



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
AGENDA**

REMOTE MEETING

**Listen/Public Call-In Phone Number
(415) 906-4659 Conference
ID: 590 761 663 #**

June 14, 2022 - 9:00 AM

Regular Meeting

Remote Access to Information and Participation

On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference.

Members of the public may participate by phone or may submit their comments by email to: RBOC@sfgov.org; all comments received will be made a part of the official record. Revenue Bond Oversight Committee agendas and their associated documents are available at: <https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee>

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As the COVID-19 disease progresses, please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact Assistant Clerk Victor Young at (415) 554-7723.

Mission: The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

1. **Call to Order, Roll Call, and Agenda Changes**

Members:

Seat 1	Ettore Leale, Chair
Seat 2	Lars Kamp
Seat 3	Vacant
Seat 4	Vacant
Seat 5	Vacant
Seat 6	Christina Tang
Seat 7	Reuben Holober

2. **RBOC: Findings to Allow Teleconferenced Meetings During Declared Emergency** (*Discussion and possible action*)

Proposed Motion: ADOPT FINDINGS as required by Assembly Bill 361 that 1) the Committee has considered the circumstances of the state of emergency; 2) the state of emergency continues to directly impact the ability of policy body members to meet safely in person; and 3) state or local officials continue to impose or recommend measures to promote social distancing.

3. **Recognizing and Commending:** Mike Brown (SFPUC) for his years of committed service with the San Francisco Public Utilities Commission and Revenue Bond Oversight Committee. (*Discussion and possible action*)

4. **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.

5. **RBOC:** Planning for next RBOC audit (Presentation on suggested approaches by CSA and HKA/Yano.) (*Discussion and possible action*)

6. **RBOC:** Planning for potential future audits to evaluate the performance of projects funded by revenue Bonds. (*Discussion and possible action*)

7. **RBOC:** Planning for the 2021-2022 RBOC Annual Report (*Discussion and possible action*)

8. **SFPUC:** Water Infrastructure Update (*Discussion and possible action*)

- Water System Improvement Program (WSIP)
- Water Enterprise Capital Improvement Program (WECIP)
- Hetch Hetchy Capital Improvement Program (HCIP)

9. **SFPUC:** Bond Issuance Update (*Discussion and possible action*)

10. **RBOC:** Office of the Controller – City Services Auditor – Controller Account Code 486740 - – for SFPUC Revenue Bond Audit and Oversight (FY2021-2022 Bill) - \$445,065. (*Discussion and possible action*)(attachment)
11. **Approval of Minutes:** May 17, 2022, Meeting Minutes. (*Discussion and possible action*) (attachment)
12. **Announcements, Comments, Questions, and Future Agenda Items.** (*Discussion and possible action*)

Upcoming Meeting Dates: July 19, 2022, August 16, 2022, and September 13, 2022.

Future Agenda Items/Issues:

- A. Request that SSIP Quarterly reports include information on Stormwater Management System and details on the bidding climate and possible cost increase)
 - B. RBOC: Acquiring consultant to examine expected performance of complete projects.
 - C. SFPUC: Staff Report: Environmental Justice
 - D. SFPUC: Power Enterprise and Clean Power SF Update
 - E. SFPUC: Mountain Tunnel Site Tour
 - F. SFPUC: State Federal Loan Updates
 - G. SFPUC: Oceanside Wastewater Plant Tour
 - H. RBOC: Discussion on the 2015 report, entitled “Evaluation of Lessons Learned from the WSIP Program,” procedures and reporting processes taken from WSIP applied to SSIP
 - I. SFPUC: Wastewater System Improvement Program Update
 - J. RBOC: Discussion on the coordination of PUC Site Tours
 - K. Hearing on Finding #2 of the RBOC Performance Audit – Quality Assurance Program – August 16th meeting - schedule as soon as the new AGM of Infrastructure comes on board.
 - L. Hearing on Finding #1 of the RBOC Performance Audit – Visibility of bond expenditures – Nancy Hom – schedule for the September 13th meeting as discussed with Nancy.
13. **Adjournment**

Agenda Item Information

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

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

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

Meeting Procedures

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

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

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

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

Disability Access

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

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

Know Your Rights Under the Sunshine Ordinance

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

For more information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; phone at (415) 554-7724; fax at (415) 554-5163; or by email at sotf@sfgov.org.

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

Ethics Requirements

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

Under Campaign and Governmental Conduct Code, Section 1.127, no person or entity with a financial interest in a land use matter pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or the Treasure Island Development Authority Board of Directors, may make a campaign contribution to a member of the Board of Supervisors, the Mayor, the City Attorney, or a candidate for any of those offices, from the date the land use matter commenced until 12 months after the board or commission has made a final decision, or any appeal to another City agency from that decision has been resolved. For more information about this restriction, visit sfethics.org.

Lobbyist Registration and Reporting Requirements

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



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Revenue Bond Audit: Phase II

June 14, 2022

Risk Assessment & Bond Selection

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Revenue Bond Audit – Audit Objectives

Audit Objectives

GAGAS
Performance Audit

Generally
Accepted
Government
Auditing
Standards

To determine whether expenditures from project funds are:

- Allowable under the bond resolutions, laws, and regulations.
- Properly supported.
- Assigned or allocated to the correct project(s) within a bond series; and
- Subjected to appropriate cost control measures.

Respond to RBOC's legislatively mandated responsibilities regarding the status and condition of SFPUC's bond funded capital infrastructure program
(*Administrative Code Section 5A.31*)



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Revenue Bond Audit – Progress Update

Risk Assessment according to GAGAS Standards (8.107)

- Obtained project crosswalk for Wastewater
- Updated Sample Population with 2021 Bonds
- Identified Bonds that align with Audit Objectives
- Reviewed Proposed Bonds with CSA

Wastewater	Power	Water
2016 Series C	2015 Series A	TBD
2018 Series A		
2018 Series B		
2018 Series C		



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Revenue Bond Audit – Water & Hetchy Water

Water and Hetchy Water	Proceeds at Issuance (\$000)	Audit Phase
2006 Series A	\$459,223	Phase 1
2009 Series A	369,073	
2009 Series B	377,778	
2010 Series A	58,748	
2010 Series B	364,757	
2010 Series D	72,243	
2010 Series E	300,446	
2010 Series F	149,728	
2010 Series G	288,252	Phase 1
2011 Series A	525,000	
2011 Series C	33,772	
2012 Series A	530,000	Phase 1
2015 Series A*	99,709	
2017 Series A	125,766	
2017 Series B	150,000	
2017 Series C	102,975	
2020 Series A	180,000	
2020 Series B	69,644	
2020 Series C	94,988	
2020 Series D	49,770	
TOTAL	\$4, 401,872	

Wastewater	Proceeds at Issuance (\$000)	Audit Phase
2010 Series A	\$50,000	
2010 Series B	165,929	Phase 1
2013 Series B	337,610	Phase 1
2016 Series A (Green)	258,563	Phase 1
2016 Series B	72,891	
2016 Series C (Green)	256,960	Phase 2
2018 Series A (Green)	241,013	Phase 2
2018 Series B (Non-SSIP)	201,047	Phase 2
2018 Series C (Green)	170,720	Phase 2
2021 Series A (Green)**	296,000	
2021 Series B*	44,000	
TOTAL	\$2,094,773	

Power	Proceeds at Issuance (\$000)	Audit Phase
2011 Series B	\$27,710	
2015 Series A (Green)	30,200	Phase 2
2015 Series B	7,100	
2021 Series A (Green)	82,709	
2021 Series B	55,005	
TOTAL	\$202,724	

* Proceeds per the Official Statement. 2021 Series issued November 2021. Proceeds used for commercial paper defeasances; thus, substantially all amounts were expended prior to June 30, 2021.

* Debt Service Reserve Release



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Revenue Bond Audit – WWE 2016 C and 2018 A & C

Project	Estimated Use (\$000)	Expended (\$000)
WW Treatment Plant Improvement	\$106,178	\$250,697
WW SSIP Biosolids-digester Pro	0	159,729
WW SSIP Program-wide Management	113,225	98,992
WW Collection System Improvement	166,740	92,220
WW Stormwater Management	78,401	29,451
WW Central Bayside System Improvement	47,232	16,448
WW Urban Watershed Assessment	78,564	13,957
WW Northshore To Channel Force	20,270	8,691
WW Flood Resilience-hydraulic	59,686	268
TOTAL	\$670,296	\$670,452

