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MINUTES

Public Utilities Revenue Bond Oversight Committee

Monday, May 18, 2009

San Francisco Public Utilities Commission

1155 Market Street (between 7th & 8th Streets), 4th Floor Conference Room

Committee Members

Aimee Brown, Chair
Kyle Rhorer, Vice Chair
Brian Browne
Stan Jones
Patrick Sweetland
David Sutter
Patrick Sweetland

1. Call to Order and Roll Call

Chair Aimee Brown called the meeting to order at 9:37 a.m. and roll call was taken.

Present: Aimee Brown, Kyle Rhorer, Brian Browne, Stan Jones and David Sutter

Absent: None.

Excused: Patrick Sweetland

There was a quorum.

2. Public Comment: Members of the public may address the RBOC on matters that are within the RBOC's jurisdiction and are not on today's agenda

Public Comment: None.

3. Report from Michael Carlin, SFPUC concerning WSIP Phased Variant

Michael Carlin, Deputy General Manager, SFPUC, and Todd Rydstrom, Assistant General Manager and Chief Financial Officer, SFPUC, presented a report on WSIP Phased Variant.

Under the Phased WSIP Variant, The SFPUC would construct and operate all of the regional water system WSIP facility projects while (1) limiting water sales to an annual average of 265 million gallons per day (mgd) from the watersheds through 2018; and (2) improve water supply reliability to meet the goals and objectives of the WSIP, including no greater than a 20 percent ration in any one year of a drought.

47 Part of the Phased Variant includes work on recycled water, conservation,
48 brown water development and alternate water supplies.

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50 Currently the allocation is 81 mgd for San Francisco customers and 184
51 mgd for wholesale customers.

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53 The allocation is not guaranteed, and during a drought year the
54 distribution is based on availability.

55
56 Public Comment:

57
58 Steve Lawrence expressed concern over the allocation of water for San
59 Francisco residents (gallons of water per capita residences as well as the
60 overall allocation to the city). Mr. Carlin, SFPUC, replied that single family
61 residences use 61 gallons of water per capita per day. The SFPUC
62 projects that the gallons of water per day will decrease to 51 gallons by
63 2018 or 2030 due to technology. San Francisco has 4.5 days worth of
64 potable drinking water in storage for emergencies. Firefighters have their
65 own separate water supply. The 265 mgd is a limit on the amount of
66 water that can be imported from SFPUC watersheds and not a water
67 usage limit as other sources of supplies may or are available.

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69 **4. Report from SFPUC staff concerning the Master Water Sales**
70 **Agreement**

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72 Michael Carlin, Deputy General Manager, SFPUC, and Todd Rydstrom,
73 Assistant General Manager and Chief Financial Officer, SFPUC,
74 presented a report on the Master Water Sales Agreement.

75
76 Wholesale and retail customers are assigned an interim water supply
77 allocation through 2018. Currently the allocation is 81 mgd for San
78 Francisco customers and 184 mgd for wholesale customers.

79
80 SFPUC will establish a surcharge to enforce the Interim Supply Limitation.
81 The proceeds will only be used for specific environmental restoration and
82 enhancement measures in the SFPUC's Sierra and local watersheds.

83
84 The completion of WSIP physical facilities are anticipated in December of
85 2015.

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87 Wholesale water customers do not participate in the maintenance of
88 SFPUC power houses.

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90 Public Comment: None.

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92 **5. Report from SFPUC staff concerning the Indirect Cost Study**

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Todd Rydstrom, Assistant General Manager and Chief Financial Officer, SFPUC, presented an update on the Indirect Cost Study.

Continued to the next RBOC meeting.

Public Comment: None.

6. Report from SFPUC staff concerning an update on the various national stimulus plans and its affect on SFPUC capital programs

Mike Brown, SFPUC, presented an update on the national stimulus plans and its affect on SFPUC capital programs.

Public Comment: None.

7. Report from SFPUC staff concerning an update on WSIP projects

Jeet Bajwa, Project Manager, SFPUC, presented an update on WSIP projects.

Public Comment:

George Wooding questioned the percentage of completed WSIP projects. SFPUC staff responded by stating that a quarterly report is published on the SFPUC website. Of the 85 projects listed in the report, each is at a different stage of completion.

Steve Lawrence stated that 14.1% of WSIP projects are complete as of the last quarterly report.

8. Report from SFPUC staff concerning possible dates for the inspection of Hetch Hetchy facilities

Mike Brown, SFPUC, presented dates for an inspection of Hetch Hetchy facilities as follows: June 19, 2009, September 3, 2009, and September 10, 2009.

Mr. Brown will poll RBOC members as to their availability.

Public Comment: None.

9. Discussion and possible action regarding the approval of the minutes from the RBOC meeting held on April 20, 2009

138 Mr. Rhorer moved, seconded by Mr. Sutter, to approve the minutes of
139 April 20, 2009 as amended.

140

141 Ayes: Chair Brown; Rhorer, Browne, Jones and Sutter

142 Noes: None

143 Absent: None

144 Excused: Sweetland

145

146 Public Comment: None.

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148 **10. Discussion and possible action related to RBOC member information**
149 **requests raised in today's meeting**

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151 Continued to the next RBOC meeting.

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153 Public Comment: None.

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155 **11. Discussion and possible action for future agenda items**

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157 Review of upcoming Bond Sales

158 Update on the RFP for Agreement No. CS 983

159 Review of Debt Overview Summary

160 Review of Indirect Cost Study

161 Mr. Sutter requested information concerning the extension of the sunset
162 date for the RBOC. Inclusion of details on options and their pros and cons
163 is also requested. (Requested for July 2009).

164

165 Public Comment: None.

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167 **12. Adjournment**

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169 Mr. Sutter moved, seconded by Mr. Rhorer, to adjourn the meeting.

170

171 Ayes: Chair Brown, Rhorer, Browne, Sutter

172 Noes: None

173 Absent: Jones

174 Excused: Sweetland

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176 The meeting adjourned at 11:40 a.m.

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