



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
AGENDA**

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

April 13, 2015 - 9:00 AM

Regular Meeting

1. Call to Order and Roll Call

Seat 1 Holly Kaufman
Seat 2 Kevin Cheng, Chair (Holdover status)
Seat 3 Vacant
Seat 4 Marina Pelosi
Seat 5 Eric Sandler
Seat 6 Christina Tang
Seat 7 Joshua Low

2. 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.

4. Approval of RBOC March 9, 2015, Minutes (*Attachment*) (*Discussion and Action*)

5. San Francisco Public Utilities Commission (SFPUC) Staff Report: Sewer System Improvement Program (SSIP) Update (*Discussion*)

6. Revenue Bond Oversight Committee: Purpose & Mission (*Attachment*) (*Discussion*)

7. Comparison of the Revenue Bond Oversight Committee with Other Oversight Committees (*Discussion*)

8. New Audits Initiated by the Revenue Bond Oversight Committee (*Discussion*)

9. Announcements, Comments, Questions, and Future Agenda Items (*Attachment*)

10. Adjournment

Agenda Item Information

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Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at:

http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97

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Public Comment

Public Comment will be taken before or during the Committee's consideration of each agenda item. Speakers may address the Committee for up to three minutes on that item. During General Public Comment, members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on the agenda.

Disability Access

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翻譯 必須在會議前最少四十八小時提出要求
請電 (415) 554-7719

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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Cell Phones, Pagers and Similar Sound-Producing Electronic Devices

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Lobbyist Registration and Reporting Requirements

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PACKET MATERIALS

MEETING DATE April 13, 2015 Item No. 4

REVENUE BOND OVERSIGHT COMMITTEE AGENDA PACKET CONTENTS LIST

- March 9, 2015, Regular Meeting Minutes
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Completed by: Derek Evans Date: April 7, 2015

(This list reflects the explanatory documents provided.)



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
MINUTES - DRAFT**

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

March 9, 2015 - 9:00 AM

Regular Meeting

1. Call to Order and Roll Call

Seat 1 Holly Kaufman
Seat 2 Kevin Cheng, Chair (Holdover status)
Seat 3 Vacant
Seat 4 Marina Pelosi
Seat 5 Eric Sandler
Seat 6 Christina Tang
Seat 7 Joshua Low

The meeting was called to order at 9:19 a.m. On the call of the roll, Member Sandler was noted absent; all other members were noted present. There was a quorum.

2. Agenda Changes

There were no 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.

Dan Wade, Water System Improvement Project Program Director (SFPUC); responded to comments received via email from Steve Lawrence, dated February 10-13, 2015.

Public Comment: *Speakers: None.*

4. Approval of RBOC February 9, 2015, Minutes

Public Comment: *Speakers: None.*

Member Tang, seconded by Member Kaufman, moved to APPROVE the February 9, 2015, RBOC Regular Meeting Minutes. The motion passed by the following vote:

Ayes: 5 - Cheng, Kaufman, Low, Pelosi, Tang

Absent: 1 - Sandler

5. **Bay Area Water Supply and Conservation Agency (BAWSCA) Requests for Information:** Comments 1 through 5

Dan Wade, Water System Improvement Program Director (SFPUC); summarized BAWSCA comments 1-5, provided the SFPUC staff response, and further answered questions raised throughout the hearing.

Committee members discussed and thanked SFPUC staff for the response and further requested SFPUC staff to respond to comments 6 through 10 at the May 11, 2015, RBOC meeting. Dan Wade, Water System Improvement Program Director (SFPUC) agreed to review the comments and provide a response at the May 11, 2015, meeting.

Public Comment: Speakers: None.

6. **Draft Report, Contract CS-363, "Construction Management Services – RBOC Evaluation of Lessons Learned, Water System Improvement Program."**

Chair Cheng informed the committee that finalization of the report should occur following responses to BAWSCA comments at the May 11, 2015, RBOC meeting.

Public Comment: Speakers: None.

By unanimous consent, the committee moved that the item be CONTINUED to the May 11, 2015, meeting. The motion passed by the following vote:

Ayes: 5 - Cheng, Kaufman, Low, Pelosi, Tang

Absent: 1 - Sandler

7. **San Francisco Public Utilities Commission (SFPUC) Staff Report:** Water System Improvement Program (WSIP) Update

Dan Wade, Water System Improvement Program Director (SFPUC); presented an update of the WSIP and responded to questions raised throughout the hearing.

Mike Brown; and Dan Wade, Water System Improvement Program Director (SFPUC); provided information and responded to questions raised throughout the hearing.

Public Comment: Speakers: None.

8. **Whistleblower Benchmarking**

Mark Blake, Deputy City Attorney; provided a brief overview of whistleblower programs, and RBOC jurisdiction, background and discussions that necessitated the hearing. Tonia Lediju, Audit Director, and Steve Flaherty (Controller's Office); presented

information on the Controller's Whistleblower Program and responded to questions raised throughout the hearing. Dan Wade, Water System Improvement Program Director, and Mike Brown (SFPUC); presented information and responded to questions raised throughout the meeting.

Public Comment: Speakers: None.

Member Pelosi was noted absent at 11:07 a.m. and for the remainder of the meeting.

9. **Committee Staffing Options**

Public Comment: Speakers: None.

By unanimous consent, the committee moved to CONTINUE the discussion to the June 8, 2015, meeting. The motion passed by the following vote:

Ayes: 4 - Cheng, Kaufman, Low, Tang

Absent: 2 - Pelosi, Sandler

10. **Committee Sunset Preparations**

Public Comment: Speakers: None.

By unanimous consent, the committee moved to CONTINUE the discussion to the June 8, 2015, meeting. The motion passed by the following vote:

Ayes: 4 - Cheng, Kaufman, Low, Tang

Absent: 2 - Pelosi, Sandler

11. **RBOC Annual Report Transmittal to Mayor and Board of Supervisors**

Chair Cheng announced to the committee that the report transmittal shall be delivered in December 2015.

Public Comment: Speakers: None.

