



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

December 11, 2017 - 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 9:04 a.m. On the call of the roll, Co-Chair Kaufman, and Members Cronin, George, Tang and Millman were noted present. Co-Chair Leshner and Member Cheng was noted absent. There was a quorum.

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. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Clean Power SF financing options.

Richard Morales, Debt Manager, and Mike Brown, SFPUC, provided an update on Clean Power SF financing and responded to questions raised throughout the meeting. Member Cronin asked if Clean Power SF issues bond in the future would the RBOC have oversight. Mark Blake, Office of the City Attorney, provided a summary of the possible RBOC oversight of Clean Power SF. Mr. Blake indicated that it would be at the discretion of the voters to determine if oversight over potential Clean Power SF bond issuance would be needed.

Public Comment:
None.

5. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Bond Spending – Debt certification by bond series and finalizing draft certification to be included in annual report.

Richard Morales, Debt Manager, and Mike Brown, SFPUC, provided an update on Bond Spending and Debt Certification and responded to questions raised throughout the meeting. The RBOC suggested that future RBOC annual reports include a statement of bond sales and spending to meet Proposition E (2002) objectives for oversight to ensure that revenue bonds are spent appropriately.

Public Comment:
None.

6. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Status of Natural Resources Accounting and the value to the ecosystem.

Richard Morales, Debt Manager, and Mike Brown, SFPUC, stated Natural Resources Accounting is not currently being pursued. The RBOC requested a future update.

Public Comment:
None.

7. **RBOC: Account management policy of RBOC fund balance.**

The RBOC requested that the matter be continued and scheduled at the January 22, 2018, Strategic Planning Oversight Meeting.

Public Comment:
None.

8. **RBOC: Avoiding cost overruns and review of the Controller’s consultant pool.**

The RBOC requested that the matter be continued and scheduled at the January 22, 2018, Strategic Planning Oversight Meeting.

Public Comment:
None.

9. **RBOC: Development of topics for the Strategic Planning Oversight meeting and 2018/2019 meeting schedule.**

The RBOC discussed the potential topics for the January 22, 2018, planning meeting and requested the following topics be included:

- Review of the RBOC Mission Statement
- Self -Assessment of the RBOC 2017 goals/accomplishments and development of goals for 2018
- Avoiding cost overruns and review of the Controller’s consultant pool.
- Clean Power SF update
- Certification of Bond Spending – Debt certification by bond series and finalizing draft certification to be included in annual report. (Include statement of spending in future RBOC annual reports and develop procedure for future statement/certifications by the SFPUC)
- Natural Resources Accounting valuing ecosystem services.
- Account management policy of RBOC fund balance – determine how much of the ROBC funds balance should be maintained for future projects and the possibility of returning the balance to the general funds. (Possible consultant project.)
- Succession Planning (member recruitment/appointment and extension of the RBOC)
- Extension of the RBOC
- Public outreach

The RBOC requested Vice Chair George work with the strategic planner to clarify the goals of January 22, 2018, strategic planning meeting.

Public Comment:
None.

10. **RBOC: Review/Approval of the Draft Annual Report and the 2018/2019 meeting schedule.**

The RBOC reviewed and proposed amendments to the 2017 Annual Report and set the 2018 meeting schedule. The Final/Draft Annual Report will be scheduled for approval at the next meeting of the RBOC.

Public Comment:
None.

11. **Approval of Minutes:** November 6, 2017, Meeting Minutes.

The RBOC reviewed the draft November 6, 2017, meeting minutes.

Co-Chair Kaufman moved to approve the November 6, 2017, meeting minutes as amended.

Public Comment:

None.

The motion PASSED without objection with Members Leshner and Cheng being absent.

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

January 22, 2018

1. Annual RBOC strategic planning meeting
 - a. Succession Planning (member recruitment/appointment and extension of the RBOC)
 - b. RBOC Follow-up and review - Avoiding cost overruns and review of the Controller's consultant pool.

February 2018

1. SFPUC Staff Report: Re-baselining and SSIP Phase 2 updates
2. SFPUC Staff Report: Bond capacity for PUC financing structure for capital programs ("What goes into the Water and Sewer bill?")
3. SFPUC Staff Report: Water Bond Sales (December 2017)
4. SFPUC Staff Report: Effects of change to federal tax policy and result of the loss of municipal advance refunding

March 2018

1. SFPUC Staff Report: Capital Planning (Presenter: Charles Perl (SFPUC))

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.

The RBOC review and amended their future meeting scheduled Richard Morales, Debt Manager, SFPUC, responded to questions from the RBOC.

Public Comment:

None.

13. **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.

Adopted by the RBOC on 2/26/18