

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE

c/o San Francisco Public Utilities Commission
1155 Market Street, 5th floor, San Francisco, CA 94103
Telephone (415) 487-5245 Email: bondoversight@sfgwater.org

February 17, 2011

The Honorable Ed Lee, Mayor
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mayor Lee:

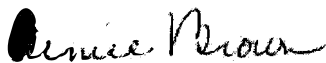
On behalf of my fellow Committee members, I am pleased to present you with the 2011 Annual Report of the Public Utilities Revenue Bond Oversight Committee.

The Revenue Bond Oversight Committee (RBOC) was established in November 2003 pursuant to Proposition P, which was approved by the San Francisco voters during the November 2002 election. The attached report of the Committee describes our activities during 2011.

During the past year, RBOC's activities culminated in two major reports. The first report reviewed construction-related aspects of the WSIP program, specifically, change management, risk management and project cost, schedule and contingencies. The second report was a two-part audit that examined whether bond proceeds were expended appropriately and whether program management expenses were reported accurately and complied with best practices. A more detailed description of the findings of these Reports and the RBOC's future activities is provided within this Annual Report.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Aimee Brown, 2011 Chair
Public Utilities Revenue Bond Oversight Committee

- c. Angela Calvillo, Clerk of the Board of Supervisors
Members, San Francisco Board of Supervisors
Mike Housh, Commission Secretary, San Francisco Public Utilities Commission
Members, San Francisco Public Utilities Commission
Ben Rosenfield, Controller
Ed Harrington, General Manager, Public Utilities Commission
Art Jensen, General Manager, Bay Area Water Supply & Conservation Agency

FEBRUARY 1, 2012

2011 ANNUAL REPORT OF THE SAN FRANCISCO PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE

The Public Utilities Revenue Bond Oversight Committee (RBOC) was created as a result of the passage of Proposition P (November 2002) adding Sections 5A.30 through 5A.36 to the San Francisco Administrative Code and was formed in November 2003. The RBOC has the responsibility of reporting publicly to the Mayor, San Francisco Public Utilities Commission (SFPUC) and the Board of Supervisors regarding the SFPUC's expenditure of revenue bonds on the repair, replacement and expansion of the City's water, power, and wastewater facilities. The Committee will sunset January 1, 2013 unless the Board reauthorizes RBOC by ordinance. The SFPUC has submitted a resolution to the Board of Supervisors supporting the extension of the RBOC until January 1, 2016.

The RBOC is required to issue annual reports on the results of its activities. This 2011 Annual Report is RBOC's eighth report since formation.

EXECUTIVE SUMMARY

RBOC's activities for 2011 culminated in two major reports. The first report was prepared by an Independent Review Panel (IRP) originally constituted by the SFPUC's WSIP program manager (Parsons). This Panel, comprised of four industry professionals, had previously reported on the WSIP program on behalf of the SFPUC. At the suggestion of WSIP's Director, Julie Labonte, RBOC engaged this Panel for another review. RBOC hired a peer reviewer to help the Panel formulate a scope of work and provide comments on the Panel's initial draft report. The Panel was tasked with reviewing construction-related aspects of the WSIP program, specifically, change management, risk management, and project cost, schedule and contingencies.

In general, the Panel was impressed by the SFPUC's construction management team, its plan and procedures, and the overall management of the program. Change orders are effectively managed, risk management procedures well designed, and cost,

schedule and contingency procedures exceeded industry standards. The Panel did, however, comment on the lack of clarity regarding certain reports and their relation to overall WSIP performance, primarily concerning schedule. The Panel recommended that RBOC consider performing a more detailed audit to confirm the forecasting of WSIP's overall cost and schedule performance and revising certain reports to better reflect the actual program schedule change management process.