By unanimous consent, the committee moved that the item be CONTINUED TO THE CALL OF THE CHAIR. The motion passed by the following vote:

Ayes: 4 - Cheng, Kaufman, Low, Tang

Absent: 2 - Pelosi, Sandler

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

The RBOC Forward Calendar (attached) was updated to reflect the following items discussed at committee:

1. RW Block Lessons Learned report (dated December 4, 2015) will be continued to May 11, 2015, meeting.

2. *BAWSCA Comments and Requests for Information, comments 6 through 10, will be addressed by Dan Wade, WSIP Director (SFPUC) at the May 11, 2015, meeting.*
3. *Bimonthly SFPUC staff update on Water System Improvement Program for May 11, 2015, to include a presentation on managing delivery costs for future projects.*
4. *Committee staffing options discussion item was continued to the June 8, 2015, meeting.*
5. *Committee Sunset discussion item was continued to the June 8, 2015, meeting.*
6. *RBOC Mission and Purpose will be included on the Forward Calendar and next annual report.*

13. **Adjournment**

There being no further business, the meeting adjourned at 11:27 a.m.

N.B. The Minutes of this meeting set forth all actions taken by the Public Utilities Revenue Bond Oversight Committee on the matters stated but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Revenue Bond Oversight Committee on _____.

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PACKET MATERIALS

MEETING DATE April 13, 2015 Item No. 6

REVENUE BOND OVERSIGHT COMMITTEE AGENDA PACKET CONTENTS LIST

- RBOC Purpose and Mission - Selected Text
- RBOC Bylaws
- Proposition P
- San Francisco Administrative Code, Chapter 5, Article V, Section 5A.31
- _____
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Completed by: Derek Evans Date: April 7, 2015

(This list reflects the explanatory documents provided.)

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE (RBOC) PURPOSE & MISSION

As stated on the RBOC Forward Calendar 2015

Purpose: The purpose of the RBOC is to monitor the expenditure of revenue bond proceeds related to the repair, replacement, upgrading, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities.

Mission: 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.

RBOC Bylaws Article I, Section 3. Purpose

The purpose of the Committee is to report publicly to the Mayor, the Public Utilities Commission (hereinafter the "Commission") and the Board of Supervisors regarding the Commission's expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities. The Committee shall convene to provide oversight to ensure that: (1) revenue bond proceeds are expended only in accordance with the authorizing bond resolution and applicable law, (2) revenue bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution, and (3) revenue bond proceeds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and the Commission's customers.

RBOC Bylaws Article I, Section 2. Authority

The Committee derives its authority from Proposition P, adopted by the voters at the November 5, 2002 election (S.F. Admin. Code, Sections 5A.30 *et. seq.*). Terms contained in these Bylaws are not intended to, and shall not, in any way enlarge or restrict the purposes, powers or authority of the Committee. In the event of any conflict between these Bylaws and the terms of Proposition P as adopted by the voters, the provisions of Proposition P shall control.

RBOC Bylaws Article I, Section 4. Activities and Powers

In furtherance of its purpose, the Committee may: (1) inquire into the disbursement and expenditure of the proceeds of the Commission's revenue bonds authorized by the bond resolution and other applicable law by receiving any and all reports, financial statements, correspondence or other documents and materials related to the expenditure of revenue bond funds from the 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 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 and site preparation and project design, (b) recommendations regarding the cost effective and efficient use of core facilities, (c) the development and use of alternate 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 Committee 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 regarding whether to submit the measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required.

In addition, if, after reviewing materials provided by the Commission, the Committee, after conducting its own independent audit and after consultation with the City Attorney, determines that the proceeds of a revenue bond program were spent on purposes not authorized by the resolution or otherwise amounts to an illegal expenditure or illegal waste of such revenue bonds within the meaning of applicable law, the Committee, by majority vote, may prohibit the issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold by acting in accordance with the procedures set forth in Article III, Section 11 of these Bylaws. The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

RBOC Bylaws Article I, Section 5. Restrictions on Activities and Powers

The Committee shall not participate or interfere in the selection process of any vendor hired to execute revenue bond funded projects.

RBOC Bylaws Article III, Section 11. Process for Prohibiting Issuance of Revenue Bonds Upon Determination That Revenue Bond Proceeds Were Spent on Unauthorized Purposes

If the Committee prohibits the issuance of bonds for any remaining revenue bond authorization in accordance with Section 5A.34 of the San Francisco Administrative Code, it shall do so only after proceeding as follows. At a regular or special meeting of the Committee, the Committee, after having conducted its own independent audit and after consultation with the City Attorney, may make a finding that the Commission has spent revenue bond proceeds on purposes not authorized by the authorizing resolution or otherwise amounts to an illegal expenditure or illegal waste under applicable law. At such meeting, the Committee may determine, by majority vote, whether to prohibit the further issuance of revenue bonds pursuant to the powers granted to the

Committee by Section 5A.34 of the San Francisco Administrative Code. If the Committee makes a finding of illegal expenditure or illegal waste, or makes a decision to prohibit revenue bond sales, notification shall be delivered simultaneously to each member of the Board of Supervisors, the President of the San Francisco Public Utilities Commission, the Mayor's Office of Public Finance, the City Controller and the City Treasurer.

The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

San Francisco Administrative Code, Chapter 5, Article V, Section 5A.31. Establishment and Purpose.

(a) There is hereby established a Public Utilities Revenue Bond Oversight Committee (the "Committee"), which shall have the responsibility of reporting publicly to the Mayor, the PUC and the Board of Supervisors ("Board") regarding the PUC's (or, to the extent allowed by law, any charter entity succeeding to the PUC's authority related to expenditure of revenue bonds) expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities.

(b) The Committee shall provide oversight to ensure that: (1) The proceeds from revenue bonds authorized by the Board and/or the voters of the City are expended in accordance with the authorizing bond resolution and applicable law; (2) Bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution; and (3) Revenue bond funds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and to the PUC's customers. The Committee may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to PUC revenue bonds prior to a Board determination regarding whether to submit a measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required. The Board is not required to accept the Committee's comments or recommendations on such bond proposals. Further, the Committee shall not participate or interfere in the selection process of any vendor hired to execute bond funded projects.

