



**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: 280 452 856 #**

**September 14, 2021 - 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: [brent.jalipa@sfgov.org](mailto:brent.jalipa@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://www.sfwater.org/index.aspx?page=121>

Listen/Public Call-In Phone Number:  
(415) 906-4659 Conference ID: 280 452 856 #

As the COVID-19 disease progresses, please visit the Board's website ([www.sfbos.org](http://www.sfbos.org)) regularly to be updated on the current situation as it affects the legislative process. For more information contact Assistant Clerk Brent Jalipa at (415) 554-7712.

**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. **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.
3. **RBOC:** Audit Update (*Discussion and possible action*) (*attachment*)
4. **RBOC:** Amending Bylaws - Definition of "Reporting Period" for the Annual Report (*Discussion and possible action*) (*attachment*)
5. **SFPUC:** Water Infrastructure Update (*Discussion and possible action*)
6. **Approval of Minutes:** August 17, 2021, Meeting Minutes. (*Discussion and possible action*) (*attachment*)

7. **Announcements, Comments, Questions, and Future Agenda Items.**  
(Discussion and possible action)

Upcoming Meeting Dates: October 19, 2021

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 (*Discussion and possible action*)
- 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 (*Discussion and possible action*)
- J. RBOC: Discussion on the coordination of PUC Site Tours
- K. RBOC: 2020 Annual Report (*Discussion and possible action*) (October)
- L. SFPUC: Planning for next RFP’s for contracts (October)

8. **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](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](mailto: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](mailto: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](http://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](http://www.sfgov.org/ethics).

# Revenue Bond Audit – RBOC Status Update: September 14, 2021



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## WSIP

1. Electronic document retrieval process is complete
  - a. Identifying missing Construction and Project Management documentation
  - b. Engaged PMs to inquire the transmission of WSIP Lessons Learned to SSIP.
  - c. Final Stages of WSIP Audit Fieldwork

### Engineering Archives 525 Golden Gate

2. In-person visits began on August 23<sup>rd</sup>
3. Testing official WSIP documents against copies received to ensure our “unofficial” copy is complete.
4. Verifying official copies contain original wet signatures
5. Sampling other documents as needed (e.g., docs related to change order negotiations and other high-risk areas)

## SSIP

### Currently performing 10-year and 2-year capital planning

6. CM and PM Management Procedures
  - a. 2 Projects in construction – Majority of documents provided on Sept. 3<sup>rd</sup>
  - b. Projecting Sept 17<sup>th</sup> for remaining documents
7. Projects closed-out
  - a. Engineering Archives has located project files, and retrieval is in process

### Other Audit Fieldwork

8. Ongoing discussions with PUC finance and engineering archives
9. 525 in-person visits through September
10. Ad-hoc discussions/questions with Alan Johanson and project managers

## Takeaways

### Engineering Archives

In-person document review is a big milestone

### Weekly Tuesday Check-in Calls

Rosie (PUC Finance)

Karen Watson (Engineering Archives)

Albert Tom (Const. Audit Manager)



PUC Infrastructure is engaged; Great internal communication between personnel.

# Revenue Bond Audit – RBOC Status Update: September 14, 2021



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## Water System Improvement Program

1. 10 projects sampled
  - a. Total CAPEX spend is over \$2.5b
  - b. Total Change Order value \$440m

Bond:	2006A	2010G	2012A
CAPEX Spend:	\$480m	\$295m	\$540m

Project Description	06A-WT	10F-WT	12A-WT	Total
Calaveras Dam Replacement	24,372,855	79,130,633	184,012,380	287,515,868
Htwtpl Long Term Improvements	4,837,260	42,799,226	64,859,876	112,496,362
San Joaquin Pipeline System	15,047,387	31,587,381	3,625,650	50,260,418
Crystal Springs Ps & Cs-Sa PI	7,218,897		41,068,344	48,287,241
New Irvington Tunnel	15,057,846		24,365,427	39,423,273
Peninsula Pipeline Seismic Upg			30,876,207	30,876,207
Bdpl Reliability Upgrade - Tun			28,181,497	28,181,497
Seismic Bdpl @ Hayward Fault P	2,462,182		23,925,377	26,387,559
Seismic Upgrade Bdpl @ Hayward	22,568,953			22,568,953
San Antonio Backup Pipeline	1,816,946		16,283,335	18,100,281
Wslp Bond/Commercial Paper Exp	5,142,033		9,624,225	14,766,258
Bdpl Reliability - Pipeline	8,796,002		3,132,416	11,928,418
Svwtpl Expansion/Treated Water	3,443,807		238,105	3,681,912
<b>Total</b>	<b>110,764,168</b>	<b>153,517,240</b>	<b>430,192,839</b>	<b>694,474,247</b>

## Sewer System Improvement Program

1. 5 projects sampled
  - a. 2 mega projects in construction
  - b. 3 projects closed out
  - c. Total Change Order value, approx. \$30m

Bond:	2010B	2013B	2016A
CAPEX Spend	\$206m	\$370m	\$280m

Authority Description	2010B	2013B	2016A (SSIP)	Total
Interim Clean Water Cip	94,787,294	129,775,140		224,562,434
Retirement of Commercial Paper		85,000,000	53,439,773	138,439,773
WW Sslp Biosolids-digester Pro	9,674,274	14,639,549	21,247,548	45,561,371
WW Northshore To Channel Force		26,515,813	4,440,692	30,956,505
<b>Total</b>	<b>104,461,568</b>	<b>255,930,502</b>	<b>79,128,013</b>	<b>439,520,083</b>

\*The Interim Clean Water CIP program predates SSIP. The Audit Team selected 2 projects from Interim Clean Water CIP



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# Revenue Bond Audit – RBOC Status Update: September 14, 2021

<b>Milestone:</b>	<b>Target Completion</b>	<b>Comments</b>
WSIP Audit Fieldwork	Sept 24 <sup>th</sup>	
SSIP Audit Fieldwork	August 1 <sup>st</sup>	
Deliver Audit Draft to CSA, PUC, and RBOC	October 15 <sup>th</sup>	PUC has 30 days to respond to Audit findings
Deliver Final Audit Report	November 15 <sup>th</sup>	





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# Revenue Bond Risk Assessment

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1. Progress Update
2. Risk Assessment Overview
3. WSIP Project Population
4. WSIP Bond Selection
5. SSIP Project Population
6. SSIP Bond Selection



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# Progress Update

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## Task 1: Audit Planning and Survey

- October 21 Kick-off Meeting
  - Introduction to SFPUC and RBOC
  - Identified RBOC's areas of concern
  - Submitted information request to Mike Brown
- Risk Assessment
  - Received WSIP and SSIP expenditures by project by bond series
  - Performed risk assessment according to GAGAS Standards (8.107)

## Task 2: Audit Fieldwork (Approx. 2 - 4 months)

## Task 3: Draft Report (Approx. 1 - 2 months)

## Task 4: Final Report (Approx. 1 - 2 months)



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# Risk Assessment Overview

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## Risk Assessment

- Non-statistical sampling approach
- Performed data analytics, Identified:
  - Projects with multiple funding sources
  - Projects with cost overruns (EAC to baseline budget)
  - Bonds that fund multiple projects
  - Bonds with significant expenditures in high-risk projects
  - Bonds used to refund commercial paper
  - Bonds with potential record retention issues
- Reviewed proposed sample bonds with CSA

### *Proposed Bond Sample:*

<u>WSIP:</u>	<u>SSIP:</u>
2006 A	2010 B
2010 G	2013 B
2012 A	2016 A



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# Revenue Bond Risk Assessment