RBOC's second report was a two-part audit conducted by the City Services Auditor (CSA) involving five projects. The first part examined whether bond proceeds for three representative projects were expended per the intended uses stated in the San Francisco Charter and bond resolution. CSA found that expenditures were spent in accordance with the bond resolution. CSA did recommend, however, that WSIP program managers regularly check all expenses charged to the project and update depletion of bond proceeds more frequently. The second part concerned the allocation of program management expenses. Two representative projects were examined. CSA found that the SFPUC's allocation of program management costs - while different from other jurisdictions' methods - complies with best practices and is a logical approach. However, CSA did note that the SFPUC is slow to allocate these costs. This causes some costs to be recognized in the wrong period, resulting less accurate reporting (e.g., WSIP Quarterly Reports). CSA also noted that the SFPUC should develop procedures for identifying and correcting misallocations if and when they occur.

In addition to having the above-named reports completed on behalf of RBOC during 2011, other work efforts completed or initiated included:

- Creating an RBOC account with the Controller's Office for purposes of identifying bond proceeds received and spent;
- Establishing guidelines for using outside consultant services and examining RBOC's contracting options, including the establishment of its own pool of consultants;
- Participating in the selection process of RBOC's Peer Reviewer and establishing that consultant's role;
- Developing a historical account of RBOC work efforts to-date to assist new members appointed to the Committee.

For key activities during each of the 14 RBOC meetings, see Appendix 3.

BACKGROUND

The purpose of the RBOC is to monitor the expenditure of bond proceeds related to the repair, replacement, upgrading, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities. The goal of the RBOC is to make certain public dollars are spent according to authorization and applicable laws. Its purpose is to facilitate transparency and accountability in connection with the expenditure of revenue bond proceeds. The General Public is invited and welcomed to attend RBOC meetings and to provide input. (Specifics regarding RBOC's establishment and purpose can be found in Appendix 1.)

COMMITTEE MEMBERSHIP

The RBOC is comprised of seven appointed members: two by the Mayor, two by the Board of Supervisors, one by the City Controller, one by the Bay Area Water User's Association (BAWUA) under the auspices of the Bay Area Water Supply and Conservation Agency (BAWSCA). The seventh member is the Budget Analyst or his/her representative. At a minimum, the members appointed by the Mayor and the Board shall, individually or collectively, have expertise, skills and experience in economics, the environment, construction, and project management. The member appointed by the Controller shall have background and experience in auditing, accounting, and project finance. RBOC members serve no more than two consecutive terms. Upon their initial appointment, three members were assigned by lot to an initial term of two years and the remaining four members had an initial term of four years. Thereafter, each RBOC member shall serve a four-year term. At the end of 2011, two members were in holdover status and one seat was vacant.

The members and officers of the RBOC who served during the past calendar year can be found in Appendix 2.

2011 MEETINGS

The RBOC held 14 meetings in 2011, the substance of which are briefly described in Appendix 3. Full agendas and minutes for each meeting are available on WWW.SFWATER.ORG. In addition to meetings held by the full RBOC, a sub-committee (initially named the "*City Services Auditor Working Group*" and later, the "*Contracting Working Group*") met eleven times. This subcommittee was responsible for developing guidelines for RBOC's use of consultants, coming up with a list of potential consultant task assignments, identifying options for getting the work done, providing preliminary input into potential scopes of work, and reviewing preliminary consultant work products.

BUDGET

Pursuant to Proposition P, the RBOC receives 1/20th of 1% of gross revenue bond proceeds to fund the cost of retaining the services of “outside auditors, inspectors and necessary experts” to perform independent reviews. As of January 31, 2012, RBOC had a pending account balance of \$1,375,470. This total reflect reflects only a partial progress payment for the Controller’s audit, Independent Review Panel report or peer review services. The not-to-exceed cost of these three activities is estimated at \$156k, \$138k and \$47k respectively. A complete accounting of RBOC funds as of January 31, 2012 can be found in Appendix 4.

2011 ACCOMPLISHMENTS

Guidelines for Use of Outside Consultants

To assist RBOC with its oversight responsibilities, RBOC developed a set of guidelines for its use of consultants. The guidelines stated that any task assignment should satisfy the provisions of Proposition P while being completed within RBOC’s allotted budget. Furthermore, tasks assigned to consultants should adhere to one or more of the following:

- Be relevant to current stages of capital projects or program;
- Not duplicate evaluations performed or planned by SFPUC or third parties;
- Result in improving management practices;
- Follow recommendations from prior audits or studies

Identification of Possible Task Assignments

After reviewing past audits and follow-up recommendations, seeking input from WSIP staff, and entertaining new topics of interest to members, RBOC identified the following possible tasks to examine (audit) in 2011:

- Allocation of program management costs.
- Reconnaissance review of most challenging projects.
- Soft costs.
- Projects savings, change orders and contingencies.
- Perform selected construction audits or reconnaissance review of CSA.
- Adherence to risk management procedures and/or assessments.
- Construction management program/system (CMIS).

