



**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: 733 087 198 #**

November 16, 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; 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 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. **RBOC:** Findings to Allow Teleconferenced Meetings During Declared Emergency (*Discussion and possible action*)
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.
4. **RBOC:** Audit Update (*Discussion and possible action*)
5. **RBOC:** 2020 Annual Report - January 2020 through June 2021 (*Discussion and possible action*)(attachment)
6. **SFPUC:** Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services. (*Discussion and possible action*)
7. **Approval of Minutes:** October 19, 2021, Meeting Minutes. (*Discussion and possible action*) (attachment)

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

Upcoming Meeting Dates: December 14, 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

9. **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.

San Francisco Public Utilities Revenue Bond Oversight Committee

Annual Report 2020

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Background

In November 2003, the Public Utilities Revenue Bond Oversight Committee (RBOC) was formed after passage of Proposition P (November 2002), adding Sections 5A.30 through 5A.36 to the San Francisco Administrative Code.

The RBOC facilitates transparency and accountability in the expenditure of revenue bond proceeds. The public is invited and welcome to attend RBOC meetings and provide input.

Pursuant to Administrative Code, Section 5A.36, the RBOC is charged with providing independent oversight of the expenditure of public utility revenue bond proceeds for capital improvements. The committee helps ensure an uninterrupted supply of water, power, and wastewater treatment services to the City and County and San Francisco Public Utilities Commission (SFPUC) customers. Further, it helps ensure public dollars are spent in accordance with the authorizing bond resolutions and applicable laws.

After conducting an independent audit, and consulting with the City Attorney, the RBOC may determine that proceeds of a revenue bond program were not utilized for purposes authorized in accordance with the associated bond resolution or applicable law. It may be further determined that this surmounts to an illegal expenditure or waste of such revenue bonds. By majority vote, the RBOC may prohibit the issuance or sale of authorized revenue bonds that have yet to be issued or sold.

Any RBOC decision to prohibit the sale of authorized but unsold revenue bonds may be appealed to the Board of Supervisors. The SFPUC can provide evidence of corrective measures to the Board, and the Board may decide to overturn the decision by the RBOC, upon a two-thirds vote of all of its members. To date, the RBOC has not prevented any issuance of SFPUC revenue bonds.

The SFPUC continues to incur bonded indebtedness to finance capital improvements related to its two major enterprises, the Water and Sewer systems. Each of these enterprises have embarked on major system improvement programs, which are expected to be completed in 2021 and beyond, respectively. However, the provisions of Proposition P were set to expire on January 1, 2013, unless extended by an ordinance of the Board of Supervisors.

In 2012, the Board extended the sunset date to January 1, 2016, (see Ordinance No. 236-12, BOS File No. 120221). Accordingly, in 2015, the SFPUC submitted, and the Board of Supervisors approved, a resolution supporting the extension of the RBOC until January 1, 2019. On December 11, 2018, the Board of Supervisors approved Ordinance No. 309-18, BOS File No. 180123, extending the RBOC through January 1, 2025.

Mission Statement

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 goal of the RBOC is to ensure that San Francisco Public Utilities Commission (SFPUC) revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

Introduction

The purpose of this report is to detail the activities of the RBOC for the period January 2020 to June 2021 ("the period"). In the past the RBOC published annual reports on a calendar year basis, going forward the RBOC will publish annual reports on a July to June basis to align with the outstanding fiscal year adopted by the City and County of San Francisco.

Accomplishments

During the period, the RBOC focused on the following initiatives:

- Worked with SFPUC and other city staff to prepare and finalize the revenue bond expenditure audits process.
- Initiated and monitored the progress of the audits of six bonds covering selected in connection with Water System Improvement Program (WSIP) and Sewer System Improvement Program (SSIP) expenditures.
- Monitored the outcome of bond sales and ongoing debt plans.
- Reviewed progress of WSIP and SSIP with particular focus on the accuracy of budgeting and scheduling forecasts and continued attention to ensuring that lessons learned from the WSIP are applied during implementation of the SSIP.
- Heard presentations from SFPUC staff on results of bond sales and updates on the Water Infrastructure Finance and Innovation Act (WIFIA) loan transaction.

Future Activities

The RBOC plans to cover the following initiatives in the next fiscal year:

- Monitor the progress and completion of the ongoing audits of revenue bond expenditures.
- Work with the SFPUC and other city staff to initiate future audits of revenue bond expenditures.
- Explore acquiring consultants to examine the performance of completed projects.
- Monitor completion of the WSIP and other major Water Enterprise capital projects including the Mountain Tunnel.
- Review planned and completed projects of the SSIP.
- Visit project sites funded by SFPUC revenue bond expenditures.
- Ensure the continuity of oversight through member succession planning
- Improve outreach to ensure greater public awareness and input related to the SFPUC's expenditure of revenue bond proceeds.

