



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

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

**Tuesday, December 12, 2023 - 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**

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

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

*There were no agenda changes.*

### **2. General Public Comment**

*Speakers: None.*

### 3. SFPUC: Revenue Bond Audit Phase II – Finding Nos. 1 & 2

*Hunter Wang (City Services Auditor, Office of the Controller) and Eugene Yano (Yano Accountancy Corporation) provided an overview of the Phase II audit Finding Nos. 1 and 2. Nancy Hom (SFPUC) provided a [presentation](#) on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Stephen Robinson and Rosie Angel (SFPUC) shared background information addressing the position of SFPUC when addressing the issues of DPW overhead rates, [presented](#) an overview of SFPUC's position on Recommendation Nos. 1 and 3 from the Phase II audit, and answered questions raised throughout the discussion. Stephen Robinson, Ivy Fine, and Kyndra Cox (SFPUC) continued the presentation by addressing Recommendation No. 1 relating to non-disclosure and conflict of interest concerns in contracting and procurement, and answered questions raised throughout the discussion. Katherine Ortega (Office of the City Attorney) answered questions raised throughout the discussion.*

*Public Comment: None.*

*There was no action taken.*

### 4. RBOC: Audit Update

*Hunter Wang (City Services Auditor, Office of the Controller) shared that there are no substantive updates on the progress of the Phase III audit.*

*Public Comment: none.*

*There was no action taken.*

### 5. RBOC: Planning for Future Audits

*Member Tang shared that progress on the RFP for the next audit has been delayed as the Office of the City Attorney reviews the scope of the next audit. Following the completion of the City Attorney's review of the RFP, the document may return to RBOC for later review and approval prior to issuance for solicitation of proposals. Katherine Ortega (Office of the City Attorney) addressed issues related to the boundaries around RBOC expenditures to evaluate the performance of projects funded by revenue bonds, and answered questions raised throughout the discussion. Chair Leale proposed that RBOC review their understanding of the scope of RBOC's investigation, then address issues related to the draft RFP during a future meeting.*

*Public Comment: None.*

*There was no action taken.*

## 6. **RBOC: Account Balance**

*Chair Leale shared that the RBOC balance has been accruing at a rate faster than RBOC has been able to spend it down. RBOC members asked if the balance accrues interest; Nancy Hom (SFPUC) and Katherine Ortega (Office of the City Attorney) shared that Nancy Hom can report back in the future on this question. Nikolai Sklaroff (SFPUC) noted that the RBOC balance on the June 30, 2023, report was roughly \$1.8 million. RBOC members decided informally to return a portion of the balance, to be determined at a later date. Katherine Ortega further shared that she is investigating how this transfer could be completed, and suggested that RBOC take some formal action to initiate the transfer during a future meeting.*

*Public Comment: None.*

*There was no action taken.*

## 7. **Minutes Approval – November 14, 2023, RBOC Meeting**

*Heard in Committee. John Carroll, Clerk, indicated he would make a clerical correction to the November 14, 2023, Minutes.*

*Public Comment: None.*

**Chair Leale, seconded by Member Tang, moved to approve the November 14, 2023, meeting minutes with clerical changes. The motion PASSED by the following vote:**

**Ayes: 4 - Leale, Veuthey, Tang, Holober**  
**Absent: 1 - Kamp**

Action: Minutes APPROVED

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

*RBOC members discussed potentially moving to a bi-monthly meeting schedule beginning in 2024. Nikolai Sklaroff and Nancy Hom (SFPUC) answered questions raised throughout the discussion.*

*Public Comment: None.*

*RBOC may meet on the following dates:*

- *January 9, 2024;*
- *February 13, 2024;*
- *March 12, 2024;*
- *April 9, 2024; and*
- *May 14, 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 as a follow-up to the May 9, 2023 meeting in Spring 2024)*
- H. SFPUC: Planning for Future Site Visit to the SSIP project sites including the Biosolids Digester and Headworks Facility projects;*
- I. RBOC: Draft Annual Report for 2023; and*
- J. RBOC: Meeting Schedule for 2024.*

## **9. Adjournment**

*There being no further business, the meeting adjourned at 10:48 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: February 13, 2024**  
**Public Utilities Revenue Bond Oversight Committee**