(c) In furtherance of its purpose, the Committee may engage in any of the following activities:

- (1) Inquiring into the disbursement and expenditure of the proceeds of PUC revenue bonds authorized and issued in accordance with the San Francisco Charter by receiving any and all reports, financial statements, correspondence or other documents and materials requested by the Committee related to the expenditure of revenue bond funds by the PUC;
- (2) Holding public hearings to review the disbursement and expenditure of the proceeds of such revenue bonds;
- (3) Inspecting facilities financed with the proceeds of such revenue bonds;

- (4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the PUC related to the City's water, power or wastewater infrastructure and funded by bond proceeds;
- (5) Reviewing efforts by the City to maximize bond proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional, consulting and similar fees and expenses related to site preparation and project design; (ii) recommendations regarding the cost-effective and efficient use of core facilities; (iii) developing and using alternate technologies; and, (iv) accessing other sources of infrastructure funding, excluding bond refunding; and,
- (6) Commissioning independent review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by accessing any funds set aside for this purpose under Subsection (d) of this Section to retain outside auditors, inspectors and necessary experts to conduct such independent review.

(d) To the extent permitted by law, in accordance with Sections 5A.35(c) and (d) of this Article, from and after the effective date of this Ordinance one-twentieth of one percent of the gross proceeds from each issuance or sale of public utility revenue bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the Committee to cover the costs of said Committee.

(e) The Board shall, without expending revenue bond funds, provide the Committee with appropriate clerical, technical and administrative assistance in furtherance of its purpose and provide sufficient resources to publicize the conclusions and recommendations of the Committee. (Added by Proposition P, 11/5/2002)

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE BYLAWS

ARTICLE I Overview

Section 1. Name

The name of this committee is the Public Utilities Revenue Bond Oversight Committee (referred to herein as the "Committee").

Section 2. Authority

The Committee derives its authority from Proposition P, adopted by the voters at the November 5, 2002 election (S.F. Admin. Code, Sections 5A.30 *et. seq.*). Terms contained in these Bylaws are not intended to, and shall not, in any way enlarge or restrict the purposes, powers or authority of the Committee. In the event of any conflict between these Bylaws and the terms of Proposition P as adopted by the voters, the provisions of Proposition P shall control.

Section 3. Purpose

The purpose of the Committee is to report publicly to the Mayor, the Public Utilities Commission (hereinafter the "Commission") and the Board of Supervisors regarding the Commission's expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities. The Committee shall convene to provide oversight to ensure that: (1) revenue bond proceeds are expended only in accordance with the authorizing bond resolution and applicable law, (2) revenue bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution, and (3) revenue bond proceeds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and the Commission's customers.

Section 4. Activities and Powers

In furtherance of its purpose, the Committee may: (1) inquire into the disbursement and expenditure of the proceeds of the Commission's revenue bonds authorized by the bond resolution and other applicable law by receiving any and all reports, financial statements, correspondence or other documents and materials related to the expenditure of revenue bond funds from the 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 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 and site preparation and project design, (b) recommendations regarding the cost effective and efficient use of core facilities, (c) the development and use of alternate 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 Committee 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 regarding whether to submit the measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required.

In addition, if, after reviewing materials provided by the Commission, the Committee, after conducting its own independent audit and after consultation with the City Attorney, determines that the proceeds of a revenue bond program were spent on purposes not authorized by the resolution or otherwise amounts to an illegal expenditure or illegal waste of such revenue bonds within the meaning of applicable law, the Committee, by majority vote, may prohibit the issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold by acting in accordance with the procedures set forth in Article III, Section 11 of these Bylaws. The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

Section 5. Restrictions on Activities and Powers

The Committee shall not participate or interfere in the selection process of any vendor hired to execute revenue bond funded projects.

Section 6. Committee Members

The Committee shall consist of seven members: two members appointed by the Mayor; two members appointed by the Board; one member by the Controller; and one member by the Bay Area Water Users Association. The seventh member shall be the Budget Analyst for the Board or his/her representative.

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.

Each Committee member will serve for no more than two consecutive terms. Upon their initial appointment, three members of the Committee shall be assigned by lot to an initial term of two and the remaining four members shall have an initial term of four years. Thereafter, each Committee member shall serve a four-year term.

If there is a vacancy on the Committee, the Chair shall promptly notify the appointing authority and request that such vacancy be filled at the earliest possible date. If a Committee member has misses three (3) consecutive duly called meetings of the Committee without informing the Chair as to the reason or cause of the absence, such Committee member shall be presumed to have vacated their position on the Committee. Thereupon the Chair shall place on the next succeeding agenda for the Committee's consideration an item to permit such member to appear and explain his or her absence from Committee meetings. Prior to such meeting, the Chair shall cause to be provided no later than 5 days prior to such meeting notice to the absent Committee member requesting their attendance at such meeting. If such member shall not attend the next succeeding meeting then and in such case the presumption shall become conclusive and such member shall be deemed to have vacated their position on the Committee. Thereafter the Chair shall promptly notify the appointing authority of the presumed vacancy and request that such vacancy be filled at the earliest possible date.

Section 6. Committee Office

For purposes of contacting the Committee, the Committee office will be physically located at 525 Golden Gate Avenue, 4th Floor. The Committee's mailing address is 525 Golden Gate Avenue, 4th Floor, San Francisco, California 94102. The Committee's e-mail address is bondoversight@sfgwater.org. The Committee's phone number is: (415) 487-5245.

ARTICLE II Officers

Section 1. Officers

There shall be a Chair and a Vice Chair of the Committee.

Section 2. Term of Office

The term of each office shall be one year. Officers serve at the pleasure of the Committee and may be removed from office before expiration of their one-year term by a vote of four members of the Committee.

Section 3. Election of Officers

Elections for officers shall be conducted at the first regular meeting of the Committee in each calendar year, or as soon thereafter as practicable as determined by the Committee. The Chair and Vice Chair shall continue in their respective offices until a new election is conducted.

In the event the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting. At the next regular meeting, the Committee shall elect a new Chair to fill the vacancy for the balance of the unexpired term. In the event the Vice Chair is elected as Chair, there shall be an election for a new Vice Chair at that meeting. If the office of Vice Chair is vacated before the expiration of a term, it shall remain vacant until the next regular meeting, at which time the Committee shall elect a new Vice Chair.

Section 4. Duties of the Chair

The Chair shall preside at all meetings of the Committee, shall preserve order and decorum, and shall decide all questions of order subject to appeal to the Committee by any member. In addition, the Chair, working with the Committee members and staff, shall oversee the preparation of the agenda for all Committee meetings.

Unless the Committee specifies otherwise, the Chair is empowered to appoint members to standing or special subcommittees formed by the Committee. In addition, as stated in Article III, Section 2, the Chair is empowered to call special meetings.

