



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

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

Monday, November 19, 2012 - 9:30 AM

Regular Meeting

1. Call to Order and Roll Call

Seat 1 Holly Kaufman
Seat 2 Kevin Cheng, Chair
Seat 3 Karen Donovan
Seat 4 Larry Liederman
Seat 5 Vacant
Seat 6 Ian Hart
Seat 7 John Ummel, Vice Chair

2. Public Comment: Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction, but not on today's agenda. (No Action)

3. Chair's Report:

- A. San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program Update (WSIP). (Discussion) (Attachment)
- B. San Francisco Public Utilities Commission (SFPUC) Staff Report: WSIP Bioregional Habitat Restoration Update. (Discussion)
- C. San Francisco Public Utilities Commission (SFPUC) Staff Report: City Services Auditor (CSA) Annual Audit Plan concerning the SFPUC. (Discussion)
- D. San Francisco Public Utilities Commission (SFPUC) Staff Report: Update on Wastewater Revenue Bonds. (Discussion)
- E. San Francisco Public Utilities Commission (SFPUC) Staff Report: RBOC Account Statement. (Discussion) (Attachment)

4. Update: Progress of RBOC Evaluation of WSIP by RW Block Consulting, Inc., (CS-254). (Discussion)

5. **RBOC Meeting Schedule for 2013.** (Discussion and Action)
(Attachment)
6. **Approval of RBOC Minutes of October 1, 2012.** (Discussion and Action)
(Attachment)
7. **RBOC Member Information Requests Raised at Today's Meeting and Future Agenda Items.** (Discussion and Action)
8. **Adjournment.**
Future Meeting Dates:
December 17, 2012

Agenda Item Information

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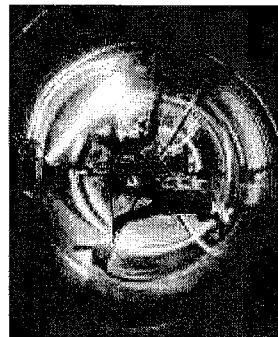
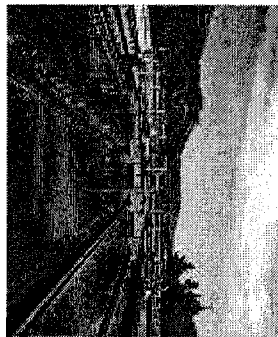
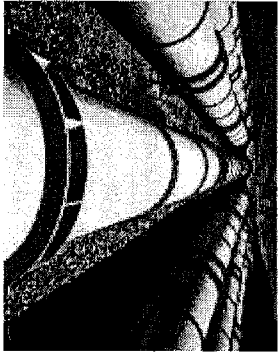
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Services of the San Francisco Public Utilities Commission



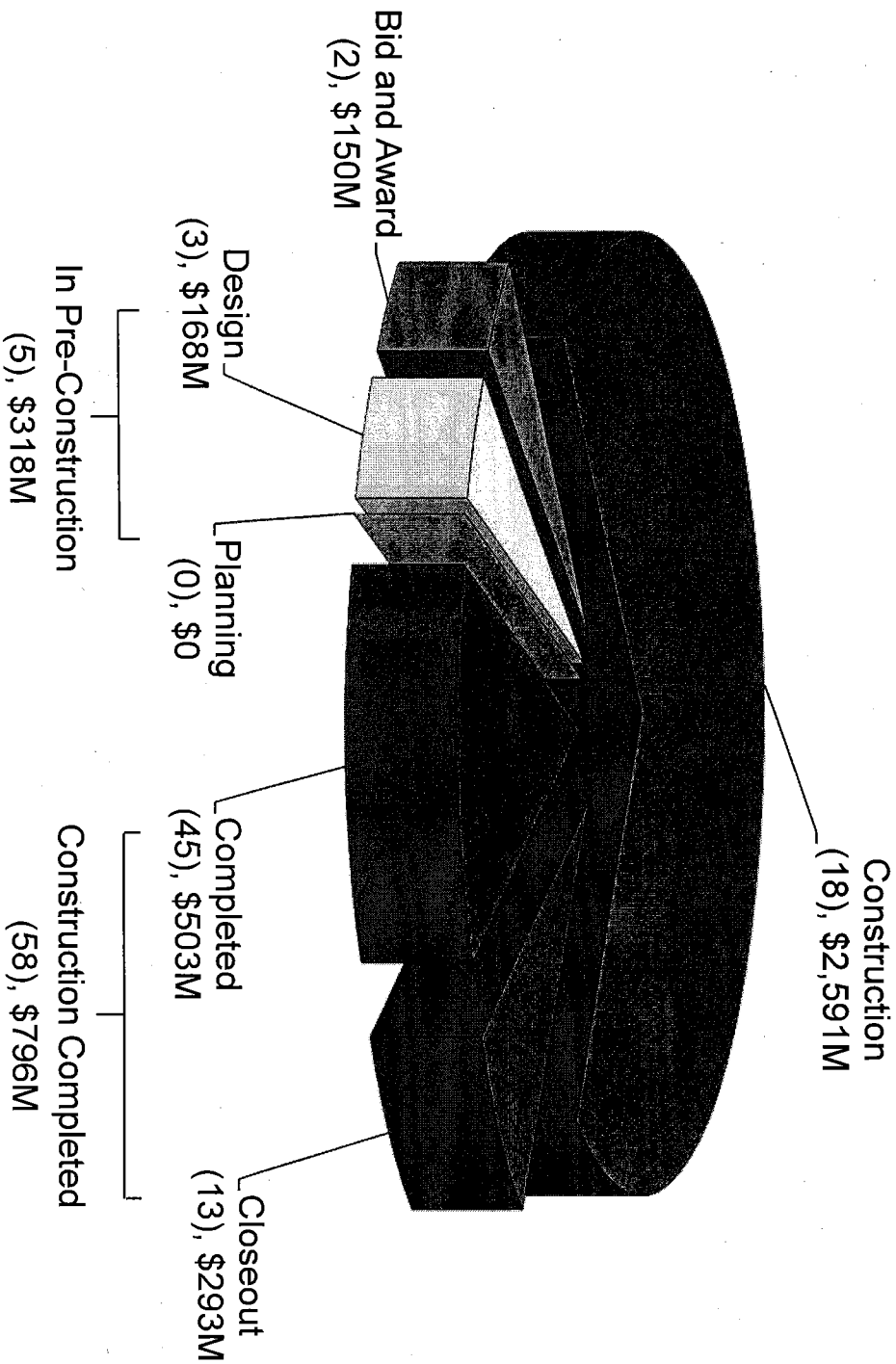
WSIP Quarterly Update Q1 | FY 2012 – 2013