Committee Membership

Membership

The RBOC is comprised of seven members:

- Two seats appointed by the Mayor
- Two seats appointed by the Board of Supervisors
- One seat appointed by the City Controller
- One seat appointed by the Bay Area Water User's Association (BAWUA), under the auspices of the Bay Area Water Supply and Conservation Agency (BAWSCA), and
- One seat occupied by the Budget and Legislative Analyst or his/her representative.

At a minimum, the 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.

Biographies of current RBOC members is included below. Please see Appendix 1 for information on past members who served during the period.

Member Biographies



Ettore Leale (Chair)

Appointed by the Board of Supervisors

Ettore Leale is an executive and investor with 20 years of Silicon Valley / Global Technology experience in the internet, software, and digital education industries. At heart Ettore is a business builder and growth driver passionate about taking embryonic products and ideas and scaling them into large profitable businesses. His sweet spot is at the intersection of technology investments and portfolio company operational improvements. His board of directors experience includes serving on audit and compensation committees, and working alongside company CEOs on acquisitions, organic growth initiatives, and new product launches. His specialties include digitalization, internationalization, and go-to market in the US and emerging markets.



Kevin Cheng (Resigned 02/12/20)

Appointed by the Mayor (Vacant Seat)

Former principal management consultant developing and executing strategy and operation work for major Fortune 500 corporations, with particular expertise in project management. Current managing partner of a San Francisco-based development company.



Tim Cronin (Term expired 11/20/20)

Appointed by Board of Supervisors

Tim Cronin is an attorney in the San Francisco office of Wilson Sonsini Goodrich & Rosati, where he advises clients on issues relating to the development, financing, and regulation of energy and infrastructure projects, with a focus on community solar and community choice aggregation.

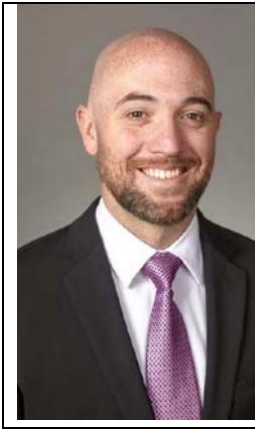
Tim holds a bachelor's degree in Law & Society from American University and a law degree from U.C. Berkeley. Before attending law school, Tim worked at the American Council On Renewable Energy (ACORE) in Washington, DC, where he promoted international partnerships among government actors, renewable energy companies, and financiers as the organization's manager of international programs.

Christina Tang

Appointed by BAWSCA



Finance Manager for the Bay Area Water Supply and Conservation Agency (BAWSCA) representing its 26 members' collective interests in their relationship with the SFPUC on matters related to water supply, facility reliability, operations, water quality and wholesale water rates. Christina has over 15 years of experience in public finance, including direct experience in debt management. Christina received her Master of Science degree in Finance from the University of Houston, and her Master of Public Administration from the University of Illinois at Springfield. Christina is a certified Public Finance Officer designated by GFOA.



Travis George (Resigned 09/22/20)

Appointed by the Controller (Vacant Seat)

Having served in multiple roles for the East Bay Municipal Utility District, Travis has a background in both utilities and municipal finance. Before his current role, Travis worked at Moody's Investors Service where he served five years as a credit rating analyst. During his time with Moody's he rated a wide range of municipal issuers including many water, wastewater and electric utilities. Travis also previously served as an analyst for both Con Edison in New York City and Bonneville Power Administration in Portland, OR. Travis holds a bachelor's degree in Economics from Portland State University and a master's degree in Public Administration and Policy from New York University.



Reuben Holober

Appointed by the Budget and Legislative Analyst's Office

As an Analyst for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office, Reuben conducts legislative and policy analysis, budget review, and performance audits. Reuben holds a Bachelor's Degree in Political Science and Communication from the University of Washington and a Master's Degree in Public Policy from the Goldman School of Public Policy at UC Berkeley.



Lars Kamp

Appointed by the Board of Supervisors

Lars Kamp is a co-founder and CEO of Some Engineering Inc., a San Francisco-based software start-up. He's been a start-up operator and founder for the past ten years. As a founder, he's raised both debt and equity financing, and managed global P&Ls. He began his career at Accenture in 2001, where he worked out of Accenture's offices in Vienna, Rome and Seoul. He joined Accenture's San Francisco office in 2006. Lars' work with Accenture clients comprised the planning, financing and roll-out of global communication and cloud computing infrastructure, with multi-\$B capital budgets. The operation of data center infrastructure dealt with the sustainable use of water for cooling systems, as well as developing strategies for long-term water resilience. Lars has a Master's Degree in Economics and Business Administration from Passau University, Germany. He's fluent in German, Italian and French. Lars lives with his family in the Presidio (District 2).

