



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

Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102

March 19, 2018 - 9:00 AM

## Regular Meeting

**Mission:** The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

### 1. Call to Order and Roll Call

Members:

Seat 1 Vacant  
Seat 2 Kevin Cheng  
Seat 3 Robert Leshner, Chair  
Seat 4 Tim Cronin  
Seat 5 Travis George, Vice Chair  
Seat 6 Christina Tang  
Seat 7 Jennifer Millman

### 2. Agenda Changes (*Discussion and possible action*)

### 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: Review of potential 2018 meeting topics:** *(Discussion and possible action)*
  - Work with the SFPUC staff to increase transparency and certification of compliance with bond expenditure policies.
  - Identify appropriate potential opportunities and initiate an audit, with the guidance of lessons learned from the WSIP that will be the focus of RBOC's review effort in 2018.
  - Determine a fund management policy to allocate financial resources efficiently towards oversight responsibilities.
  - Monitor completion of the WSIP, including a focus on the Calaveras Dam Replacement Project.
  - Review the SFPUC's work, both planned and completed, towards the SSIP.
  - Ensure the continuity of oversight through member succession planning and work with the Board of Supervisors to extend the RBOC charter.
  - Improve outreach to ensure greater public awareness and input related to the SFPUC's expenditure of revenue bond proceeds.
  - Acquire Consultant in support of the RBOC goals.
  
5. **RBOC: Audit priorities and planning.** *(Discussion and possible action) (attachment)*
  - Review of qualifications of consultants
  - Project deliveries methods
  - Audit delivery methods and type of reports
  - Additional development of best practices
  
6. **RBOC: Review of CFO Annual Certification.**  
*(Discussion and possible action)*
  
7. **RBOC: Succession and Charter Sunset Planning.**  
*(Discussion and possible action)*
  
8. **RBOC: Fund Management Policy.**  
*(Discussion and possible action)*
  
9. **Filing Statement of Economic Interest (Form 700), Ethics Declaration and Sunshine Declaration.** *(Discussion and possible action)*
  
10. **Approval of Minutes:** February 26, 2018, Meeting Minutes. *(Discussion and possible action) (attachment)*

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

April 23, 2018

1. SFPUC Staff Report: Re-baselining and SSIP Phase 2 updates
2. SFPUC Staff Report: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)
3. SFPUC Staff Report: Water Bond Sales (December 2017)
4. SFPUC Staff Report: Effects of change to federal tax policy and result of the loss of municipal advance refunding
5. SFPUC Staff Report: Capital Planning (Presenter: Charles Perl (SFPUC))
6. RBOC extension and evaluation

May 21, 2018

To be determined

Pending Issues:

- Extension of the sunset date for the RBOC
- SFPUC Staff Report: Stormwater Management System Ordinance and Green Infrastructure
- San Francisco Public Utilities Commission (SFPUC) Staff Report: Clean Power SF financing options
- SFPUC Communications Team meeting to discuss community outreach for the RBOC
- SFPUC Staff Report: Certification Document and Review Procedure
- SFPUC Staff Report: Mountain Tunnel Update
- SFPUC Staff Report: Calaveras Dam Update
- SFPUC Staff Report: Green Infrastructure
- SFPUC Staff Report: Nature Resources Accounting Update
- RBOC: Acquiring consultant to examine expected performance of complete projects.
- SFPUC Staff Report: Annual Capital Financing Plan Update
- SFPUC Staff Report: Environmental Justice and Clean Power Update

12. **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](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](mailto: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 Peggy Nevin 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 Derek Evans (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.

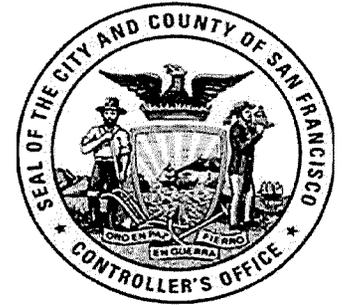
For more information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; phone at (415) 554-7724; fax at (415) 554-7854; or by email at [sotf@sfgov.org](mailto: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>.