Revenue Bond Oversight Committee

November 19, 2012
Julie Labonte, WSIP Director
Infrastructure

Program Status

As of September 29, 2012





Program Variances

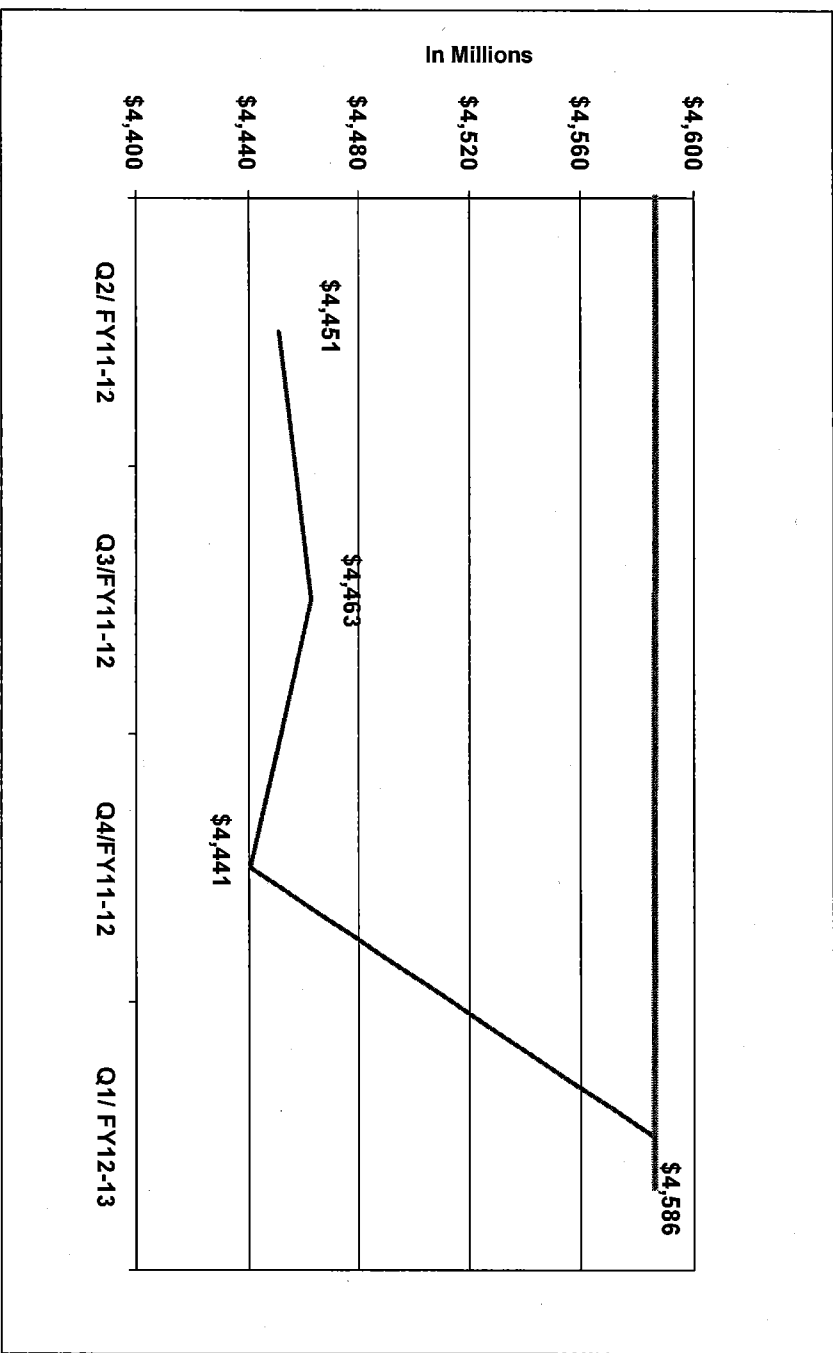
	Regional Program		Local Program	
	Q4 FY11-12	Q1 FY12-13	Q4 FY11-12	Q1 FY12-13
Cost (in Millions)	\$11.9	\$150.6	-\$21.8	-\$21.6
Schedule (in Months)	0	25.0	2.3	2.3

NOTE: Variances are from the current approved program cost and schedule.