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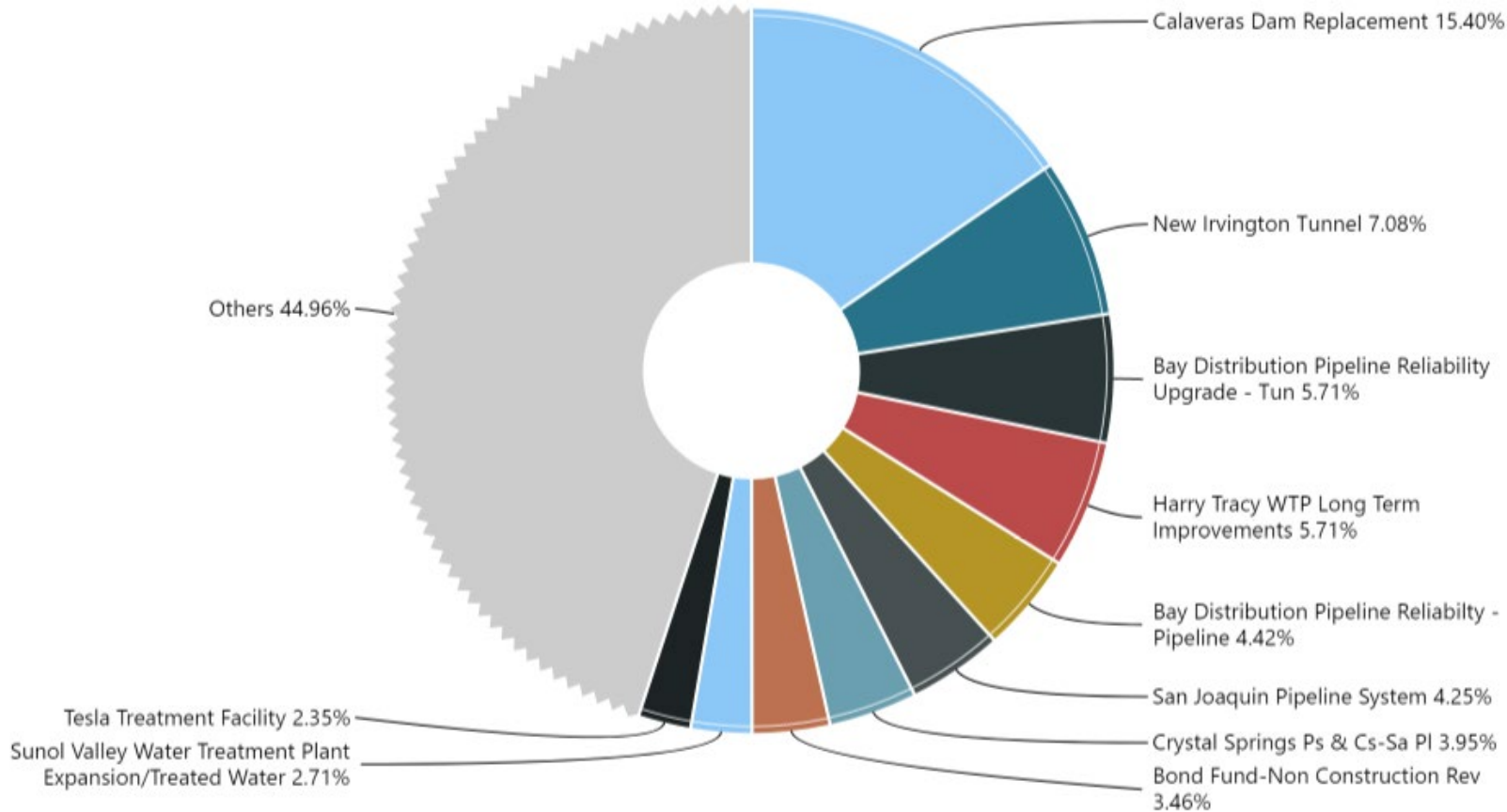


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# WSIP: Project Population



- 87 Total Projects
  - [330 including second tier projects]
  - 10 over \$100m
  - 55% of Spend
  - 21 projects with more than 10 funding sources
  - HKA/YAC Identified 10 High Risk Projects
- (As of June 30, 2019)



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# WSIP: High-Risk Projects

Project Description	Total
Calaveras Dam Replacement	758,697,921
New Irvington Tunnel	349,114,516
Harry Tracy WTP Long Term Improvements	281,266,731
San Joaquin Pipeline System	209,461,974
Crystal Springs Ps & Cs-Sa PI	194,421,993
Sunol Valley Water Treatment Plant Expansion/Treated Water	133,710,076
Seismic Bay Distribution Pipeline @ Hayward Fault P	74,165,147
San Antonio Backup Pipeline	55,247,504
Peninsula Pipeline Seismic Upg	39,870,815
<b>Total</b>	<b>2,095,956,677</b>

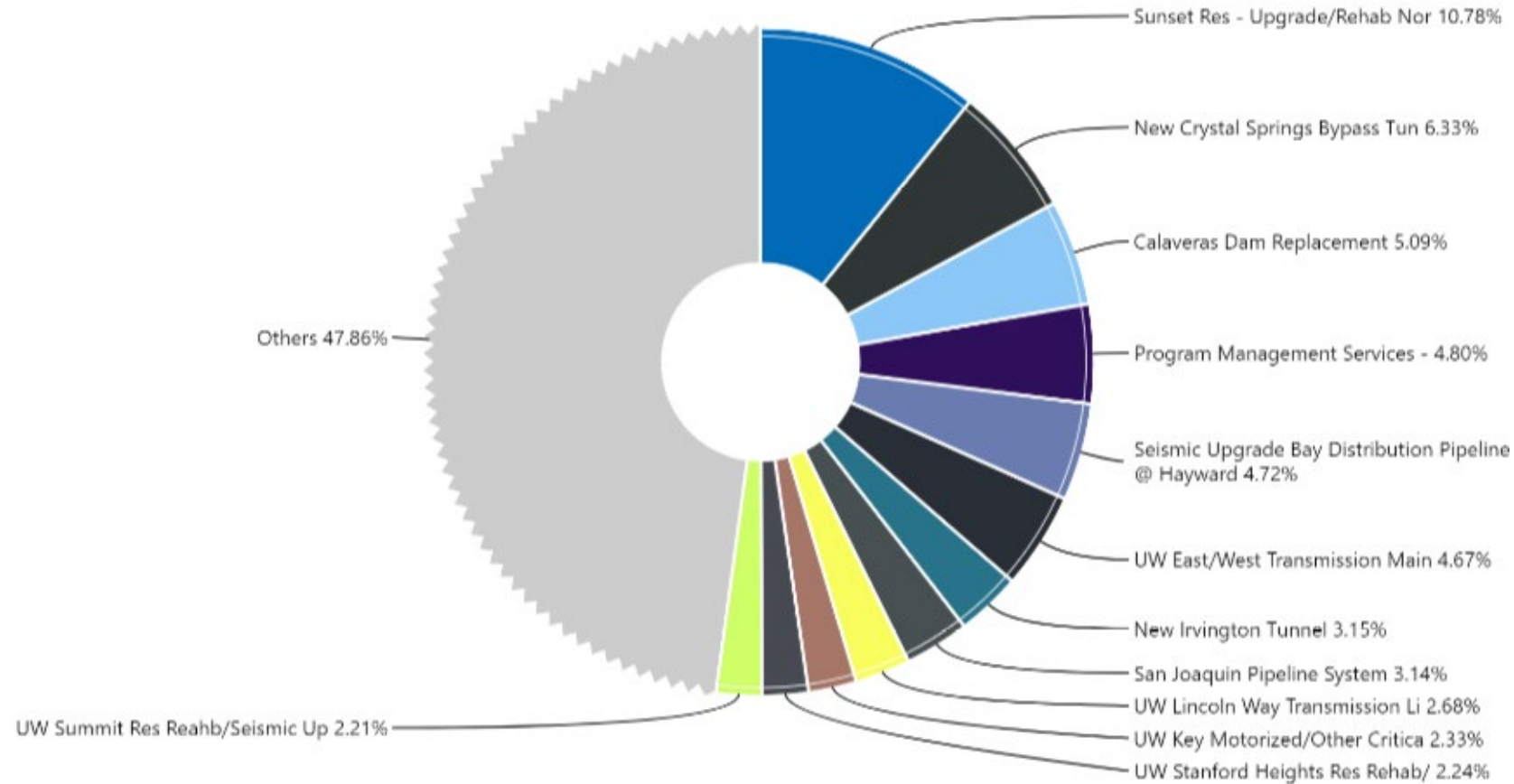
## Parameters:

- Inherent project complexities
- Multiple funding sources
- High spend
- Bond expenditures in excess of baseline EAC



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# WSIP: Use of 2006A Bond Funds



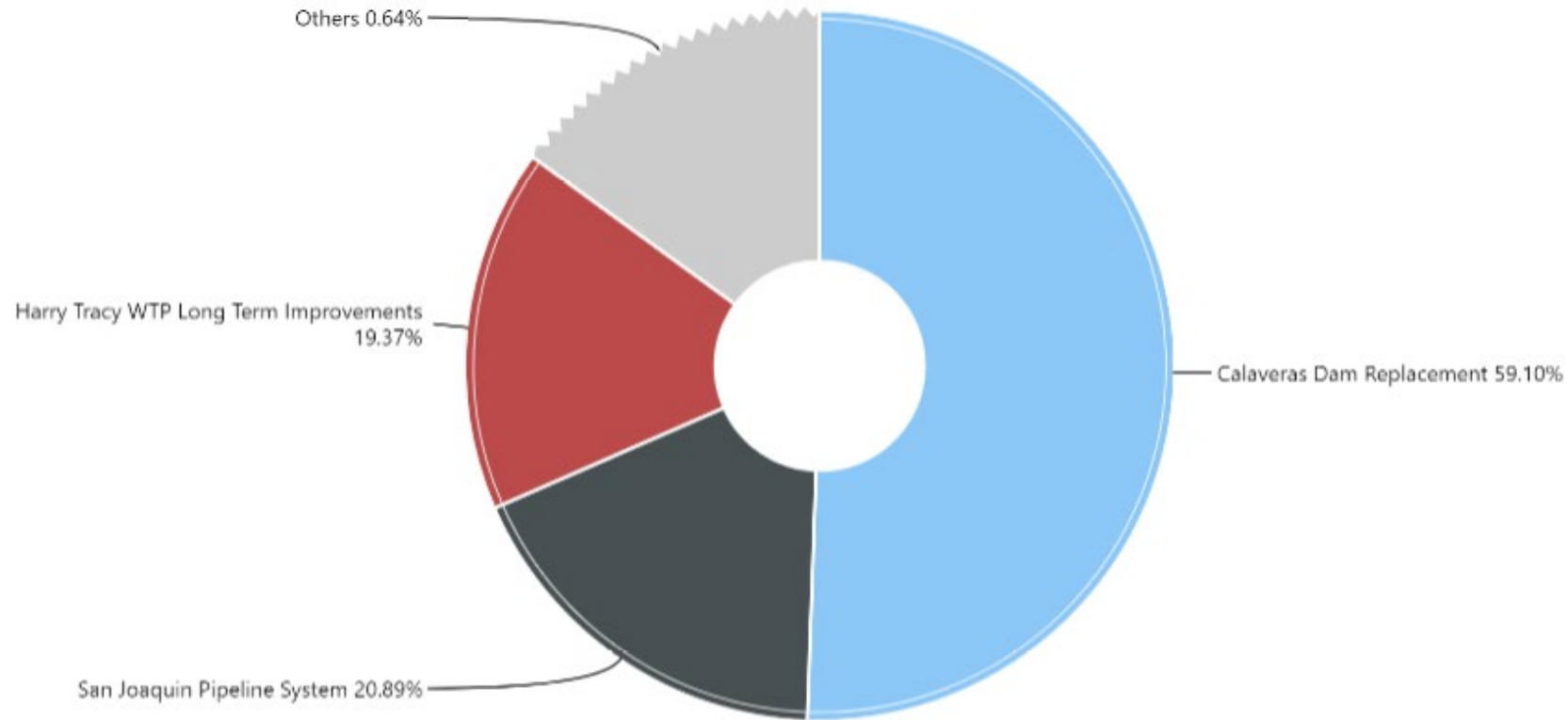
## • Profile:

- \$478.5m
- 10% of total Bond Expenditures
- Over 90 projects
- Record Retention Test



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# WSIP: Use of 2010G Bond Funds



- **Profile:**

- \$295.5.5m
- Concentrated exposure to 3 high-risk projects



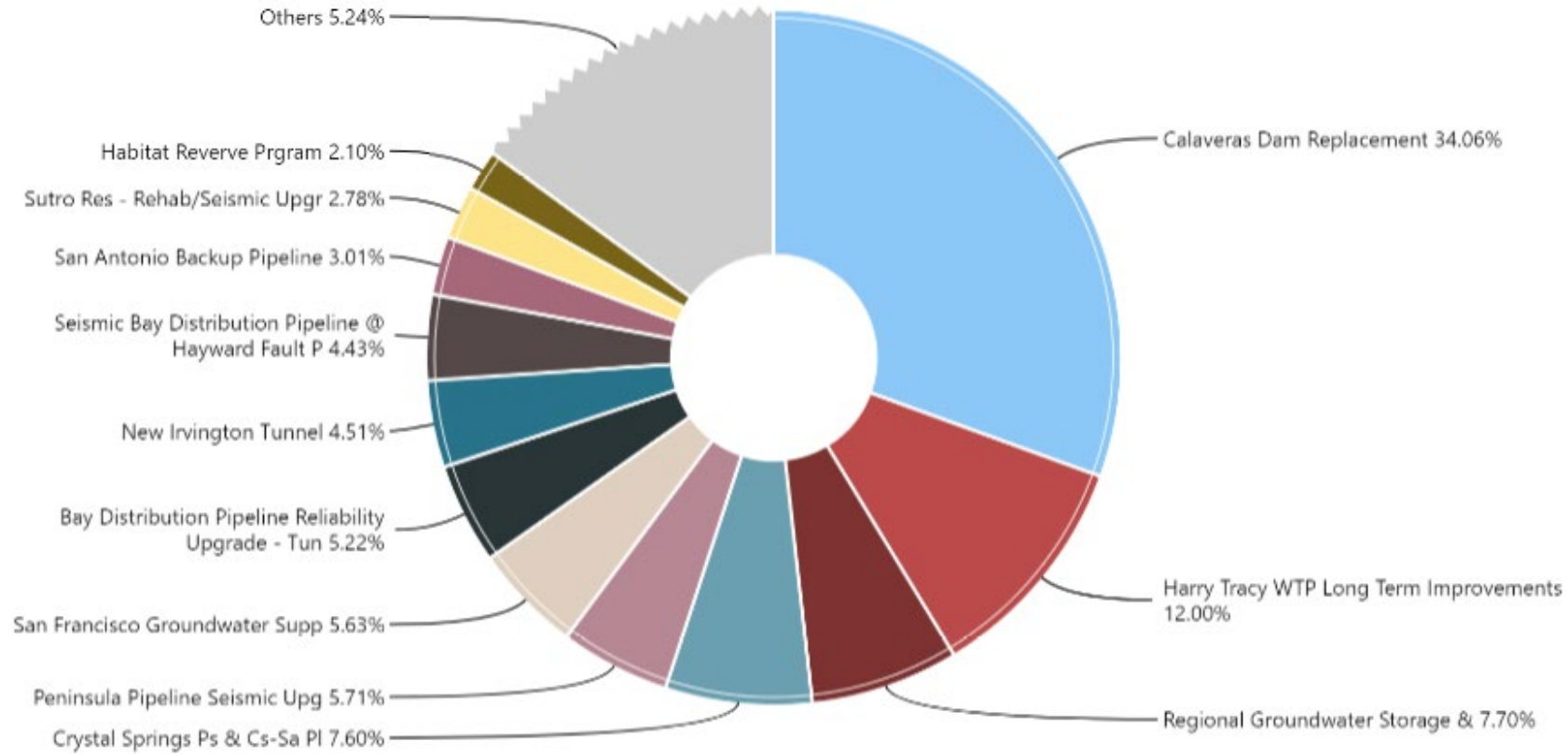
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# WSIP: Use of 2012A Bond Funds



