

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

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

September 18, 2017 - 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

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

2. Agenda Changes

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. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Sewer System Improvement Program (SSIP) Updates (*Discussion*) (*Attachment*)

5. **Committee Discussion:** Follow-up to May Discussion on avoiding cost overruns and consultant pool information (*Discussion*)

6. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Review RBOC Account/Budget (*Discussion*)

7. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Green Infrastructure** (*Discussion*)
8. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Draft Certification for Bond Compliance** (*Discussion*)
9. **Approval of Minutes: July 24, 2017, and August 8, 2017, Meeting Minutes** (*Discussion and Action*) (*Attachment*)
10. **Announcements, Comments, Questions, and Future Agenda Items**

September 18, 2017

1. SSIP Update
2. Follow up to May discussion on avoiding major costs overruns and consultant pool info
3. Review RBOC account/budget
4. Green infrastructure
5. Draft Certification for Bond Compliance

October 16, 2017

1. WSIP “risk closeout” – Calaveras “deep dive” (final risks vs. Director’s reserve) Seminar on capital planning
1. Calaveras Dam – deep dive
2. RBOC Succession Planning
3. Bond spending – debt certification by bond series and finalizing draft certification to be included in annual report
4. Annual Report – First Draft

November 6, 2017

1. Tentative site visit – Southeast Wastewater Treatment Plant
2. SSIP update
3. Committee Discussion: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)

December 11, 2017

1. Clean Power/Power Enterprise presentation
2. Finalize Annual Report

11. **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 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

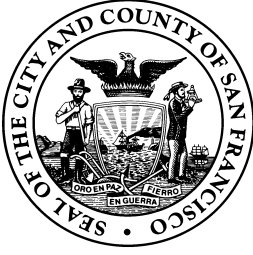
Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations 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.

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.



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

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

May 8, 2017 - 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

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-Chairs Leshner and Kaufman called the meeting to order at 9:02 a.m. On the call of the roll, Co-Chairs Leshner and Kaufman and Members Cheng, Millman, and Tang were noted present. Vice Chair George and Member Cronin were noted not present. There was a quorum.

Member Cronin was noted present at 9:04 a.m.

2. Agenda Changes

Co-Chair Leshner noted SFPUC staff request to continue Items 7 and 8 to the June 12, 2017, RBOC meeting, and that Item 11 was inadvertently included on the agenda in error.

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.

Public Comment. Speakers: There were none.

4. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP) Updates**

Dan Wade, Director of Water Capital Projects and Programs (SFPUC); provided an update of the WSIP, including project status; recent accomplishments; storage projects; treatment projects; transmission projects; a revised summary of schedule extensions on the New Irvington Tunnel, Seismic Upgrade of BDPL Nos. 3 & 4, and a security system upgrade; Calaveras Dam Replacement Project update, including the start of Embankment Dam, storms impact on construction, Calaveras Reservoir outlet releases; fish passage facilities at Alameda Creek Diversion Dam; regional groundwater storage and recovery; bioregional habitat restoration; overview of active construction contracts; and an overview of change orders and trends.

Public Comment. Speakers: There were none.

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Ratemaking 101**

Richard Morales, Debt Manager (SFPUC); provided a brief overview and introduced the SFPUC Rates Administrator. Rates Administrator Amy Javelosa-Rio, Erin Franks, and Simone Hudson (SFPUC); presented on the SFPUC ratemaking process, including the following: rate-setting background, charter requirements, rates policy, best practices, 2018 water and sewer rate study, Rate Fairness Board, Proposition 218, rate study policy areas, rate structure goals, key rate study tasks, impact of rates on bond ratings, water enterprise 10-year financial plan, and rate study timeline.

Mark Blake, Deputy City Attorney; Mike Brown (SFPUC); joined in the discussion and provided information relating to the hearing matter.

Public Comment. Speakers: There were none.

6. **Committee Discussion: Avoiding major cost overruns and options for consulting assistance in “deep dives”**

Member Cronin requested that SSIP and WSIP presentations include lessons learned on cost overruns and how those lessons learned are being applied, as well as project delivery methods as related to methodologies used on other project, and how the delivery method affected cost overruns.

Mark Blake, Deputy City Attorney; Mike Brown (SFPUC); joined in the discussion and provided information relating to the hearing matter.

Public Comment. Speakers: There were none.

7. **City Services Auditor Staff Report: Consultants’ Pool Presentation**

Public Comment. Speakers: There were none.

Item No. 7 was continued to the June 12, 2017, RBOC meeting.

8. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Debt Management Policies and Procedures, including Green bonds**

Public Comment. Speakers: There were none.

Item No. 8 was continued to the June 12, 2017, RBOC meeting.

9. **Committee Discussion: Review of RBOC Account Budget**

Mike Brown (SFPUC); provided the Committee with updated account information in the amount of \$1.4 million. Mark Blake, Deputy City Attorney; joined in the discussion and provided information relating to the hearing matter.

Public Comment. Speakers: There were none.

10. **Approval of Minutes: April 10, 2017, Meeting Minutes**

Public Comment. Speakers: There were none.