Section 5. Duties of the Vice Chair

In the absence of the Chair, the Vice Chair shall preside at meetings of the Committee. In addition, as stated in Article II, Section 3, if the Chair is unable to complete his or her term of office, the Vice Chair shall serve as Chair until the next regular meeting.

In the absence of both the Chair and Vice Chair, the members shall select by motion a member to preside over the meeting.

ARTICLE III Meetings

Section 1. Regular Meetings

The first regular meeting of the Committee shall be held on November 12, 2003, at 2:00 p.m. at 1155 Market Street, 4th Floor.

At the first meeting of each calendar year, the Committee shall adopt a schedule specifying the dates, times and locations of the regular meetings for the next year.

Once the dates, times and locations of the regular meetings have been determined, that information shall be promptly posted on the Commission's website, at the San Francisco Main Library, and at the Committee's office.

Section 2. Special Meetings

The Chair or a majority of the members of the Committee may call special meetings at any time by delivering written notice to each member of the Committee and to individuals who have requested such notice in writing.

Section 3. Notice and Agendas of Meetings

Agendas of all regular and special meetings shall be posted at least 72 hours prior to the meeting at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website. If a special meeting will be at a site other than 525 Golden Gate Avenue, notice of the special meeting shall be given at least 15 days prior to said special meeting. Agendas and notices shall be mailed to each Committee member and to individuals who have requested such agendas and notices in writing.

Section 4. Cancellation of Meetings

The Chair may cancel a meeting if he or she is aware that a quorum of the body will not be present or if the meeting date conflicts with a holiday or other responsibilities of the Committee members. Notices of cancellations shall be posted at the meeting site, at the Committee's office, at the San Francisco Main Library, and on the Commission's website. If time permits, notice of meeting cancellations shall be mailed to all members of the public who have requested in writing to receive notices and agendas of Committee meetings.

If a regular meeting is cancelled, the Chair shall reschedule the regular meeting at a date and time that is after the originally scheduled date and time, that is reasonably close to the originally scheduled date and time, and that is calculated to result in the greatest number of Committee members in attendance at the rescheduled meeting.

Section 5. Conduct of Meetings

All Committee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), the San Francisco Charter, the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67), the Ordinance establishing the Committee (S.F. Admin. Code, Sections 5A.30 *et. seq.*), and these Bylaws. Except where state or local laws or other rules provide to the contrary, the Committee, at the discretion of the Chair, may use Robert's Rules of Order as a guide to the conduct of meetings.

When a member desires to address the Committee, he or she shall seek recognition by addressing the Chair. When recognized, the member shall proceed to speak. The member shall confine his or her remarks to the question before the Committee.

Section 6. Setting Agendas

Committee staff, at the direction of the Chair, shall prepare the agenda for meetings. The Chair will, as practicable, place any item requested by a member of the Committee on the agenda provided that it is generally received no less than five days prior to a regular meeting. Each agenda of all regular meetings shall contain an item during which members may request items for the Committee to consider at future meetings.

Section 7. Quorum

Four members of the Committee shall constitute a quorum for all purposes.

Section 8. Required Vote For Approval of a Matter

The affirmative vote of four members of the Committee shall be required for the approval of any matter, except that the affirmative vote of a majority of the members present is sufficient for the approval of any procedural or parliamentary matter.

Section 9. Voting and Abstention

Each member present at a Committee or subcommittee meeting shall vote "yes," "no" or "abstain" when a question is put, unless the member has a conflict of interest that legally precludes participation in the vote. The determination of whether a Committee member has a conflict of interest that precludes participation in a matter shall be determined by the individual member in consultation with the City Attorney.

The Committee may take action on items on the agenda by roll call vote, voice vote, or show of hands. The minutes shall reflect how each Committee member voted on each item.

Section 10. Public Comment

Agendas for regular meetings shall provide an opportunity for members of the public to directly address the Committee on items of interest to the public that are within the subject matter jurisdiction of the Committee.

Each person wishing to speak on an item before the Committee at a regular or special meeting shall be heard once for up to three minutes, unless extended by the Chair. The Chair may limit the time for public comment consistent with state and local law.

Section 11. Process for Prohibiting Issuance of Revenue Bonds Upon Determination That Revenue Bond Proceeds Were Spent on Unauthorized Purposes

If the Committee prohibits the issuance of bonds for any remaining revenue bond authorization in accordance with Section 5A.34 of the San Francisco Administrative Code, it shall do so only after proceeding as follows. At a regular or special meeting of the Committee, the Committee, after having conducted its own independent audit and after consultation with the City Attorney, may make a finding that the Commission has spent revenue bond proceeds on purposes not authorized by the authorizing resolution or otherwise amounts to an illegal expenditure or illegal waste under applicable law. At such meeting, the Committee may determine, by majority vote, whether to prohibit the further issuance of revenue bonds pursuant to the powers granted to the Committee by Section 5A.34 of the San Francisco Administrative

Code. If the Committee makes a finding of illegal expenditure or illegal waste, or makes a decision to prohibit revenue bond sales, notification shall be delivered simultaneously to each member of the Board of Supervisors, the President of the San Francisco Public Utilities Commission, the Mayor's Office of Public Finance, the City Controller and the City Treasurer.

The Committee's decision to prohibit the sale of authorized, unsold revenue bonds may be appealed and overturned, or lifted, in accordance with the provisions of Section 5A.34 of the San Francisco Administrative Code.

ARTICLE IV Maintenance of Committee Records and Issuance of Reports

Section 1. Meeting Minutes

Minutes shall be taken at every regular and special meeting. The minutes shall reflect how each Committee member voted on each item of business before the Committee. Minutes shall be approved by the Committee and be made available at the Committee's office, on the Commission's website, and at the San Francisco Public Library.

Section 2. Reports

The Committee shall issue an annual report each year on the results of its activities for the preceding year (the "Reporting Period"), and such report shall be delivered to the Mayor, the Commission and the Board of Supervisors. The report shall be delivered no later than 90 days following the end of the Reporting Period. All reports issued shall be placed on file at the Committee's office, the Commission's website, at the Clerk of the Board of Supervisors, and at the San Francisco Public Library.