## • Profile:

- \$540.2m
- 33 projects funded
- Significant spend in high-risk projects
- Large spend in other projects



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# WSIP: 2006A, 2010G, and 2012A

Project Description	06A-WT	10G-WT	12A-WT	Total
Calaveras Dam Replacement	24,372,855	174,618,215	184,012,380	383,003,450
Harry Tracy WTP Long Term Improvements	4,837,260	57,223,801	64,859,876	126,920,937
San Joaquin Pipeline System	15,047,387	61,716,032	3,625,650	80,389,069
Crystal Springs Ps & Cs-Sa PI	7,218,897		41,068,344	48,287,241
New Irvington Tunnel	15,057,846		24,365,427	39,423,273
Peninsula Pipeline Seismic Upg			30,876,207	30,876,207
Seismic Bay Distribution Pipeline @ Hayward Fault P	2,462,182		23,925,377	26,387,559
San Antonio Backup Pipeline	1,816,946		16,283,335	18,100,281
Sundol Valley Water Treatment Plant Expansion/Treated Water	3,443,807		238,105	3,681,912
Relocation Of Bdip 1 & 2	2,375,811			2,375,811
<b>Total</b>	<b>76,632,991</b>	<b>293,558,048</b>	<b>389,254,701</b>	<b>759,445,740</b>

## Sample Profile:

- Over 100 Projects  
(includes second tier projects)
- \$1,314m Spend
  - \$759m high risk projects
  - \$555m in other projects



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# Revenue Bond Risk Assessment

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6. SSIP Bond Selection

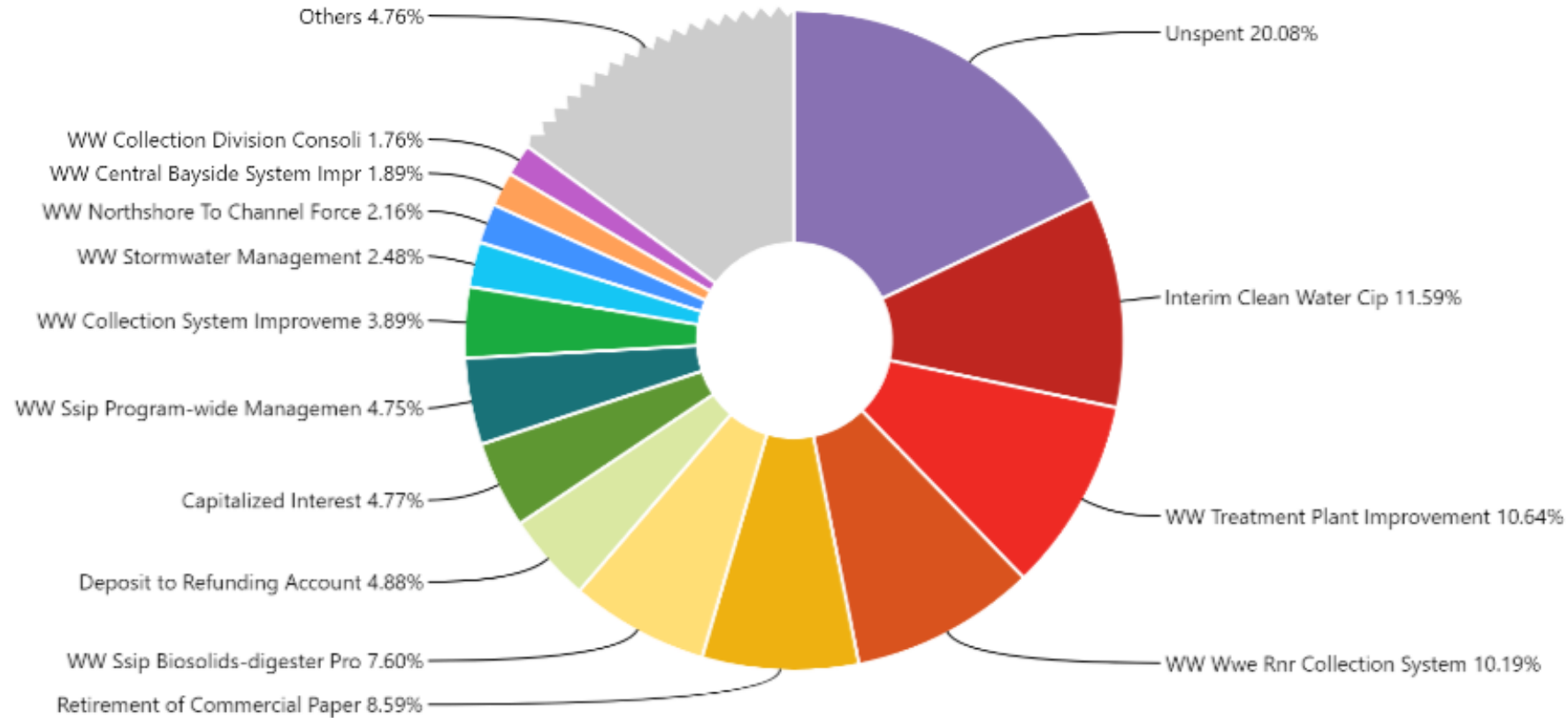


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# SSIP: Project Population



- 70 Total Projects\*
- \$184m in Commercial Paper Retired\*
- 10 Projects over \$20m\*

\*(As of June 30, 2019)



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# SSIP: High Risk Areas

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- Commercial Paper
  - Test Traceability of Bond Funds to Project Expenditures
- SEP Biosolids Digester Facilities Project
  - Current EAC \$1,680m; *31.7% Over 2016 Baseline Budget*
- SEP New Headworks (Grit) Replacement
  - Current EAC \$618m; *47.7% Over 2016 Baseline Budget*