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Program Cost Trend



— = Forecasted Cost at Completion (Includes funding for Local Water Supply projects and excludes Program Management Reserve)
 — = Approved Budget (Includes funding for Local Water Supply projects and Program Management Reserve)



Program Management Reserve

June 2011 Approved PMR	\$161.43M
BOS Approved Changes to PMR on 11/21/2011	(\$16.97M)
BOS Approved Changes to PMR on 03/14/2012	(\$0.10M)
BOS Approved Changes to PMR on 10/24/2012	(\$27.36M)
Forecasted Use of PMR	(\$117M)
Q1-FY12/13 Forecasted Remaining PMR Balance	\$0.00



Accomplishments

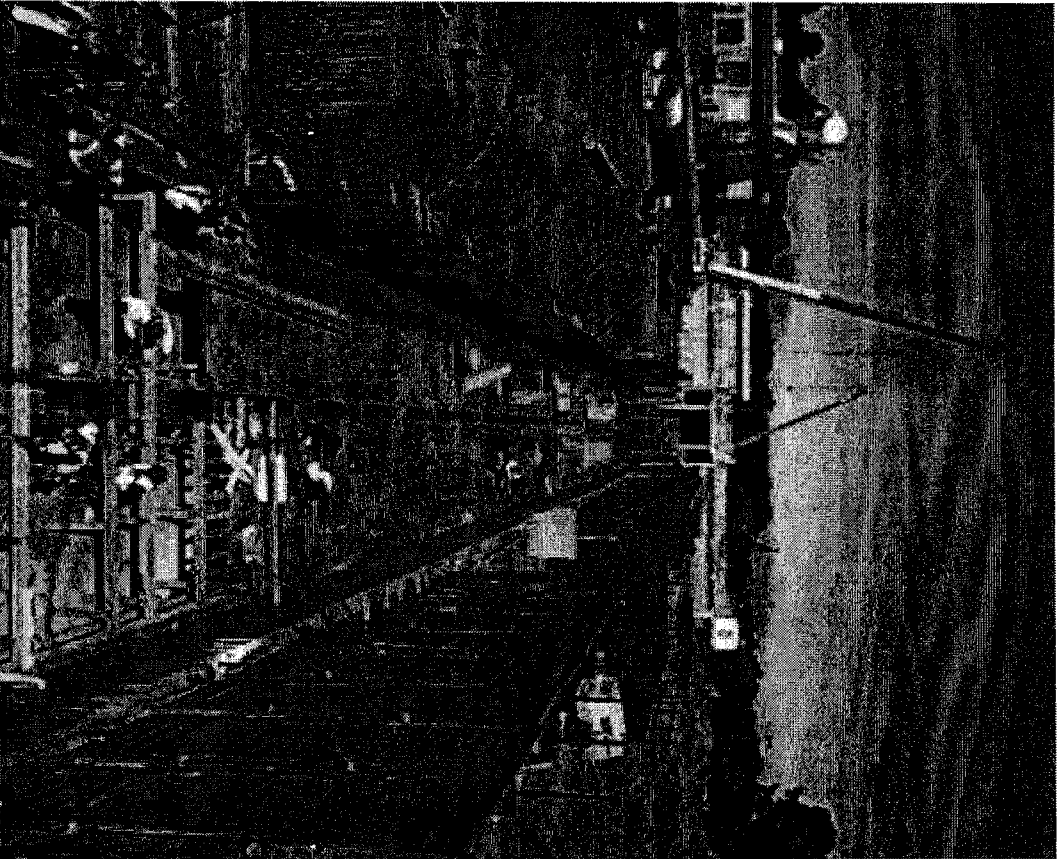
- **Advertisement:**
San Antonio Backup Pipeline
- **Notice to Proceed:**
Seismic Upgrade of BDPL Nos. 3 & 4
- **Substantial Completion:**
BDPL Nos. 3 & 4 Crossovers
- **Acceleration:**
San Joaquin Pipeline System – Eastern Segment
- **Progress Toward Substantial Completion:**
Crystal Springs Pipeline No. 2 Replacement



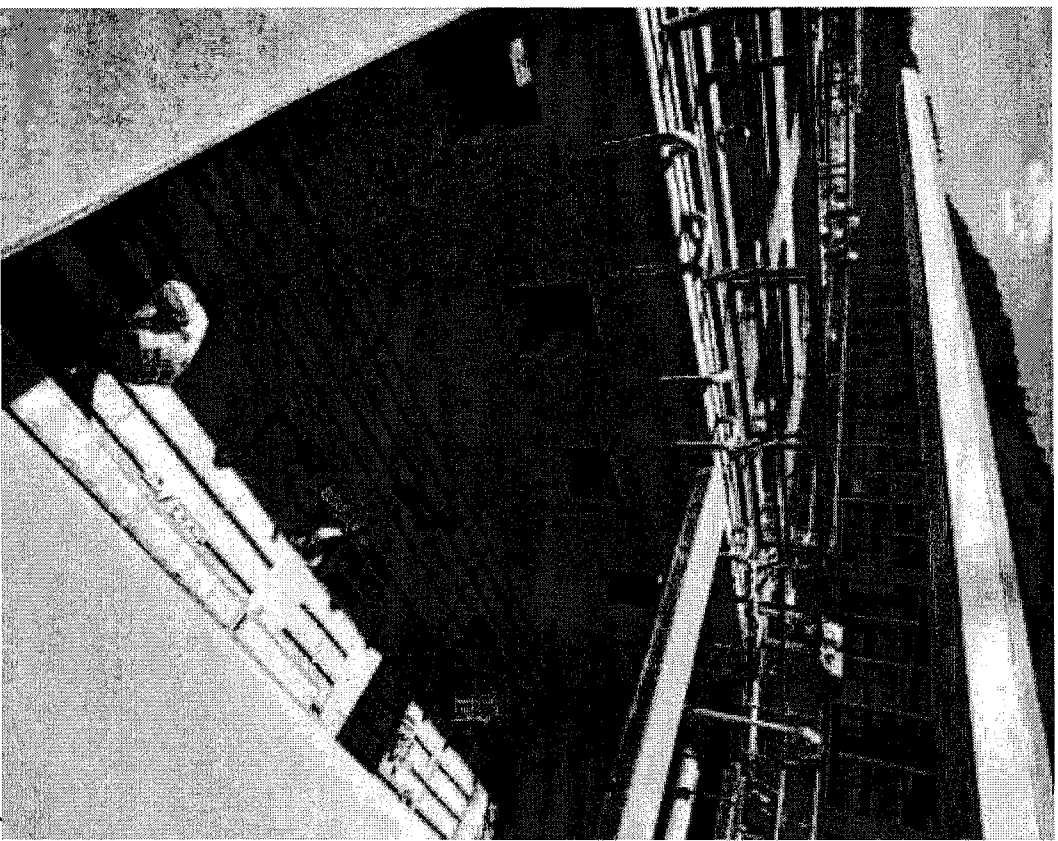
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Upgrades to Treatment Plants

