follow up:

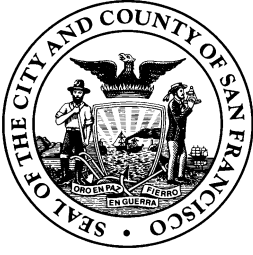
1. Letter to City Services Auditor regarding whistleblower cases and interface.
2. Follow up conversation on municipal finance committee
3. Follow up with appointing authorities for terms
4. Follow up with all term limits, holdover status, including history of appointees
5. Transmittal of Annual Report to Mayor, Board of Supervisors, and PUC CAC
6. Mission statement updates (March meeting)
7. Schedule for City Service Auditor and other staff presentations
8. Potential RBOC audits
9. Capital Planning Programs presentation at April 11<sup>th</sup> meeting
10. Staff report on authorization of RBOC-related legislation
11. Annual Report 2016 preparation
12. Lessons Learned on Mountain Tunnel
13. Requesting presentation material from staff ahead of meetings

The Committee recessed from 10:45 a.m. to 11:00 a.m., and again from 11:30 a.m. to 12:10 p.m., then continued discussion.

Member Pelosi was noted absent at 11:28 a.m. and again present at 12:15 p.m. for the remainder of the meeting.

### 4. **Adjournment**

There being no further business, the meeting adjourned at 2:49 p.m.



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

January 11, 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 (Holdover status)  
Seat 5 Vacant  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Joshua Low, Co-Chair

*Chair Kevin Cheng called the meeting to order at 9:13 a.m. On the call of the roll, Members Kaufman, Pelosi, Tang, and Low were noted present. There was a quorum.*

*Member Cheng was noted present at 9:18 a.m.*

### 2. Agenda Changes

*There were no agenda changes.*

### 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: Dari Barzel, Treasury Manager (East Bay Municipal Utility*

District); Carmen Clark; made introductions and spoke on various concerns relating to the hearing matter.

4. **Follow Up: Annual Report (2014 - 2015)**

Member Low provided an overview of the work completed on the annual report and that it would be presented to the Public Utilities Commission on January 12, 2016. Richard Morales, Debt Manager, and Mike Brown (SFPUC); provided information and responded to questions raised throughout the hearing.

Public Comment: Speakers: There were none.

5. **Comparison of the Revenue Bond Oversight Committee with Other Oversight Committees Follow Up**

Member Cheng requested this item be included with the strategic planning sessions and further proposed that the Committee think of any areas where the RBOC is lacking on how the Committee can compensate for any shortcomings.

Public Comment: Speakers: There were none.

6. **RBOC Member Vacancies**

Derek Evans, Assistant Clerk (Board of Supervisors); provided a background on the status of member vacancies. Member Pelosi informed the Committee of her intent to reapply to the position. Mark Blake, Deputy City Attorney, briefly discussed holdover statuses, as well as the process for reappointment.

Public Comment: Speaker: Carmen Clark; commented on the validity of keeping appointment statuses current versus being holdover status.

7. **Approval of Contract for Strategic Planning Session**

Mike Brown (SFPUC); provided an update on meeting with contracts department and the approach for the contract to be in place ahead of the strategic planning process, and further requested that the Committee pre-approve the contract. Member Kaufman requested a timeline on payment for contract services.

Public Comment: Speaker: Carmen Clark; spoke on her previous work with the Public Utilities Commission.

Member Kaufman moved to APPROVE the contract for the strategic planning session pending signatures by the co-chairs. The motion passed by the following vote:

Ayes: 5 - Cheng, Low, Kaufman, Pelosi, Tang



**8. RBOC Strategic Planning Preparations**

*Member Cheng briefly discussed possible upcoming audits, including Mountain Tunnel and wastewater. Member Tang inquired into the funding of the Mountain Tunnel project. Richard Morales, Debt Manager (SFPUC); responded to questions regarding the joint-asset Mountain Tunnel project, bond funding, and financial plan, and further recommended the Committee hear a report from staff regarding the finance plan. Member Cheng proposed the Committee plan a stress test for the wastewater budget. Christine Andersson, Audit Manager (SFPUC); provided a background on recent and upcoming audits. Further discussion among the Committee, staff, and members of the public focused on agenda items for the strategic planning session.*

*Public Comment: Speaker: Carmen Clark; spoke on her previous work with the Public Utilities Commission, as well as the scope of the agenda for the strategic planning session.*

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

*All potential future agenda items were to be sent to Carmen Clark for inclusion on the strategic planning session agenda.*

*Public Comment: Speaker: Carmen Clark would follow up with a draft agenda for the strategic planning session ahead of the February meeting.*

**10. Adjournment**

*There being no further business, the meeting adjourned at 10:09 a.m.*