Co-Chair Leshner, seconded by Member Tang, moved to APPROVE the April 10, 2017, Meeting Minutes. The motion carried by the following vote:

Ayes: 6 – Cheng, Cronin, Kaufman, Leshner, Millman, and Tang

Absent: 1 – George

11. **Election of Officers**

Public Comment. Speakers: There were none.

Item No. 11 was erroneously included on the May 8, 2017, RBOC agenda. The item was acted upon at the April 10, 2017, RBOC meeting. No further action was taken on the item at the May 8, 2017, RBOC meeting.

12. **Announcements, Comments, Questions, and Tentative Future Agenda Items**

Mike Brown and Richard Morales (SFPUC); provided follow-up information on options for the upcoming site visit. The Committee modified the regular meeting schedule by changing the July 17th meeting to July 24th, and further added clarification to existing pending items and added a discussion item for the RBOC site visit to the June 12, 2017, agenda. Co-Chair Kaufman requested staff reports focus on issues that pertain to the RBOC mission and maintain a presentation of 15 minutes with an additional 15 minutes for questions and answers. The tentative schedule for upcoming regular meetings is included below.

Public Comment. Speakers: There were none.

June 12, 2017

1. SSIP update – Collection System Plan and lessons learned (cost overruns)
2. Debt Management Policies and Procedures – including Green bonds
3. Presentation on consultants' pool – City Services Auditor
4. Environmental Justice Update, including EJ policy and checklist
5. Review RBOC account/budget; preview of debt certification by bond series
6. RBOC field trip / site visit

July 24, 2017

1. WSIP update - staff report
2. Green infrastructure – delivery methods
3. Mountain Tunnel Update

August 7, 2017

1. Half day field trip/site visit – location TBD, possible locations: Mountain Tunnel, Calaveras Dam, Southeast Plant

September 18, 2017

1. SSIP Update
2. Follow up to May discussion on avoiding major costs overruns and consultant pool info
3. Review RBOC account/budget
4. Green infrastructure – delivery methods – follow up

October 16, 2017

1. WSIP update
2. Seminar on capital planning
3. Calaveras Dam – deep dive
4. RBOC Succession Planning
5. Annual Report Draft

November 6, 2017

1. SSIP update

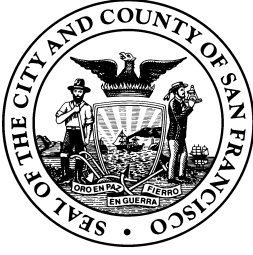
December 11, 2017

1. Clean Power/Power Enterprise presentation

13. **Adjournment**

There being no further business, the meeting adjourned at 11:16 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.



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

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

July 24, 2017 - 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

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 Leshner called the meeting to order at 9:03 a.m. On the call of the roll, Co-Chair Leshner, Vice Chair George, and Members Cheng, Millman, and Tang were noted present. Co-Chair Kaufman and Member Cronin were noted not present.

2. Agenda Changes

There were no agenda changes.

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.

Public Comment. Speakers: There were none.

4. San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP) Updates

Dan Wade, Director of Water Capital Projects and Programs (SFPUC); provided an update of the WSIP, including project status; recent accomplishments; storage projects; treatment projects; transmission projects; a revised summary of schedule extensions on the New Irvington Tunnel, Seismic Upgrade of BDPL Nos. 3 & 4, and a security system upgrade; Calaveras Dam Replacement Project update, including the start of Embankment Dam, storms impact on construction, Calaveras Reservoir outlet releases; fish passage facilities at Alameda Creek Diversion Dam; regional groundwater storage and recovery; bioregional habitat restoration; overview of active construction contracts; and an overview of change orders and trends.

Public Comment. Speakers: There were none.

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report: Mountain Tunnel Update**

Steven Ritchie, Assistant General Manager of Water Enterprise (SFPUC); provided an update of the Mountain Tunnel project, including the following: overview of regional water system; wholesale customers; Mountain Tunnel background; Mountain Tunnel update summary and overview; Priest Portal opening; tunnel inspection work completed; tunnel adits and access improvements; interim repairs; calendar for improvements, inspection support and interim repairs; and decision on long-term improvements.

Dan Wade, WSIP Director; and Richard Morales, Debt Manager (SFPUC); provided information and responded to questions raised throughout the discussion.

Public Comment. Speakers: None.

6. **City Services Auditor Staff Report: Consultant Pool Presentation**

Nicole Kelly, Tonia Lediju, and Melissa Ng (Controller's Office); provided information and answered questions raised throughout the discussion. Mark Blake, Deputy City Attorney; joined in the discussion and provided information relating to the hearing matter.

Public Comment. Speakers: There were none.

7. **Committee Discussion: Draft Certification for Bond Compliance**

Richard Morales and Mike Brown (SFPUC); provided information and answered questions raised throughout the discussion. Mark Blake, Deputy City Attorney; joined in the discussion and provided information relating to the hearing matter.

Public Comment. Speakers: There were none.

8. **Committee Discussion: RBOC Site Visit**

Mike Brown (SFPUC); provided information and answered questions raised throughout the discussion.

Public Comment. Speakers: There were none.

