



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

Public Utilities Commission Building
525 Golden Gate Ave., 3rd Floor
Tuolumne Conference Room
San Francisco, CA 94102

Tuesday, February 13, 2024 - 9:00 AM

Regular Meeting

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

Seat 1	Ettore Leale, Chair
Seat 2	Lars Kamp, Vice Chair
Seat 3	Jason Leung
Seat 4	Claire Veuthey
Seat 5	<i>Vacant</i>
Seat 6	Christina Tang
Seat 7	Reuben Holober

Chair Leale called the meeting to order at 9:06 a.m. On the call of the roll, Chair Leale, Member Leung, Member Veuthey, Member Tang, and Member Holober were noted present. Vice Chair Kamp was noted not present. A quorum was present.

Chair Leale welcomed new member Leung and also acknowledged the presence of Abby Veaser, who will be serving as the new member representing the Bay Area Water Supply and Conservation Agency (BAWSCA). Member Leung and Abby Veaser provided brief introductory remarks. Abby Veaser will be serving as an RBOC member beginning at the next meeting, and Member Tang will be departing RBOC after many years of service.

There were no agenda changes.

2. Public Comment

Speakers: Dave Warner shared a brief greeting with RBOC.

3. RBOC: Audit Update

Hunter Wang (City Services Auditor, Office of the Controller), and Paul Pocalyko (HKA Associates) shared a brief update on the progress of the Phase III audit. At this time, the audit is in the beginning of the fieldwork process, which is anticipated to conclude in 60 to 90 days. Following the anticipated fieldwork completion, the audit work will progress to review with the departments, which may be anticipated to last for three to six months.

Public Comment: None.

There was no action taken.

4. DCA: Scope of RBOC

Katherine Ortega (Office of the City Attorney) shared that the City Attorney's office should provide a full presentation on the scope of work for RBOC at a future meeting, after the new members are fully onboarded.

Public Comment: Dave Warner; shared enthusiasm for this future presentation and other various concerns related to the hearing matter.

There was no action taken.

5. RBOC: Account Balance

The RBOC account balance accrues at the rate of one-twentieth of one percent of the gross proceeds from each issuance of sale of public utility revenue bonds. In recent months, RBOC has been investigating the question of whether unexpended balance may be returned to rate payers. Katherine Ortega (Office of the City Attorney) shared that RBOC as currently formed under 2002 Proposition P doesn't have the authorization to return funds. In order to pursue the return of unspent proceeds, RBOC would need to sunset. At this time the sunset date for RBOC is January 1, 2025. After the sunset date, a new RBOC could be formed—by ordinance—with the expanded powers to return unexpended account balance.

Public Comment: None.

There was no action taken.

6. RBOC: Planning for Future Audits

Katherine Ortega (Office of the City Attorney) shared that continued planning for a future audit should commence after the City Attorney’s office delivers a full briefing on the scope of work of RBOC to the committee in open session.

Public Comment: None.

There was no action taken.

7. Minutes Approval – December 12, 2023 Regular Meeting

Public Comment: None.

Chair Leale, seconded by Member Veuthey, moved to approve the December 12, 2023, meeting minutes. The motion PASSED by the following vote:

**Ayes: 5 - Leale, Leung, Veuthey, Tang, Holober
Absent: 1 - Kamp**

Action: Minutes APPROVED

8. RBOC: Setting the 2024 Meeting Schedule

By unanimous consent, RBOC established the following regular meeting dates for 2024:

- *March 12, 2024;*
- *April 9, 2024;*
- *May 14, 2024;*
- *June 11, 2024;*
- *July 9, 2024;*
- *August 13, 2024;*
- *September 10, 2024;*
- *October 8, 2024;*
- *November 12, 2024; and*
- *December 10, 2024.*

RBOC will continue to meet at the SFPUC building at 525 Golden Gate Avenue.

Public Comment: Paul Warner encouraged RBOC to move to a bi-monthly meeting schedule, and add special meetings as needed.

9. RBOC: Election of Officers, Recruitment, and Roles of Members

Chair Leale shared that he will be leaving RBOC in the spring of 2024, and that with new members joining the committee, it is an appropriate time to commence the election of officers. Chair Leale nominated Member Holober to serve as the new Chair of RBOC. Member Tang nominated Member Veuthey to serve as the new Vice Chair.

Public Comment: None.

Chair Leale, seconded by Member Tang, nominated Member Holober to serve as the new Chair of RBOC; Member Tang, seconded by Chair Leale, nominated Member Veuthey to serve as the new Vice Chair. The motion PASSED by the following vote:

Ayes: 5 - Leale, Leung, Veuthey, Tang, Holober
Absent: 1 - Kamp

Action: RBOC ELECTED A NEW CHAIR AND VICE CHAIR

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

Public Comment: Dave Warner requested that RBOC agendaize a discussion item to review the SFPUC commission's proposed budget and financial plan, and potential risks and issues that may impact ratepayers.

RBOC is tracking the following topics and issues as potential Future Agenda Items:

- A. SFPUC: Water System Improvement Program Update;
- B. SFPUC: Power Enterprise and Clean Power SF Update;
- C. SFPUC: State Federal Loan Updates;
- D. SFPUC: Staff Report: Environmental Justice;
- E. RBOC: Acquiring consultant to examine expected performance of completed projects;
- F. RBOC: Discussion of the 2015 report, entitled "[Evaluation of Lessons Learned from the WSIP Program](#)," to identify procedures and reporting processes from the Water System Improvement Program which may be applied to SSIP;
- G. SFPUC: Discussion of Finding 2 of the [SFPUC Performance Audit of Select Revenue Bond Expenditures dated December 23, 2021](#)
Finding 2: "The Quality Assurance Audit Function Was Not Operational From June 2017 Through November 2020;"
(May be scheduled in Spring 2024, as a follow-up to the May 9, 2023 meeting)
- H. SFPUC: Planning for Future Site Visit to the SSIP project sites including the Biosolids Digester and Headworks Facility projects; and
- I. RBOC: Draft Annual Report for 2023.

11. Adjournment

There being no further business, the meeting adjourned at 10:01 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: March 12, 2024
Public Utilities Revenue Bond Oversight Committee