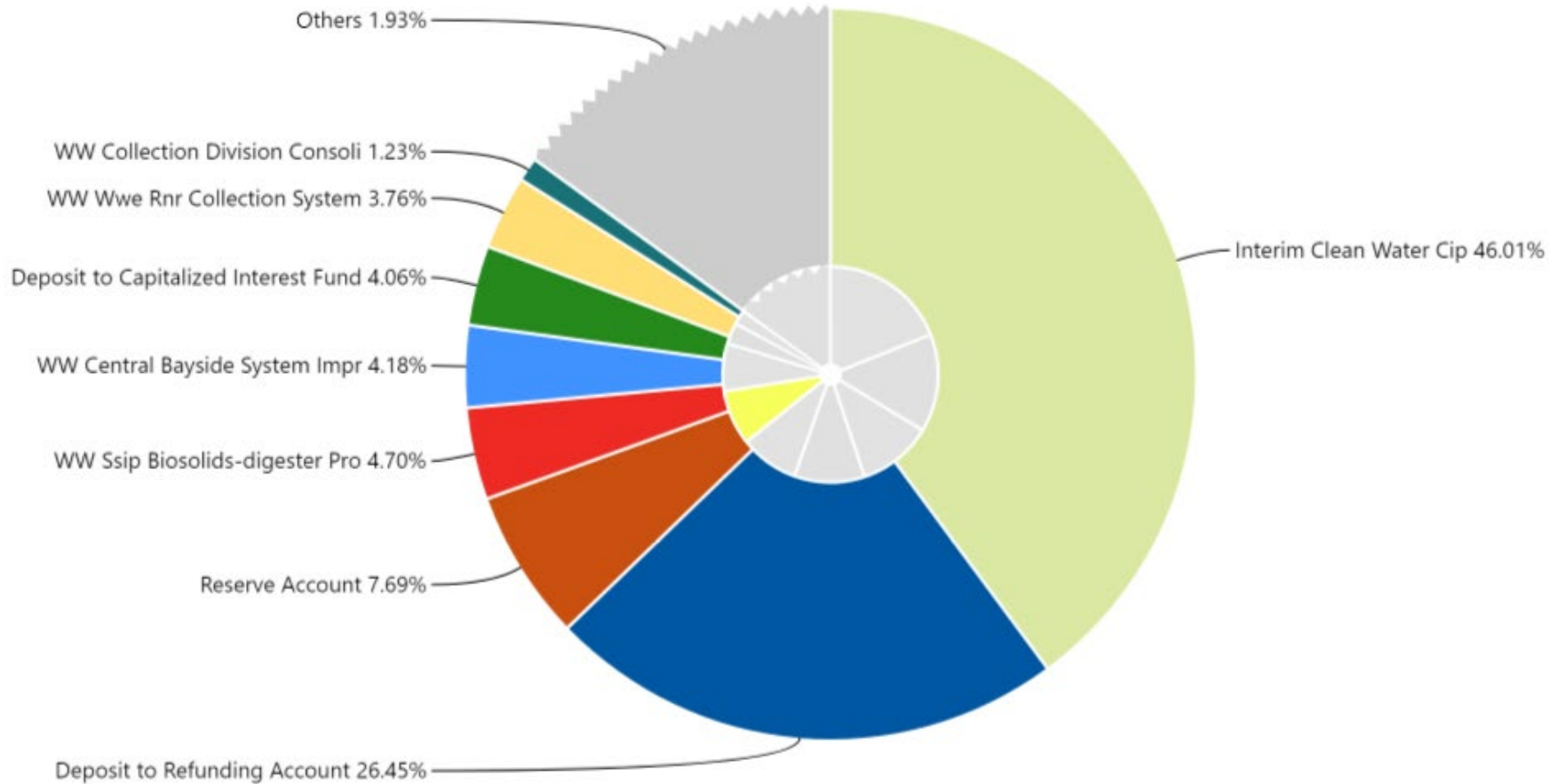


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# SSIP: Use of 2010B Bond Funds



## Profile:

- \$206m
  - \$94.7m Interim Clean Water CIP
  - \$9.6 Biosolids Digester
- \$54.5m Refunding Account

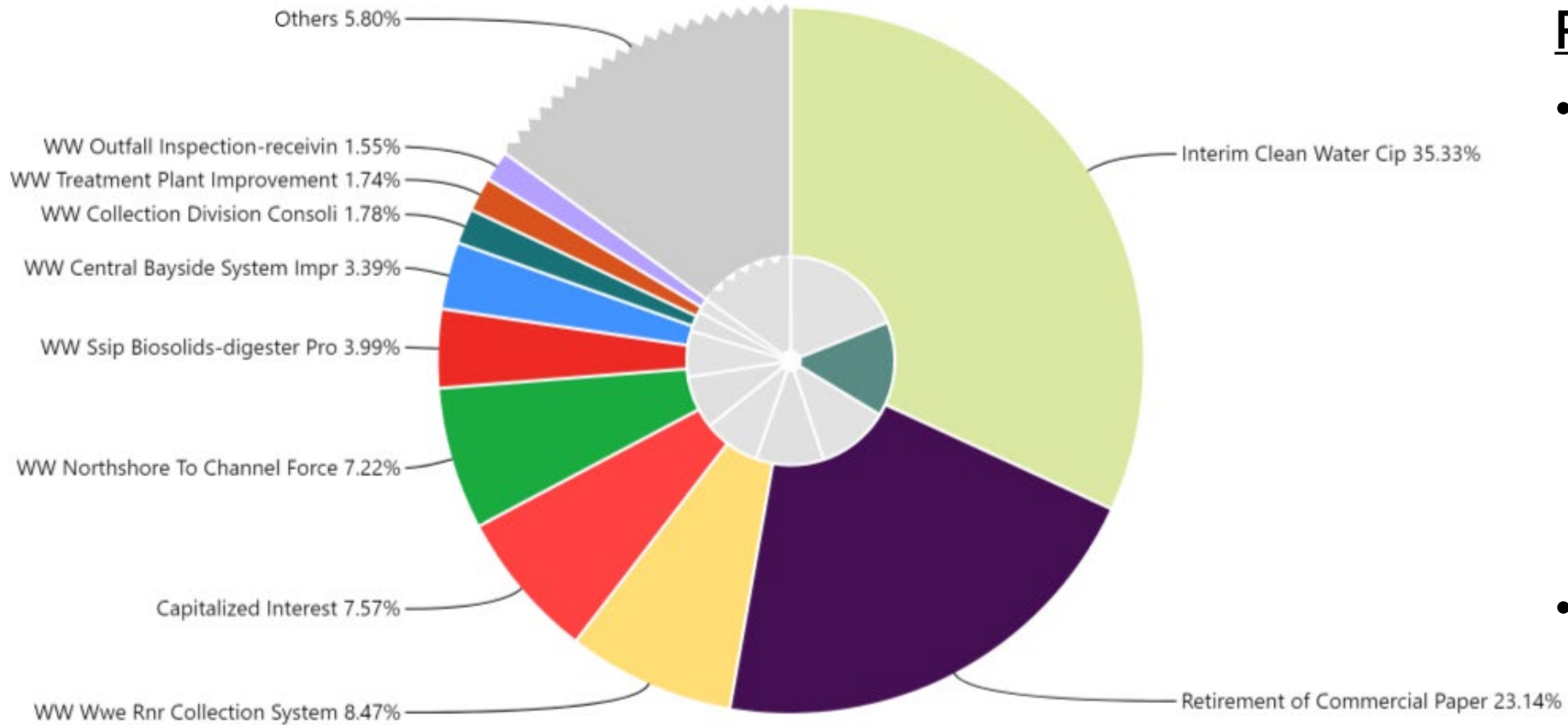


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# SSIP: Use of 2013B Bond Funds



## Profile:

- \$367.2m
  - \$129.7m Interim Clean Water CIP
  - \$31.1m Collection System
  - \$26.5m Northshore To Channel Force
  - \$14.6m Biosolids Digester
- \$87.6m Commercial Paper