The Committee confirmed the site visit of the Calaveras Dam for the August 7, 2017, meeting. Further, the Committee requested confirmed the tentative site visit of the Southeast Wastewater Treatment Plant for the November 6, 2017, meeting.

9. **Approval of Minutes:** June 12, 2017, Meeting Minutes

Public Comment. Speakers: There were none.

Co-Chair Leshner, seconded by Member Tang, moved to APPROVE the June 12, 2017, Meeting Minutes. The motion carried by the following vote:

Ayes: 5 – Cheng, George, Leshner, Millman, and Tang

Absent: 2 – Cronin, Kaufman

10. **Announcements, Comments, Questions, and Tentative Future Agenda Items**

Public Comment. Speakers: There were none.

August 7, 2017

1. Site visit – Calaveras Dam

September 18, 2017

1. SSIP Update
2. Follow up to May discussion on avoiding major costs overruns and consultant pool info
3. Review RBOC account/budget
4. Green infrastructure – delivery methods
5. Draft Certification for Bond Compliance

October 16, 2017

1. WSIP “risk closeout” – Calaveras “deep dive” (final risks vs. Director’s reserve)
2. Seminar on capital planning
3. RBOC Succession Planning
4. Bond spending – debt certification by bond series and finalizing draft certification to be included in annual report
5. Annual Report – First Draft

November 6, 2017

1. Tentative site visit – Southeast Wastewater Treatment Plant
2. SSIP update
3. Committee Discussion: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)

December 11, 2017

1. Clean Power/Power Enterprise presentation
2. Finalize Annual Report

11. **Adjournment**

There being no further business, the meeting adjourned at 10:34 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.



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

Public Utilities Commission Building
525 Golden Gate Ave., Lobby
San Francisco, CA 94102

August 7, 2017 - 8:00 AM

Rescheduled 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

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 Leshner called the meeting to order at 8:00 a.m. On the call of the roll, Co-Chair Leshner, and Members Cheng and Millman were noted present. Co-Chair Kaufman, Vice-Chair George, and Members Cronin and Tang were noted not present. There was not a quorum. The Committee then recessed for a site visit of the Calaveras Dam Replacement Project. Due to the lack of quorum, the Committee met for informational purposes only. No action was taken.

2. Agenda Changes

There were no agenda changes.

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. (No Action)

Public Comment. Speakers: There were none.

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

Public Comment. Speakers: There were none.

September 18, 2017

1. SSIP Update
2. Follow up to May discussion on avoiding major costs overruns and consultant pool info
3. Review RBOC account/budget
4. Green infrastructure – delivery methods
5. Draft Certification for Bond Compliance

October 16, 2017

1. WSIP “risk closeout” – Calaveras “deep dive” (final risks vs. Director’s reserve)
2. Seminar on capital planning
3. RBOC Succession Planning
4. Bond spending – debt certification by bond series and finalizing draft certification to be included in annual report
5. Annual Report – First Draft

November 6, 2017

1. Tentative site visit – Southeast Wastewater Treatment Plant
2. SSIP update
3. Committee Discussion: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)

December 11, 2017

1. Clean Power/Power Enterprise presentation
2. Finalize Annual Report

5. **Recessed Off-site Visit of Water System Improvement Project (WSIP): Calaveras Dam Replacement Project**

Co-Chair Leshner convened in the lobby at 525 Golden Gate Avenue, then recessed, and departed by van to 12750 Calaveras Road in Fremont, CA. Vice-Chair George and Member Tang joined the tour group at 12750 Calaveras Road in Fremont, CA. Dan Wade, Director of the Water System Improvement Project; Maria Le; Betsy Lauppe Rhodes; and Eric Gee (SFPUC); led a tour of the Calaveras Dam. Richard Morales (SFPUC); participated in the project tour. Tom Francis; provided their own transportation and participated in the project tour. The Calaveras Dam Replacement Project tour proceeded as follows:

- | | |
|-------------------|---|
| <i>8:00 a.m.</i> | <i>Departed 525 Golden Gate Ave.</i> |
| <i>9:30 a.m.</i> | <i>Arrived at Sunol Regional Trailer (adjacent to Sunol Valley Water Treatment Plant)</i> |
| <i>10:00 a.m.</i> | <i>Arrived at Calaveras Dam Replacement Project (12750 Calaveras Road, Fremont CA)</i> |
| <i>10:45 a.m.</i> | <i>Calaveras Dam Replacement Project Tour</i> |
| <i>12:15 p.m.</i> | <i>Lunch and Tour Review</i> |
| <i>1:00 p.m.</i> | <i>Departed Calaveras Dam Trailers</i> |
| <i>1:40 p.m.</i> | <i>Arrived at Alameda Creek Recapture and Fish Passage tour</i> |

- 2:40 p.m. Departed Alameda Creek Recapture and Fish Passage project*
- 3:10 p.m. Arrived at Calaveras Road and departed for Sunol Water Temple*
- 3:30 p.m. Departed Sunol Water Temple*
- 4:30 p.m. Arrived at 525 Golden Gate Ave, reconvened meeting in lobby, adjourned*

6. Adjournment

There being no further business, the meeting adjourned at 4:34 p.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.