Harry Tracy WTP



Sunol Valley WTP





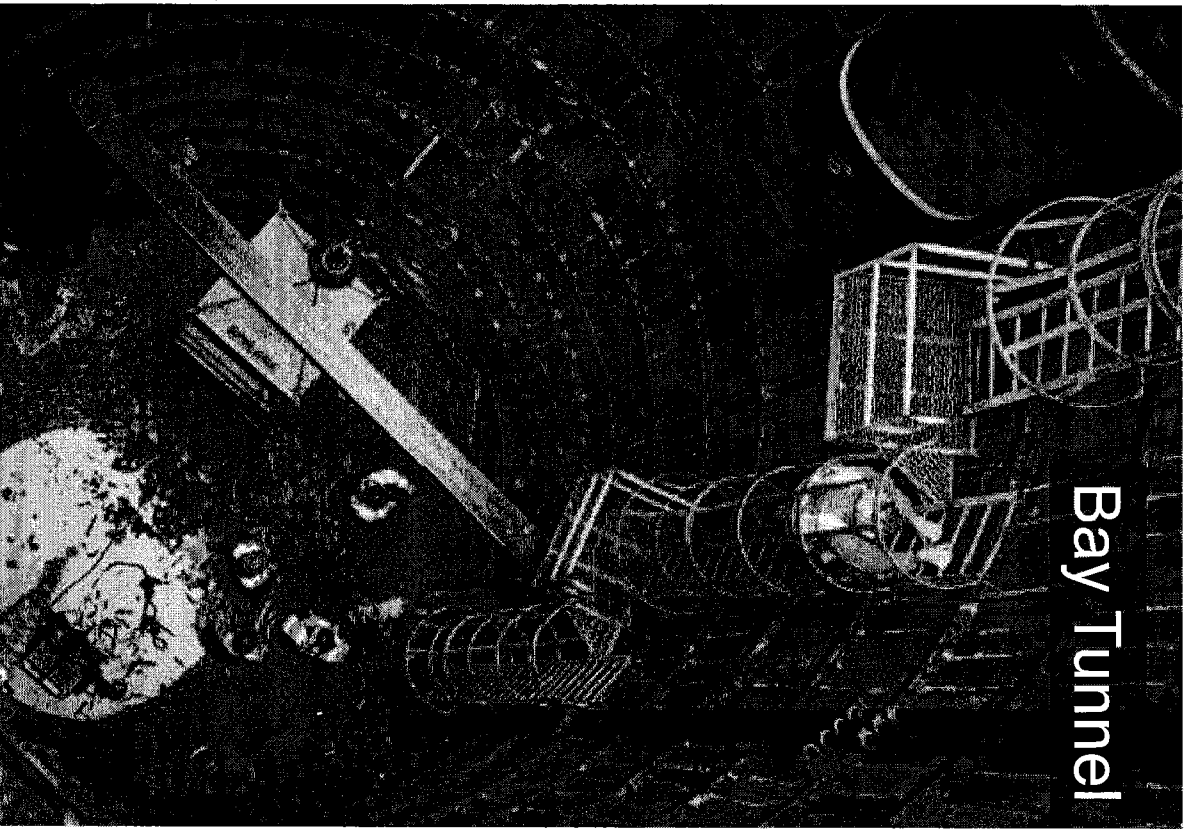
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Progress on Tunnels