- Use of alternative delivery methods.
- Feasibility of Level of Service goals.
- Selected project expenditures and appropriations.
- Comparison of SFPUC's efforts with other large capital programs (BMPs).
- Procedures and processes used in project close-outs.
- Start-up of the Sewer System Improvement Program (SSIP).
- SFPUC's plans to transition out of WSIP to SSIP.
- SFPUC's operational needs in a post-WSIP environment.
- WSIP cost/schedule with emphasis on increased costs for program delivery.
- Contracting processes to determine lessons learned.
- Program/project permitting.

From this comprehensive list, RBOC narrowed its review for 2011 to two tasks:

1. Examination of a) project expenditures and appropriations and b) allocation of program management costs.
2. An evaluation of change orders and contingencies and the effectiveness of the construction and risk management programs.

The first task was assigned to the City Services Auditor (CSA) while the second task was assigned to the SFPUC's Independent Review Panel (IRP). In addition, RBOC contracted with a Peer Reviewer to oversee the Panel's work.

Audit by City's Services Auditor (CSA)

One of RBOC's primary responsibilities is to ensure that bond proceeds are appropriately expended. For this particular audit, RBOC chose three WSIP projects for CSA to review. In addition, because the issue of program cost allocation had been raised in a previous RBOC audit, RBOC elected to have the CSA provide a more thorough review to determine if program management costs were being allocated reasonably and within industry norms. For this task, RBOC chose two projects (one small, one large) for auditing.

With respect to the first audit, CSA found that expenditures were spent in accordance with the bond resolution. CSA did recommend, however, that WSIP program managers regularly check all expenses charged to the project and update depletion of bond proceeds more frequently.

With regard to the audit of program management costs, CSA found that the SFPUC's categorization of expenditures as program management costs appeared reasonable (though different from other agencies); its approach complied with best practices, and was logical. However, CSA did note that the SFPUC was slow to allocate these costs, did not always reconcile its budget-based allocations when actual costs became available, and, as a result, interim reports (e.g., WSIP Quarterly Reports) did not always reflect program management costs. CSA's recommendations included improved methods for adjusting program management costs, developing better procedures for determining when allocated costs are materially misallocated, and that program management costs are properly accounted for in the WSIP quarterly reports.

Audit by Independent Review Panel

In FY2009-10, the SFPUC, with help from its WSIP Program Manager (Parsons), formed an independent review panel (IRP) to review aspects of its \$4.6B WSIP program. The IRP consists of the following construction industry professionals: Gary Griggs, Stanford University, who served as Panel Chair; Glenn Singley, Los Angeles Department of Water and Power; Don Russell, Independent Consultant; and Galyn Rippentrop, Independent Consultant.

The Panel's first review was conducted in October-November 2010 in response to six questions formulated by WSIP senior management. The Panel made a number of recommendations including an audit of the construction management organization and systems to verify performance. The Panel conducted a second review of the construction management program in FY2010-11 adhering to eight questions posed by the SFPUC. Among its recommendations was to continue with independent panel reviews until the program reached peak construction activity in 2012. While RBOC was contemplating an audit of its own, the SFPUC was planning to engage the Panel in a third review in 2011.

WSIP Director Julie Labonte offered the use of the Panel to RBOC and in June RBOC voted to engage the Independent Review Panel rather than an outside consultant for two important reasons: 1) RBOC did not have access to a suitable pool of construction management consultants and 2) the lead-time to prepare an RFP for such services and have a report completed was too long. Since the Panel was initially created by the SFPUC's Program Manager (Parsons), RBOC used an informal RFP process to hire a Peer Reviewer: Ibbs Consulting Group. The principal of Ibbs Consulting, Dr. William Ibbs, is also a professor of construction management at UC Berkeley. As RBOC's Peer Reviewer, Dr. Ibbs was charged with helping the Panel develop a scope of work, overseeing the Panel's work, and writing a separate report on the Panel's findings and

recommendations. The Panel was tasked with reviewing construction-related aspects of the WSIP program, specifically, change management, risk management, and project cost, schedule and contingencies.