### **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](http://www.sfgov.org/ethics).





# **SFPUC Revenue Bond Oversight Committee: Controller's Pre-Qualified List of Vendors for Construction Contract Audit and Project Consulting Services**

Controller's Office

July 2017

# Overview of Controller's Pre-Qualified List

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- Every 2 years, the Controller's Office creates a list of pre-qualified pool of vendors with demonstrated successful experience in construction contract audit and project consulting services.
- The purpose of the list is to provide City departments with a streamlined mechanism to contract with these firms.
- Responsibility for appropriate use belongs to each City department choosing to use the Controller's pre-qualified lists for subsequent selection processes and contracts.
- It is not appropriate to use a pre-qualified list for services that were not included or envisioned in the originating RFQ as described therein.

# Overview of Controller's Pre-Qualified List

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- You must obtain permission of the Controller's Office before using this list. Please contact Melissa Ng, Controller's Office at [Melissa.Ng@sfgov.org](mailto:Melissa.Ng@sfgov.org) or 554-5109 to use the pre-qualified list.
- The current list is available for use and resulting contracts are eligible to be effective through March 17, 2018. The Controller's Office will be renewing this list starting in Q2 of this fiscal year.

For more information and to check out pre-qualified firms' qualifications, check out the Controller's website:

<http://famis.sfgov.org/construction2016/>

# Current Pre-Qualified Firms By Project Type

		<b>Project Type 1</b>	<b>Project Type 2</b>	<b>Project Type 3</b>
	<b>Firms (Listed Alphabetically)</b>	Construction Management, Contract, and Process Consulting	Construction Contract and Construction Process Performance and Compliance Audits and Attestation Engagements	Claims Analysis and Resolution
1	Arcadia U.S. Inc			X
2	Dabri, Inc.	X	X	X
3	Hill International	X	X	X
4	Marsh USA Inc.		X	
5	Moss Adams LLP		X	
6	Navigant Consulting, Inc.			X
7	PMA Consultants LLC	X	X	X
8	R.W. Block Consulting, Inc.	X	X	
9	Resolution Management Consultants, Inc			X
10	SF Delaney Consulting		X	
11	Sjoberg Evashenk Consulting, Inc.	X	X	
13	Talson Solutions LLC		X	

## **Project Type 1: Construction Management, Contract, and Process Consulting**

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Firms pre-qualified for work in this Project Type may be engaged to 1) perform the analyses, evaluations and assessments in their entirety, 2) analyze, evaluate or assess selected processes, 3) assist in-house CSA staff or CSA client departments in performing these analyses, evaluations and assessments, or 4) provide technical assistance to CSA staff, CSA client department staff, or City committees or commissions in one or more specialized areas, including assistance in identifying industry or government agency best practices.

Firms pre-qualified for work in this Project Type may perform analyses, evaluations and assessments of specific capital program areas, projects or of individual City departments. The analyses, evaluations and assessments may include all facets of the construction process, commencing with the solicitation of contractor bids or proposals through project closeout. Firms may also perform analyses, evaluations and assessments of costs billed under both construction-related professional services contracts and construction contracts, including, but not limited to:

- Construction-Related Professional Service Contracts – Contracts for program management, project management, construction management, architectural and engineering services, and environmental services, as well as design-build contracts, involving either prime contractors or subcontractors
- Construction Contracts – Including lump sum, unit price, and time and materials contracts, involving either prime contractors or subcontractors.

# Project Type 1: Construction Management, Contract, and Process Consulting (cont)

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PROJECT TYPE 1 services may include analyses, evaluations and assessments in the following areas:

- Pre-Design (Alternatives analysis - renovation vs. new construction; Alternative location/site evaluation and selection; Environmental review process; Evaluation of alternative design/construction delivery methods)
- Project Development (Review of project definition, goals and objectives; Feasibility of project plans, schedules, milestones, and deadlines; Review of, or assistance with, construction cost estimates and budget)
- Design (Architect/engineer team performance; Compliance with project plan, design delivery schedule and milestones; Life cycle and cost analysis of materials, systems and equipment; Construction cost estimating and project scope control; Value engineering and alternatives analysis; Final design compliance with scope and budget.)
- Capital Program-Wide Reviews (Review and evaluation of capital program management approaches; Evaluating and establishing key performance indicators, measures or benchmarks for capital programs; Evaluation of City oversight and controls in capital program management related to budget, scope, and schedule; Review of compliance with project management contracts. Review of project operational and financial controls and procedures; Adequacy of project reporting and results to be achieved; Evaluation of cost and schedule control processes; Evaluation of program trends pertaining to schedule and budget; Comparing performance with similar agencies, jurisdictions, programs or projects; Evaluation of cost and time efficiency of project delivery implementation)
- Project Close-Out Assessments (Evaluation of fulfillment of all contractual and legal obligations; Review and evaluation of compliance with all contract close-out procedures)