New Irvington Tunnel



Bay Tunnel





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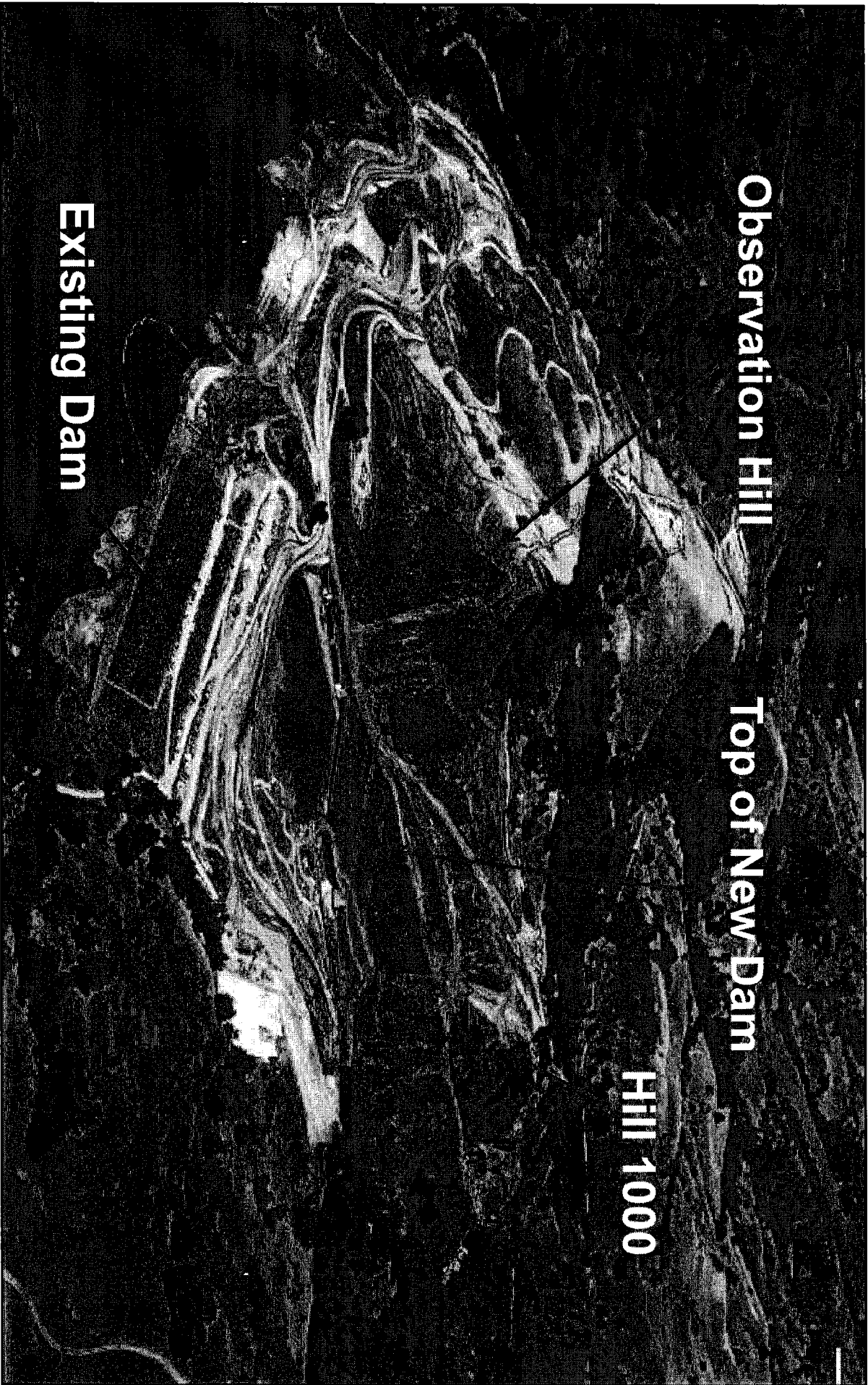
Calaveras Dam Challenges

