



**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: 340 813 076 #**

August 16, 2022 - 9:00 AM

Regular Meeting

Remote Access to Information and Participation

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

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

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

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

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

Members:

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

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

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

3. **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. **SFPUC: Overview of SFPUC Organization Chart and Fund Structure.** (*Discussion and possible action*)(attachment)
5. **RBOC: Audit Update.** (*Discussion and possible action*)
6. **RBOC: Planning for next RBOC audit.** (*Discussion and possible action*)
7. **RBOC: Planning for potential future audits to evaluate the performance of projects funded by revenue bonds.** (*Discussion and possible action*)
8. **RBOC: Draft Annual Report.** (*Discussion and possible action*)
9. **SFPUC: Site visits updates (Proposed schedule for visits to Hetch Hetchy, Oceanside, and others over the current fiscal year.)** (*Discussion and possible action*) (attachment)
10. **Approval of Minutes: July 19, 2022, Meeting Minutes.** (*Discussion and possible action*) (attachment)

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

Upcoming Meeting Dates: September 13, 2022.

Future Agenda Items/Issues:

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

12. **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.

Overview for RBOC SFPUC Organization and Fund Structure

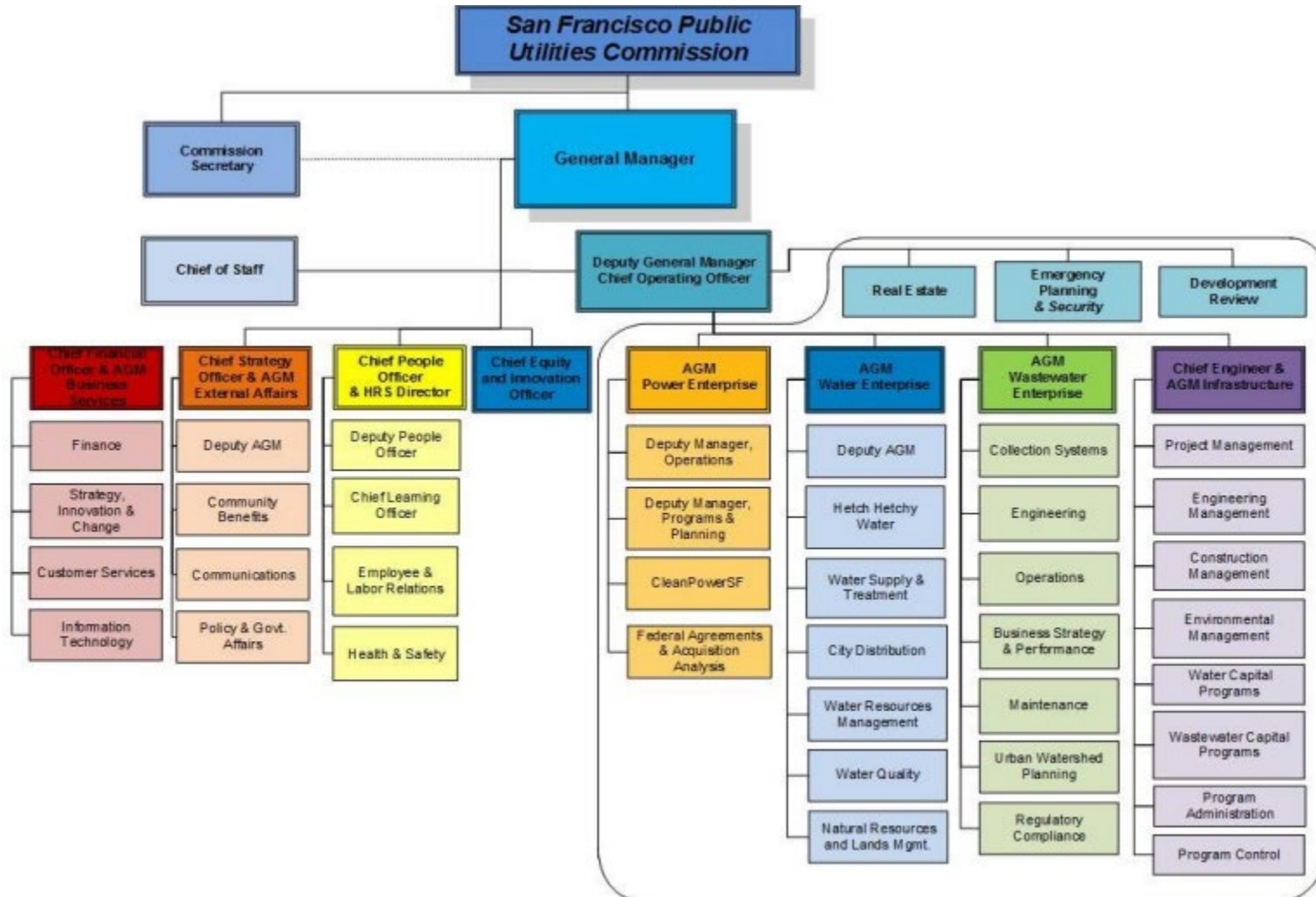
Capital Finance Group
Business Services

August 16, 2022



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

SFPUC Organizational Chart



AGM is Assistant General Manager, the person who leads an Enterprise or Bureau.



Enterprises and Funds

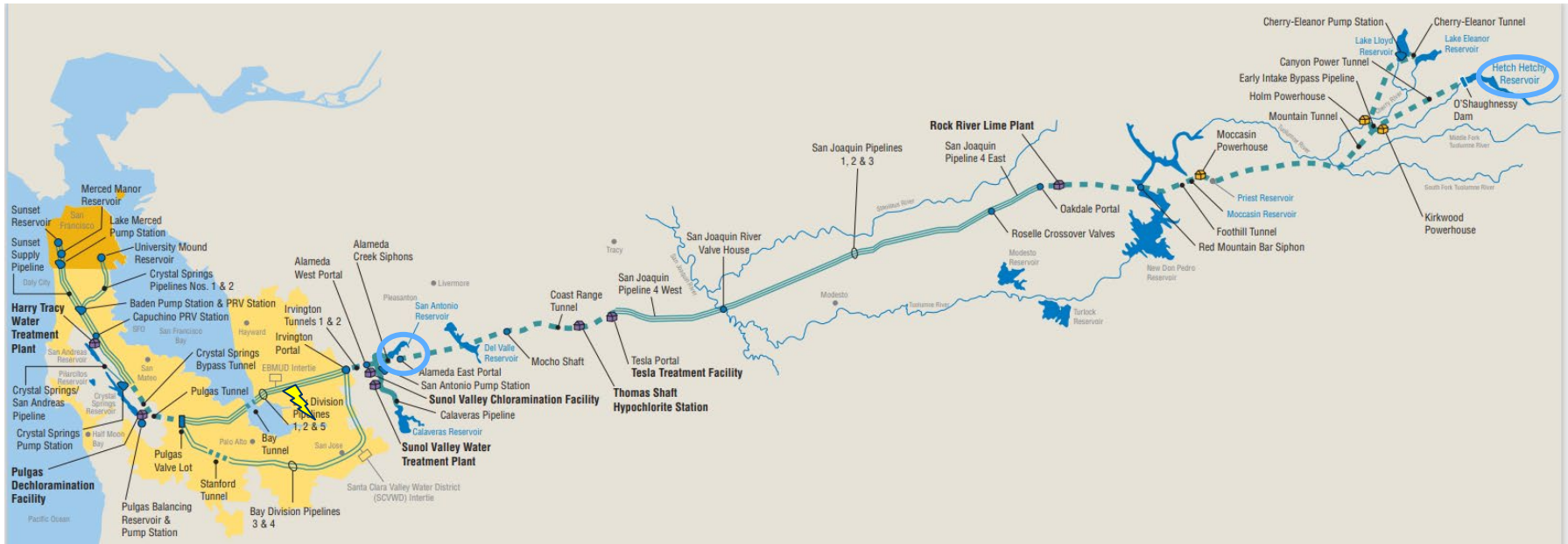
- The SFPUC is a department of the City and County of San Francisco that is responsible for the maintenance, operation, and development of three utility enterprises and five funds:

<u>Utility Enterprises</u>	<u>Funds</u>	<u>Rated Entities</u>
Water	Water	Water Enterprise
Hetch Hetchy	Hetchy Water	
	Hetchy Power	Power Enterprise
	CleanPowerSF	CleanPowerSF
Wastewater	Wastewater	Wastewater Enterprise

- Note that the capital markets recognize the SFPUC as four different credit entities as explained the third column

Hetch Hetchy System

- Because of the importance of infrastructure at Hetch Hetchy to both water consumption and hydro electric power generation, that organization warrants special explanation