The Panel conducted its review during the week of October 3, 2011. The review consisted of interviews with the SFPUC's construction management team, site visits to a number of on-going construction projects, attendance at various project meetings and review of relevant project reports and documents. In general, the IRP was impressed by the SFPUC's construction management team, its plan and procedures, and the overall management of the program. Change orders were effectively managed, risk management procedures well designed, and cost, schedule and contingency procedures exceeded industry standards. The IRP did, however, comment on the lack of clarity regarding certain reports and their relation to overall WSIP performance, primarily concerning schedule. The IRP put forth both short term and long term recommendations.

IRP's Short Term Recommendations (prioritized):

- Perform an audit of the latest Earned-Value Analysis or, alternatively, perform a Cost- and Schedule-to-Complete Analysis, in order to check the forecast of overall WSIP cost and schedule performance.
- Revise the current Contract Summary reporting to better reflect the actual program schedule change management process being used and establish a policy for what change orders and trends are to be considered for identifying program performance problems for both cost and schedule.
- Verify that there are system-wide Emergency Procedures in place including evacuation, notification, regular drills and training at all construction field offices.
- Assess the earthquake provisions related to construction ways and means.

IRP's Long Term Recommendations (prioritized):

- Consider other delivery approaches such as design-build, CM at risk and CM/GC for future projects;
- Contract for constructability reviews to be provided by construction managers, on a consulting or fee-for- service basis, for projects prior to the completion of design with particular attention paid to geotechnical issues.
- Apply procedures and lessons learned to future programs as the SSIP.

- Implement a formal Integration Management Plan for future programs.

The Panel's full report can be accessed on the SFPUC's website at:

<http://sfwater.org/index.aspx?page=121>

Separate Report by RBOC's Peer Reviewer

RBOC's Peer Reviewer (Dr. William Ibbs) was to oversee the Panel's work and write a separate report on the Panel's findings and recommendations. Dr. Ibbs "shadowed" the Panel during the week of October 3, attending the same meetings and interviews with key WSIP staff, visiting construction sites, and reviewing the same documentation. While Dr. Ibbs agreed with the Panel's final recommendations, he did make several observations that differed from the Panel's. For example, Dr. Ibbs cited the omission of an evaluation of WSIP's Cost-and-Schedule-to-Complete; that is, Dr. Ibbs thought the Panel should have opined on the likelihood of the WSIP program meeting budget and schedule. ⁽¹⁾ In addition, Dr. Ibbs believed that parts of the Panel's report dealt too exclusively with WSIP management processes; not on the application and compliance with those processes.

Dr. Ibbs recommended that the RBOC consider:

- A follow-up study that evaluates WSIP's expected final cost and schedule inclusive of the construction and post-construction phases. (Note: the IRP made a similar recommendation.) and;
- A follow-up study that examines actual compliance with WSIP management processes.

The Peer Review full report can be accessed on the SFPUC's website at:

<http://sfwater.org/index.aspx?page=121>

⁽¹⁾ *The Panel did not agree with this observation. The Panel maintains that an evaluation of the SFPUC's ability to complete the WSIP per schedule and budget was not specifically included in the Panel's scope; that the Panel's work was related to the construction phase only; and that the Panel neither had the time or the appropriate auditing background to conduct such an evaluation. RBOC recognizes these as valid points, however, it should be noted that a sub-committee of the RBOC expressed its disappointment to the Panel regarding this omission and cited several sub-tasks in the Panel's scope of work that implied a limited or qualified opinion was in order.*

FUTURE ACTIVITIES

The CSA, Independent Review Panel, and Peer Reviewer all made recommendations in their reports that could develop into possible follow-up assignments in 2012. For example, both the IRP and the Peer Reviewer recommended an audit of earned value or cost and schedule to complete of the WSIP program. Such an audit would help validate whether the WSIP program – at this stage of completion – was poised to finish “on time” and “on budget. Currently, the SFPUC is projecting the program to finish per the revised schedule (July 2016) and budget (\$4.6B) set in July, 2011. Such an audit would only be considered after RBOC has a more thorough understanding of the SFPUC’s internal reporting requirements.