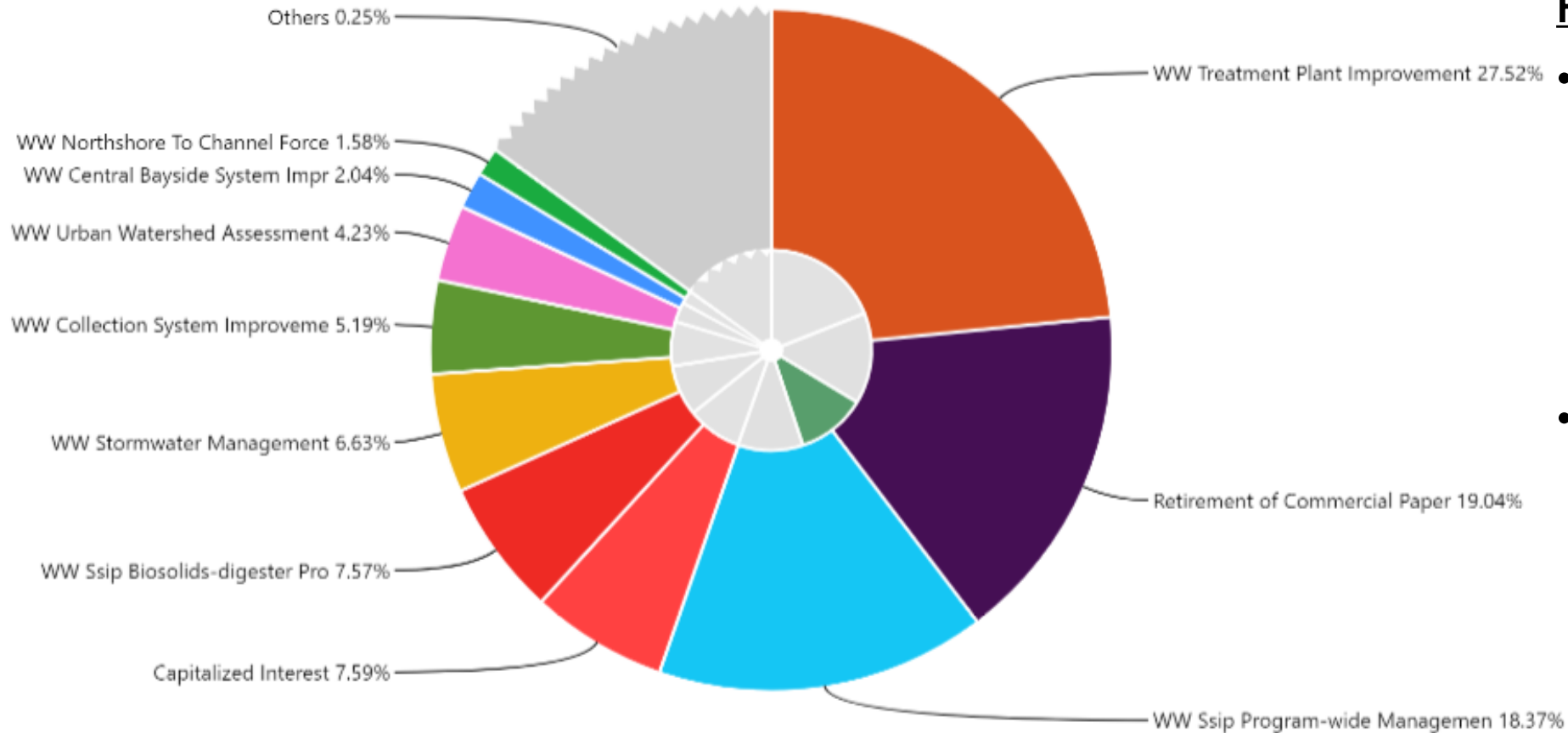


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# SSIP: Use of 2016A Bond Funds



## Profile:

- \$280.7m
  - \$77.2m Treatment Plant Improvement
  - \$14.5 Collection Systems Improvement
  - 7 other projects with spend over \$10m
- \$53.4m Commercial Paper





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# SSIP: 2010B, 2013B, and 2016A

Authority Description	2010B	2013B	2016A (SSIP)	Total
Interim Clean Water Cip	94,787,294	129,775,140		<b>224,562,434</b>
Retirement of Commercial Paper		85,000,000	53,439,773	<b>138,439,773</b>
WW Treatment Plant Improvement		6,406,828	77,236,442	<b>83,643,270</b>
Deposit to Refunding Account	54,500,000			<b>54,500,000</b>
Capitalized Interest		27,813,978	21,291,486	<b>49,105,464</b>
WW Ssip Biosolids-digester Pro	9,674,274	14,639,549	21,247,548	<b>45,561,371</b>
WW Wwe Rnr Collection System	7,747,294	31,118,098		<b>38,865,392</b>
WW Northshore To Channel Force		26,515,813	4,440,692	<b>30,956,505</b>
WW Central Bayside System Impr	8,603,468	12,464,389	5,728,630	<b>26,796,487</b>
Reserve Account	15,853,086			<b>15,853,086</b>
WW Urban Watershed Assessment		3,347,677	11,883,509	<b>15,231,186</b>
WW Collection Division Consoli	2,527,158	6,550,066		<b>9,077,224</b>
Deposit to Capitalized Interest Fund	8,362,072			<b>8,362,072</b>
WW Outfall Inspection-receivin		5,682,155		<b>5,682,155</b>
WW Bond-commercial Paper Expen	1,014,749	2,630,097		<b>3,644,846</b>
<b>Total</b>	<b>203,069,395</b>	<b>351,943,790</b>	<b>195,268,080</b>	<b>750,281,265</b>

## Sample Profile:

- Over 30 Total Projects
- \$854m Spend
  - \$135m Com. Paper
  - \$45m Biosolids Digester



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# Conclusion / Q&A

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Next Steps:  
Task 2: Audit Fieldwork



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**Revenue Bond Oversight Committee Bylaws**  
**[PROPOSED AMENDMENT—8/17/21]**

**Article IV, Section 2 of the Bylaws are proposed to be amended as follows (shown in italics, underlined):**

**“Section 2. Reports**

The Committee shall issue an annual report each year on the results of its activities for the preceding *fiscal* year (the “Reporting Period”), and such report shall be delivered to the Mayor, the Commission and the Board of Supervisors. The report shall be delivered *as soon as practical, but* no later than ~~90~~ 180 days following the end of the ~~Reporting-Period~~ *fiscal year*. All reports issued shall be placed on file at the Committee's office, the Commission's website, at the Clerk of the Board of Supervisors, and at the San Francisco Public Library.”





# **PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE BYLAWS**

## **ARTICLE I Overview**

### **Section 1. Name**

The name of this committee is the Public Utilities Revenue Bond Oversight Committee (referred to herein as the "Committee").

### **Section 2. Authority**

The Committee derives its authority from Proposition P, adopted by the voters at the November 5, 2002 election (S.F. Admin. Code, Sections 5A.30 *et. seq.*). Terms contained in these Bylaws are not intended to, and shall not, in any way enlarge or restrict the purposes, powers or authority of the Committee. In the event of any conflict between these Bylaws and the terms of Proposition P as adopted by the voters, the provisions of Proposition P shall control.

### **Section 3. Purpose**

The purpose of the Committee is to report publicly to the Mayor, the Public Utilities Commission (hereinafter the "Commission") and the Board of Supervisors regarding the Commission'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. The Committee shall convene to provide oversight to ensure that: (1) revenue bond proceeds are expended only in accordance with the authorizing bond resolution and applicable law, (2) revenue bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution, and (3) revenue bond proceeds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and the Commission's customers.

### **Section 4. Activities and Powers**

In furtherance of its purpose, the Committee may: (1) inquire into the disbursement and expenditure of the proceeds of the Commission's revenue bonds authorized by the bond resolution and other applicable law by receiving any and all reports, financial statements, correspondence or other documents and materials related to the expenditure of revenue bond funds from the Commission; (2) hold public hearings to review the disbursement and expenditure of the proceeds of revenue bonds; (3) inspect facilities financed with the proceeds of revenue bonds; (4) receive and review copies of any capital improvement project proposals or plans developed by the Commission relating to the Commission's water, power or wastewater infrastructure which are to be financed in whole or in part with revenue bonds; (5) review efforts by the Commission to maximize revenue bond proceeds by implementing cost-saving measures including, but not limited to, (a) mechanisms designed to reduce the costs of professional fees and site preparation and project design, (b) recommendations regarding the cost effective and efficient use of core facilities, (c) the development and use of alternate technologies, and (d) the use of other sources of infrastructure funding, excluding bond refunding; and (6) commission review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by independent consultants and experts.

The Committee may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to Commission revenue bonds prior to a Board

determination regarding whether to submit the measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required.

In addition, if, after reviewing materials provided by the Commission, the Committee, after conducting its own independent audit and after consultation with the City Attorney, determines that the proceeds of a revenue bond program were spent on purposes not authorized by the resolution or otherwise amounts to an illegal expenditure or illegal waste of such revenue bonds within the meaning of applicable law, the Committee, by majority vote, may prohibit the issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold by acting in accordance with the procedures set forth in Article III, Section 11 of these Bylaws. The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

## **Section 5. Restrictions on Activities and Powers**

The Committee shall not participate or interfere in the selection process of any vendor hired to execute revenue bond funded projects.