Source: Wastewater Green Bond Report, FY 2021



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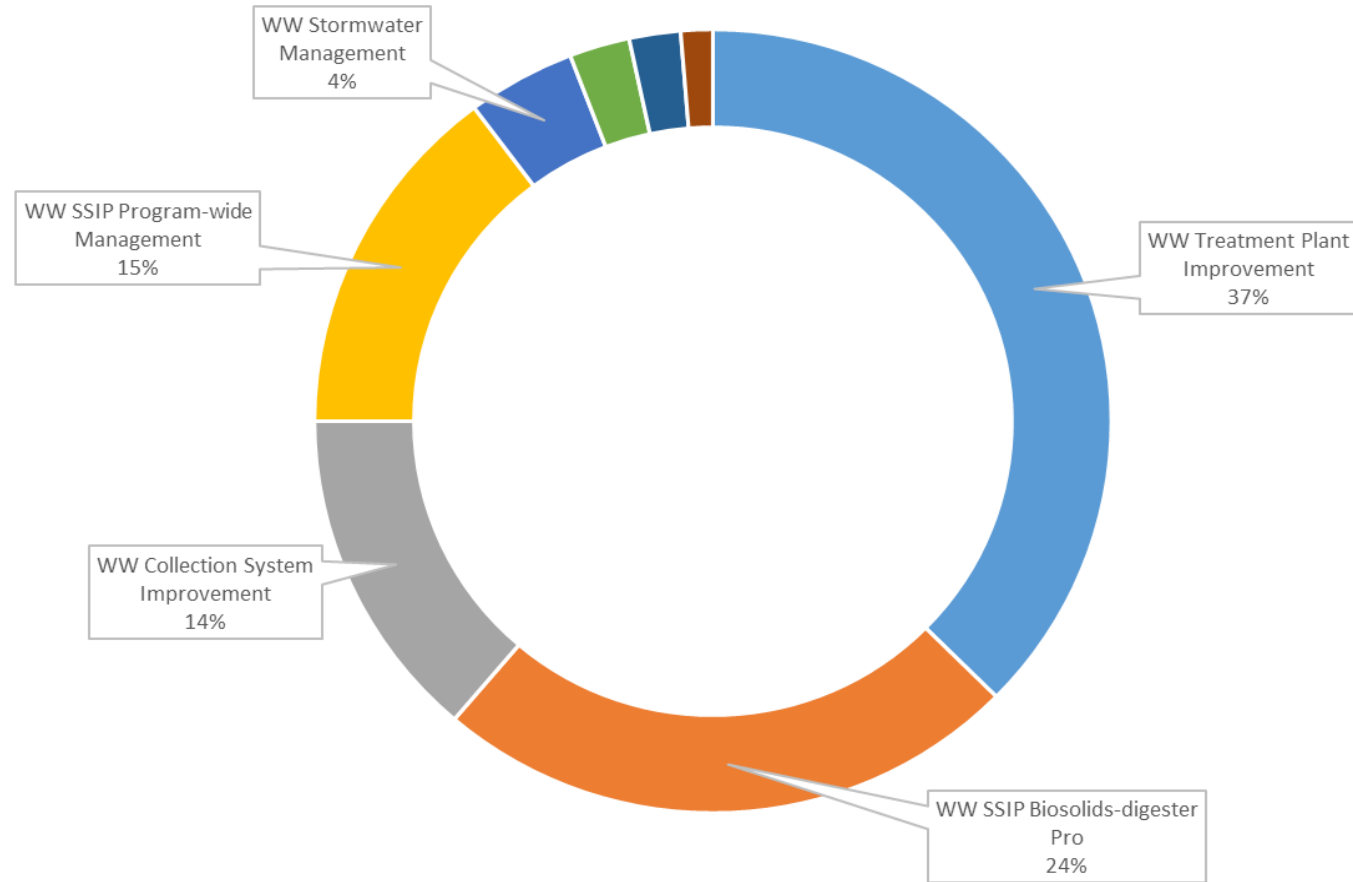


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Revenue Bond Audit – WWE 2016 C and 2018 A & C

Expended



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Revenue Bond Audit – WWE 2018 Series B

Project	Expended (\$000)
WW WWE R&R Collection System	\$143,321
WW Collection Division	20,780
WW Interim Clean Water CIP	14,915
WW Bond-commercial Paper Expense	11,583
WW Southeast Community Center	8,862
WW Ocean Beach Project	4,714
WW Outfall Inspection	3,923
WW Low Impact Design Project	2,057
TOTAL	\$212,183

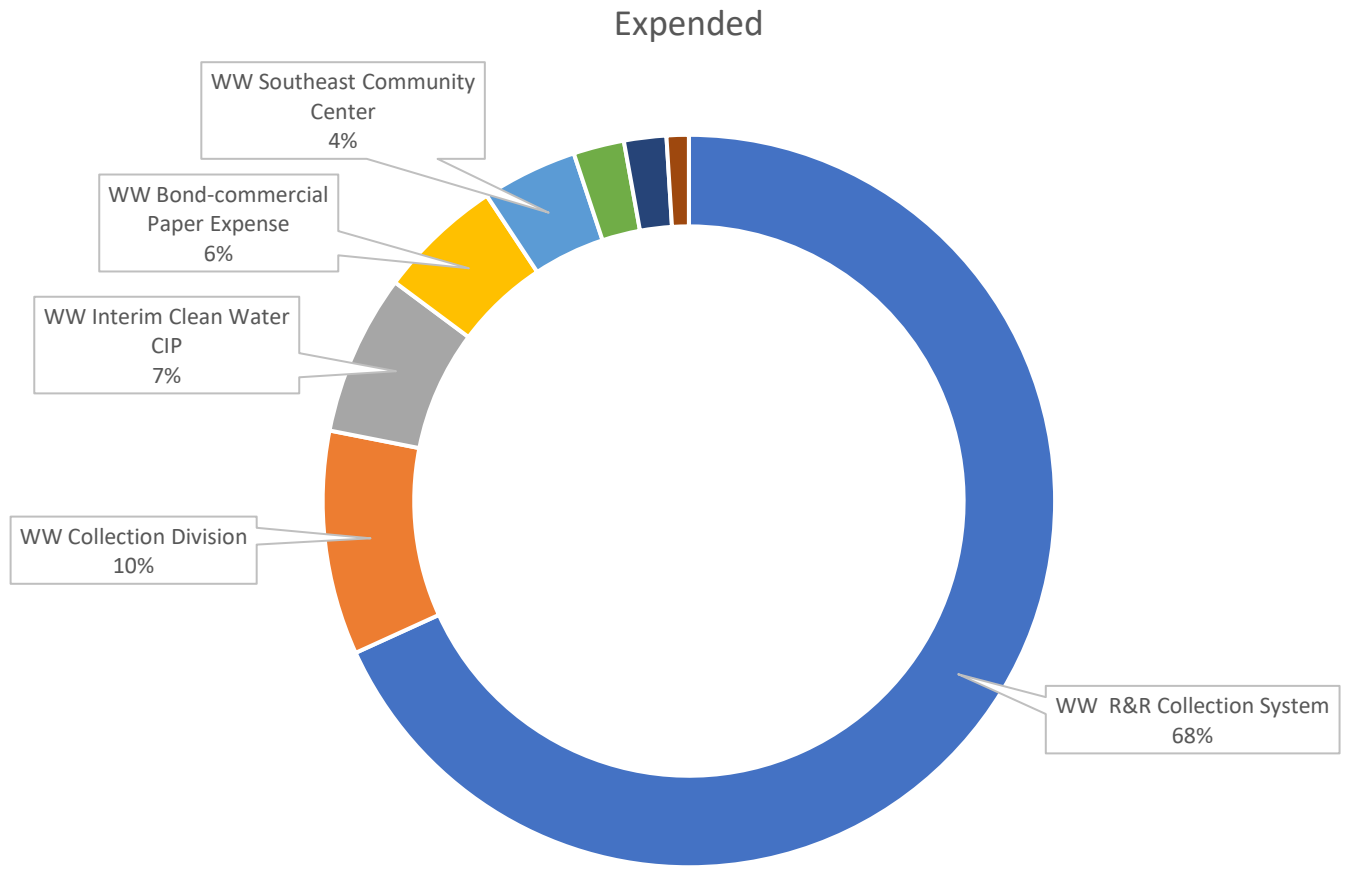


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Revenue Bond Audit – WWE 2018 Series B



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Revenue Bond Audit – Power 2015 A

Project	Estimated Use (\$000)	Expended (\$000)	FY 21/22 Spend
Other Powerhouse Projects – Holm Unit 2	\$13,395	\$12,919	\$9
Mountain Tunnel Hydroelectric Conveyance	11,333	10,706	140
Kirkwood Penstock Rehabilitation	2,667	1,790	-
Moccasin Penstock Rehabilitation	2,466	1,448	784
Oil Containment Upgrades for Holm & Kirkwood Hydroelectric Facilities	812	812	-
Hydroelectric Powerhouse Controls Upgrade	32	32	-
TOTAL	\$30,705	\$27,707	\$933