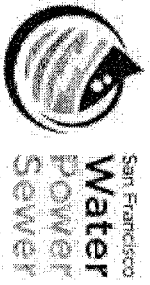
Observation Hill

Top of New Dam

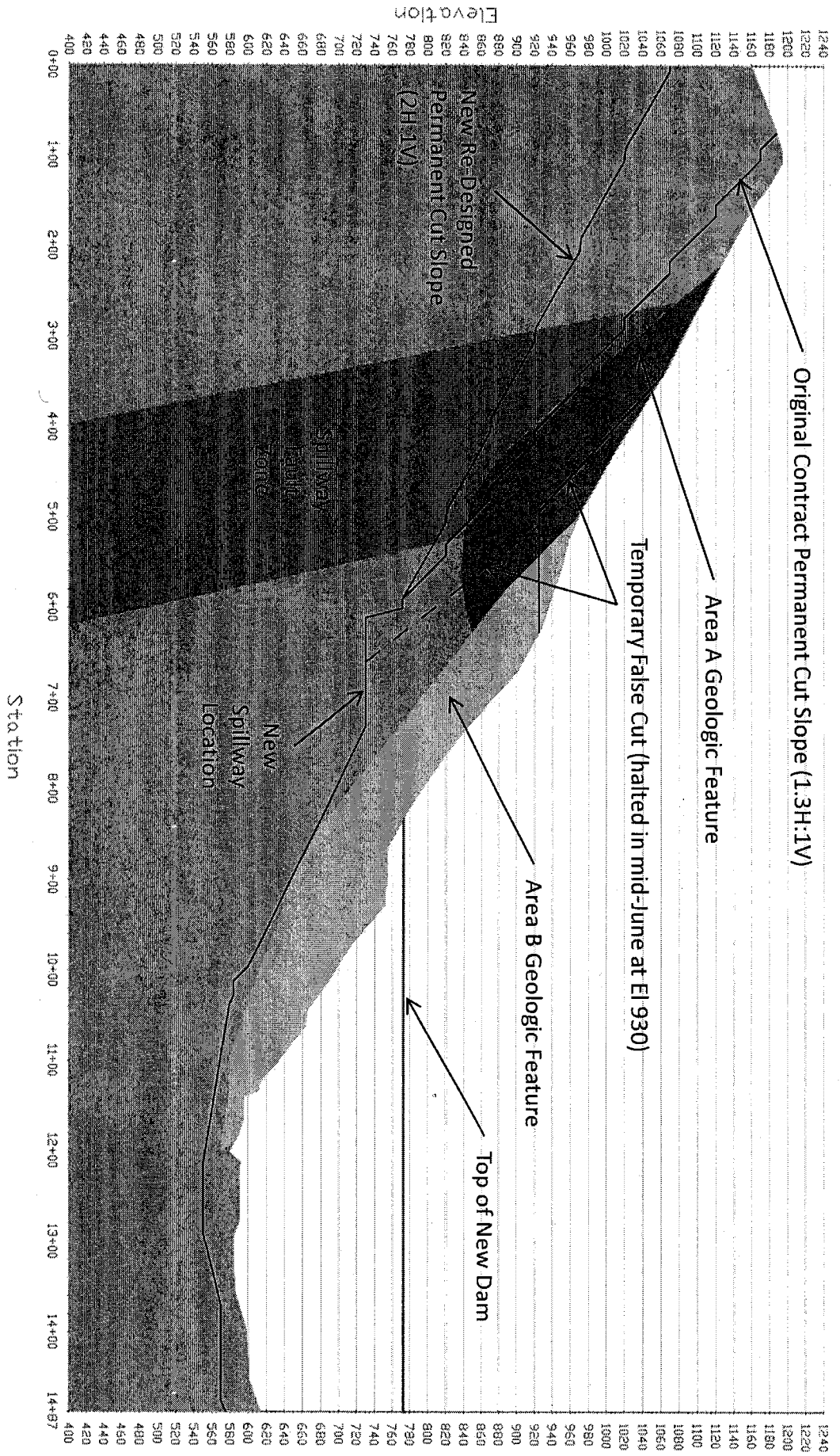
Hill 1000

Existing Dam

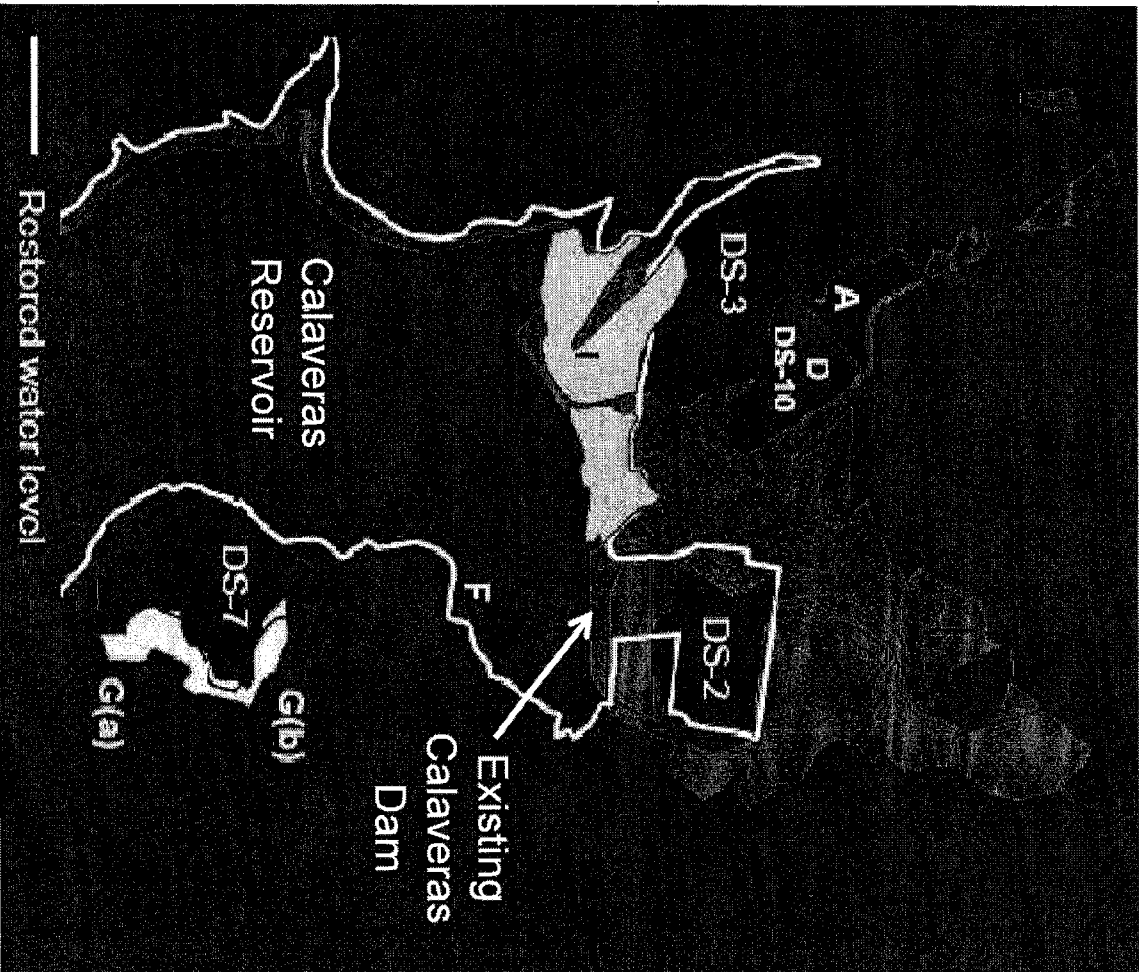




Schematic Cross-Section of Observation Hill (View Looking Downstream)