Hetchy Water, Power and CleanPowerSF

Facilities and Assets	Water Enterprise Share	Power Enterprise Share	Enterprise Function
Hetchy Water	100%	0%	Provides adequate and reliable supplies of water services
Hetchy Power	0%	100%	Provides adequate and reliable supplies of electric power to meet the needs of CCSF
Hetchy Water /Hetchy Power(Joint)	45%	55%	Benefits both Hetchy Power and Hetchy Water

- CleanPowerSF is a Community Choice Aggregation (CCA) Program of the Power Enterprise providing for the majority of the electricity demands of San Francisco. CleanPowerSF is a discreetly separate fund presented in the audited financial statements for Hetch Hetchy Water and Power and CleanPowerSF.



Enterprise Debt Overview

(as of August 1, 2022)

	Water	Wastewater	Power
Revenue Bonds and Notes	\$4.7B	\$2.1B	\$160.0M
SRF/WIFIA Loans* (Executed/Drawn)	\$171M/\$72M	\$1.6B/\$92M	----
Tax Credit Bonds	----	----	\$4.8M
Commercial Paper (Authorized/Drawn)	\$500M/\$206M	\$750M/\$380M	\$250M/\$40M
Ratings			
Long-Term**	Aa2/AA-	Aa2/AA	AA/AA-

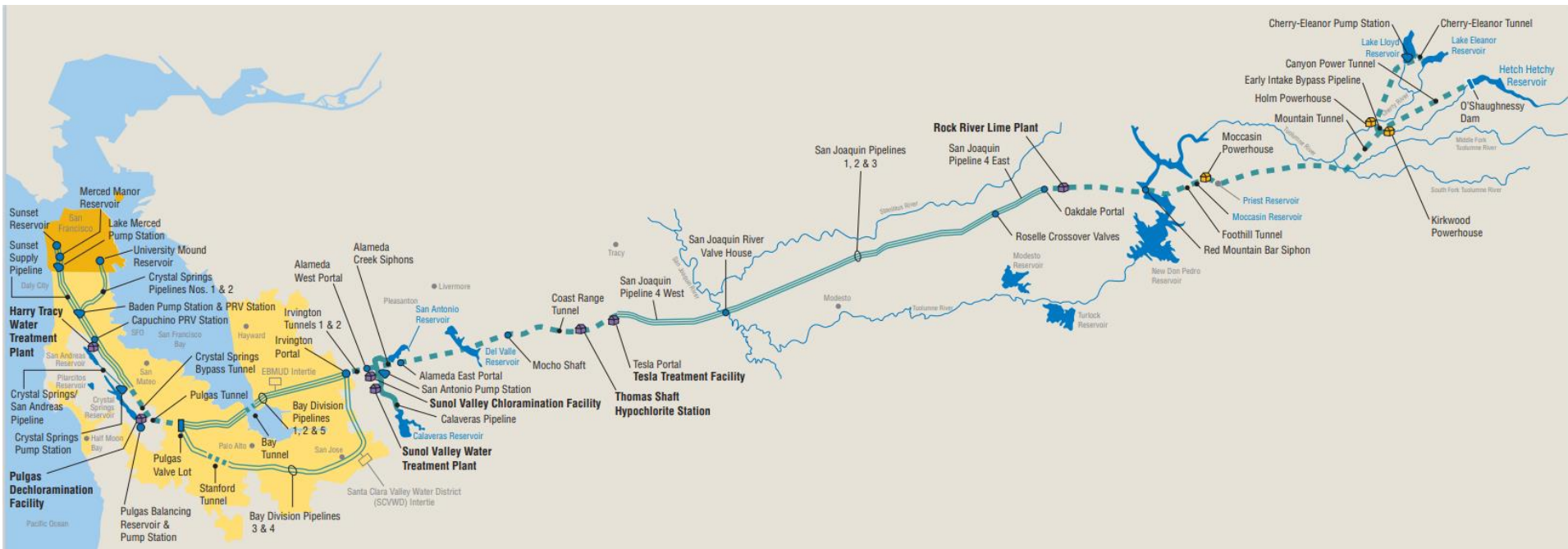
* State Revolving Fund (SRF)/ Water Infrastructure Finance and Innovation Act (WIFIA) Loans

** Water and Wastewater Enterprise are each rated by Moody's Investor Service and S&P Global Ratings ("S&P), and the Power Enterprise is rated by Fitch Ratings and S&P, respectively. CleanPowerSF, received an A2 issuer rating from Moody's in December 2020, however the CleanPowerSF Program currently does not have any debt outstanding