Critical to RBOC accomplishing its audit objectives is fast access to qualified consultants. In 2012, RBOC will pursue the establishment of its own consulting pool to perform its ongoing audit responsibilities, while, at the same time, utilizing consultants in the Controller’s pool should they be qualified.

RBOC efforts to date have concentrated on the Water Enterprise’s WSIP program. While RBOC continues to audit that program, audits of the Wastewater and Power Enterprises’ capital programs (and associated bond financing of such) may be getting underway in 2012. Similar to WSIP, the RBOC will monitor the expenditure of proceeds on these programs as well.

As of December 31, 2011, the SFPUC intends to issue approximately, \$680 million in revenue bonds during calendar year 2012 for continued funding of the Water System Improvement Programs (WSIP) as well as non-WSIP capital projects. No additional Waste Water bonds are anticipated during 2012 though \$6.6 million in revenue bonds may be issued for the Power Enterprise. These bonds are directly within the purview of the RBOC.

Last year was an extremely productive year for RBOC. However, two members are currently serving past their term expiration dates and a third seat is currently open. It will be important for RBOC to maintain its momentum in 2012 in the event there is a change in membership and leadership positions.

ACKNOWLEDGEMENTS

The RBOC would like to acknowledge and express appreciation to the SFPUC staff and others for facilitating the tasks of the Committee. Specifically, we want to acknowledge WSIP Director Julie Labonte, Jeet Bajwa and Harvey Elwin (WSIP); Deputy CFO Charles Perl; Mike Brown and Pauson Yun from the SFPUC; and Deputy City Attorney Mark Blake. From the Board of Supervisors, the RBOC wishes to thank Assistant Clerk Victor Young for his work in support of the meetings. The RBOC also expresses its appreciation for the participation of members of the public and various stakeholders.

2012 MEETING SCHEDULE

Regularly scheduled meetings of the RBOC meet monthly on the following dates beginning at 9:30 A.M. in the 4th Floor Meeting Room at the SFPUC Offices, 1155 Market Street in San Francisco, unless otherwise specified. Meeting agendas of the RBOC will be posted on WWW.SFWATER.ORG and at the SF Main Library, 5th Floor. Public participation is always welcome.

January 23, 2012

February 13, 2012

March 19, 2012

April 16, 2012

May 21, 2012

June 18, 2012

July 16, 2012

August 20, 2012

September 10, 2012

October 15, 2012

November 19, 2012

December 17, 2012

Appendix 1

In furtherance of its purpose, the RBOC may:

1. Inquire into the disbursement and expenditure of the proceeds of the Commission's revenue bonds authorized by the bond resolutions and other applicable laws. This information may be obtained by receiving any and all published reports, financial statements, correspondence, or other documents and materials related to the expenditure of revenue bond funds from the San Francisco Public Utilities Commission;
2. Hold public hearings to review the disbursement and expenditure of the proceeds of revenue bonds;
3. Inspect facilities financed with the proceeds of revenue bonds;
4. Receive and review copies of any capital improvement project proposals or plans developed by the Commission relating to the Commission's water, power or wastewater infrastructure which are to be financed in whole or in part with revenue bonds;
5. Review the efforts by the Commission to maximize revenue bond proceeds by implementing cost saving measures, including, but not limited to;
 - a. Mechanisms designed to reduce the costs of professional fees, site preparation and project design,
 - b. Recommendations regarding the cost-effective and efficient use of core facilities,
 - c. The development and use of alternative technologies, and
 - d. The use of other sources of infrastructure funding, excluding bond refunding; and
6. Commission review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by independent consultants and experts. The RBOC may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to Commission revenue bonds prior to a Board determination of whether to submit the measure for voter approval, or authorizing the issuance of revenue bonds if voter approval is not otherwise required.