Disposal of Additional Material



New Disposal Site	Capacity (CY)
A	360,000
D	815,000
F	450,000
G (a)	400,000
G (b)	500,000
H	200,000
I	960,000
Total	3,685,000



Time and Cost Impacts

- **Forecasted schedule delay: 25 months**
- **Forecasted cost increase: \$132.9M**
 - **Hard costs: \$92.5M**
 - **Soft costs: \$40.4M**
 - **Additional resources (\$33.2M)**
 - **Environmental mitigation (\$6.5M)**
 - **DSOD fees (\$755K)**
- **Construction contingency will need to be restored in revised project budget**



Remaining Project Risks

- **Project completion to date: 28%**
- **6 of WSIP's top 10 risks**
 - **Subsurface grouting**
 - **Over excavation of foundation**
 - **High levels of Naturally Occurring Asbestos (NOA)**
 - **Changes by California Division of Safety of Dams (DSOD)**
 - **Quality of onsite material**
 - **Weather delays**



Next Steps

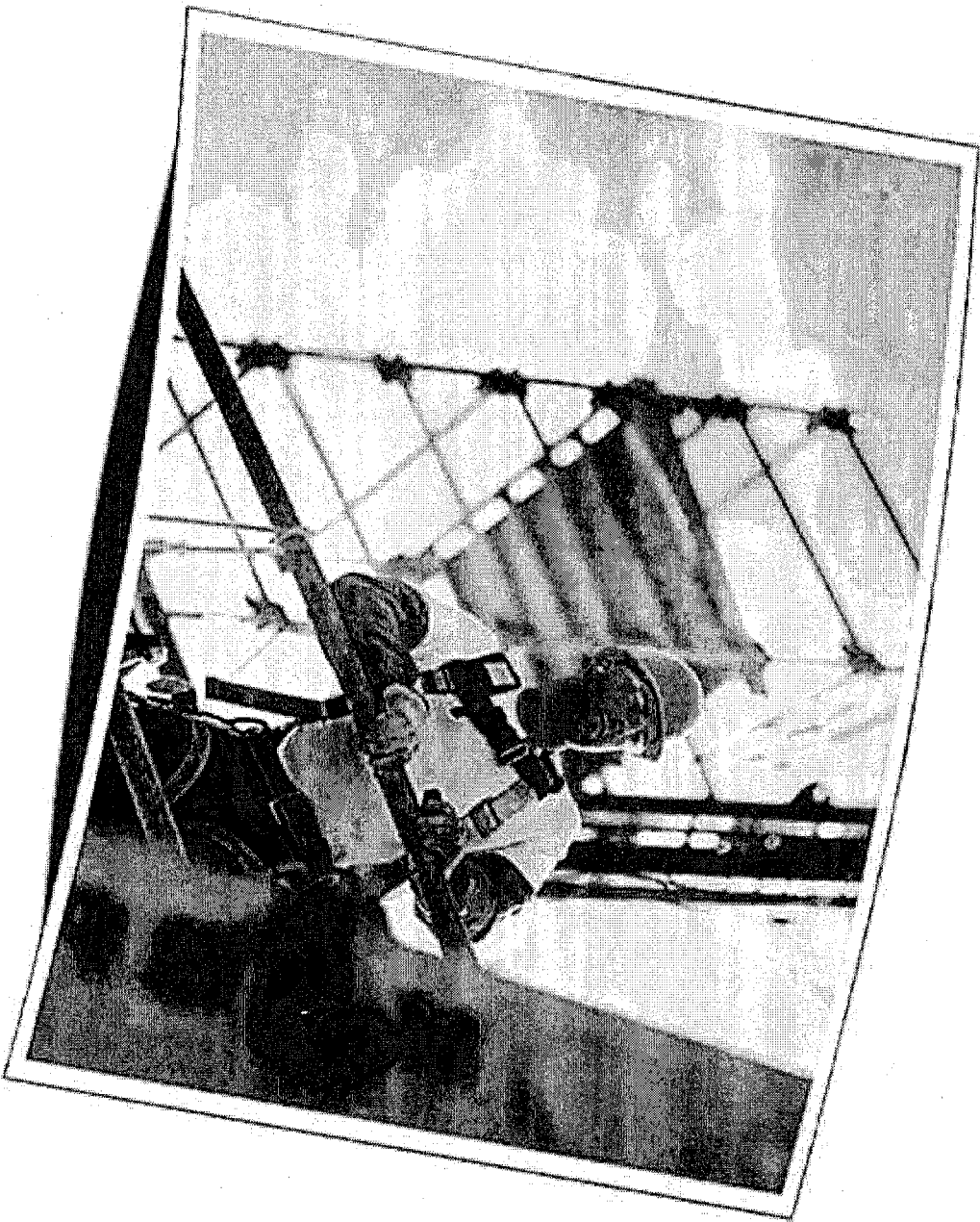
- Formal cost proposal from Contractor by end of November 2012
- Negotiation with Contractor in December 2012
- Approvals for key disposal sites by January 2013
- Commission approval for revised project budget in January 2013
- Notice of Change to the State in February 2013



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From the American Public Works Association