January 2020 - June 2021 Meeting Schedule

Due to the Covid-19 Health Emergency the RBOC was only able to hold five meetings in 2020. During the January 2021 to June 2021 period RBOC held six meetings. Please see Appendix 2 for a summary of agenda topics.

Full agendas and minutes for each meeting are available at:

<https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee>

January 2020 - June 2021 Account Summary

Pursuant to Proposition P, the RBOC receives 1/20th of 1% of gross revenue bond proceeds to fund the cost of retaining the services of “outside auditors, inspectors and necessary experts to perform independent reviews.

As of June 30, 2021, RBOC had an available account balance of \$2,399,958. A complete accounting of RBOC funds can be found in Appendix 3.

Bond Expenditure Certification

As part of its mission, the RBOC asks staff to affirm that all bond proceeds are spent “appropriately and according to authorization and applicable laws.”

Please see Appendix 4 for the “Bond Expenditure Certification” and Appendix 5 for the “Debt Overview.”

Meeting Schedule: January 2020- June 2021

Due to the COVID-19 health emergency, regularly scheduled meetings of the RBOC meet monthly via teleconferencing on the following dates at 9:00 A.M. at the SFPUC Building located at 525 Golden Gate Avenue, in San Francisco, unless otherwise specified.

Meeting agendas of the RBOC will be posted on <https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee> and at the SF Main Library, 5th Floor.

The public is invited to attend RBOC meetings and provide input.

2020

- February 10, 2020 (SFPUC Building - 525 Golden Gate Avenue)
- July 7, 2020
- October 27, 2020
- November 17, 2020
- December 14, 2020

2021

- January 5, 2021
- February 16, 2021
- March 11, 2021
- April 12, 2021
- May 10, 2021
- June 7, 2021

Acknowledgements

The RBOC would like to express its appreciation to the SFPUC staff and others for facilitating the tasks of the committee. Specifically, the committee would like to acknowledge the following staff:

San Francisco Public Utilities Commission – Former General Manager Harlan Kelly, CFO Eric Sandler, Deputy CFO Charles Perl, Water Enterprise Assistant General Manager Steven Ritchie, former Director, Water Capital Projects and Programs Dan Wade, former acting SSIP Director Howard Fung, SSIP Director Stephen Robinson, Sheena Johnson, Richard Morales, Mike Brown, Frank McParland, Yolanda Manzone, Kristina Cordero, and Erin Franks.

City Attorney's Office - Deputy City Attorney Mark Blake.

Controller's Office – Former Audit Director Tonia Lediju, Winnie Woo, Nicole Kelly, Melissa Ng, Massanda Djohns, and Hunter Wang.

From the Board of Supervisors, the RBOC wishes to thank Assistant Clerks Victor Young and Brent Jalipa for their technical and administrative support.

Appendix 1. RBOC Members January 2020 through June 2021

Member	Appointment and Terms	Qualifications
Kevin Cheng	Mayor Appointee Appointed on 5/19/2010 Term expired on 11/12/2013 (Resigned 2/12/2020)	Former management consultant developing and executing strategy and operation work for major Fortune 500 corporations, with particular expertise in project management. Current managing partner of San Francisco based development company.
Christina Tang (Active)	Bay Area Water Users Association Appointee Appointed on 7/1/2014 Term expired on 7/1/2018. Reappointed on 2/06/2019 Term expires on X-2 ^[EL2]	Finance Manager for the Bay Area Water Supply and Conservation Agency (BAWSCA) representing its 26 members' collective interests in their relationship with the SFPUC on matters related to water supply, facility reliability, operations, water quality and wholesale water rates. Christina has almost fourteen years of experience in financial operations with City and County governments and special district governmental entities, including debt issuance and debt management. Christina received her Master of Science degree in Finance from the University of Houston, and her Master of Public Administration from the University of Illinois at Springfield.
Travis George	Controller Appointee Appointed on 1/20/2017 Term expires on 11/12/2019 (Resigned 9/22/2020)	Debt Administrator for the East Bay Municipal Utility District, Travis has a background in both utilities and municipal finance. Before his current role, Travis worked at Moody's Investors Service where he served five years as a credit rating analyst. During his time with Moody's he rated a wide range of municipal issuers including many water, wastewater and electric utilities. Travis also previously served as an analyst for both Con Edison in New York City and Bonneville Power Administration in Portland, OR. Travis holds a bachelor's degree in Economics from Portland State University and a master's degree in Public Administration and Policy from New York University.
Reuben Holober (Active)	Budget and Legislative Analyst Appointee Appointed on 11/19/ 2019 Term expires on 11/12/2023	As an Analyst for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office, Reuben conducts legislative and policy analysis, budget review, and performance audits. Reuben holds a Bachelor's Degree in Political Science and Communication from the University of Washington and a Master's Degree in Public Policy from the Goldman School of Public Policy at UC.

