



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

DRAFT MINUTES

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

Tuesday, March 12, 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	<i>Vacant</i>
Seat 2	Lars Kamp
Seat 3	Jason Leung
Seat 4	Claire Veuthey, Vice Chair
Seat 5	<i>Vacant</i>
Seat 6	Abby Veesser
Seat 7	Reuben Holober, Chair

Chair Holober called the meeting to order at 9:16 a.m. On the call of the roll, Chair Holober, Vice Chair Veuthey, and Members Leung and Veesser were noted present. Member Kamp was noted not present. A quorum was present.

There were no agenda changes.

2. Public Comment

Speakers: Dave Warner shared concerns regarding financial risks in the SFPUC budget, especially in regard to water and sewer rates and demand projections presently under consideration by the SFPUC; Peter Dreckmeier; shared concerns expressed by Dave Warner related to water rates, demand projections, the demand drought model, and the alternative water supply under consideration by the SFPUC.

3. RBOC: Audit Update

Hunter Wang (City Services Auditor, Office of the Controller) shared that the fieldwork stage has begun for the phase III audit, and answered questions raised throughout the discussion. The City Services Auditor team is anticipating completing the draft report by the end of the current fiscal year. Eugene Yano (Yano Accountancy Corporation) answered further questions related to the draft report preparation timeline.

Public Comment: None.

There was no action taken.

4. DCA: Scope of RBOC

Katherine Ortega (Office of the City Attorney) provided a [presentation](#) on the history and scope of work and inquiry for RBOC, and answered questions raised throughout the discussion.

Public Comment: Dave Warner shared concerns regarding the scope of work of RBOC and disappointment that RBOC may be unable to pursue review of SFPUC rates and risk analysis.

There was no action taken.

5. RBOC: Planning for Future Audits

RBOC has been planning for a future audit and has prepared a request for proposal (RFP) over the course of the past year. Several versions of this RFP have been reviewed by RBOC, but there may be issues with the proposed scope of inquiry which limits RBOC from moving forward with the audit as previously planned. Therefore, RBOC may choose to discard previous work prepared and begin planning for a future audit. Members may discuss the planning for future audit preparation in a working group—in consultation with the City Attorney’s Office—and may develop and present a future audit proposal at a later RBOC meeting. Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.

Public Comment: None.

There was no action taken.

6. RBOC: 2023 Annual Report

Chair Holober provided a summary on the progress of the Annual Report and recommended approval. Nikolai Sklaroff (SFPUC) and Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.

Public Comment: None.

Vice Chair Veuthey, seconded by Member Veaser, moved to approve the 2023 Annual Report. The motion PASSED by the following vote:

Ayes: 5 - Leung, Veuthey, Veaser, Holober
Absent: 1 - Kamp

Action: 2023 Annual Report APPROVED

7. Minutes Approval – February 13, 2024 RBOC Meeting

John Carroll, Clerk, indicated he would make clerical corrections to the February 13, 2024 meeting minutes to include the seconds for nominations to the Chair and Vice chair offices.

Public Comment: None.

Vice Chair Veuthey, seconded by Chair Holober, moved to approve the February 13, 2024, meeting minutes with clerical changes. The motion PASSED by the following vote:

Ayes: 5 - Leung, Veuthey, Veaser, Holober
Absent: 1 - Kamp

Action: Minutes APPROVED

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

RBOC members requested to hear updates on the Water System Improvement Program, the Power Enterprise and Clean Power SF programs, and Finding 2 of the SFPUC Performance Audit of Select Revenue Bond Expenditures during future meetings. RBOC members also requested to begin planning a future site visit to the SSIP project sites including the Southeast Treatment Center, as tracked in topic H listed below. Nikolai Sklaroff (SFPUC) and Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.

Public Comment: None.

RBOC has scheduled the following meeting dates in 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*
- *and December 10, 2024.*

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.*

9. Adjournment

There being no further business, the meeting adjourned at 10:43 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: Draft
Public Utilities Revenue Bond Oversight Committee