Source: Power Green Bond Report, FY 2021



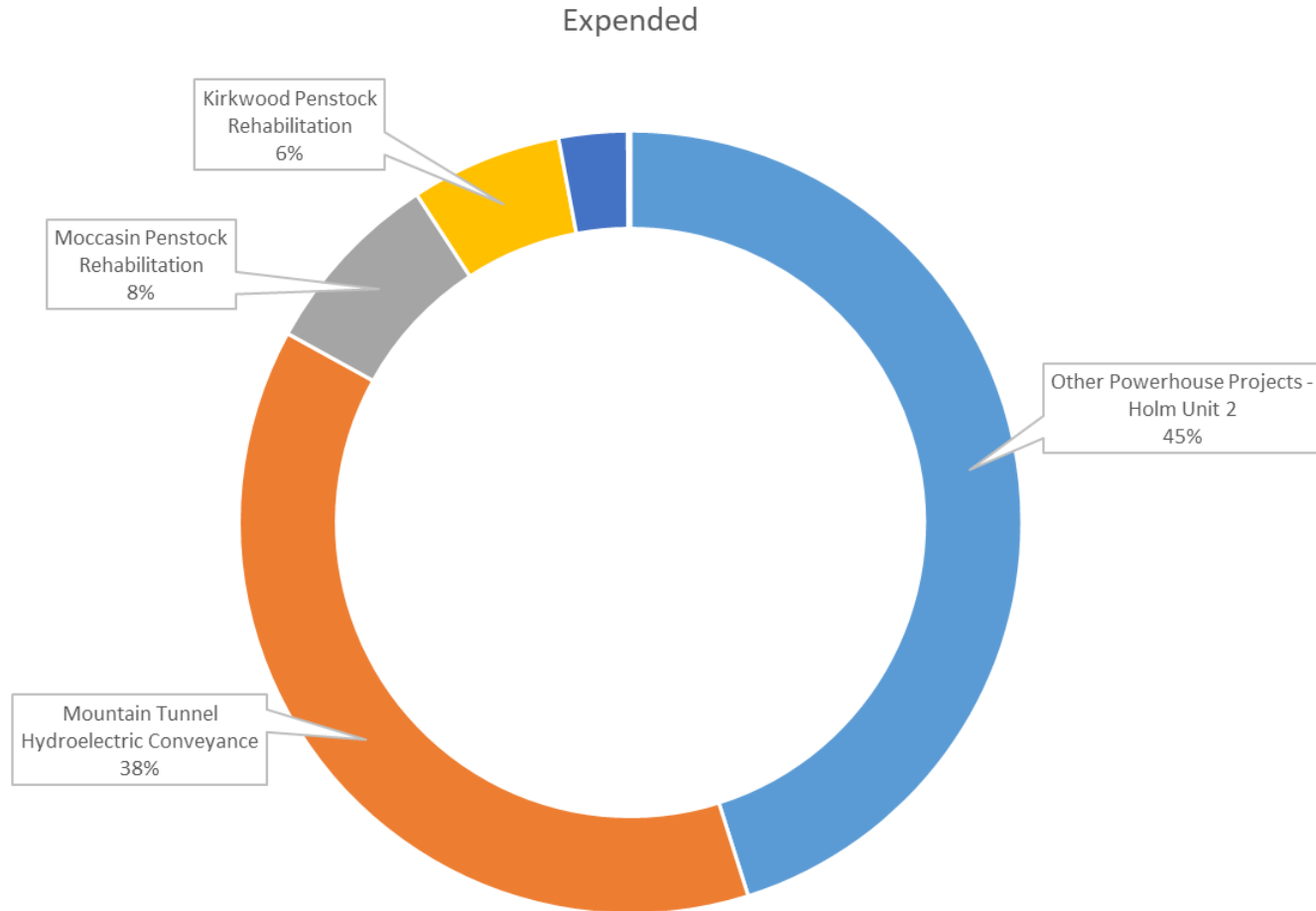
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Revenue Bond Audit – Power Bond 2015 A



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Revenue Bond Audit – Power, Reporting Observation

Table 3.1 Program Cost Summary

Cost Categories	Expenditures To Date (\$ Million) (A)	2018 Approved Budget (\$ Million) (B)	Current Approved Budget (\$ Million) (C)	Q4/FY20-21 Forecasted Costs (\$ Million) (D)	Cost Variance (\$ Million) (E = C - D)
Water Infrastructure	\$27.44	\$137.94	\$137.94	\$131.95	\$5.99
Construction Costs ⁽¹⁾	\$10.44	\$74.87	\$74.87	\$68.19	\$6.68
Program Delivery Costs ⁽²⁾	\$16.77	\$52.40	\$47.75	\$50.01	(\$2.26)
Other Costs ⁽³⁾	\$0.23	\$10.67	\$15.32	\$13.75	\$1.57
Power Infrastructure	\$57.59	\$151.19	\$151.19	\$187.36	(\$36.17)
Construction Costs ⁽¹⁾	\$26.97	\$80.79	\$80.79	\$117.82	(\$37.04)
Program Delivery Costs ⁽²⁾	\$30.45	\$57.73	\$57.79	\$66.92	(\$9.13)
Other Costs ⁽³⁾	\$0.17	\$12.68	\$12.62	\$2.62	\$9.99
Joint Infrastructure	\$89.70	\$393.81	\$393.81	\$392.36	\$1.45
Construction Costs ⁽¹⁾	\$34.87	\$215.69	\$235.69	\$237.69	(\$2.00)
Program Delivery Costs ⁽²⁾	\$54.70	\$156.05	\$156.05	\$148.70	\$7.35
Other Costs ⁽³⁾	\$0.13	\$22.07	\$2.07	\$5.97	(\$3.90)
2018 March Storm Event Emergency Repair and Interim Improvements (Water-Only Assets)	\$21.67	-	\$17.92	\$21.97	(\$4.04)
Overall Program Total	\$196.41	\$682.93	\$700.86	\$733.64	(\$32.78)

Hetch Hetchy CIP Q4; dated September 2, 2021

Table 3. Cost Summary

Subprograms	Expenditures To Date (\$ Million) (A)	Current Approved Budget (\$ Million) (B)	Q2/FY21-22 Forecasted Costs (\$ Million) (C)	Cost Variance (\$ Million) (D = B - C)	Cost Variance Over Reporting Period (\$ Million) (E)
Water Infrastructure	\$8.70	\$109.53	\$153.27	(\$43.74)	-
Water Conveyance (Water)	\$4.86	\$102.66	\$146.40	(\$43.74)	-
Water Infrastructure Project Development	\$3.85	\$6.87	\$6.87	-	-
Power Infrastructure	\$55.62	\$204.24	\$204.24	-	-
Powerhouse	\$28.58	\$120.94	\$120.94	-	-
Switchyard & Substations (Power)	\$21.88	\$34.25	\$34.25	-	-
Transmission Lines	\$2.71	\$37.97	\$37.97	-	-
Power Infrastructure Project Development	\$2.46	\$11.09	\$11.09	-	-
Joint Infrastructure	\$69.98	\$493.52	\$495.29	(\$1.77)	-
Dams & Reservoirs (Joint)	\$7.93	\$167.45	\$184.13	(\$16.69)	-
Mountain Tunnel	\$54.60	\$238.22	\$238.22	-	-
Roads & Bridges (Joint)	\$1.22	\$44.29	\$29.37	\$14.92	-
Tunnels (Joint)	\$0.59	\$8.43	\$8.43	-	-
Utilities (Joint)	\$0.42	\$8.79	\$8.79	-	-
Joint Infrastructure Project Development	\$5.22	\$26.34	\$26.34	-	-
Overall Program Total	\$134.30	\$807.30	\$852.81	(\$45.51)	-

Hetch Hetchy CIP Q2; dated March 2, 2022



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Revenue Bond Audit: Phase II

Questions

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SFPUC Water Capital Programs Update as of March 31, 2022 (3rd Quarter FY22) Revenue Bond Oversight Committee

June 14, 2022
Katie Miller, Director
Water Capital Programs
Infrastructure Division



Services of the San Francisco Public Utilities Commission



SFPUC Water Capital Programs

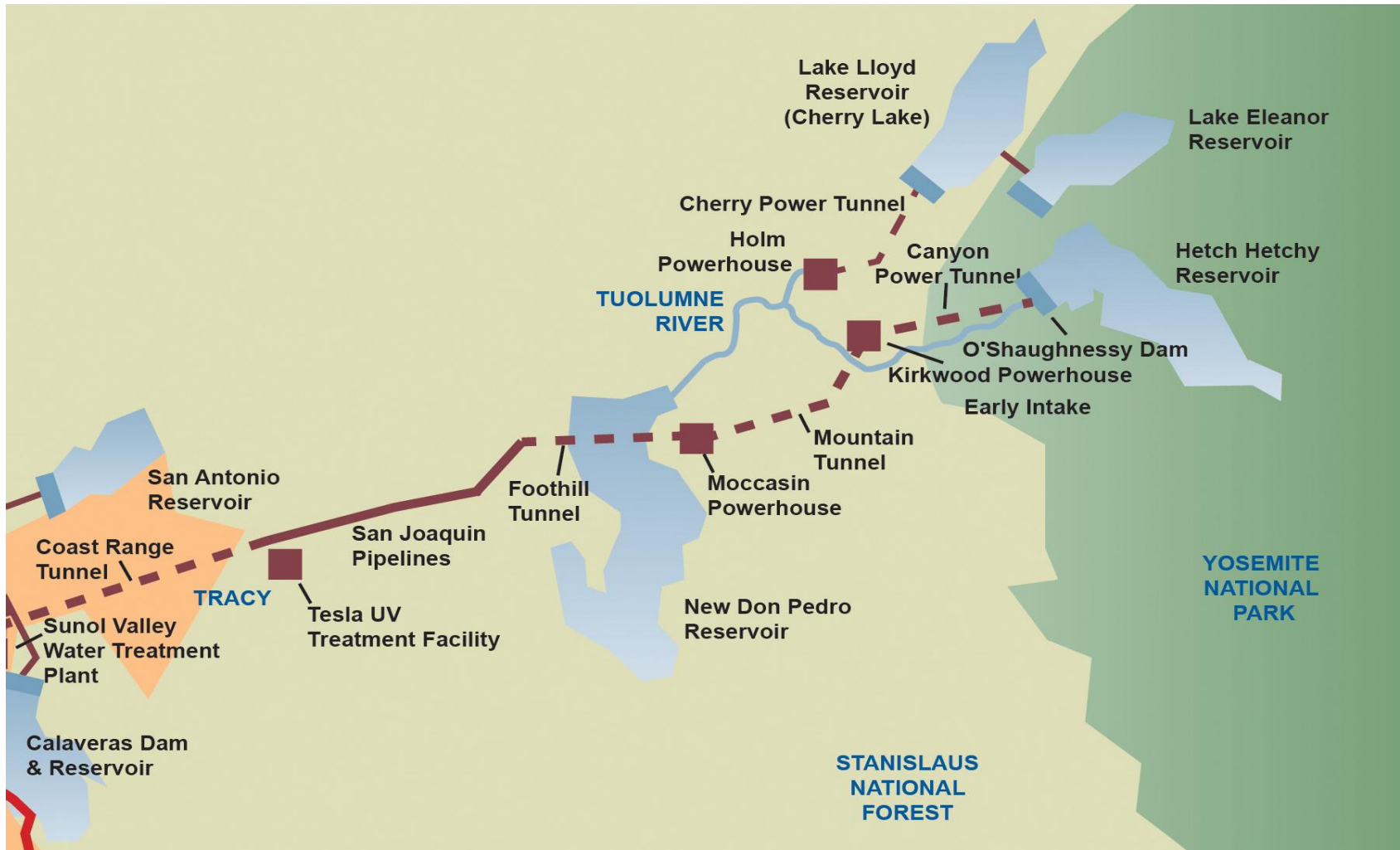
- Four Water Capital Improvement Programs:
 - Hetch Hetchy Water CIP (HCIP)
 - Regional Water Enterprise CIP (Regional WECIP)
 - Local Water Enterprise CIP (Local WECIP)
 - Water System Improvement Program (WSIP)
- Separate sources of funding – mix of revenue and bonds
 - HCIP – Water (2/3 wholesale water; 1/3 SF retail water customers) and Power (wholesale and retail)
 - Regional WECIP – 2/3 wholesale water & 1/3 SF retail water customers
 - Local WECIP – SF retail water customers
 - WSIP – previously appropriated bond funding