<p>Tim Cronin</p>	<p>Board of Supervisors Appointee Appointed on 12/3/2016 Term expired on 11/12/2020 (Resigned 3/11/2021)</p>	<p>Tim Cronin is an attorney in the San Francisco office of Wilson Sonsini Goodrich & Rosati, where he advises clients on issues relating to the financing, development, and regulation of energy and infrastructure projects. Tim has represented developers and investors in financings involving large distributed and utility-scale renewable energy project portfolios. In addition, he provides counsel to energy and infrastructure companies with respect to customer agreements and federal, state, and local regulations as such companies seek to enter new markets and offer new distributed energy services to residential and commercial customers. Before attending law school at U.C. Berkeley, Tim worked at the American Council On Renewable Energy (ACORE) in Washington, DC, where he promoted international partnerships among government actors, renewable energy companies, and financiers as the organization's manager of international programs.</p>
<p>Ettore Leale</p> <p>Active</p>	<p>Board of Supervisors Appointee Appointed on <u>01/28/2020</u> Term expires on <u>11/12/2023</u></p>	<p>Ettore Leale is an executive and investor with 20 years of Silicon Valley / Global Technology experience in the internet, software, and digital education industries. At heart Ettore is a business builder and growth driver passionate about taking embryonic products and ideas and scaling them into large profitable businesses. His sweet spot is at the intersection of technology investments and portfolio company operational improvements. His board of directors experience includes serving on audit and compensation committees, and working alongside company CEOs on acquisitions, organic growth initiatives, and new product launches. His specialties include digitalization, internationalization, and go-to market in the US and emerging markets.</p>

<p>Lars Kamp</p> <p>Active</p>	<p>Board of Supervisors Appointee Appointed on 01/28/2020 Term expires on 11/12/2023</p>	<p>Lars Kamp is a co-founder and CEO of Some Engineering Inc., a San Francisco-based software start-up. He's been a start-up operator and founder for the past ten years. As a founder, he's raised both debt and equity financing, and managed global P&Ls. He began his career at Accenture in 2001, where he worked out of Accenture's offices in Vienna, Rome and Seoul. He joined Accenture's San Francisco office in 2006. Lars' work with Accenture clients comprised the planning, financing and roll-out of global communication and cloud computing infrastructure, with multi-\$B capital budgets. The operation of data center infrastructure dealt with the sustainable use of water for cooling systems, as well as developing strategies for long-term water resilience. Lars has a Master's Degree in Economics and Business Administration from Passau University, Germany. He's fluent in German, Italian and French. Lars lives with his family in the Presidio (District 2).</p>
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Appendix 2: Meeting Summaries

The RBOC held five meetings in 2020 and six meetings during the January-June 2021 period. Below is a summary of agenda topics. Full agendas and minutes for each meeting are available at: <https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee>

- February 10, 2020
 - Audit Contract Progress Update
 - SFPUC Report on the Water Bond Series 2019 ABC Refunding Results
 - SFPUC FY2019 – Water Enterprise Green Bond Report
- July 7, 2020
 - Audit Contract Progress Update
 - SFPUC Quarterly Budget Update
 - SFPUC Water Bond Sale Update
 - Annual Report Update (2019)
- October 27, 2020
 - Wastewater and Sewer System Improvement Program Capital Improvement Update
 - Audit Entrance Conference and Scope Update
 - Annual Report Update (2019)
 - SFPUC Presentation of Water Bond Sale Results
 - SFPUC Water Infrastructure Finance and Innovation Act Loan Update
- November 17, 2020
 - Audit Contracting Update
 - SFPUC Water Capital Update
 - Annual Report Update (2019)
- December 14, 2020
 - Power Enterprise Update
 - Annual Report Update (2019)

- January 5, 2021
 - Audit Update
- February 16, 2021
 - Audit Update
 - Annual Report Update (2020)
- March 11, 2021
 - Audit Update
 - SFPUC Update on Water System Improvement, Water Enterprise Capital, and Hetch Hetchy Capital Improvement Programs
- April 12, 2021
 - Audit Update
 - Annual Report Update (2020)
- May 10, 2021
 - Audit Update
 - Amending Bylaws - Definition of “Reporting Period” for the Annual Report
- June 7, 2021
 - Audit Update
 - Amending Bylaws - Definition of “Reporting Period” for the Annual Report