## **Section 6. Committee Members**

The Committee shall consist of seven members: two members appointed by the Mayor; two members appointed by the Board; one member by the Controller; and one member by the Bay Area Water Users Association. The seventh member shall be the Budget Analyst for the Board or his/her representative.

Members appointed by the Mayor and the Board shall, individually or collectively, have expertise, skills and experience in economics, the environment, construction and project management. The member appointed by the Controller shall have background and experience in auditing, accounting and project finance.

Each Committee member will serve for no more than two consecutive terms, provided that a member may continue to serve until a successor is appointed. Upon their initial appointment, three members of the Committee shall be assigned by lot to an initial term of two and the remaining four members shall have an initial term of four years. Thereafter, each Committee member shall serve a four-year term.

If there is a vacancy on the Committee, the Chair shall promptly notify the appointing authority and request that such vacancy be filled at the earliest possible date. If a Committee member has misses three (3) consecutive duly called meetings of the Committee without informing the Chair as to the reason or cause of the absence, such Committee member shall be presumed to have vacated their position on the Committee. Thereupon the Chair shall place on the next succeeding agenda for the Committee's consideration an item to permit such member to appear and explain his or her absence from Committee meetings. Prior to such meeting, the Chair shall cause to be provided no later than 5 days prior to such meeting notice to the absent Committee member requesting their attendance at such meeting. If such member shall not attend the next succeeding meeting then and in such case the presumption shall become conclusive and such member shall be deemed to have vacated their position on the Committee. Thereafter the Chair shall promptly notify the appointing authority of the presumed vacancy and request that such vacancy be filled at the earliest possible date.

## **Section 7. Committee Office**

For purposes of contacting the Committee, the Committee office will be physically located at 1 Dr. Carlton B. Goodlett Place, Room 244. . The Committee's mailing address is 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. . The Committee's e-mail address is [rboc@sfgov.org](mailto:rboc@sfgov.org). The Committee's phone number is (415) 554-5184..

## **ARTICLE II Officers**

### **Section 1. Officers**

There shall be a Chair and a Vice Chair of the Committee.

### **Section 2. Term of Office**

The term of each office shall be one year. Officers serve at the pleasure of the Committee and may be removed from office before expiration of their one-year term by a vote of four members of the Committee.

### **Section 3. Election of Officers**

Elections for officers shall be conducted at the first regular meeting of the Committee in each calendar year, or as soon thereafter as practicable as determined by the Committee. The Chair and Vice Chair shall continue in their respective offices until a new election is conducted.

In the event the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting. At the next regular meeting, the Committee shall elect a new Chair to fill the vacancy for the balance of the unexpired term. In the event the Vice Chair is elected as Chair, there shall be an election for a new Vice Chair at that meeting. If the office of Vice Chair is vacated before the expiration of a term, it shall remain vacant until the next regular meeting, at which time the Committee shall elect a new Vice Chair.

### **Section 4. Duties of the Chair**

The Chair shall preside at all meetings of the Committee, shall preserve order and decorum, and shall decide all questions of order subject to appeal to the Committee by any member. In addition, the Chair, working with the Committee members and staff, shall oversee the preparation of the agenda for all Committee meetings.

Unless the Committee specifies otherwise, the Chair is empowered to appoint members to standing or special subcommittees formed by the Committee. In addition, as stated in Article III, Section 2, the Chair is empowered to call special meetings.

### **Section 5. Duties of the Vice Chair**

In the absence of the Chair, the Vice Chair shall preside at meetings of the Committee. In addition, as stated in Article II, Section 3, if the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting.

In the absence of both the Chair and Vice Chair, the members shall select by motion a member to preside over the meeting.



## **ARTICLE III Meetings**

### **Section 1. Regular Meetings**

At the first meeting of the year the Committee shall adopt a schedule specifying the dates, times and locations of the regular meetings for the next year.

Once the dates, times and locations of the regular meetings have been determined, that information shall be promptly posted on the Commission's website, at the San Francisco Main Library, and at the Committee's office.

### **Section 2. Special Meetings**

The Chair or a majority of the members of the Committee may call special meetings at any time by delivering written notice to each member of the Committee and to other parties pursuant to all requirements of Administrative Code (Sunshine Ordinance), Chapter 67. .

### **Section 3. Notice and Agendas of Meetings**

Agendas of all regular and special meetings shall be posted at least 72 hours prior to the meeting at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website. If a special meeting will be at a site other than 525 Golden Gate Avenue, notice of the special meeting shall be given at least 15 days prior to said special meeting. Agendas and notices shall be emailed to each Committee member.

### **Section 4. Cancellation of Meetings**

The Chair may cancel a meeting if he or she is aware that a quorum of the body will not be present or if the meeting date conflicts with a holiday or other responsibilities of the Committee members. Notices of cancellations shall be posted at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website.

If a regular meeting is cancelled, the Chair shall reschedule the regular meeting at a date and time that is after the originally scheduled date and time, that is reasonably close to the originally scheduled date and time, and that is calculated to result in the greatest number of Committee members in attendance at the rescheduled meeting.

### **Section 5. Conduct of Meetings**

All Committee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), the San Francisco Charter, the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67), the Ordinance establishing the Committee (S.F. Admin. Code, Sections 5A.30 *et. seq.*), and these Bylaws. Except where state or local laws or other rules provide to the contrary, the Committee, at the discretion of the Chair, may use Robert's Rules of Order as a guide to the conduct of meetings.

When a member desires to address the Committee, he or she shall seek recognition by addressing the Chair. When recognized, the member shall proceed to speak. The member shall confine his or her remarks to the question before the Committee.

## **Section 6. Setting Agendas**

Committee staff, at the direction of the Chair, shall prepare the agenda for meetings. The Chair will, as practicable, place any item requested by a member of the Committee on the agenda provided that it is generally received no less than five days prior to a regular meeting. Each agenda of all regular meetings shall contain an item during which members may request items for the Committee to consider at future meetings.

## **Section 7. Quorum**

Four members of the Committee shall constitute a quorum for all purposes.

## **Section 8. Required Vote For Approval of a Matter**

The affirmative vote of four members of the Committee shall be required for the approval of any matter, except that the affirmative vote of a majority of the members present is sufficient for the approval of any procedural or parliamentary matter.

## **Section 9. Voting**

Each member present at a Committee or subcommittee meeting shall vote "yes," "no" when a question is put, unless the member has a conflict of interest that legally precludes participation in the vote. The determination of whether a Committee member has a conflict of interest that precludes participation in a matter shall be determined by the individual member in consultation with the City Attorney.

The Committee may take action on items on the agenda by roll call vote, voice vote, or show of hands. The minutes shall reflect how each Committee member voted on each item.

## **Section 10. Public Comment**

Agendas for regular meetings shall provide an opportunity for members of the public to directly address the Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee.

Each person wishing to speak on an item before the Committee at a regular or special meeting shall be heard once for up to three minutes, unless extended by the Chair. The Chair may limit the time for public comment consistent with state and local law.

## **Section 11. Process for Prohibiting Issuance of Revenue Bonds Upon Determination That Revenue Bond Proceeds Were Spent on Unauthorized Purposes**

If the Committee prohibits the issuance of bonds for any remaining revenue bond authorization in accordance with Section 5A.34 of the San Francisco Administrative Code, it shall do so only after proceeding as follows. At a regular or special meeting of the Committee, the Committee, after having conducted its own independent audit and after consultation with the City Attorney, may make a finding that the Commission has spent revenue bond proceeds on purposes not authorized by the authorizing resolution or otherwise amounts to an illegal expenditure or illegal waste under applicable law. At such meeting, the Committee may determine, by majority vote, whether to prohibit the further issuance of revenue bonds pursuant to the powers granted to the Committee by Section 5A.34 of the San Francisco Administrative Code. If the Committee makes a finding of illegal expenditure or illegal waste, or makes a decision to prohibit revenue bond sales, notification shall be delivered simultaneously to each member of the Board of Supervisors, the President of the San Francisco Public Utilities Commission, the Mayor's Office of Public Finance, the City Controller and the City Treasurer.