Hetch Hetchy Capital Improvement Program





Hetch Hetchy Water and Power Assets and Facilities serviced by HCIP Projects





Hetch Hetchy Water 10-Year Capital Improvement Program

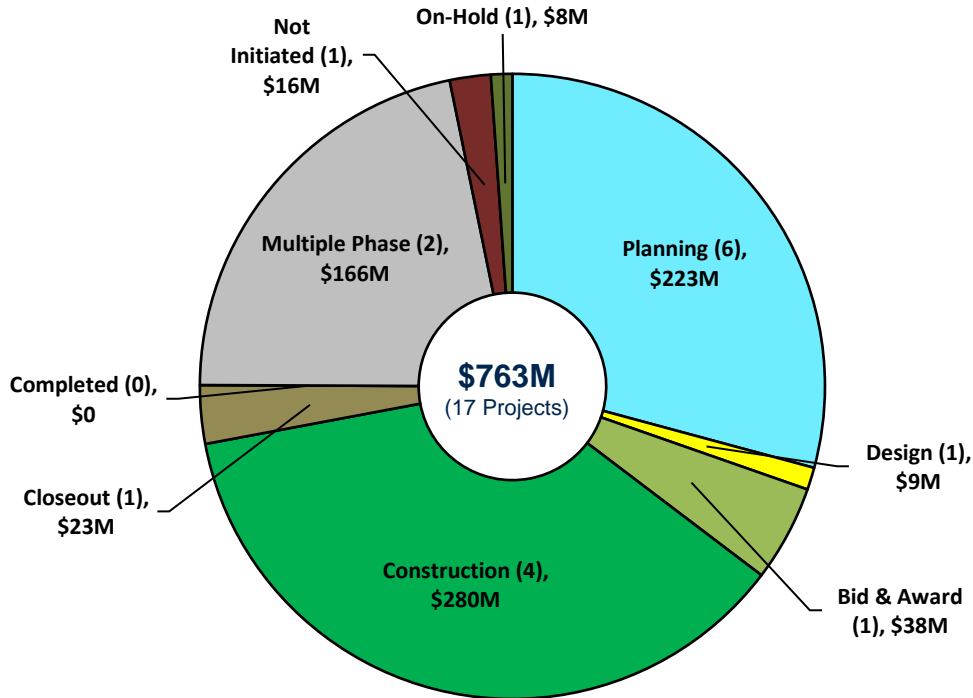
- All capital improvement projects are classified as either **Water** (100% Water funded), **Power** (100% Power funded), or **Joint** (45% Water and 55% Power funded)

Program	FY21-30 (\$ Million)	FY23-32 Proposed (\$ Million)
Water Ten-Year Total	278	233
Power Ten-Year Total	152	193
Joint Ten-Year Total	594	549
TOTAL	1,024	974



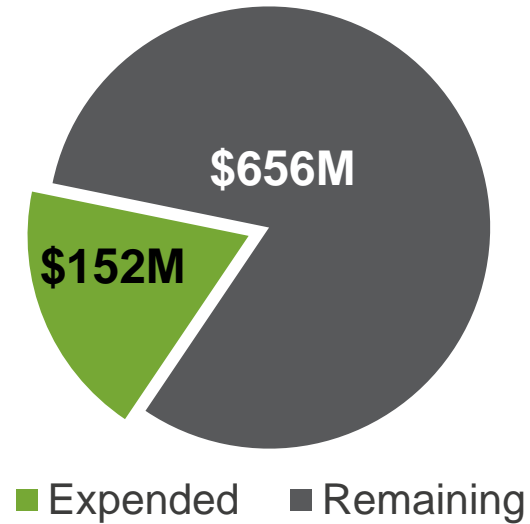
HCIP Program Status *(as of March 2022)*

*Project Count by Phase**



** Excluded 3 Project Development Projects (\$44M)*

Expenditures



■ Expended ■ Remaining

% Complete



27%



HCIP Water-Funded Projects (2)

Project	Approved Budget	Forecast Completion	Current Phase
SJPL Tesla Valves Replacement	\$3.7M	2022	Construction
SJPL Valve and Safe Entry Improvement	\$98.9M	2028	A) Bid & Award B) Bid & Award C) Planning D) Design



HCIP Power-Funded Projects (6)

Project	Approved Budget	Forecast Completion	Phase
Moccasin Powerhouse Bypass Upgrades	\$15.0M	2027	Planning
Kirkwood Powerhouse Bypass Upgrades	\$16.2M	2033	Not Initiated
Holm and Other Powerhouse Projects	\$20.7M	2022	Closeout
Moccasin Powerhouse and GSU Rehabilitation	\$66.7M	2027	A) Construction B) Design C) Planning
Warnerville Substation Rehabilitation	\$34.3M	2026	Construction
Transmission Lines 7/8 Upgrades	\$38.0M	2025	Bid & Award



HCIP Joint-Funded Projects (9) (55% Power, 45% Water)

Project	Approved Budget	Forecast Completion	Phase
Moccasin Penstock	\$47.3M	2028	Planning
OSH Dam Access and Drainage Improvements	\$4.0M	2023	Construction
O’Shaughnessy Dam Outlet Works Phase 1	\$21.2M	2025	Planning
Moccasin Dam Long-Term Improvements	\$83.2M	2028	Planning
Cherry Dam Spillway - Short Term Improvements	\$11.9M	2027	Planning
Mountain Tunnel Improvement Project	\$238.2M	2027	Construction
Bridge Replacement (4 Bridges)	\$44.3M	2027	Planning
Canyon Tunnel Rehabilitation	\$8.4M	2025	On Hold
Moccasin Wastewater Treatment Plant	\$8.8M	2026	Design



HCIP Program Cost Summary

Program Name	Expenditures to Date (\$Million)	Current Approved Budget (\$Million)	Current Forecasted Cost (\$Million)	Cost Variance (\$Million)
Water Infrastructure	\$10	\$110	\$153	(\$44)
Power Infrastructure	\$60	\$204	\$204	-
Joint Infrastructure	\$82	\$494	\$495	(\$2)
Overall HCIP	\$152	\$807	\$853	(\$46)



HCIP Dam Projects

Project Name	Project Budget	Project Completion
O'Shaughnessy Dam Access and Drainage Improvements	\$4.0 M	2023
O'Shaughnessy Dam Outlet Works Phase 1	\$21.2 M	2025
Cherry Dam Spillway – Short Term Improvements	\$11.9 M	2027
Moccasin Dam Long Term Improvements	\$83.2 M	2028
Early Intake Dam Long Term (FY23-32)	\$94.7 M	2029
Total	\$215.0 M	

Mountain Tunnel Improvements

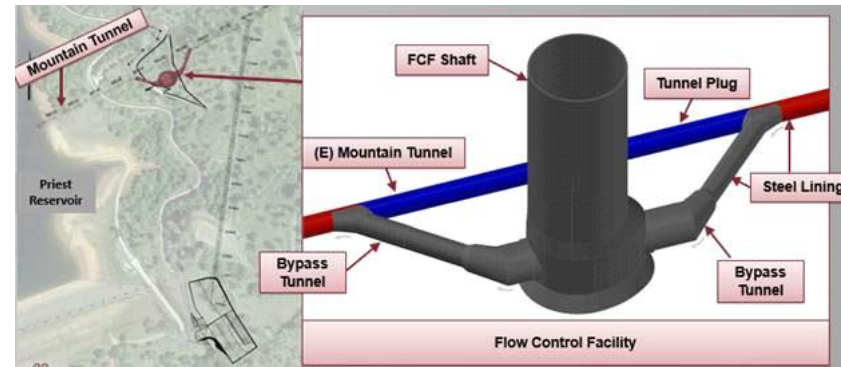
Approved Budget: \$238.2M
Forecast Completion: June 2027
Current Phase: Construction
Expended to Date: \$64.4M

Project will rehabilitate existing 18-mile-long tunnel built in 1925:

- Lining repair;
- New access adit at Priest Reservoir;
- New Flow Control Facility at Priest;
- Access road safety improvements.

Progress and Status:

- Successful implementation of first of 5 annual 60-day to 100-day shutdowns.
- Excavation of Flow Control Facility shaft to 100-foot depth and new Priest Adit access to 200-foot length.
- SRF low interest loans will save about \$100M



*Flow Control Facility: Schematic (top);
Shaft Construction (bottom)*



2022-2026 Mountain Tunnel Outages

- 60-day to 100-day outages of entire Hetch Hetchy Water System
- Aligns with other project and maintenance shutdowns
- Regional Water System supported 100% from Bay Area reservoirs, treatment plants, and groundwater





Moccasin Powerhouse (MPH) and Generator Step-Up Transformer (GSU) Rehabilitation

Approved Budget: \$66.7M
Forecast Completion: Dec 2027
Current Phase: Multiple Phases
Expended to Date: \$10.9M

Three subprojects will rehabilitate 60-year-old powerhouse.