RBOC Account Summary June 2021

Funding Sources (\$)		SW Water	C Wastewater	ST Hatchery	Power	Total
	<i>Series</i>					
	2006 A Bonds	263,462	-	-	-	263,462
	2008 CREBS*	-	-	3,163	-	3,163
	2009 A Bonds	212,390	-	-	-	212,390
	2009 B Bonds	217,209	-	-	-	217,209
	2010 A Bonds	31,426	27,122	-	-	58,547
	2010 B Bonds	208,860	96,258	-	-	305,118
	2010 D Bonds	41,629	-	-	-	41,629
	2010 E Bonds	172,395	-	-	-	172,395
	2010 F Bonds	33,085	-	-	-	33,085
	2010 G Bonds	177,501	-	-	-	177,501
	2011 A Bonds	316,504	-	-	-	316,504
	2011 B Bonds	15,240	-	-	-	15,240
	2011 C Bonds	17,636	-	-	-	17,636
	2011 QECBS	-	-	4,146	-	4,146
	2012 NCREBS	-	-	3,300	-	3,300
	2012 A Bonds	316,351	-	-	-	316,351
	2012 B Bonds	8,433	-	-	-	8,433
	2013 B Bonds	-	183,555	-	-	183,555
	2015 A Bonds	-	-	17,979	-	17,979
	2015 B Bonds	-	-	4,227	-	4,227
	2015 NCREBS	-	-	2,050	-	2,050
	2016 A Bonds	-	140,691	-	-	140,691
	2016 B Bonds	-	39,662	-	-	39,662
	2016 C Bonds	129,580	-	-	-	129,580
	2017 A Bonds	70,451	-	-	-	70,451
	2017 B Bonds	85,953	-	-	-	85,953
	2017 C Bonds	41,122	-	-	-	41,122
	2018 A Bonds	-	131,757	-	-	131,757
	2018 B Bonds	-	110,222	-	-	110,222
	2018 C Bonds	-	89,573	-	-	89,573
	2020 A Bonds	96,163	-	-	-	96,163
	2020 B Bonds	37,408	-	-	-	37,408
	2020 C Bonds	50,410	-	-	-	50,410
	2020 D Bonds	26,171	-	-	-	26,171
A	Subtotal Sources - All	2,630,039	818,838	34,864	-	3,483,741
Charges Against Budget (\$)						
Actual Charges						
	WSIP Expenditures & CP (2006)	59,370	-	-	-	59,370
	Financial Review of WSIP (2007)	32,050	-	-	-	32,050
	WSIP Sunset Reservoir (2009)	71,890	-	-	-	71,890
	CSA Controller's Audit (2011/2012)	86,219	29,750	-	-	115,969
	Independent Review Panel (IRP) (2011/2012)	116,010	-	-	-	116,010
	LADWP for IRP (2011/2012)	11,489	-	-	-	11,489
	IBBS Consulting for IRP (2011/2012)	47,000	-	-	-	47,000
	CSA Audit - Final Bill Q3 12	29,625	-	-	-	29,625
	RM Block WSIP Evaluation (Nov 12-Aug	531,926	-	-	-	531,926
	RBOC Strategic Planning Meeting - 2015	970	970	970	-	2,910
	RBOC Strategic Planning Meeting - 2016	1,078	1,078	1,078	-	3,234
	RBOC Strategic Planning Meeting - 2017	770	770	770	-	2,309
B	Subtotal Actual Charges	1,048,398	32,568	2,818	-	1,083,783
A - B	Available Funds Before Pending Charges	1,581,641	786,270	32,046	-	2,399,958
Pending Charges						
C	Subtotal Pending Charges	-	-	-	-	-
A - B - C	Available Funds After Pending Charges	1,581,641	786,270	32,046	-	2,399,958

Appendix 4: Bond Expenditure Certificate from SFPUC

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER, ASSISTANT GENERAL
MANAGER FOR BUSINESS SERVICES FOR
THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
TO THE REVENUE BOND OVERSIGHT COMMITTEE


I, Eric Sandler, the duly authorized and acting Chief Financial Officer, Assistant General Manager for Business Services of the San Francisco Public Utilities Commission (“SFPUC”), hereby certify to the Public Utilities Revenue Bond Oversight Committee (“RBOC”) that I have reviewed such documents as I reasonably have deemed necessary for purposes of this certification, including:

1. The FY 2019-20 Financial Statements of the SFPUC Water Enterprise, including the opinion letter of KPMG, dated as of January 22, 2021;
2. The FY 2019-20 Financial Statements of the SFPUC Wastewater Enterprise, including the opinion letter of KPMG, dated as of January 22, 2021;
3. The FY 2019-20 Financial Statements of SFPUC Hetch Hetchy Water and Power and CleanPowerSF, including the opinion letter of KPMG, dated as of January 22, 2021;
4. The FY 2019-20 WSIP Quarterly Reports of the SFPUC related to the Water Enterprises;
5. The FY 2019-20 SSIP Quarterly Reports of the SFPUC related to the Wastewater Enterprise