ARTICLE V Subcommittees

Section 1. Standing Subcommittees

Upon approval of four members of the Committee, the Committee may form standing subcommittees at any time to give advice on its ongoing functions. The standing subcommittees shall be composed of members of the Committee. Unless otherwise specified by the Committee, the Chair shall select each subcommittee's members and officers, if any, at the time the subcommittee is formed and again at the first regular meeting of the Committee in each calendar year. The Chair shall name members whose qualifications meet the needs of the subcommittee to which that member is appointed. Members and officers appointed by the Chair to serve on a standing subcommittee shall serve at the pleasure of the Chair. The Chair may remove at any time a member from a subcommittee and appoint a replacement member or officer.

Section 2. Special Subcommittees

Upon approval of four members of the Committee, the Committee may form special subcommittees. Special subcommittees shall be formed for a specific purpose and cease to exist after completion of a designated task. Special subcommittees may be composed of members of the Committee and/or the public. Unless otherwise specified by the Committee, the Chair shall name the subcommittee's members and officers.

Section 3. Conduct of Subcommittee Meetings; Reports

All subcommittee meetings shall be held in compliance with all applicable laws, including but not limited to, the Ralph M. Brown Act (Cal. Gov. Code, Sections 54950 *et. seq.*), the California Public Records Act (Cal. Gov. Code, Sections 6250 *et. seq.*), and the San Francisco Sunshine Ordinance (S.F. Admin. Code, Chapter 67).

All subcommittees shall maintain minutes in the manner set forth in these Bylaws. All subcommittees shall report to the Committee, as frequently as requested by the Chair.

Section 4. Abolishing Subcommittees

Any subcommittee formed by the Committee may be abolished upon approval by four members of the Committee.

ARTICLE VI Bylaws

Section 1. Amendment of Bylaws

After presentation of a proposed amendment of the Bylaws as a scheduled agenda item at a meeting of the Committee, the Bylaws may be amended by a vote of a majority of the members.

Section 2. Public Notice of Bylaws

These Bylaws, and any amendments thereto, shall be available to the public at the Committee's office, the Commission's website, and at the San Francisco Public Library.

TEXT OF PROPOSED ORDINANCE PROPOSITION P

Ordinance establishing a Public Utilities Revenue Bond Oversight Committee, setting forth the authority, duties and responsibilities of the Committee, and establishing qualifications for Committee membership, and related provisions.

Note: This entire section is new.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code Chapter 5, Article 5 is hereby amended by adding Section 5.30 through 5.36, to read as follows:

Sec. 5.30. Findings.

The people of the City and County find and declare that:

- (a) The City's 100-year-old water, power and clean water public utility infrastructure is suffering from decades of deferred maintenance. The regional water collection and transmission system, stretching from the Tuolumne River headwaters at Hetch Hetchy to the San Francisco County Line, supplies water to the City as well as to 1.7 million residents and businesses in Alameda, Santa Clara and San Mateo Counties. This system is in need of substantial repair and/or replacement. In the event of system failure, the City and its suburban customers could be without water for up to 30 days, with portions of the service area going without water for as long as 60 days. The water distribution and wastewater treatment systems within the City are in a similar state of deterioration, threatening the health and welfare of City residents, visitors and the business community.
- (b) Over the past 25 years, funds for upgrading the water collection and power generation facilities of Hetch Hetchy have been in short supply. During this same period, the waste water treatment plants have aged to the point where significant capital improvements are necessary in order for the City to remain in compliance with applicable federal and state water quality regulations.
- (c) The San Francisco Public Utilities Commission ("PUC") has never prepared an integrated and coordinated long-term strategic plan consisting of a capital improvement program, a long-range financial plan, an assessment of future utility needs and the evaluation of alternative technologies, private-public partnerships and non-rate payer revenue enhancements. Focusing on short-term planning, the PUC has turned out a series of bond issues, such as Propositions A and B in 1997, which have been promoted to the voters on the basis of broad project gener-

alities. Even within the PUC itself, the list of projects earmarked for specific bond revenues are in a constant state of flux. Projects are frequently delayed and often uncompleted years after funding was approved by the voters.

- (d) Over the past 20 years, the PUC has readily consented to the transfer of "surplus" Hetch Hetchy revenues to the City's general fund. Conservatively, these transfers have cost the PUC more than \$500 million. During this same period of time, the utility infrastructure deteriorated and rates escalated dramatically.
- (e) The PUC estimates that over the next 20 years, the cost of needed capital improvement projects will amount to hundreds of millions of dollars. Although the PUC's capital improvement list undoubtedly contains individual projects that should go forward as soon as practicable, the design, bidding and contract drafting process often takes years to complete. In the absence of long-term strategic planning, individual projects have been frequently delayed and, in some cases, actually abandoned as funding and project priorities unaccountably shifted over time.
- (f) The health and welfare of all of the PUC's customers would be promoted by the creation of a qualified body committed to a persistent, vigorous and independent review of the expenditure of revenue bond funds for the PUC's capital improvement program over the next decade. An ongoing review of this kind would be of material assistance to both the PUC and the Board of Supervisors ("Board") in ensuring that the program is carried out in compliance with all applicable laws.

Section 5.31. Establishment and Purpose.

- (a) There is hereby established a Public Utilities Revenue Bond Oversight Committee (the "Committee"), which shall have the responsibility of reporting publicly to the Mayor, the PUC and the Board of Supervisors ("Board") regarding the PUC's (or, to the extent allowed by law, any charter entity succeeding to the PUC's authority related to expenditure of revenue bonds) expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities.
- (b) The Committee shall provide oversight to ensure that: (1) The proceeds from revenue bonds authorized by the Board and/or the voters of the City are expended in accordance with the authorizing bond resolution and applicable law; (2) Bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution; and (3) Revenue bond funds are appropriately expended for

authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and to the PUC's customers. The Committee may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to PUC revenue bonds prior to a Board determination regarding whether to submit a measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required. The Board is not required to accept the Committee's comments or recommendations on such bond proposals. Further, the Committee shall not participate or interfere in the selection process of any vendor hired to execute bond funded projects.

- (c) In furtherance of its purpose, the Committee may engage in any of the following activities:
 - (1) Inquiring into the disbursement and expenditure of the proceeds of PUC revenue bonds authorized and issued in accordance with the San Francisco Charter by receiving any and all reports, financial statements, correspondence or other documents and materials requested by the Committee related to the expenditure of revenue bond funds by the PUC;
 - (2) Holding public hearings to review the disbursement and expenditure of the proceeds of such revenue bonds;
 - (3) Inspecting facilities financed with the proceeds of such revenue bonds;
 - (4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the PUC related to the City's water, power or wastewater infrastructure and funded by bond proceeds;
 - (5) Reviewing efforts by the City to maximize bond proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional, consulting and similar fees and expenses related to site preparation and project design; (ii) recommendations regarding the cost-effective and efficient use of core facilities; (iii) developing and using alternate technologies; and, (iv) accessing other sources of infrastructure funding, excluding bond refunding; and,
 - (6) Commissioning independent review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by accessing any funds set aside for this purpose under subsection (d) of this section to retain outside auditors, inspectors and necessary experts to

(Continued on next page)

LEGAL TEXT OF PROPOSITION P (CONTINUED)

conduct such independent review.

