



**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: 308 401 075 #**

November 15, 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 Holoher

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. **RBOC:** Audit update. (*Discussion and possible action*)

5. **RBOC:** Planning for future audits to evaluate the performance of projects funded by Revenue Bonds. (*Discussion and possible action*) (*attachment*)

6. **RBOC:** Draft Annual Report. (*Discussion and possible action*)

7. **SFPUC:** Future Site Visits (Hetch Hetchy) (*Discussion and possible action*)

8. **Approval of Minutes:** September 13, 2022, Meeting Minutes. (*Discussion and possible action*) (*attachment*)

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

Upcoming Meeting Dates: December 13, 2022, January 17, 2023, February 14, 2023, and March 14, 2023.

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. SFPUC: Finding #2 of the RBOC Performance Audit – Quality Assurance Program (Stephen Robinson, AGM of Infrastructure)(April 2023)
- L. SFPUC: Hearing on Finding #1 of the RBOC Performance Audit – Visibility of Bond Expenditures. (Presentation by Nancy Hom, Chief Financial Officer and AGM of Business Services)

10. **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.

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Revenue Bond Oversight Committee (RBOC) Working Paper

Introduction

The San Francisco Public Utilities Commission (SFPUC) is California's third largest municipal utility with \$1.3B in yearly revenues and 2.7 million San Francisco Bay Area customers. The SFPUC operates major water, sewer, and power infrastructure, see the [SFPUC website](#) for details.

Background

The SFPUC provides retail drinking water and wastewater services in San Francisco, wholesale water to 26 water suppliers in three Bay Area counties, green hydroelectric and solar power to Hetch Hetchy electricity customers, and power to San Francisco residents and businesses through the CleanPowerSF Program. The San Francisco Charter empowers the SFPUC by to issue revenue bonds to finance the reconstruction, replacement, expansion, repair and improvement of its water, sewage, and power facilities. The SFPUC has two major initiatives underway, the Water System Improvement Program (WSIP) and the Sewer System Improvement Program (SSIP). At present, the SFPUC has over \$5 billion in outstanding revenue bonds. See the [SFPUC Investor Relations](#) website for details. Note that individual bond memorandums published on this website include detailed information on SFPUC's infrastructure and capital investment programs.

Revenue Bond Oversight Committee

In In 2002 San Francisco voters passed Proposition P establishing the Revenue Bond Oversight Committee (RBOC). Members of the RBOC are appointed by the San Francisco Board of Supervisors, by the Mayor, by the Controller, and by the Budget and Legislative Analyst of the Board of Supervisors. The goal of the RBOC is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws. The RBOC provides independent oversight to ensure transparency and accountability by monitoring the expenditure of revenue bonds. See the [RBOC](#) website for details.

Ongoing Initiatives

The RBOC is in the process of completing an audit of six bonds in the amount of \$2.7 billion supporting the WSIP and SSIP programs. A team from the RBOC, the SFPUC, the [Office of the Controller](#) of the City and County of San Francisco, and the accounting firms [HKA](#) and Yano Accountancy Corporation leads this performance audit following Government Auditing Standards (GAGAS). This audit is due for completion in January 2022.

Future Initiative

The RBOC is exploring a new oversight initiative to answer the following questions:

1. Is infrastructure financed by revenue bonds performing as designed?

2. Is infrastructure financed by revenue bonds properly maintained to ensure that it performs as designed over its intended lifespan?
3. Are ratepayers receiving good return on their investment in capital improvement projects?

In order to answer the above questions, the RBOC is interested in hiring an independent national engineering firm to achieve the following objectives:

- A. Formulate a methodology for the study following national best practices
- B. Perform a preliminary risk assessment of revenue bond financed projects
- C. Develop a Statement of Work for the study

This preliminary project will help inform RBOC on best practices for studies of this nature, and it will provide the foundation for future oversight initiatives.

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