**RBOC Account Summary
November 2012**

Funding Sources (\$)		5W Water	5C Wastewater	5T Hetchy Power	Total
<u>Series</u>					
2006 A Bonds		253,063	-	-	253,063
2008 CREBS		-	-	3,163	3,163
2009 A Bonds		206,000	-	-	206,000
2009 B Bonds		206,000	-	-	206,000
2010 A Bonds		28,473	23,525	-	51,998
2010 B Bonds		208,860	96,258	-	305,118
2010 D Bonds		35,680	-	-	35,680
2010 E Bonds		172,100	-	-	172,100
2010 F Bonds		90,480	-	-	90,480
2010 G Bonds		175,735	-	-	175,735
2011 A Bonds		301,358	-	-	301,358
2011 B Bonds		14,488	-	-	14,488
2011 C Bonds		16,798	-	-	16,798
2011 QECBS		-	-	4,150	4,150
2012 NCREBs		-	-	3,300	3,300
2012A Bonds		295,805	-	-	295,805
2012B Bonds		8,260	-	-	8,260
A	Subtotal Sources - All	2,013,098	119,783	10,613	2,143,493
Charges Against Budget (\$)					
Actual Charges					
	WSIP Expenditures & CP (2006)	59,370	-	-	59,370
	Financial Review of WSIP (2007)	92,050	-	-	92,050
	WSIP Sunset Reservoir (2009)	71,890	-	-	71,890
	CSA Controller's Audit (2011/2012)	86,219	29,750	-	115,969
	Independent Review Panel (IRP) (2011/2012)	116,010	-	-	116,010
	LADWP for IRP (2011/2012)	11,489	-	-	11,489
	IBBS Consulting for IRP (2011/2012)	39,370	-	-	39,370
	CSA Audit - Final Bill Q3 12	29,625	-	-	29,625
	IBBS Consulting for IRP (2011/2012) *	7,630	-	-	7,630
B	Subtotal Actual Charges	513,654	29,750	-	543,403
A - B	Available Funds Before Pending Charges	1,499,444	90,033	10,613	1,600,090
Pending Charges					
C	Subtotal Pending Charges	-	-	-	-
A - B - C	Available Funds After Pending Charges	1,499,444	90,033	10,613	1,600,090

* No change from prior month

**RBOC 2013 Meeting Dates
(DRAFT)**

Monday, January 28, 2013

Monday, February 25, 2013

Monday, March 18, 2013

Monday, April 15, 2013

Monday, May 13, 2013

Monday, June 10, 2013 or June 17, 2013

Monday, July 15, 2013

Monday, August 12, 2013

Monday, September 16, 2013

Monday, October 21, 2013

Monday, November 18, 2013

Monday, December 16, 2013



**PUBLIC UTILITIES
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CITY AND COUNTY OF SAN FRANCISCO
MINUTES**

Public Utilities Commission Building
525 Golden Gate Ave., 4th Floor, San Joaquin Room
San Francisco, CA 94102

Monday, October 1, 2012 - 9:30 AM

Special Meeting

1. Call to Order and Roll Call (00:00:00 - 00:00:20)

Seat 1 Holly Kaufman
Seat 2 Kevin Cheng, Chair
Seat 3 Karen Donovan
Seat 4 Larry Liederman
Seat 5 Vacant
Seat 6 Ian Hart
Seat 7 John Ummel, Vice Chair

The meeting was called to order at 9:40 a.m. On the call of the roll all members were noted present.

2. Public Comment. (00:00:20 – 00:00:38)

Public Comment: None.

3. Recommendation from the Contract Working Group Regarding Award of Contract for CS-254, "RBOC Evaluation of the WSIP". (00:00:38 - 00:30:00)

Members Holly Kaufman and Ian Hart provided an overview of the evaluation process and the resulting recommendation of RW Block Consulting Inc.

Mark Blake (City Attorney's Office); Pauson Yun (SPUC); provided information and responded to questions raised throughout the discussion.

Member Liederman, seconded by Member Donovan, moved to accept the selection of the Evaluation Panel's designated winner, RW Block, regarding CS-254 and authorize the Chair (Ummel) of the Contracting Working Group to negotiate final details including a final contract amount not to exceed \$300,000 and a term through June 30, 2013.

The motion passed by the following vote:

Ayes: Kaufman, Cheng, Donovan, Liederman, Hart, and Ummel.
Noes: None.

Public Comment: None.

4. **Chair's Report:**

San Francisco Public Utilities Commission (SFPUC) Staff Report: RBOC Account Statement. (00:30:00 - 00:32:00)

Mike Brown (SPUC); provided information and responded to questions raised throughout the discussion.

Public Comment: None.

5. **Approval of RBOC Minutes of September 12, 2012. (00:32:00 - 00:33:00)**

Member Kaufman, seconded by Member Hart, moved to approve the RBOC September 12, 2012, Meeting Minutes.

The motion passed by the following vote:

Ayes: Kaufman, Cheng, Donovan, Liederman, Hart, and Ummel.
Noes: None.

Public Comment: None.

6. **RBOC Member Information Requests Raised at Today's Meeting and Future Agenda Items. (00:33:00 - 00:34:00)**

The RBOC October 15, 2012, Regular Meeting will be cancelled.

November 19, 2012 - SFPUC report on the CEQA for Bio Regional Habitat and report on Calavares Dam (The RBOC will extend an invitation to Steve Lawrence to attend).

November 19, 2012 - SFPUC report on Pending Audits of the SFPUC by the Controller's Office.

Discussion - vacancy for open seat on the RBOC.

November 19, 2012 - Rich Morales (SFPUC) to provided an update concerning Wastewater Revenue Bonds.

Public Comment: None.

7. **Adjournment.**

The meeting adjourned at 10:15 p.m.

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