- (d) To the extent permitted by law, in accordance with Sections 5.35(c) and (d) of this Article, from and after the effective date of this Ordinance one-twentieth of one percent of the gross proceeds from each issuance or sale of public utility revenue bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the Committee to cover the costs of said Committee.
- (e) The Board shall, without expending revenue bond funds, provide the Committee with appropriate clerical, technical and administrative assistance in furtherance of its purpose and provide sufficient resources to publicize the conclusions and recommendations of the Committee.

Section 5.32. Public Meetings. All Committee proceedings shall be subject to the California Public Records Act (Sections 6250, et seq., of the Government Code of the State of California), the City's Sunshine Ordinance (Chapter 67 of this Code) and the Ralph M. Brown Act (Government Code Sections 54950, et. seq.). The Committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the Committee, and all reports issued by the Committee, shall be a matter of public record and made available on the City's website.

Section 5.33. Membership.

- (a) The Committee shall consist of seven members to be appointed as follows: two members by the Mayor; two members by the Board; one member by the Controller; and one member by the governing body of the Bay Area Water Users Association. The seventh member shall be the Budget Analyst for the Board or his/her representative.
- (b) 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.
- (c) Except as expressly authorized herein, no current officer or employee of the City shall be appointed to the Committee. All members of the Committee shall be subject to applicable conflict-of-interest provisions of local and state law. No vendor, contractor or consultant of the City that performs work funded by bonds issued by the City shall be appointed to the Committee.
- (d) Each Committee member will serve for no more than two consecutive terms. Upon their initial appointment, three members

of the Committee shall be assigned by lot an initial term of two years and the remaining four members shall have an initial term of four years. Thereafter, each Committee member shall serve a four-year term.

- (e) Each Committee member, except City employees appointed to serve as part of their official City duties and the Budget Analyst or employees of the Budget Analyst, shall be compensated at a rate of \$100.00 per month during each year of the member's term of office. Such compensation shall be appropriated by the Board without expending revenue bond funds therefor.

Section 5.34. Illegal Expenditures.

- (a) If, after conducting all appropriate reviews and independent audit of actual expenditures of revenue bond proceeds by the PUC (or, to the extent allowed by law, any charter entity succeeding to the PUC's authority related to expenditure of revenue bonds), the Committee, after consultation with the City Attorney, determines that revenue bond proceeds are being or have been expended for purposes not authorized by the authorizing bond resolution or otherwise amount to an illegal expenditure or illegal waste of such revenue bond proceeds within the meaning of applicable law, the Committee may, by majority vote of all its members, prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold.
- (b) A decision by the Committee to prohibit the issuance and sale of authorized but as yet unissued or unsold revenue bonds may be appealed by the PUC to the Board within 30 days of the Committee's decision. By two-thirds vote of all its members, the Board by resolution may overturn the Committee's decision and remand the matter to the Committee for further consideration consistent with the views expressed by the Board in its resolution.
- (c) Alternatively, the Committee's prohibition on the issuance or sale of authorized but unissued or unsold revenue bonds may be vacated by two-thirds vote of all the members of the Board, if the PUC, in response to the report of the Committee, provides evidence of corrective measures satisfactory to the Board.

Section 5.35. Application.

- (a) All public utilities revenue bond authorizations approved either concurrent with or after the effective date of this Ordinance shall be subject to the provisions set forth herein.
- (b) All bond authorizations introduced at the Board after the effective date of this Ordinance shall contain a statement incorporating the provisions of this Ordinance

in such bond resolution.

- (c) The provisions of this Ordinance shall also apply to all PUC public utility revenue bonds authorized, issued or offered for sale after July 1, 2002.
- (d) Section 5.30 (d) of this Article shall only apply to PUC revenue bonds authorized after the effective date of this Article.

Section 5.36. Sunset and Severability.

- (a) Unless the Board by ordinance re-authorizes the provisions of this Ordinance for a specified period of years, the provisions of this Ordinance shall expire on January 1, 2013.
- (b) If any part or provision of this Ordinance or its application to any person or circumstance is held invalid for any reason, the remainder of this Ordinance, including its application to other persons or circumstances, shall not be affected by such a holding, and shall continue in force and effect. To this end, the provisions of this Ordinance are severable.
- (c) The validity of the authorization and issuance of any bonds is not dependent on and shall not be affected in any way by any failure by the Committee, to act in accordance with the provisions of this Ordinance.

PUBLIC UTILITIES REVENUE BOND OVERSIGHT COMMITTEE

SEC. 5A.30. FINDINGS.

The people of the City and County find and declare that:

(a) The City's 100-year-old water, power and clean water public utility infrastructure is suffering from decades of deferred maintenance. The regional water collection and transmission system, stretching from the Tuolumne River headwaters at Hetch Hetchy to the San Francisco County Line, supplies water to the City as well as to 1.7 million residents and businesses in Alameda, Santa Clara and San Mateo Counties. This system is in need of substantial repair and/or replacement. In the event of system failure, the City and its suburban customers could be without water for up to 30 days, with portions of the service area going without water for as long as 60 days. The water distribution and wastewater treatment systems within the City are in a similar state of deterioration, threatening the health and welfare of City residents, visitors and the business community.

(b) Over the past 25 years, funds for upgrading the water collection and power generation facilities of Hetch Hetchy have been in short supply. During this same period, the waste water treatment plants have aged to the point where significant capital improvements are necessary in order for the City to remain in compliance with applicable federal and state water quality regulations.

(c) The San Francisco Public Utilities Commission ("PUC") has never prepared an integrated and coordinated long-term strategic plan consisting of a capital improvement program, a long-range financial plan, an assessment of future utility needs and the evaluation of alternative technologies, private-public partnerships and non-rate payer revenue enhancements. Focusing on short-term planning, the PUC has turned out a series of bond issues, such as Propositions A and B in 1997, which have been promoted to the voters on the basis of broad project generalities. Even within the PUC itself, the list of projects earmarked for specific bond revenues are in a constant state of flux. Projects are frequently delayed and often uncompleted years after funding was approved by the voters.