Based upon a review of such documents, together with such other information that I reasonably have deemed necessary for purposes of providing this certification, I hereby advise you that no facts have come to my attention, after due inquiry, that cause me, exercising the judgment reasonably expected of my office and position, to believe that proceeds of any bond issue of the SFPUC have been wasted, not used for their authorized purposes or otherwise used illegally. For purposes of this certification, I have not undertaken to audit or to cause to be audited any outstanding bond issue of the SFPUC, and only undertake to report to the RBOC the results of the review described above, in my role as Chief Financial Officer, Assistant General Manager for Business Services of the SFPUC.

This certification is delivered to you this 27th day of October 2021.

PUBLIC UTILITIES COMMISSION OF
THE CITY AND COUNTY OF SAN
FRANCISCO



Eric Sandler
Chief Financial Officer
Assistant General Manager/ Business
Services

Appendix 5: Debt Overview

Summary of Enterprise Debt Programs (as of June 30, 2021)

	Water	Wastewater	Power
Outstanding Debt			
Revenue Bonds	\$4.7B	\$1.5B	\$36.6M
SRF/WIFIA Loans (Executed/Drawn)	\$171M/\$72M	\$1.5B/\$92M	----
Tax Credit Bonds	----	----	\$6.3M
Commercial Paper: (Authorized/Drawn)	\$500M/\$105.9M	\$750M/\$638.5M	\$250M/\$114.7M
Credit Ratings			
Long-Term	Aa2/AA-	Aa2/AA	AA/AA-
Short-Term	P-1/A-1	P-1/A-1+	F1+/A-1

Appendix 5, Continued: Outstanding Revenue Bonds by Series

Outstanding SFPUC Bonds (as of June 30, 2021)	RBOC	Issue Date	Maturity Date	Original Par (\$000s)	Outstanding Principal (\$000s)	Notes (All dollars in 000s)
WATER						
2010 Revenue Bonds, Series B	Yes	06/17/10	11/01/40	\$417,720	\$361,500	Build America Bonds (BABs); TIC is net of subsidy (WSIP)
2010 Revenue Bonds, Series E	Yes	08/04/10	11/01/40	\$344,200	\$344,200	Build America Bonds (BABs); TIC is net of subsidy. (WSIP)
2010 Revenue Bonds, Series G	Yes	12/22/10	11/01/50	\$351,470	\$351,470	Build America Bonds (BABs); TIC is net of subsidy (WSIP)
2011 Revenue Bonds, Series B	Yes	08/04/11	11/01/41	\$28,975	\$755	Improvements to Hetch Hetchy Water; reflects 2/13 BAWSCA defeasance
2011 Revenue Bonds, Series C	Yes	08/04/11	11/01/41	\$33,595	\$825	Water main improvements; reflects 2/13 BAWSCA defeasance
2015 Revenue Bonds, Series A	No	04/16/15	11/01/36	\$429,600	\$397,745	Refunded all outstanding 2006A bonds and a portion of 2009A Bonds (WSIP)
2016 Revenue Bonds, Series A	No	10/20/16	11/01/39	\$763,005	\$743,050	Partially refunded 2009A, 2009B, and 2010F Bonds (WSIP)
2016 Revenue Bonds, Series B	No	10/20/16	11/01/30	\$130,815	\$81,525	Fully refunded 2006B, 2006C, and partially refunded 2010A Bonds
2016 Revenue Bonds, Series C (Green)	No	12/14/16	11/01/46	\$259,350	\$237,050	Taxable refunding of \$237M outstanding CP and \$20 million new money proceeds (WSIP)
2017 Revenue Bonds, Series A (Green)	Yes	12/13/17	11/01/47	\$121,140	\$27,000	Fund WSIP
2017 Revenue Bonds, Series B	Yes	12/13/17	11/01/47	\$147,725	\$32,930	Fund Water Enterprise Capital
2017 Revenue Bonds, Series C	Yes	12/13/17	11/01/47	\$70,675	\$15,750	Improvements to water-related infrastructure of the Hetch Hetchy Water and Power system
2017 Revenue Bonds, Series D (Green)	No	12/28/17	11/01/35	\$350,305	\$347,720	Partially refunded 2011A, and 2012A (WSIP)
2017 Revenue Bonds, Series E	No	12/28/17	11/01/31	\$48,890	\$48,890	Partially refunded 2011C, 2011D and 2012C
2017 Revenue Bonds, Series F	No	12/28/17	11/01/31	\$8,705	\$8,705	Partially refunded 2011B
2017 Revenue Bonds, Series G (Green)	No	12/28/17	11/01/24	\$33,780	\$32,780	Partially refunded 2011A (WSIP)
2019 Revenue Bonds, Series A (Green)	No	01/09/20	11/01/43	\$622,580	\$615,725	Taxable Advance Refunding
2019 Revenue Bonds, Series B	No	01/09/20	11/01/41	\$16,450	\$16,450	Taxable Advance Refunding
2019 Revenue Bonds, Series C	No	01/09/20	11/01/41	\$17,925	\$17,925	Taxable Advance Refunding
2020 Revenue Bonds, Series A (Green)	Yes	09/23/20	11/01/50	\$150,895	\$150,895	Retired \$180M in outstanding TE Water CP for WSIP Projects.
2020 Revenue Bonds, Series B	Yes	09/23/20	11/01/50	\$61,330	\$61,330	For Non-WSIP Regional CIP
2020 Revenue Bonds, Series C	Yes	09/23/20	11/01/50	\$85,335	\$85,335	For Non-WSIP Local CIP
2020 Revenue Bonds, Series D	Yes	09/23/20	11/01/50	\$49,200	\$49,200	Retired approx. \$49M in outstanding HHW CP.
2020 Revenue Bonds, Series E (Green)	No	10/21/20	11/01/43	\$341,435	\$341,435	Refunded and partially refunded 2010D, 2012A, 2017A
2020 Revenue Bonds, Series F	No	10/21/20	11/01/47	\$136,880	\$136,880	Partially Refunded 2017B
2020 Revenue Bonds, Series G	No	10/21/20	11/01/43	\$120,585	\$120,585	Refunded and partially refunded 2010D, 2011D, 2012B, 2012C
2020 Revenue Bonds, Series H	No	10/21/20	11/01/47	\$65,495	\$65,495	Partially Refunded 2017C