In addition, after reviewing materials provided by the Commission, the RBOC, after conducting its own independent audit, and after consultation with the City Attorney, may determine that proceeds of a revenue bond program were utilized for purposes not authorized in accordance with the authorizing bond resolution. It may be further determined that this surmounts to an illegal expenditure or waste of such revenue bonds within the interpretation of applicable law specific to the RBOC. By majority vote,

the RBOC may prohibit the issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold. The RBOC's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, upon a two-thirds vote of all the members of the Board of Supervisors, if the SFPUC, in response to the report of the RBOC, provides evidence of corrective measures satisfactory to the Board of Supervisors.

Appendix 2

Member	Appointed By & Term	Qualifications
Aimee Brown, Chair	Mayor Reappointed on 9/1/10 First term expired 11/12/07; Second term expires on 11/12/11 Currently on holdover status	Former investment banker whose work primarily focused on financing state and local government projects through municipal debt; previously served as a financial advisor to the SFPUC.
Ben Kutnick Currently Vacant	Controller 03/21/11 to 11/12/11 ----- Term expires on 11/12/13	Former Finance Director for the San Francisco Airport, Fiscal Officer with the Public Utilities Commission, and Director of Finance and Administration for the Port of San Francisco.
Ian Hart	Budget Analyst or his/her representative Appointed on 12/2/10	Senior Analyst at the BOS Budget and Legislative Analyst's Office. Conducted analyses of the SFPUC's annual budget and WSIP Revenue Bond-related legislation. Previously served as Communications Director for water resources think-tank.
Kevin Cheng, Vice-Chair	Mayor Appointed on 05/19/10 Term expires on 11/12/13	Former principal management consultant developing and executing strategy and operation work for major Fortune 500 corporations, with particular expertise in project management. Current managing partner of San Francisco based development company.
Brian Browne	Board of Supervisors Reappointed 6/07/11 First term expired 11/12/07; Second term expires on 11/12/11 currently on holdover status	Co-author of Proposition P. Semi-retired economist, currently involved in USAID water project in Jordan; previous member of the Mayor's Infrastructure Task Force, which addressed SFPUC issues.
David Sutter (term expired) ----- Larry Liederman	Board of Supervisors Second term expired on 11/12/09; holdover status until 6/14/11 ----- Appointed on 06/14/11 Term expires on 11/12/13	Retired CCSF Project Manager whose work included the Kirkwood Powerhouse Addition, additional hydro-electric projects, subway projects and light rail projects for San Francisco and Los Angeles. ----- Finance and accounting professional who serves and has served as Controller for several Bay area companies. Board Member and Audit Committee Chair for the Child Welfare League of America.
John Ummel	Bay Area Water Users Association Appointed on 10/15/10 Term expires on 11/12/13	Senior Administrative Analyst for the Bay Area Water Supply and Conservation Agency (BAWSCA).

Appendix 3

Meeting Dates	Key Activities
January 10, 2011	<ul style="list-style-type: none"> • SFPUC Update - WSIP Pre-Construction • SFPUC Report - Waste Water Capital Improvement Program • SFPUC Report - Financing and Bond Sale • Jurisdiction over the Indebtedness of the SFPUC • Contracting Options for RBOC Projects
January 24, 2011	<ul style="list-style-type: none"> • RBOC Scope of Work for Future Projects; Contracting Options; and Potential Request for Proposals • Scope of Work for Future Projects • RBOC Contracting Options
February 14, 2011	<ul style="list-style-type: none"> • SFPUC Update - WSIP Construction Management • Jurisdiction over the Indebtedness of the SFPUC • Updates from the SFPUC Concerning Advanced Metering Infrastructure, WSIP and Water Bond Sales
March 21, 2011	<ul style="list-style-type: none"> • SFPUC Update - WSIP Pre-Construction • SFPUC Report - Lessons Learned and Future Challenges • MOU with the Controller's City Services Auditor for Auditing Assignments
April 25, 2011	<ul style="list-style-type: none"> • Summary of the presentation of the 2009 Annual Report and Audit Findings provided to the Public Utilities Commission • SFPUC Update - WSIP and Water Bond Sales
May 9, 2011	<ul style="list-style-type: none"> • City Auditor's Services Working Group Report on: 1) RBOC Audit Assignments; 2) Prioritization of task assignments; and 3) approved the scope of work
May 16, 2011	<ul style="list-style-type: none"> • SFPUC Report - Financing and Bond Sale • SFPUC Report - Climate Change and Planning SFPUC Update - FY2011/2012 Wholesale Water Rates
June 20, 2011	<ul style="list-style-type: none"> • Presentation from BAWSCA – WSIP and Assessment of performance to-date. • SFPUC Report - WSIP Pre-Construction • Extension of the expiration date of the RBOC
July 18, 2011	<ul style="list-style-type: none"> • SFPUC Report – Local Water System Emergency Preparedness • Construction Management Independent Review Panel – Scope of Work
August 15, 2011	<ul style="list-style-type: none"> • Selection of Peer Reviewer to the Construction Management Independent Review Panel • City Services Auditor's Audit Update
September 19, 2011	<ul style="list-style-type: none"> • SFPUC Report - Construction Management • Approval of Construction Management Independent Review Panel Scope of Work • Update from the SFPUC Concerning Financing and Water Bond Sales • City Services Auditor's Audit Update

