



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

REMOTE MEETING

December 13, 2022 - 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

Chair Leale called the meeting to order at 9:02 a.m. On the call of the roll, Chair Leale and Members Kamp, Tang, and Holober were noted present. Member Veuthey was noted not present. A quorum was present.

There were no agenda changes.

2. Findings to Allow Teleconferenced Meetings During Declared Emergency

Heard in Committee. Public Comment: None.

ADOPT FINDINGS as required by California Government Code, Section 54953(e) 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 the findings to allow teleconferenced meetings for an additional 30 days. The motion FAILED by the following vote:

*Ayes: 3 - Leale, Kamp, Holober
Absent: 2 - Veuthey, Tang*

Chair Leale, seconded by Member Kamp, moved to rescind the previous vote. The motion PASSED by the following vote:

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

Chair Leale, seconded by Member Kamp, moved to adopt the findings to allow teleconferenced meetings for an additional 30 days. The motion PASSED by the following vote:

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

3. Public Comment

David Pilpel shared various concerns with the committee.

Chair Leale recessed the meeting at 9:11 a.m. to correct a technical issue which resulted in a temporary loss of quorum during agenda item number 2. Chair Leale reconvened the meeting at 9:15 a.m.

4. RBOC: Audit Update

Heard in Committee. Massandra D'Johns (City Services Auditor, Office of the Controller); Paul Pocalyko (HKA Associates); Mark Blake (Office of the City Attorney); provided updates and responded to questions from the committee.

Public Comment: David Pilpel shared various concerns with the committee with regard to audit planning.

Member Holober, seconded by Chair Leale, moved to approve the City Services Auditor's Fiscal Year 2021-2022 Bill Year End Adjustment. The motion PASSED by the following vote:

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

Chair Leale, seconded by Member Kamp, moved to continue the agenda matter to the January 17, 2023, RBOC meeting. The motion PASSED by the following vote:

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

5. RBOC: Planning for Future Audits

Heard in Committee. RBOC discussed the timeline for future audits and request for proposals. Massandra D'Johns (City Services Auditor, Office of the Controller); provided updates and responded to questions from the committee.

Public Comment: David Pilpel provided suggestions on the development of the request for proposal for audit services.

Member Tang, seconded by Chair Leale, moved to continue the agenda matter to the January 17, 2023, RBOC meeting. The motion PASSED by the following vote:

Ayes: 4 - Leale, Kamp, Tang, Holober

Absent: 1 - Veuthey

6. RBOC: Draft Annual Report

Heard in Committee. Chair Leale provided a summary on the progress of the draft Annual Report. Members Tang and Holober shared concerns about the charts and figures in the Draft Annual report, and the forthcoming SFPUC Bond Expenditure Certification letters. Eric Kwak (SFPUC); answered questions raised throughout the discussion.

Public Comment: David Pilpel offered several formatting and structural suggestions.

Chair Leale, seconded by Member Tang, moved to continue the agenda matter to the January 17, 2023, RBOC meeting. The motion PASSED by the following vote:

Ayes: 4 - Leale, Kamp, Tang, Holober

Absent: 1 - Veuthey

7. SFPUC: Future Site Visits

Heard in Committee. Nikolai Sklaroff and Betsy Lauppe-Rhodes (SFPUC); provided information regarding possible site visits to Mountain Tunnel and the Hetch Hetchy area, offered to prepare options for RBOC to select the next site visit during a future meeting in February of 2023, and answered questions raised throughout the discussion.

Public Comment: David Pilpel shared enthusiasm to attend future site visits.

Member Kamp, seconded by Member Holober, moved to continue the agenda matter to the February 14, 2023, RBOC meeting. The motion PASSED by the following vote:

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

8. Approval of November 15, 2022 RBOC Meeting Minutes

Heard in Committee. John Carroll, Clerk, indicated he would make clerical corrections to the November 15, 2022 Minutes.

Public Comment: David Pilpel provided suggestions regarding the form of meeting minutes.

Member Holober, seconded by Member Tang, moved to approve the November 15, 2022, meeting minutes with clerical changes. The motion PASSED by the following vote:

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

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

Heard in Committee. RBOC discussed potentially hearing the SSIP quarterly reports and WSIP update during future meetings in 2023. Nikolai Sklaroff (SFPUC); responded to questions from the Committee. Member Tang shared that she will not be available to attend the February 14, 2023 regular meeting.

Public Comment: David Pilpel suggested removing topics D and E from the list of potential Future Agenda Items listed on the following page.

RBOC will meet on the following dates:

- *January 17, 2023;*
- *February 14, 2023; and*
- *March 14, 2023.*

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

- A. A Request that Sewer System Improvement Program (SSIP) Quarterly reports include information on the Stormwater Management System, and details on the bidding climate and possible cost increases;
- B. SFPUC: Water System Improvement Program Update;
- C. SFPUC: Power Enterprise and Clean Power SF Update;
- D. SFPUC: State Federal Loan Updates;
- E. SFPUC: Staff Report: Environmental Justice;
- F. RBOC: Acquiring consultant to examine expected performance of complete projects;
- G. RBOC: Discussion on 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;
- H. 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"
(Stephen Robinson, AGM of Infrastructure)
(May be scheduled for a regular meeting in April 2023)

10. Adjournment

There being no further business, the meeting adjourned at 10:08 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: January 17, 2023
Public Utilities Revenue Bond Oversight Committee