Total Bonds - Water				\$5,208,060	\$4,693,150	
WASTEWATER						
2010 Revenue Bonds, Series A	Yes	06/08/10	10/01/21	\$47,050	\$8,820	Fund Wastewater capital
2010 Revenue Bonds, Series B	Yes	06/08/10	10/01/40	\$192,515	\$192,515	Build America Bonds (BABs); TIC is net of subsidy.
2013 Revenue Bonds, Series A (Refunding)	No	01/30/13	10/01/25	\$193,400	\$29,595	Refunded 2003A Bonds and SRF loans
2013 Revenue Bonds, Series B (New Money)	Yes	02/27/13	10/01/42	\$331,585	\$331,585	Funded FY2010-11, FY2011-12 and a portion of FY2012-13 projects
2016 Revenue Bonds, Series A (Green)	Yes	05/24/16	10/01/46	\$240,580	\$240,580	Fund a portion of SSIP "Green" infrastructure projects and refund ~ \$53.4M of outstanding CP
2016 Revenue Bonds, Series B	Yes	05/24/16	10/01/46	\$67,820	\$67,820	Fund a portion of SSIP projects and refund ~\$20.6M of outstanding CP (spent primarily on R&R)
2018 Revenue Bonds, Series A (Green)	Yes	08/09/18	10/01/43	\$229,050	\$229,050	Fund SSIP
2018 Revenue Bonds, Series B	Yes	08/09/18	10/01/43	\$185,950	\$185,950	Fund Wastewater Enterprise capital
2018 Revenue Bonds, Series C (Green)	Yes	08/09/18	10/01/48	\$179,145	\$179,145	Fund a portion of SSIP projects and refund a portion of~\$20.6M of outstanding CP
Total Bonds - Wastewater				\$1,667,095	\$1,465,060	Principal: 10/1 / Interest: 4/1 & 10/1
POWER						
2015 Revenue Bonds, Series A (Green)	Yes	05/20/15	11/01/45	\$32,025	\$32,025	Power Revenue Bonds ("Green")
2015 Revenue Bonds, Series B	Yes	05/20/15	11/01/26	\$7,530	\$4,550	Power Revenue Bonds
Total Bonds - Power (Senior)				\$39,555	\$36,575	
Tax Credit Bonds						
2008 Cl. Renewable Energy Bonds	Yes	11/07/08	12/15/22	\$12,391	\$843	Investors receive a tax credit in lieu of interest payment Installation of solar energy equipment on City-owned facilities (12/15 payment dates)
2011 Qualified Energy Cons. Bonds	Yes	12/15/11	12/15/27	\$8,291	\$3,686	Components of 525 Golden Gate that promote energy conservation (12/15 & 6/15 payment dates)
2015 New Cl. Renewable Energy Bonds	Yes	10/15/15	10/25/32	\$4,100	\$1,780	Two qualified solar equipment projects (10/25 & 4/25 payment dates- <i>*first principal payment 10/25/16</i>)
Total - CREBs, NCREBS, QECBs				\$24,782	\$6,310	
Total Bonds - Power				\$64,337	\$42,885	