(d) Over the past 20 years, the PUC has readily consented to the transfer of "surplus" Hetch Hetchy revenues to the City's general fund. Conservatively, these transfers have cost the PUC more than \$500 million. During this same period of time, the utility infrastructure deteriorated and rates escalated dramatically.

(e) The PUC estimates that over the next 20 years, the cost of needed capital improvement projects will amount to hundreds of millions of dollars. Although the PUC's capital improvement list undoubtedly contains individual projects that should go forward as soon as practicable, the design, bidding and contract drafting process often takes years to complete. In the absence of long-term strategic planning, individual projects have been frequently delayed and, in some cases, actually abandoned as funding and project priorities unaccountably shifted over time.

(f) The health and welfare of all of the PUC's customers would be promoted by the creation of a qualified body committed to a persistent, vigorous and independent review of the expenditure of revenue bond funds for the PUC's capital improvement program over the next decade. An on-going review of this kind would be of material assistance to both the PUC and the Board of Supervisors ("Board") in ensuring that the program is carried out in compliance with all applicable laws.

(Added by Proposition P, 11/5/2002)

SEC. 5A.31. ESTABLISHMENT AND PURPOSE.

(a) There is hereby established a Public Utilities Revenue Bond Oversight Committee (the "Committee"), which shall have the responsibility of reporting publicly to the Mayor, the PUC and the Board of Supervisors ("Board") regarding the PUC's (or, to the extent allowed by law, any charter entity succeeding to the PUC's authority related to expenditure of revenue bonds) expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the City's water collection, power generation, water distribution and wastewater treatment facilities.

(b) The Committee shall provide oversight to ensure that: (1) The proceeds from revenue bonds authorized by the Board and/or the voters of the City are expended in accordance with the authorizing bond resolution and applicable law; (2) Bond proceeds are expended solely for uses, purposes and projects authorized in the bond resolution; and (3) Revenue bond funds are appropriately expended for authorized capital improvements so that an uninterrupted supply of water and power continues to flow to the City and to the PUC's customers. The Committee may comment to the Board of Supervisors on the development and drafting of proposed legislation pertaining to PUC revenue bonds prior to a Board determination regarding whether to submit a measure for voter approval or authorizing the issuance of revenue bonds, if voter approval is not otherwise required. The Board is not required to accept the Committee's comments or recommendations on such bond proposals. Further, the Committee shall not participate or interfere in the

selection process of any vendor hired to execute bond funded projects.

(c) In furtherance of its purpose, the Committee may engage in any of the following activities:

(1) Inquiring into the disbursement and expenditure of the proceeds of PUC revenue bonds authorized and issued in accordance with the San Francisco Charter by receiving any and all reports, financial statements, correspondence or other documents and materials requested by the Committee related to the expenditure of revenue bond funds by the PUC;

(2) Holding public hearings to review the disbursement and expenditure of the proceeds of such revenue bonds;

(3) Inspecting facilities financed with the proceeds of such revenue bonds;

(4) Receiving and reviewing copies of any capital improvement project proposals or plans developed by the PUC related to the City's water, power or wastewater infrastructure and funded by bond proceeds;

(5) Reviewing efforts by the City to maximize bond proceeds by implementing cost-saving measures, including, but not limited to, all of the following: (i) mechanisms designed to reduce the costs of professional, consulting and similar fees and expenses related to site preparation and project design; (ii) recommendations regarding the cost-effective and efficient use of core facilities; (iii) developing and using alternate technologies; and, (iv) accessing other sources of infrastructure funding, excluding bond refunding; and,

(6) Commissioning independent review and evaluation of the disbursement and expenditure of the proceeds of such revenue bonds by accessing any funds set aside for this purpose under Subsection (d) of this Section to retain outside auditors, inspectors and necessary experts to conduct such independent review.

(d) To the extent permitted by law, in accordance with Sections 5A.35(c) and (d) of this Article, from and after the effective date of this Ordinance one-twentieth of one percent of the gross proceeds from each issuance or sale of public utility revenue bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board at the direction of the Committee to cover the costs of said Committee.

(e) The Board shall, without expending revenue bond funds, provide the Committee with appropriate clerical, technical and administrative assistance in furtherance of its purpose and provide sufficient resources to publicize the conclusions and recommendations of the Committee.

(Added by Proposition P, 11/5/2002)

SEC. 5A.32. PUBLIC MEETINGS.

All Committee proceedings shall be subject to the California Public Records Act (Sections 6250, et seq., of the Government Code of the State of California), the City's Sunshine Ordinance (Chapter 67 of this Code) and the Ralph M. Brown Act (Government Code Sections 54950, et seq.). The Committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the Committee, and all reports issued by the Committee, shall be a matter of public record and made available on the City's website.

(Added by Proposition P, 11/5/2002)

SEC. 5A.33. MEMBERSHIP.

(a) The Committee shall consist of seven members to be appointed as follows: two members by the Mayor; two members by the Board; one member by the Controller; and one member by the governing body of the Bay Area Water Users Association. The seventh member shall be the Budget Analyst for the Board or his/her representative.

(b) 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.

(c) Except as expressly authorized herein, no current officer or employee of the City shall be appointed to the Committee. All members of the Committee shall be subject to applicable conflict-of-interest provisions of local and state law. No vendor, contractor or consultant of the City that performs work funded by bonds issued by the City shall be appointed to the Committee.

(d) Each Committee member will serve for no more than two consecutive terms. Upon their initial appointment, three members of the Committee shall be assigned by lot an initial term of two years and the remaining four members shall have an initial term of four years. Thereafter, each Committee member shall serve a four-year term.

(e) Each Committee member, except City employees appointed to serve as part of their official City duties and the Budget Analyst or employees of the Budget Analyst, shall be compensated at a rate of \$100.00 per month during each year of the member's term of office. Such compensation shall be appropriated by the Board without expending revenue bond funds therefor.

(Added by Proposition P, 11/5/2002)

SEC. 5A.34. ILLEGAL EXPENDITURES.