## **Project Type 2: Construction Contract and Construction Process Performance and Compliance Audits and Attestation Engagements**

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Firms pre-qualified for work in this Project Type may be engaged to 1) perform these audits or attestation engagements in their entirety, 2) audit or attest to selected processes, or 3) assist or lead in-house CSA staff or CSA client departments in performing these audits or attestation engagements by leading or providing technical assistance. Firms pre-qualified for work in this Project Type are required to conduct and deliver requested services as performance or compliance audits and attestation engagements as defined by United States Government Accountability Office's Government Auditing Standards.

Firms pre-qualified for work in this Project Type may perform performance and compliance audits or attestation engagements of specific capital programs or projects or of individual City departments. The audits or attestation engagements may include all facets of the construction process, commencing with the solicitation of contractor bids or proposals through project closeout. Firms may also perform audits or attestation engagements of costs billed under both construction-related professional services contracts and construction contracts, including, but not limited to:

- Construction-Related Professional Service Contracts – Contracts for program management, project management, construction management, architectural and engineering services, and environmental services, as well as design-build contracts, involving either prime contractors or subcontractors
- Construction Contracts – Including lump sum, unit price, and time and materials contracts, involving either prime contractors or subcontractors

## Project Type 2: Construction Contract and Construction Process Performance and Compliance Audits and Attestation Engagements (cont)

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PROJECT TYPE 2 services may include performance and compliance audits or attestation engagements of:

- Bid and proposal processes and procurement management.
- Preparation of construction contract documents.
- Contracting and contract administration.
- Construction schedule adherence and schedule management.
- Job site monitoring and inspection procedures.
- Cost management and cost monitoring/reporting.
- Payment applications, processing and administration.
- Change management/change order processes and controls.
- Contingency usage.
- Project and program management approaches and their impact on projects and project trends.
- Contract delivery/performance.
- Risk management.
- Accounting systems (e.g. payroll audits, rates, cost segregation, and overhead).
- Cost segregation.
- Overhead rates or labor multipliers.
- Payroll reviews (billed hours, rates, burden rates).
- Evaluation of cost and time efficiency of project delivery implementation.

## Project Type 3: Claims Analysis and Resolution

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Firms pre-qualified for work in this Project Type may be engaged to provide services on an as-needed basis to 1) produce reports or technical memorandums to CSA or CSA client departments, or 2) lead or provide technical assistance to CSA staff or CSA client department staff in the following areas:

- Appraising design errors and omissions.
- Claim preparation and evaluation.
- Risk evaluation and quantification.
- Determining schedule and change order impacts.
- Damage assessments.
- Construction productivity loss.

# Questions?

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Please contact Melissa Ng, Controller's Office at [Melissa.Ng@sfgov.org](mailto:Melissa.Ng@sfgov.org) or 554-5109 to use the pre-qualified list.

<http://famis.sfgov.org/construction2016/>



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

**Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102**

**February 26, 2018 - 9:00 AM**

**Regular Meeting**

**Mission:** The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

**1. Call to Order and Roll Call**

Members:

Seat 1 Holly Kaufman, Co-Chair (*Holdover status*)  
Seat 2 Kevin Cheng (*Holdover status*)  
Seat 3 Robert Leshner, Co-Chair  
Seat 4 Tim Cronin  
Seat 5 Travis George, Vice Chair  
Seat 6 Christina Tang  
Seat 7 Jennifer Millman

Co-Chair Kaufman called the meeting to order at 9:05 a.m. On the call of the roll, Co-Chairs Kaufman and Leshner, and Members Cheng, Cronin, Tang and Millman were noted present. Vice-Chair George was noted absent. There was a quorum.

**2. Agenda Changes**

Co-Chair Kaufman requested that Item No. 8 be heard before Item No. 7.

**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.

Speakers:

None.

4. **Approval of Minutes:** December 11, 2017, Meeting Minutes.