Appendix 5, Continued: SFPUC Debt Issuance FY2021

Enterprise	Debt Issuance	Amount (par)
Water	2020 Series ABCD	\$347 Million
	2020 Series DEFG (Refunding)	\$664 Million
Wastewater	SRF Loan- SEP Headworks	\$112 Million
Power	-	-



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

REMOTE MEETING

October 19, 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: 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 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 9:01 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. **RBOC: Findings to Allow Teleconferenced Meetings During Declared Emergency**

Public Comment:

David Pilpel shared concerns regarding the absence of a written copy of the verbal motion for public review.

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.

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

Public Comment:

None

4. RBOC: Audit Update

Massanda Djohns and Hunter Wang (Office of the Controller); Dan Dawson (HKA Global); Mark Blake (Office of the City Attorney); Mike Brown (Public Utilities Commission); provided a status update on the substantial completion of audit fieldwork, report drafting in progress, and the next steps of incorporating the anticipated Public Utilities Commission response, distributing the draft report to the City Services Auditor (CSA) and Public Utilities Commission (PUC) for review and comment, and establishing the process for RBOC review of the draft while satisfying CSA concerns for draft product confidentiality; and responded to questions throughout the discussion.

The RBOC delegated Member Kamp to review the draft audit report and provide feedback on behalf of the Committee.

Public Comment:

David Pilpel requested a copy of agreements involving audit work from the PUC and expressed concerns whether the audit report will be available for public review ahead of the RBOC November 16, 2021, meeting.

Chair Leale, seconded by Member Tang, moved that the item be CONTINUED to the RBOC November 16, 2021, meeting.

5. RBOC: 2020 Annual Report - January 2020 through June 2021

Mike Brown (PUC); provided an overview on the status of the draft annual report and solicited committee feedback to provide a draft for committee approval and responded to questions throughout the discussion.

Public Comment:

David Pilpel spoke on concerns regarding the adoption of the annual report ahead of the December 14 Public Utilities Commission meeting and whether the report will incorporate the audit report in progress.

Chair Leale, seconded by Member Kamp, moved that the item be CONTINUED to the RBOC November 16, 2021, meeting.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober

Noes: None

6. **SFPUC:** Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services.

Mark Blake (Office of the City Attorney); Mike Brown (Public Utilities Commission); provided an overview on the Request For Proposal process; and answered questions throughout the discussion.

Chair Leale suggested that Member Tang coordinate with Mark Blake and Mike Brown explore to processes and advise the Committee on hiring the acquisition

Public Comment:

David Pilpel spoke in support of the hearing matter, and suggested other options that may assist in the process.

Chair Leale, seconded by Member Tang, moved that the item be CONTINUED to the RBOC November 16, 2021, meeting.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober

Noes: None

7. **SFPUC:** Water Infrastructure Update

Public Comment:

David Pilpel expressed his gratitude for the inclusion of the anticipated presentation in the agenda packet for public review ahead of the meeting.

Chair Leale, seconded by Member Tang, moved that the item be CONTINUED to the RBOC December 14, 2021, meeting.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober

Noes: None

8. **Approval of Minutes:** September 14, 2021, Meeting Minutes.

Member Kamp, seconded by Chair Leale, moved to APPROVE the minutes as presented.

Public Comment:

David Pilpel suggested various edits to the minutes for the Committee's consideration.

Member Kamp withdrew their motion to approve with the agreement of the second, Chair Leale.

Member Kamp, seconded by Chair Leale, moved to delegate Chair Leale and Clerk Jalipa to incorporate the suggested changes as they deem appropriate for the final minutes.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober

Noes: None

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

Upcoming Meeting Dates: November 16, 2021, and December 14, 2021

Chair Leale requested to add a discussion on future bonds for next set of audits in Pending Issues. Mike Brown (Public Utilities Commission); Massanda Johns (Office of the Controller); provided an overview and answered questions throughout the discussion.

The RBOC requested an update on the coordination of PUC Site Tours.

The RBOC requested an update on when the PUC will start in-person meetings.

The RBOC requested an update on the progress of recruitment of possible members to fill the committee's seats to be appointed by the Mayor and Controller.

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: Discussion on future bonds for the next set of audits

Public Comment:

David Pilpel spoke in response to the possible return of in-person meetings of other commissions

No action taken.

10. **Adjournment**

The meeting adjourned at 10:14 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