File No. 120221

Committee Item No. 3
Board Item No. 38

# COMMITTEE/BOARD OF SUPERVISORS

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Committee: Rules

Date 11/1/12

Board of Supervisors Meeting

Date November 20, 2012

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| ☐ | ☐ | |

Completed by: Linda Wong Date 10/29/12
Completed by: L.W Date 11/7/12

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

FILE NO. 120221 ORDINANCE NO.

[Administrative Code - Extension of Public Utilities Revenue Bond Oversight Committee]

**Ordinance amending the San Francisco Administrative Code Section 5A.36 to extend the sunset date of the Public Utilities Revenue Bond Oversight Committee to January 1, ~~2018~~ 2016.**

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

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

Section 1.

A. Proposition P, a 2002 (now codified at S.F. Admin. Code, Sections 5A.30 et. seq.) initiative ordinance, created the Public Utilities Revenue Bond Oversight Committee (RBOC) to provide independent oversight of the Public Utilities Commission's expenditure of revenue bonds proceeds on the repair, replacement and expansion of the City's water, power and wastewater facilities.

B. The RBOC monitors and reports publically about the Public Utilities Commission's (PUC) 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.

C. The RBOC is required 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 PUC's customers.

D. The RBOC has conducted monthly public hearings about PUC activities and provides annual reports of its findings to this Board, and to members of the public.

E. In accordance with Administrative Code Section 5A.36 the provisions of Proposition P expire on January 1, 2013, unless extended by ordinance of the Board.

F. The PUC will continue to incur bonded indebtedness to finance capital improvements for the repair, replacement and expansion of its water enterprise and it is expected that the work on the water enterprise will be completed in or around September 2016.

G. The PUC expects to initiate a multi billion dollar capital improvement program for the wastewater enterprise and bonding for this program is expected to continue beyond 2020.

H. The PUC expects to substantially complete its Water System Improvement Program in or about September 2016. The Public Utilities Commission expects to initiate work on its Wastewater System Improvement Program and such work is expected to continue beyond 2020.

I. In order to ensure that revenue bonds of the PUC are used for their intended purposes, and to ensure that the PUC continues to employ the best management practices, it is necessary and desirable that the RBOC continue to provide oversight of the PUC expenditure of revenue bond proceeds.

J. The PUC has submitted a resolution to this Board supporting the extension of the RBOC until January 1, 2018.

Section 2. Paragraph (a) of Section 5A.36 of The San Francisco Administrative Code is hereby amended to read as follows:

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Unless the Board by ordinance reauthorizes the provision of this Ordinance for a specified period of years, the provisions of this Ordinance shall expire on January 1, ~~2013~~ ~~2018~~ 2016, unless further extended by ordinance of this Board.

Section 3. Effective Date.

A. This ordinance shall become effective 30 days from the date of passage.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
MARK DAYLE BLAKE
Deputy City Attorney

# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0195

WHEREAS, the voters of the City approved Proposition P on November 2002 to establish the Public Utilities Revenue Bond Oversight Committee (or the "RBOC") under Chapter V of the San Francisco Administrative Code (Section 5A.30 et seq.). The purpose of the RBOC is to conduct audits to ensure the legal and efficient expenditure of revenue bond proceeds on the repair, replacement, upgrading and expansion of the water collection, power generation, water distribution and wastewater treatment facilities operated by the San Francisco Public Utilities Commission (the "Commission") of the City and County of San Francisco (the "City"); and

WHEREAS, pursuant to Section 5A.36 of the Administrative Code, subject to reauthorization by the Board of Supervisors, the RBOC will sunset on January 1, 2013; and

WHEREAS, the RBOC meets monthly and provides valuable oversight of the SFPUC regarding the expenditure of revenue bond proceeds, and provides annual reports to the public and the Board of Supervisors, among others, regarding its findings; and

WHEREAS, under approved Proposition H (approved by the voters in November 2001) and Propositions A and E (approved by the voters in November 2002) the Commission was authorized to upgrade its water collection, power generation, water distribution and wastewater treatment facilities; and

WHEREAS, on July 27, 2010, Commission Resolution 10-0114 identified Levels of Service Goals for the proposed Sewer System Improvement Program, and implementation would require the issuance of revenue bonds over the upcoming decade; and

WHEREAS, on July 12, 2011, Commission Resolution 11-0109 extended the completion date of the $4.6 billion revenue bond funded Water System Improvement Program ("WSIP") to July 2016; and

WHEREAS, in anticipation of the desirability of continuing the oversight work of the RBOC, on October 24, 2011 the RBOC voted to recommend to the Board of Supervisors an extension of its sunset date as close as possible to January 1, 2017; now, therefore, be it

RESOLVED, This Commission believes that the RBOC provides valuable oversight to ratepayers regarding the expenditure of revenue bonds, and therefore supports the extension of the RBOC for a term beyond its current January 1, 2013 sunset date, as the Board of Supervisors shall determine.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of* December 13, 2011

Vhilal Houli

*Secretary, Public Utilities Commission*

File # 120221 Orig: Rules Clerk
BOS-11
cpage

Please do not extend the Revenue Bond Oversight Committee – Rules Committee item 5 - 10/18/2012

Supervisors you are possibly thinking that it is better to have an oversight committee in place, even one as flawed as the current Revenue Bond Oversight Committee. Not so. This committee has changed beyond recognition of what voters thought they were putting in place. It is not the same Committee as envisioned by its authors and supporters. I am a co author and former nine year member of this committee.

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The illusion of oversight is significantly worse than no oversight. It disguises and buries too many misdeeds and inefficiencies. The ratepayers must not be taxed for continuing committee nullification and continuing failure by this committee to follow its enabling legislation mandating independent and effective oversight. This phenomenon probably creates a Proposition 218 issue. No new utility charges without voter approval.

The RBOC must be thoroughly investigated for truth to purpose by appropriate legal watch dogs, Ethics Commission, Sunshine Ordinance Task Force, Civil Grand Jury, and others before even contemplating its extension beyond January 1, 2013. Voter betrayal by committee nullification should not be tolerated, especially to this degree.

Actual electronic recordings of RBOC meetings, when compared to highly edited, sanitized, and uninformative minutes, must be compared and examined in the search for the truth. This committee has never conducted a truly independent study, nor has it held a public outreach meeting, as mandated by Proposition P. Nor has this committee honored our sunshine laws.

It was a noble endeavor gone completely awry and serves no public good and necessity purpose. It is falsely used by SFPUC to cover up mismanagement. In reality it disguises urgent issues that require immediate mending. Do not pass this legislation.

Brian Browne

Print Form

# Introduction Form

**By a Member of the Board of Supervisors or the Mayor**

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

☒ 1. For reference to Committee: Rules Committee
An ordinance, resolution, motion, or charter amendment.

☐ 2. Request for next printed agenda without reference to Committee.

☐ 3. Request for hearing on a subject matter at Committee:

☐ 4. Request for letter beginning "Supervisor _____ inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. _____ from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No.

☐ 9. Request for Closed Session (attach written motion).

☐ 10. Board to Sit as A Committee of the Whole.

☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a different form.**

**Sponsor(s):**

Supervisor Mark E. Farrell

**Subject:**

Extension of Public Utilities Revenue Bond Oversight Committee

**The text is listed below or attached:**

Attached

Signature of Sponsoring Supervisor: Mark E. Farrell

For Clerk's Use Only:

120221