Progress and Status:

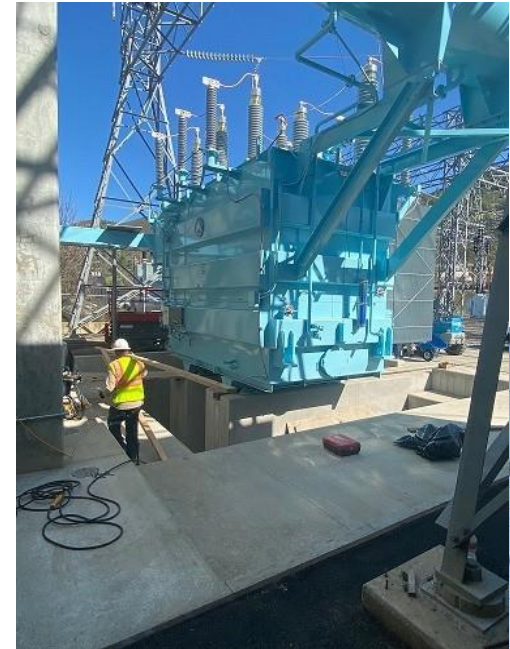
Subproject A (Step-Up Transformers)

- New GSU 1 transformer installed (photo) on oil containment foundation (photo); relay panels tested and commissioned; partial use in Q4.

Subproject B (Generators Rewind)

- 100% design for generator rewind items and 65% design for relay protection and control panels.

Subproject C (MPH Upgrades) initiated planning.





San Joaquin Pipelines (SJPL) Valve and Safe Entry Improvement

Approved Budget: \$98.9M
Forecast Completion: March 2028
Current Phase: Multiple Phases
Expended to Date: \$3.9M

Project will install valves and “removable spool pieces” to increase safe entry into pipelines during inspection and maintenance while system is in service; also increases pressure rating. Four separate construction contracts.

Progress and Status:

- Phase 1A: Contract awarded.
- Phase 1B: 100% design achieved.
- Phase 2: Design initiated.
- Phase 3 65% design achieved.



*Removable Spool Piece (top);
Butterfly Valve (bottom)*



Water Enterprise Capital Improvement Program

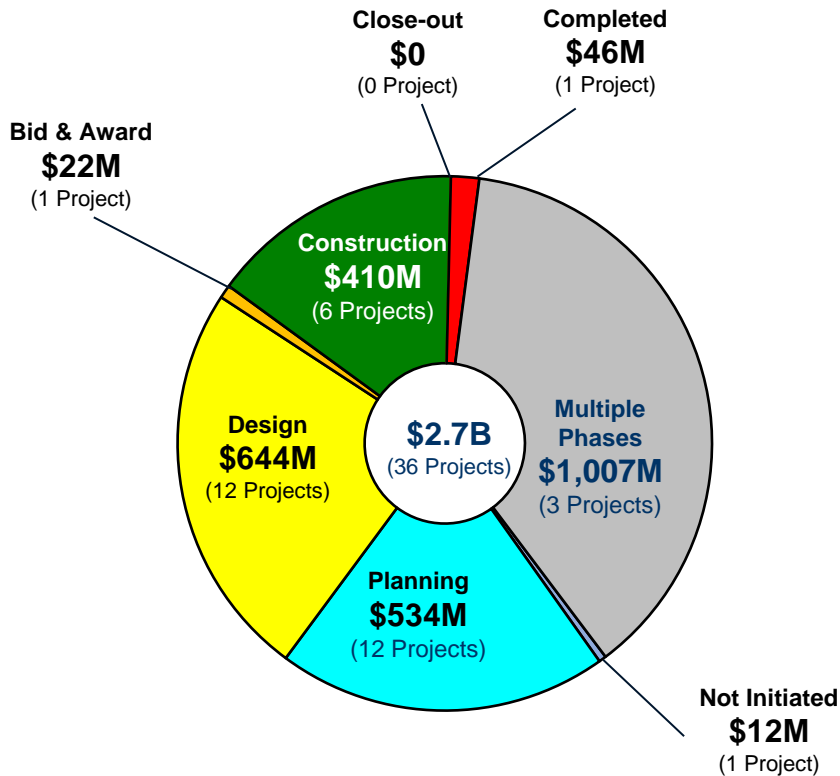


San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

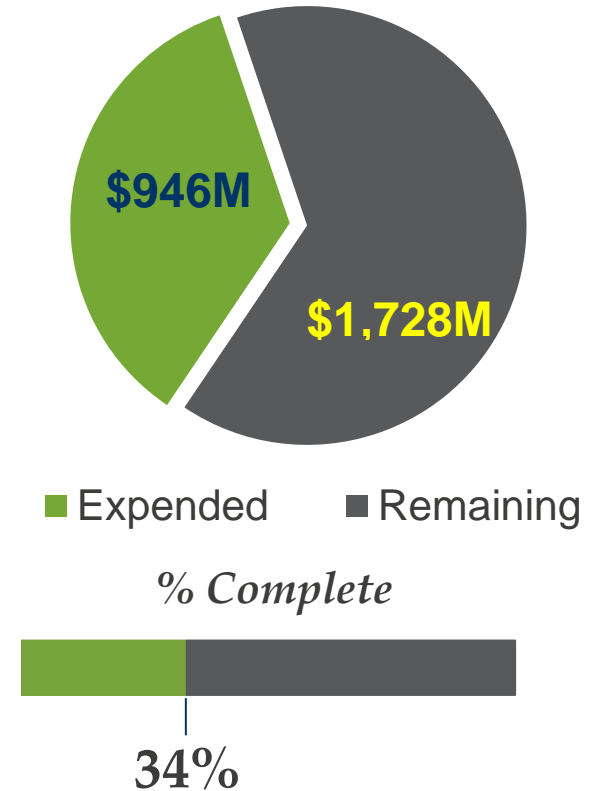


WECIP Program Status *(as of March 2022)*

Project Count by Phase



Expenditures





WECIP Program Cost Summary

(active projects only – no variances during quarter)

Program Name	Expenditures to Date In \$Million	Approved Budget (\$Million)	Current Forecasted Cost (\$Million)	Cost Variance (\$Million)
Regional WECIP	\$172	\$919	\$1,030	(\$111)
Water Treatment	\$14	\$296	\$325	(\$29)
Water Transmission	\$53	\$217	\$274	(\$57)
Water Supply & Storage	\$5	\$82	\$82	-
Watershed & Lands Management	\$8	\$43	\$53	(\$10)
Buildings and Grounds	\$92	\$281	\$296	(\$15)
Local WECIP	\$731	\$1,755	\$2,271	(\$516)
Local Water Conveyance / Distribution System	\$401	\$810	\$1,273	(\$463)
Local Water Supply	\$248	\$313	\$323	(\$10)
Local Tanks/Reservoir Improvements	\$1	\$19	\$19	-
Pump Stations	-	\$7	\$7	-
Buildings and Grounds	\$3	\$350	\$394	(\$43)
Emergency Firefighting Water System	\$77	\$256	\$256	-
Overall WECIP	\$903	\$2,674	\$3,302	(\$628)

