



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

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
- 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

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.

Approved by the RBOC on March 19, 2018