**Co-Chair Kaufman, seconded by Member Millman, moved to approve the minutes as amended.**

Public Comment:  
None.

**The motion passed without objection.**

5. **SFPUC Staff Report:** Effects of change to federal tax policy and result of the loss of municipal advance refunding. (00:10:00 – 00:37:00)

Richard Morales, Debt Manager, and Mike Brown, SFPUC, provided an update on the effects of changes to federal tax law and result of the loss of municipal advance refunding and answered questions from the Committee. Mark Blake, Office of the City Attorney, commented on the matter. Mr. Morales stated that as of December 31, 2017, advanced refunding of bonds are no longer allowed and will result in a loss of possible savings.

Public Comment:  
None.

Heard and Filed.

6. **SFPUC Staff Report:** Capital Financing Update. (00:37:00 – 00:50:00)

Richard Morales, Debt Manager, and Mike Brown, SFPUC, provided an update on Capital Financing and answered question from the Committee. Mark Blake, Office of the City Attorney, commented on the matter.

Co-Chair Kaufman suggested that eco-services value be included into the accounting system.

Public Comment:  
None.

Heard and Filed.

7. **RBOC: Review/Approval of the Draft Annual Report** (01:25:00 – )

The RBOC reviewed the draft 2017 Annual Report and suggested several amendments.

Co-Chair Kaufman provided several clerical corrections.

Member Cheng seconded by Co-Chair Leshner, moved to approve the 2017 Annual Report as amended and authorized Co-Chair Leshner to review the revised annual report and present it to the San Francisco Public Utilities Commission on March 27, 2018.

8. **RBOC: Self-Assessment of the RBOC 2017 goals/accomplishments and development of goals for 2018 (00:50:00 – 01:25:00)**

The RBOC reviewed their 2017 goals and evaluated their performance.

- The RBOC has not taken actions to outreach to the public in 2017 and suggested that, in the near future, the RBOC work with the SFPUC’s Communication Team to utilize their resources to reach the public via means such as twitter or SFPUC meeting announcements.
- The RBOC has had success with Succession Planning as all RBOC are currently filled but work is needed to backfill seats with expired terms.
- The RBOC has adequately reviewed the progress of the Mountain Tunnel project and Calaveras Dam.
- The RBOC adequately reviewed issues related to flood prone areas and requested additional reports from the SFPUC in the future.
- Reviewed of the value of ecosystem structure.
- Reviewed Environmental Justice issues (to be include into regular reports)

The RBOC requested a hearing on the consultant pool at a future meeting.

Co-Chair Kaufman noted that she may be resigning from the RBOC shortly.

Public Comment:  
None.

Heard and Filed.

9. **RBOC: Succession Planning**

**Co-Chair Kaufman moved to continue the matter to a future date.**

Public Comment:  
None.

**The motion passed without objection.**

10. **RBOC: 2018 Strategic Planning Process**

**Co-Chair Kaufman moved to continue the matter to a future date.**

Public Comment:  
None.

**The motion passed without objection.**

11. **Announcements, Comments, Questions, and Future Agenda Items**

April 23, 2018

- SFPUC Staff Report: Re-baselining and SSIP Phase 2 updates
- SFPUC Staff Report: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)
- SFPUC Staff Report: Water Bond Sales (December 2017)
- SFPUC Staff Report: Effects of change to federal tax policy and result of the loss of municipal advance refunding
- SFPUC Staff Report: Capital Planning (Presenter: Charles Perl (SFPUC))

May 21, 2018

- To be Determined

Pending Issues:

- Extension of the sunset date for the RBOC
- SFPUC Staff Report: Stormwater Management System Ordinance and Green Infrastructure
- San Francisco Public Utilities Commission (SFPUC) Staff Report: Clean Power SF financing options.
- SFPUC Staff Report: Communications Team meeting to discuss community outreach for the RBOC
- SFPUC Staff Report: Certification Document and Review Procedure
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- SFPUC Staff Report: Nature Resources Accounting Update
- RBOC: Acquiring consultant to examine expected performance of complete projects
- SFPUC Staff Report: Annual Capital Financing Plan Update
- SFPUC Staff Report: Environmental Justice and Clean Power Update

**12. Adjournment**

There being no further business, the meeting adjourned at 11:06 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.*