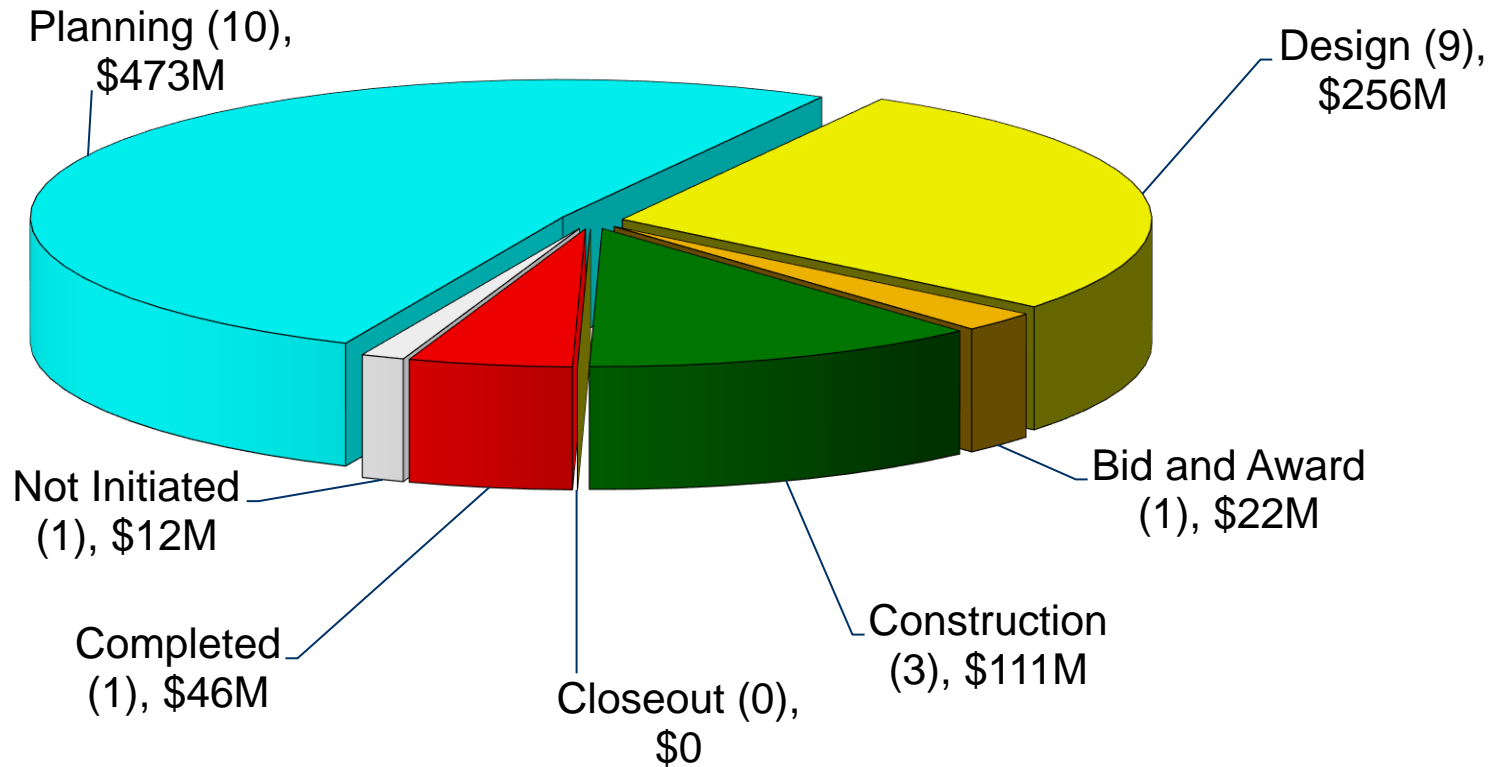


Regional Water 10-Year Capital Improvement Program Budget

REGIONAL WATER	FY 21-30 (\$ Million)	FY23-32 Proposed (\$ Million)
Water Treatment	280	313
Water Transmission	143	202
Water Supply and Storage	334	290
Watersheds and Land Management	72	22
Communication and Monitoring	8	21
Buildings and Grounds	162	192
Long Term Monitoring and Permit	25	16
TOTAL	1,023	1,055

Regional WECIP Projects (Figure 2.1)

Approved Budget for 25 Regional Projects by Phase





25 Regional Projects - Approved Budget and Forecast Completion

Project	Approved Budget	Forecast Completion
SVWTP Ozone	\$165.1M	June 2028
SVWTP Phase 3 & 4	\$70.1M	May 2027
SVWTP Polymer Feed Facility	\$7.5M	August 2025
HTWTP Improvements Capital	\$14.4M	June 2024
Regional Groundwater Treatment	\$13M	February 2030
CSPL2 Reach 5 Lining Replacement	\$13.0M	April 2026
As-Needed Pipeline Repairs	\$6.8M	August 2028
BDPL 4 Pre-Stressed Concrete Pipeline (PCCP) Repair	\$54.7M	May 2025
BDPL 1-4 Lining Repair	\$9.3M	August 2028
Corrosion Control	\$24.9M	January 2028
SAPS MCC Upgrades	\$12.5M	March 2025
SAPS No. 2 Replacement	\$45.6M	December 2021



25 Regional Projects - Approved Budget and Forecast Completion Cont'd

Project	Approved Budget	Forecast Completion
CSPL Reaches 2 and 3 Rehabilitation	\$50.0M	February 2027
Merced Manor Reservoir Facilities Repairs	\$12.1M	June 2031
Turner Dam and Reservoir Improvements	\$7.5M	June 2035
Pilarcitos Dam Improvements	\$30.1	June 2029
San Andreas Dam Improvements	\$32.2M	December 2033
EBRPD Water System	\$5.4M	October 2022
Sneath Lane Gate/North San Andreas	\$6.7M	August 2027
Southern Skyline Blvd Ridge Trail Extension	\$21.8M	February 2024
SA1 Service Road/Ingoing Road	\$9.6M	December 2026
Rollins Road Building Renovations	\$5.2M	June 2022
Millbrae Warehouse and HVAC	\$5.5M	September 2024
Sunol Long Term Improvements	\$91.7M	August 2023
Millbrae Yard Laboratory & Shops	\$169.6M	March 2029



Sunol Valley Water Treatment Plant (SVWTP) Ozone

Approved Budget: \$165.1M
Forecast Completion: June 2028
Current Phase: Design
Expended to Date: \$5.0M

Project will construct ozone facilities to treat water at Sunol Valley Water Treatment Plant (SVWTP) for taste and odor events from seasonal algae blooms.



Progress and Status:

- Final Conceptual Engineering Report issued; Design phase initiated.
- Treatability testing completed for ozone dose and configuration.
- Cost variance for scope refinement, including relocation of existing raw water pipelines and 4 basins option instead of 2 (see rendering).
- Schedule variance to add 6 months for construction, 6 months for testing and close-out.



Harry Tracy Water Treatment Plant (HTWTP) Capital Improvements

Approved Budget: \$14.4M
Forecast Completion: June 2024
Current Phase: Design

Project will replace failed filter underdrains at the Harry Tracy Water Treatment Plant (top photo).

Progress and Status:

- 95% and 100% design completed for underdrains; includes air distribution piping (lower photo)
- Bid advertisement next quarter.
- Construction 2023.





Regional Dam Projects

Project Name	Project Budget	Project Completion
Turner Dam and Reservoir Improvements	\$7.5 M	June 2035
Pilarcitos Dam Improvements	\$30.1M	June 2029
San Andreas Dam Facility Improvements	\$32.2 M	December 2033
Total	\$69.8 M	



Regional Pipeline Projects

Project Name	Project Budget	Project Completion
CSPL2 Reach 5 Lining Replacement	\$13.0 M	September 2025
CSPL2 Reaches 2 and 3 Rehabilitation	\$50.0 M	June 2026
BDPL 1-4 Lining Repair	\$9.4 M	August 2028
As-Needed Pipeline Repairs	\$6.8 M	August 2028
BDPL4 Pre-Stressed Concrete Cylinder Pipe (PCCP) Repairs	\$54.8	November 2023
Corrosion Control	\$24.9 M	January 2028
Total	\$158.9M	



Sunol Long Term Improvements

Approved Budget: \$100.4M
Forecast Completion: Aug 2023
Current Phase: Construction
Expended to Date: \$92.1M

Project improved the Sunol Yard (top photo) and is constructing the Alameda Creek Watershed Center near Sunol Water Temple (lower photo).

Progress and Status:
Sunol Yard (Contract A) finalizing Closeout.

Alameda Creek Watershed Center (Contract B)

- Interior and exterior detail work continuing.
- Exhibits submittals and meetings in progress.





Millbrae Yard Laboratory and Shop Improvements

Approved Budget: \$169.6M
Forecast Completion: Mar 2029
Current Phase: Planning
Expended to date:

Project will construct new laboratory and shops buildings and plan for a future new administration building at the Water Enterprise site in Millbrae.

Progress and Status:

- Development of overall site plan for access and circulation continues.
- Design elements to obtain Leadership in Energy and Environmental Design (LEED) certification are included.
- Construction to start 2025.





Southern Skyline Boulevard Ridge Trail Extension

Approved Budget: \$21.8M
Forecast Completion: March 2025
Current Phase: Bid and Award

Bay Area Ridge Trail was started in 1987 to create a 550-mile-long continuous trail. This project provides a 6-mile-long piece of the trail in San Mateo County through SFPUC's watershed.

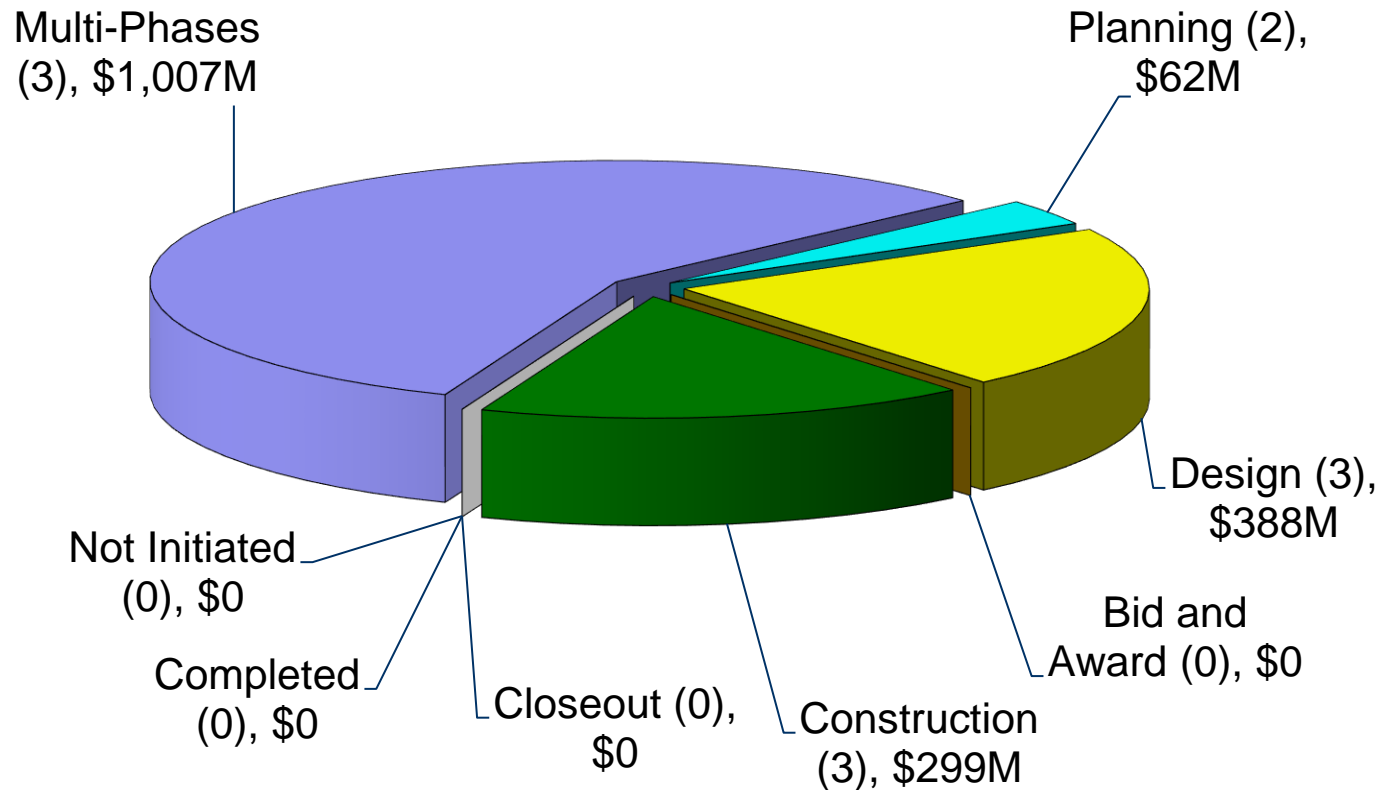
Progress and Status:

- 100% design plans completed.
- Project approved by Commission May 2021.
- National Environmental Protection Act review ongoing for federal grant compliance.
- Construction to start 2022.



Local WECIP Projects (Figure 2.1)

Approved Budget for the 11 Local Projects by Phase





11 Local Projects - Approved Budget and Forecast Completion

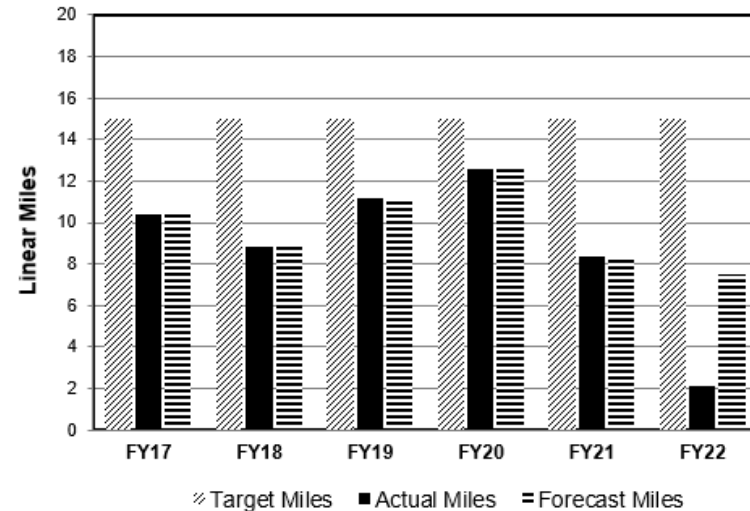
Project	Approved Budget	Forecast Completion
Potable Emergency Firefighting Water System	\$55.0M	June 2028
Town of Sunol Pipeline	\$5.0M	April 2025
Local Water Conveyance/Distribution	\$750.6M	June 2032
Lake Merced Water Level Restoration	\$32.7M	March 2027
San Francisco Groundwater Supply	\$66.5M	June 2023
San Francisco Westside Recycled Water	\$213.3M	April 2023
College Hill Reservoir Outlet	\$19.3M	April 2024
Harding Park Pump Station	\$6.5M	April 2026
New CDD Headquarters	\$350.2M	June 2028
EFWS Pipelines	\$205.3MM	December 2028
EFWS Pump Stations	\$45.2M	December 2028



Local Water Conveyance/Distribution System – Water Main Replacement

Approved Budget: \$750.6M
Forecast Completion: June 2032
Current Phase: Multiple Phases
Expended to Date: \$417.1M

Programmatic project to replace up to 15 miles per year of aging water pipelines in San Francisco’s distribution system. (Chart shows mileage goal and miles construction annually).



	FY17	FY18	FY19	FY20	FY21	FY22
Target Miles	15.0	15.0	15.0	15.0	15.0	15.0
Actual Miles	10.4	8.8	11.2	12.6	8.4	2.1
Forecast Miles						7.5

Progress and Status:

- 7.5 miles of pipe forecast to be replaced in FY22.
- Budgeted cost per mile has increased from \$3.18M per mile to \$5.4M, and \$8.0M per mile if seismic resilient pipe used.
- Projects throughout San Francisco including 19th Avenue, Taraval, Castro, Diamond, Geary, and many more.



San Francisco Westside Recycled Water

Approved Budget: \$213.3M
Forecast Completion: April 2023
Current Phase: Construction
Expended to Date: \$187.3M

Project constructing a recycled water treatment facility at SFPUC's Oceanside Plant, distribution pump station, and piping for irrigation water for Golden Gate Park, Lincoln Park, and the Presidio. Four construction contracts.



Progress and Status:

- Treatment Facility (Contract A): Construction almost complete; start-up and training ongoing.
- Pump Station (Contract B): Hydrostatic testing completed. PG&E changes to secondary power agreement increasing costs have been under discussion.
- Pipeline (Contract C): Piping contract is complete.
- Irrigation System Retrofit (Contract D): Project variance of 3 months for tree removal process in this subproject.



San Francisco Groundwater Supply

Approved Budget: \$66.5M
Forecast Completion: June 2023
Current Phase: Construction
Expended to Date: \$63.6M

Project in two phases to construct groundwater wells and distribution facilities in western part of San Francisco.

Progress and Status:

- First phase complete.
- Second phase being finalized; punch list items and spare parts delivery.
- Project variance of 12 months forecast to complete closeout documentation.



New CDD Headquarters

Approved Budget:	\$350.2M
Forecast Completion:	June 2028
Current Phase:	Design
Expended to Date:	\$4.2M

This project will provide a new campus for the City Distribution Division (CDD) staff at 2000 Marin Street in San Francisco.



8 DESIGN APPROACH

AERIAL VIEW OF SITE LOOKING EAST

Progress and Status:

- Design services contract awarded in February to sole responsive bidder subject to Board of Supervisors (BOS) approval.
- Three proposals received for rebid construction contract on March 23.
- Delays on contracts have resulted in forecast escalation costs of \$43.4M



Water System Improvement Program



San Francisco
Water Power Sewer

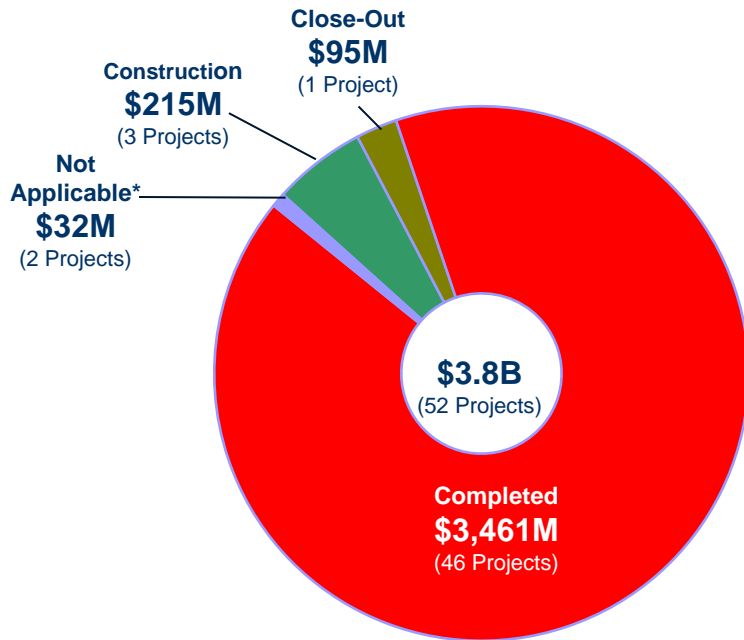
Services of the San Francisco Public Utilities Commission



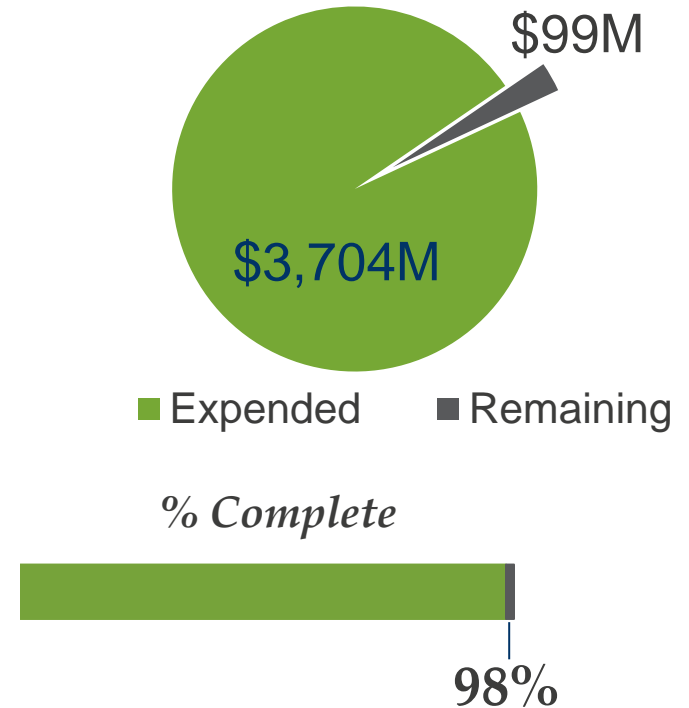
WSIP Regional Program Status

(as of March 2022)