(a) If, after conducting all appropriate reviews and independent audit of actual expenditures of revenue bond proceeds by the PUC (or, to the extent allowed by law, any charter entity succeeding to the PUC's authority related to expenditure of revenue bonds), the Committee, after consultation with the City Attorney, determines that revenue bond proceeds are being or have been expended for purposes not authorized by the authorizing bond resolution or otherwise amount to an illegal expenditure or illegal waste of such revenue bond proceeds within the meaning of applicable law, the Committee may, by majority vote of all its members, prohibit the further issuance or sale of authorized public utility revenue bonds which have yet to be issued or sold.

(b) A decision by the Committee to prohibit the issuance and sale of authorized but as yet unissued or unsold revenue bonds may be appealed by the PUC to the Board within 30 days of the Committee's decision. By two-thirds vote of all its members, the Board by resolution may overturn the Committee's decision and remand the matter to the Committee for further consideration consistent with the views expressed by the Board in its resolution.

(c) Alternatively, the Committee's prohibition on the issuance or sale of authorized but unissued or unsold revenue bonds may be vacated by two-thirds vote of all the members of the Board, if the PUC, in response to the report of the Committee, provides evidence of corrective measures satisfactory to the Board.

(Added by Proposition P, 11/5/2002)

SEC. 5A.35. APPLICATION.

(a) All public utilities revenue bond authorizations approved either concurrent with or after the effective date of this Ordinance shall be subject to the provisions set forth herein.

(b) All bond authorizations introduced at the Board after the effective date of this Ordinance shall contain a statement incorporating the provisions of this Ordinance in such bond resolution.

(c) The provisions of this Ordinance shall also apply to all PUC public utility revenue bonds authorized, issued or offered for sale after July 1, 2002.

(d) Section 5A.30(d) of this Article shall only apply to PUC revenue bonds authorized after the effective date of this Article.

(Added by Proposition P, 11/5/2002)

SEC. 5A.36. SUNSET AND SEVERABILITY.

(a) Unless the Board by ordinance reauthorizes the provisions of this Ordinance for a specified period of years, the provisions of this Ordinance shall expire on January 1, 2016.

(b) If any part or provision of this Ordinance or its application to any person or circumstance is held invalid for any reason, the remainder of this Ordinance, including its application to other persons or circumstances, shall not be affected by such a holding, and shall continue in force and effect. To this end, the provisions of this Ordinance are severable.

(c) The validity of the authorization and issuance of any bonds is not dependent on and shall not be affected in any way by any failure by the Committee, to act in accordance with the provisions of this Ordinance.

(Added by Proposition P, 11/5/2002; amended by Ord. Ord. [236-12](#), File No. 120221, App. 12/7/2012, Eff. 1/6/2013)

PACKET MATERIALS

MEETING DATE April 13, 2015 Item No. 9

REVENUE BOND OVERSIGHT COMMITTEE AGENDA PACKET CONTENTS LIST

- RBOC Forward Calendar 2015
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Completed by: Derek Evans Date: April 7, 2015

(This list reflects the explanatory documents provided.)

Public Utilities Revenue Bond Oversight Committee

Forward Calendar - 2015

Purpose: The purpose of the RBOC is to monitor the expenditure of revenue bond proceeds related to the repair, replacement, upgrading, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities.

Mission: 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.

April 13, 2015 (Yosemite Conference Room)

1. New audits initiated by RBOC
2. Detail on other oversight committees (benchmark) and their respective duties and overlap (i.e., Venn diagram)
3. Bimonthly SFPUC staff update on the Sewer System Improvement Program (SSIP)
4. RBOC Purpose and Mission

May 11, 2015 (San Joaquin Conference Room)

(Shavuot, May 24-25)(Memorial Day, May 25)

1. Capital planning and capital financing processes presentation by staff
2. Power bonds update
3. Bimonthly SFPUC staff update on the Water System Improvement Program (WSIP), and presentation on managing delivery costs for future projects
4. BAWSCA Comments 6-10
5. RW Block Lessons Learned Final Report

June 8, 2015 (San Joaquin Conference Room)

1. Interim annual report (covering period 10/2014–7/2015) determine contents (e.g., summary of strategic issues, sunset question, SSIP, committee mission accomplishment) and assign responsibilities for production (draft report due July 2015)
2. Bimonthly SFPUC staff update on the Sewer System Improvement Program (SSIP)
3. Committee staffing options
4. Committee sunset preparations

July 13, 2015 (Yosemite Conference Room)

1. Draft Annual Report due
2. Bimonthly SFPUC staff update on the Water System Improvement Program (WSIP)

August 10, 2015 (Yosemite Conference Room)

1. Bimonthly SFPUC staff update on the Sewer System Improvement Program (SSIP)

September 21, 2015 (Yosemite Conference Room)

(3rd Mon.)(Labor Day, Sept. 7) (Rosh Hashanah, Sept. 14-15)(Succot, Sept. 28-29)

1. Public outreach and accountability to appointing agencies
2. Bimonthly SFPUC staff update on the Water System Improvement Program (WSIP)

October 19, 2015 *(3rd Mon.)(Sh'mini Atzeret, Oct. 5)(Columbus Day, Oct. 12)*

1. Bond Finance 101
2. Bimonthly SFPUC staff update on the Sewer System Improvement Program (SSIP)

November 9, 2015

1. Bimonthly SFPUC staff update on the Water System Improvement Program (WSIP)

December 14, 2015 *(Hanukkah, Dec. 7)*

1. Bimonthly SFPUC staff update on the Sewer System Improvement Program (SSIP)

Past Meetings - 2015

February 9, 2015 *(Prez Day, Feb 16)*

1. Staff presentation concerning other PUC and City audits
2. RW Block lessons learned report
3. Discussion to address BAWSCA requests for information
4. SFPUC staff update on the Sewer System Improvement Program (SSIP) to occur every other month, starting in February
5. RBOC vacancy
6. Committee staffing options

March 9, 2015 (Yosemite Conference Room)

1. Whistleblower benchmark item to be presented by Mark Blake (or Controller's Office)
2. SFPUC WSIP staff update on contingency and cost-cutting status, Calaveras Dam project (hereafter alternating presentations with SSIP every other month)
3. RW Block Lessons Learned Final Report
4. Committee Staffing Options
5. Committee Sunset preparations
6. BAWSCA Comments 1-5
7. Public Comment: Steve Lawrence Feb. 10-13 email
8. RBOC Annual Report transmittal to Mayor and Board of Supervisors