Questions



RBOC Site Visit Options



Tour Considerations

- Choices of tour venues:
 - Where bond proceeds have been spent
 - Where bonds proceeds will be spent
 - Understanding how system operates
 - Weather/construction status considerations
- Time commitment
 - Half day / Full day
 - Overnight
 - Specialized training
 - Comfort/willingness to enter confined spaces
 - Brown Act considerations



Half Day/Full Day Local Tours

- Oceanside Treatment Plant and Westside Recycled Water Construction
- In-City main replacement and College Hill reservoir work (with possible future solar install)
- System operations

Overnight/Multi-Day Tours

- **Overnight tour to Moccasin to see:**
 - Opportunity in Jan/Feb timing due to shutdown for Construction
 - Moccasin Powerhouse work during Mountain Tunnel shutdown
 - San Joaquin Pipelines
 - Mountain Tunnel – tunnel access requires advance confined space training
 - Overnight would be at Moccasin facilities (if available) or Groveland Hotel/Rush Creek Lodge
- **Overnight tour to Hetch Hetchy**
 - Spring timing for outside and operations
 - Limited availability

Next Steps and Questions





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

REMOTE MEETING

July 19, 2022 - 9:00 AM

Regular Meeting

Remote Access to Information and Participation

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

Members:

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

The Revenue Bond Oversight Committee meeting was called to order at 9:10 a.m. On the call of the roll, Chair Leale and Members Kamp, Tang, Holober, and Veuthey were noted present. A quorum was present.

There were no agenda changes.

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

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

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

Public Comment: David Pilpel stated no objection but suggest a written motion for the packet.

The motion PASSED by the following vote.

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

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

Public Comment: Speakers: None.

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

Hunter Wang (Controller’s Office); Dan Dawson and Eugene Yano (HKA/Yano); Mark Blake (Office of the City Attorney); provided updates and responded to questions from the committee.

Member Holober, seconded by Member Tang, moved to approve the presented approach by HKA/Yano and CSA in regards to the next RBOC audit.

Public Comment: Speakers:
David Pilpel provided suggestions to presentation format and other related information.
Peter Drakemire provide suggestions to the audit.

The motion PASSED by the following vote:

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

- 5. **RBOC:** Planning for potential future audits to evaluate the performance of projects funded by Revenue Bonds.

Members Tang and Kamp provided an overview and update on the matter and recommended working with the CSA and SFPUC to prepare a request for proposal for future audits.

Mark Blake (Office of the City Attorney); Hunter Wang (Controller’s Office); provided updates and responded to questions from the committee.

Chair Leale, seconded by Member Veuthey, moved to continue this item to the call of the chair.

Public Comment: Speakers:
David Pilpel stated that a subcommittee is not suggested and commented on the proposal for the request for proposal and other related matters.

The motion PASSED by the following vote:

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

6. **RBOC: Draft Annual Report**

Chair Leale provided an updated on the draft annual report.

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

Public Comment: Speakers: None.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober, Veuthey

Noes: None

7. **Approval of Minutes: June 14, 2022, Meeting Minutes.**

Chair Leale, seconded by Member Kamp, moved to approve the June 13, 2022, meeting minutes.

Public Comment: Speakers: David Pilpel suggested different bonds to be selected and improvement to slides.

The motion PASSED by the following vote:

Ayes: Leale, Kamp, Tang, Holober, Veuthey

Noes: None

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

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

Hearing on Finding #2 of the RBOC Performance Audit – Quality Assurance Program – August 16th meeting - schedule as soon as the new AGM of Infrastructure comes on board. Get confirmation from SFPpuc

Request for Proposal (CSA)

Public Comment. Speakers:

David Pilpel, commented on replacement for Steven Robinson, SFPUC, and made other suggestion for future reports.

Future Agenda Items/Issues:

- A. Request that SSIP Quarterly reports include information on Stormwater Management System and details on the bidding climate and possible cost increase)
- B. RBOC: Acquiring consultant to examine expected performance of complete projects.
- C. SFPUC: Staff Report: Environmental Justice
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- L. Hearing on Finding #1 of the RBOC Performance Audit – Visibility of bond expenditures – Nancy Hom – schedule for the September 13th meeting as discussed with Nancy.

9. Adjournment

The meeting adjourned at 10:32 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.

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