Project Count by Phase



Expenditures



* "Not Applicable" category is for two projects that do not include construction: Long-Term Mitigation Endowment and Watershed and Environmental Improvement Program



Regional WSIP Cost Summary

(active projects only)

Program Name	Expenditures to Date (\$Million)	Current Approved Budget (\$Million)	Current Forecasted Cost (\$Million)	Cost Variance (\$Million)
San Joaquin Region	--	--	--	--
Sunol Valley Region	\$23.9	\$50.0	\$50.0	--
Bay Division Region	--	--	--	--
Peninsula Region	--	--	--	--
San Francisco Regional Region	\$119.2	\$158.4	\$158.4	--
Support Projects	\$18.4	\$32.0	\$32.0	--
Regional WSIP (Total – Active Projects)	\$161.5	\$240.0	\$240.0	--



WSIP Recent Achievements

- **WSIP Closeout Project - Peninsula** (miscellaneous scope completed by job order contracts) completed in December 2021.
- **WSIP Closeout- Sunol Valley** completed all original subprojects but was modified to add new subproject for miscellaneous scope to complete the Fish Passage Facilities for the Alameda Creek Diversion Dam (ACDD).
- **Calaveras Dam Replacement Project (CDRP) (\$823M)** contract closeout approved by Commission for subproject **Fish Passage Facilities at the Alameda Creek Diversion Dam (ACDD)** in January; **CDRP** completed March 31, 2022.
- **March 2022 Revised WSIP** approved by Commission on April 26, 2022; new completion date February 1, 2027; no change to Program budget approved in 2018 of \$4.8 Billion. New scope, schedule, and/or budget for all four (4) remaining construction projects and three (3) support projects; SFPUC will report changes to State in June.



Alameda Creek Recapture Project

Approved Budget: \$44.0M
Forecast Completion: June 2024
Current Phase: Construction
Expended to Date: \$19.2M

Project will construct a floating pump station in existing Pond F2 (photo) to capture (percolated) Alameda Creek water of same volume as released from Calaveras Dam; recaptured water will be pumped for storage and treatment via existing facilities.

Progress and Status:

- Construction initiated.





Regional Groundwater Storage and Recovery

Approved Budget: \$158.4M

Forecast Completion: Feb 2027

Current Phase: Phase 1: Construction

Phase 2A: Bid & Award

Phase 2B: Design

Expended to Date: \$119.2M

Project to construct 13 groundwater wells along the Peninsula for shared use with partner agencies to manage the groundwater basin for use during an extended drought.



Progress and Status:

Phase 1 (well installation): construction is 99% complete.

Phase 2A (cathodic protection) construction contract awarded in February.

Phase 2B (SSF Main Well) in design.

QUESTIONS?



Office of the Controller
City Services Auditor

Ben Rosenfield, Controller
Todd Rydstrom, Deputy Controller

City Services Auditor
FY 2021-22 Bill

Department: PUC - Public Utilities Commission

Summary		Budget	Year to Date Charges	Q1-Q4	Balance
CON Account Code: 486740					
FY22	PENDING	\$0	\$0	\$445,065	-\$445,065
Total		\$0	\$0	\$445,065	-\$445,065
Details		Hours	Rate of \$165/HR		
Audit/Project					
Qtr 1 Actual	PUC RBOC Audit Contract Oversight 1 of 3	29.00	\$4,785		
Qtr 2 Actual	PUC RBOC Audit Contract Oversight 1 of 3	128.25	\$21,161		
Qtr 3 Actual	PUC RBOC Audit Contract Oversight 1 of 3	67.50	\$11,138		
Qtr 3 Actual	PUC RBOC Audit Contract Overnight 2 of 3	6.25	\$1,031		
*Qtr 4 Projection	PUC RBOC Audit Contract Overnight 2 of 3	30.00	\$4,950		
Audit/Project Total		261.00	\$43,065		
Other					
Qtr 1 Actual	None		\$0		
Qtr 2 Actual	None		\$0		
Qtr 3 Actual	HKA Global, Inc. Contracts PUC RBOC Audit Contract Oversight 1 of 3, Total Billed \$402,000		\$402,000		
*Qtr 4 Projection	None		\$0		
Other Total			\$402,000		
Total				\$445,065	



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

REMOTE MEETING

May 17, 2022 - 9:00 AM

Regular Meeting

Remote Access to Information and Participation

On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference.

Members of the public may participate by phone or may submit their comments by email to: RBOC@sfgov.org; all comments received will be made a part of the official record. Revenue Bond Oversight Committee agendas and their associated documents are available at: <https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee>

As the COVID-19 disease progresses, please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact Assistant Clerk Victor Young at (415) 554-7723.

Mission: The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC’s water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC’s goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

1. **Call to Order, Roll Call, and Agenda Changes**

Members:

- Seat 1 Ettore Leale, Chair
- Seat 2 Lars Kamp
- Seat 3 Vacant
- Seat 4 Vacant
- Seat 5 Vacant
- Seat 6 Christina Tang
- Seat 7 Reuben Holober

The Revenue Bond Oversight Committee meeting was called to order at 9:02 a.m. On the call of the roll, Chair Leale and Members Kamp, Tang, and Holober were noted present. A quorum was present.

There were no agenda changes.

Public Comment: David Pilpel provided comment on various agenda items.

2. **RBOC: Findings to Allow Teleconferenced Meetings During Declared Emergency**

Proposed Motion: ADOPT FINDINGS as required by Assembly Bill 361 that 1) the Committee has considered the circumstances of the state of emergency; 2) the state of emergency continues to directly impact the ability of policy body members to meet safely in person; and 3) state or local officials continue to impose or recommend measures to promote social distancing.

Chair Leale, seconded by Member Tang, moved to ADOPT FINDINGS as required by Assembly Bill 361 that 1) the Committee has considered the circumstances of the state of emergency; 2) the state of emergency continues to directly impact the ability of policy body members to meet safely in person; and 3) state or local officials continue to impose or recommend measures to promote social distancing.

Public Comment: None.

The motion PASSED by the following vote.

Ayes: Leale, Kamp, Tang, Holober
Noes: None

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.

Speakers: None.

4. **SFPUC:** Hearing on Finding #1 of the RBOC Performance Audit – update on the implementation of the recommendation to improve visibility of bond proceeds expenditures by Nancy Hom, Deputy Chief Financial Officer, SFPUC.

Nancy Hom (SFPUC); Dan Dawson (HKA/Yano); provided updates and responded to questions from the committee.

Chair Leale, seconded by Member Kamp moved to continue this item to the call of the chair. (September)

Public Comment: Speakers: David Pilpel requested a copy of the presentation by Ms. Hom and provided procedural advice.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober
Noes: None

5. **RBOC:** Planning for next RBOC audit (Presentation on suggested approaches by CSA and HKA/Yano.)

Massanda Djohs (Controller’s Office - CSA) Dan Dawson and Paul Pocalyko (HKA/Yano); John Squerciati (Dewberry); provided updates and responded to questions from the committee

Member, Kamp, seconded by Member Holober, moved to continue to the June meeting.

Public Comment: David Pilpel provided questions on the presentation.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober
Noes: None

6. **RBOC:** Planning for potential future audits to evaluate the performance of projects funded by revenue bonds. (*Presentation by Dewberry*).

John Squerciati (Dewberry); Mike Brown (SFPUC); provided updates and responded to questions from the committee.

Member Kamp, seconded by Member Tang, moved to continue this item to the next meeting.

Public Comment: David Pilpel suggest not creating sub-committees and commented on the presentation.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober
Noes: None

7. **SFPUC: Bond Issuance Update**

Mike Brown (SFPUC); provided updates and responded to questions from the committee.

Member Holober, seconded by Member Tang, moved to continue this item to the next meeting.

Public Comment: None.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober
Noes: None

8. **Approval of Minutes: April 19, 2022, Meeting Minutes.**

MemberKamp seconded by Holober motioned to approve both the February 15, 2022 and March 8, 2022 Minutes as amended.

Public Comment: David Pilpel provided suggestions for the minutes correction.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober
Noes: None

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

Announcement and Discission of Site Tour: May 26, 2022.

Upcoming Meeting Dates: June 14, 2022, July 19, 2022, August 16, 2022, and September 13, 2022.

Public Comment: David Pilpel commented on the site tour noticing requirement.

Pending Issues:

- A. Request that SSIP Quarterly reports include information on Stormwater Management System and details on the bidding climate and possible cost increase)
- B. RBOC: Acquiring consultant to examine expected performance of complete projects.
- C. SFPUC: Staff Report: Environmental Justice
- D. SFPUC: Power Enterprise and Clean Power SF Update
- E. SFPUC: Mountain Tunnel Site Tour
- F. SFPUC: State Federal Loan Updates
- G. SFPUC: Oceanside Wastewater Plant Tour
- H. RBOC: Discussion on the 2015 report, entitled “Evaluation of Lessons Learned from the WSIP Program,” procedures and reporting processes taken from WSIP applied to SSIP
- I. SFPUC: Wastewater System Improvement Program Update
- J. RBOC: Discussion on the coordination of PUC Site Tours
- K. SFPUC: Water Infrastructure Update (June 14, 2022)
 - Water System Improvement Program (WSIP)
 - Water Enterprise Capital Improvement Program (WECIP)
 - Hetch Hetchy Capital Improvement Program (HCIP)
- L. SFPUC: Hearing on Finding #1 of the RBOC Performance Audit – update on the implementation of the recommendation to improve visibility of bond proceeds expenditures by Nancy Hom, Deputy Chief Financial Officer, SFPUC.
 -

10. Adjournment

The meeting adjourned at 10:50 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.

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

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