



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

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

August 13, 2018 - 9:00 AM

## Special Meeting

**Mission:** The Revenue Bond Oversight Committee (RBOC) monitors 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 provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

### 1. Call to Order and Roll Call

Members:

Seat 1 Vacant  
Seat 2 Kevin Cheng  
Seat 3 Robert Leshner, Co-Chair  
Seat 4 Tim Cronin  
Seat 5 Travis George, Co-Chair  
Seat 6 Christina Tang, Vice Chair  
Seat 7 Jennifer Millman

Chair Leshner called the meeting to order at 9:09 a.m. On the call of the roll, Co-Chair Leshner, Vice-Chair Tang, and Members Cheng, Cronin and Millman were noted present. There was a quorum.

Co-Chair George was noted present at 9:45 a.m.

### 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.

Speakers:

None.

4. **SFPUC Staff Report: Results of Wastewater Bond Sales and WIFIA Loan Transaction.**

Richard Morales and Mike Brown (SFPUC) provided an update on WIFIA Loan Transactions and responded to questions from the Committee.

Public Comment:  
None.

There were no actions taken.

5. **RBOC: Review of RBOC audit topics, previous RBOC Request for Quote, process/procedures for hiring an auditor, and review of the possibility of obtaining a third party contract administrator.**

Co-Chair Leshner provided an updated on the progress of acquiring a contract manager. Richard Morales and Mike Brown (SFPUC) responded to questions from the Committee.

Upon discussion it was suggested that the process be broken up into 2 parts as follows:

- Audit on the use of bond proceeds
- Review of the application of lessons learned, performance of completed projects and development of new questions.

The RBOC requested that the SFPUC reach out to various parties regarding the possibility of acquiring a contract manager to assist the RBOC in monitoring and developing audit contracts.

Public Comment:  
None.

The matter was continued to the next meeting of the RBOC without objection.

6. **RBOC: Charter Sunset Date Extension and Planning.**

Mike Brown (SFPUC) provided information on behalf of Deputy City Attorney Mark Blake and responded to questions from the Committee.

**Co-Chair Leshner, seconded by Co-Chair George, moved to authorize the co-chairs to draft, finalize and submit the sunset date extension legislation and cover letter to the Board of Supervisors.**

Public Comment:  
None.

**The motion PASSED by the following vote:**

Ayes: 6 – Cheng, Leshner, Cronin, George, Tang, Millman  
Noes: 0 – none

7. **RBOC: Review of CFO Annual Certification.**

Mike Brown (SFPUC) provided information on behalf of Deputy City Attorney Mark Blake and responded to questions from the Committee.

Upon review, the RBOC suggested that the certification be amended to as reasonable as follows:

- I have **reasonably** deemed necessary for purposes for this certification
- I have **reasonably** deemed necessary for purposes of providing this certification

Public Comment:

None.

There were no actions taken.

8. **RBOC: Fund Management Policy.**

Mike Brown (SFPUC) provided information on behalf of Deputy City Attorney Mark Blake and responded to questions from the Committee.

Upon review the RBOC suggested that the RBOC discuss how to determine what amount of funds is reasonable to maintain in the context of the Fund Management Policy at a future meeting.

**Co-Chair George, seconded by Member Cronin, moved to adopt the Fund Management Policy as amended to replace ‘Water, Sewer, or Power’ with ‘the Enterprises’.**

Public Comment:

None.

**The motion PASSED by the following vote:**

Ayes: 6 – Cheng, Leshner, Cronin, George, Tang, Millman

Noes: 0 – none

9. **Approval of Minutes: June 21, 2018, Meeting Minutes.**

**Co-Chair Leshner, seconded by Member Millman, moved to approve the June 21, 2018, RBOC meeting minutes.**

Public Comment:

None.

**The motion PASSED by the following vote:**

Ayes: 5 – Cheng, Leshner, Cronin, George, Millman

Noes: 0 – none

Absent: 1 – Tang

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

August 20, 2018 (Cancelled)

September 17, 2018

1. SFPUC Staff Report: Water System Improvement Program (WSIP) Financing Expenses.

October 15, 2018

1. SFPUC Staff Report: Sewer System Improve Program (SSIP).

November 26, 2018

1. SFPUC Staff Report: Mountain Tunnel update.

December 17, 2018

1. To be determined.

Pending Issues:

1. SFPUC Staff Report: Stormwater Management System Ordinance and Green Infrastructure
2. San Francisco Public Utilities Commission (SFPUC) Staff Report: Clean Power SF financing options
3. SFPUC Staff Report: Nature Resources Accounting Update
4. RBOC: Acquiring consultant to examine expected performance of complete projects.
5. SFPUC Staff Report: Environmental Justice

Co-Chair George inquired as to the filling of the vacant seat.

11. **Adjournment**

There being no further business, the meeting adjourned at 10:55 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: September 17, 2018