October 24, 2011	<ul style="list-style-type: none"> • SFPUC Report - Construction Management • City Services Auditor's Audit Update • Construction Management Independent Review Panel Preliminary Report of Findings on WSIP
November 14, 2011	<ul style="list-style-type: none"> • SFPUC Quarterly Report on WSIP • SFPUC Report - Power Enterprise Bonds and Future Financing Plans • City Services Auditor Audit Report: Bay Division Pipeline Reliability Upgrade; Mission and Mount Vernon Street Sewer Improvement
December 19, 2011	<ul style="list-style-type: none"> • City Services Auditor's Audit Update • SFPUC Report - Construction Management • SFPUC Report – Rate Policy • RBOC Future Contracting/Consultant Options

Appendix 4

RBOC Fees and Expenses as of 1/31/2012

Sources

<u>Series</u>	<u>5W Water</u>	<u>5C Wastewater</u>	<u>5T Hetchy Power</u>	<u>Total</u>
2006 A Bonds	\$253,063	\$0	\$0	\$253,063
2008 CREBS	\$0	\$0	\$3,163	\$3,163
2009 A Bonds	\$206,000	\$0	\$0	\$206,000
2009 B Bonds	\$206,000	\$0	\$0	\$206,000
2010 A Bonds	\$28,473	\$23,525	\$0	\$51,998
2010 B Bonds	\$208,860	\$96,258	\$0	\$305,118
2010 D Bonds	\$35,680	\$0	\$0	\$35,680
2010 E Bonds	\$172,100	\$0	\$0	\$172,100
2010 F Bonds	\$90,480	\$0	\$0	\$90,480
2010 G Bonds	\$175,735	\$0	\$0	\$175,735
2011 A Bonds*	\$301,358	\$0	\$0	\$301,358
2011 B Bonds*	\$14,488	\$0	\$0	\$14,488
2011 C Bonds*	\$16,798	\$0	\$0	\$16,798
2011 QECBS*	\$0	\$0	\$4,150	\$4,150
Subtotal	\$1,709,033	\$119,783	\$7,313	\$1,836,128

Uses

Independent Reports

WSIP Expenditures & CP (2006)	\$59,370	\$0	\$0	\$59,370
Financial Review of WSIP (2007)	\$92,050	\$0	\$0	\$92,050
WSIP Sunset Reservoir (2009)	\$71,890	\$0	\$0	\$71,890
CSA Controller's Audit (2011/2012)	\$115,969	\$0	\$0	\$115,969
Independent Review Panel (IRP) (2011/2012)	\$102,008	\$0	\$0	\$102,008
IBBS Consulting for IRP (2011/2012)	\$19,370	\$0	\$0	\$19,370
Subtotal	\$460,658	\$0	\$0	\$460,657

Grand Total	\$1,248,374	\$119,783	\$7,313	\$1,375,470
-------------	-------------	-----------	---------	-------------

*Pending transfer to RBOC fund