The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

## **ARTICLE IV Maintenance of Committee Records and Issuance of Reports**

### **Section 1. Meeting Minutes**

Minutes shall be taken at every regular and special meeting. The minutes shall reflect how each Committee member voted on each item of business before the Committee. Minutes shall be approved by the Committee and be made available at the Committee's office, on the Commission's website, and at the San Francisco Public Library.

### **Section 2. Reports**

The Committee shall issue an annual report each year on the results of its activities for the preceding year (the "Reporting Period"), and such report shall be delivered to the Mayor, the Commission and the Board of Supervisors. The report shall be delivered no later than 90 days following the end of the Reporting Period. All reports issued shall be placed on file at the Committee's office, the Commission's website, at the Clerk of the Board of Supervisors, and at the San Francisco Public Library.

## **ARTICLE V Subcommittees**

### **Section 1. Standing Subcommittees**

**The Chair of the Committee** may form standing subcommittees at any time to give advice on its ongoing functions. The standing subcommittees shall be composed of members of the Committee. Unless otherwise specified by the Committee, the Chair shall select each subcommittee's members and officers, if any, at the time the subcommittee is formed and again at the first regular meeting of the Committee in each calendar year. The Chair shall name members whose qualifications meet the needs of the subcommittee to which that member is appointed. Members and officers appointed by the Chair to serve on a standing subcommittee shall serve at the pleasure of the Chair. The Chair may remove at any time a member from a subcommittee and appoint a replacement member or officer.

### **Section 2. Special Subcommittees**

Upon approval of four members of the Committee, the Committee may form special subcommittees. Special subcommittees shall be formed for a specific purpose and cease to exist after completion of a designated task. Special subcommittees may be composed of members of the Committee and/or the public. Unless otherwise specified by the Committee, the Chair shall name the subcommittee's members and officers.

### **Section 3. Conduct of Subcommittee Meetings; Reports**

All subcommittee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), and the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67).

All subcommittees shall maintain minutes in the manner set forth in these Bylaws. All subcommittees shall report to the Committee, as frequently as requested by the Chair.

#### **Section 4. Abolishing Subcommittees**

Any subcommittee formed by the Committee may be abolished by Chair, subject to a vote to reject the Chair's decision by u four or more members of the Committee.

### **ARTICLE VI Bylaws**

#### **Section 1. Amendment of Bylaws**

After presentation of a proposed amendment of the Bylaws as a scheduled agenda item at a meeting of the Committee, the Bylaws may be amended by a vote of a majority of the members.

#### **Section 2. Public Notice of Bylaws**

These Bylaws, and any amendments thereto, shall be available to the public at the Committee's office and the Commission's website.



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

**REMOTE MEETING**

**August 17, 2021 - 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: [brent.jalipa@sfgov.org](mailto:brent.jalipa@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://www.sfwater.org/index.aspx?page=121>

As the COVID-19 disease progresses, please visit the Board's website ([www.sfbos.org](http://www.sfbos.org)) regularly to be updated on the current situation as it affects the legislative process. For more information contact Assistant Clerk Brent Jalipa at (415) 554-7712.

**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

Chair Leale called the meeting 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.

2. **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:

David Pilpel commented on a future RBOC meeting date that occurs on election day.

3. **RBOC: Audit Update**

Massanda Djohns (Office of the Controller); Dan Dawson (HKA); Mr. Robinson; Mike Brown (SF Public Utilities Commission) provided a status update on the audit and responded to questions throughout the discussion.

Member Kamp requested copies of the report be part of the agenda packet at future meetings.

Public Comment:

None.

**Chair Leale, seconded by Member Kamp, moved that the item be CONTINUED to the September 14, 2021, RBOC Meeting.**

**The motion PASSED by the following vote:**

Ayes: Leale, Kamp, Tang, Holober

Noes: None

4. **RBOC: Amending Bylaws - Definition of “Reporting Period” for the Annual Report**

The RBOC discuss proposed changes to the RBOC bylaws to change the Reporting Period and deadline to submit the Annual Report. Member Tang requested a correction to Page 16, Section 4 (or Page 7, Section 4) to delete ‘4’ before four.

Mark Blake, Deputy City Attorney (Office of the City Attorney); Mike Brown (San Francisco Public Utilities Commission); provided an overview and answered questions throughout the discussion.

**Chair Leale, seconded by Member Kamp, moved amend the RBOC bylaws to change the Reporting Period to coincide with the city’s Fiscal Year and require the RBOC to issue their annual report as soon as practical but no later than 180 days of the end of the fiscal year.**

Public Comment:

David Pilpel commented on Charter, Section 4.104 requirement to approve amendments to bylaws and provided suggested to the proposed amendment.

**Chair Leale rescinded the motion with the agreement of the second, Member Kamp.**

**Chair Leale, seconded by Member Kamp, the matter be CONTINUED to the September 14, 2021, RBOC Meeting, and to advertise changes to the bylaw which may require a 10 day notice.**

(DCA Blake will investigate if Charter Section 4.104 applies to the RBOC bylaws and report back to the RBOC.)

**The motion PASSED by the following vote:**

Ayes: Leale, Kamp, Tang, Holober

Noes: None

5. **SFPUC: Wastewater Capital Program Update**

Stephen Robinson (San Francisco Public Utilities Commission); provided an update on the Wastewater Capital Program and responded to questions throughout the discussion.

Public Comment:

David Pilpel requested a copy of the presentation be attached to the minutes and commented on the update.

No Actions Taken on the Matter.

6. **Approval of Minutes:** June 7, 2021, Meeting Minutes.

**Member Tang, seconded by Chair Leale, moved to approve the June 7, 2021, meeting minutes.**

Public Comment:

David Pilpel stated they had no objection and inquired as to the July meeting status. Mr. Pilpel noted that the audio recording of the meeting has not yet been posted.

**The motion PASSED by the following vote:**

Ayes: Leale, Kamp, Tang, Holober

Noes: None

7. **RBOC:** Fiscal Year 2020-2021 Office of the Controller, City Service Auditor Invoice for review and possible approval – \$19,443.

Mike Brown (SF Public Utilities Commission); Hunter Wang (Controller’s Office); responded to questions from the RBOC.

**Chair Leale, seconded by Member Tang, moved authorize payment of the CSA Invoice in the amount of \$19,443.**

Public Comment:

David Pilpel provided questions regarding certain items on the invoice.

**The motion PASSED by the following vote:**

Ayes: Leale, Kamp, Tang, Holober

Noes: None



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

The RBOC discussed potential meeting dates.

Upcoming Meeting Dates: September 14, 2021, and October 19, 2021.

Mike Brown and Rich Morales (San Francisco Public Utilities Commission) responded to questions from the RBOC and commented on recruitment for the RBOC.

The RBOC requested the following items be scheduled for the September 14, 2021, RBOC meeting:

RBOC: Audit Update (*Discussion and possible action*)

RBOC: Amending Bylaws - Definition of "Reporting Period" for the Annual Report (*Discussion and possible action*)

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

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 (*Discussion and possible action*)
- 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 (*Discussion and possible action*)
- J. RBOC: Discussion on the coordination of PUC Site Tours
- K. RBOC: 2020 Annual Report (October)
- L. SFPUC: Planning for next RFP's for contracts (October)

Public Comment:

David Pilpel comments on Pending Issues Item I and website updates.

No action taken.

9. **Adjournment**

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.*

Approved by the RBOC: DRAFT