



City and County of San Francisco
Meeting Minutes - Final
Budget and Appropriations Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Members: Hillary Ronen, Ahsha Safai, Gordon Mar, Connie Chan, Shamann Walton

Clerk: Brent Jalipa (415) 554-7712

Wednesday, May 25, 2022

2:00 PM

Rescheduled Meeting

IN-PERSON MEETING
City Hall, Legislative Chamber, Room 250

(remote access provided)
(remote public comment provided via teleconference)

Present: 5 - Hillary Ronen, Ahsha Safai, Gordon Mar, Connie Chan, and Shamann Walton

The Budget and Appropriations Committee met in a rescheduled session, in-person with remote access and public comment via telephone, on Wednesday, May 25, 2022, with Chair Hillary Ronen presiding. Chair Ronen called the meeting to order at 2:24 p.m.

Remote Access to Information and Participation

On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: brent.jalipa@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Budget and Appropriations Committee Meetings begin at 1:00 p.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

Please visit the Board's website (www.sfbos.org) regularly to be updated on the current situation as it affects the legislative process. For more information contact the Budget and Appropriations Committee Clerk at (415) 554-7712 or brent.jalipa@sfgov.org.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Ronen, Vice Chair Safai, and Members Chan and Mar were noted present. Member Walton was noted not present. A quorum of the Committee was present.

COMMUNICATIONS

*Brent Jalipa, Budget and Appropriations Committee Clerk, instructed members of the public, when general public comment is called, to contribute live comments for up to two minutes in-person or by dialing the provided telephone number. In-person public comment will be taken before remote public comment is called. Those who are providing public comment remotely must dial * 3 to be added to the remote queue to speak. Written comments may be submitted through email to the Budget and Appropriations Committee Clerk (brent.jalipa@sfgov.org) or the U.S. Postal Service at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.*

AGENDA CHANGES

There were no agenda changes.

Supervisor Walton Excused from Attendance

Chair Ronen, seconded by Member Mar, moved to excuse Supervisor Walton from attending the Budget and Appropriations Committee meeting on May 25, 2022, until his arrival. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Mar, Chan

Excused: 1 - Walton

REGULAR AGENDA

Chair Ronen requested that File Nos. 220490, 220491, and 220492 be called together.

Member Walton was noted present at 2:47 p.m.

Member Mar was noted not present at 3:55 p.m. and for the remainder of the meeting.

220490 [Hearing - Mayor's Proposed Budget for Selected Departments - FYs 2022-2023 and 2023-2024]

Sponsor: Mayor

Hearing to consider the Mayor's May proposed budget for the Airport Commission, Board of Appeals, Department of Building Inspection, Child Support Services, Office of County Education, Department of the Environment, Law Library, Municipal Transportation Agency, Port, Public Library, San Francisco Public Utilities Commission, the Residential Rent Stabilization and Arbitration Board, and Retirement System for Fiscal Years (FYs) 2022-2023 and 2023-2024.

05/02/22; RECEIVED.

05/03/22; RECEIVED AND ASSIGNED to Budget and Appropriations Committee.

05/18/22; CONTINUED. Heard in Committee. Speakers: Ivar Satero, Director (Airport Commission); Julie Rosenberg, Executive Director (Board of Appeals); Patrick O'Riordan, Director (Department of Building Inspection); Karen M. Roye, IV, Director (Child Support Services); Tyrone Jue, Acting Director (Department of the Environment); Marcia Bell, Director (Law Library); Jeffrey Tumlin, Director, and Jonathan Rewers (Municipal Transportation Agency); Elaine Forbes, Executive Director, (Port); Michael Lambert, City Librarian, and Mike Fernandez (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Christina Varner, Executive Director (Residential Rent Stabilization and Arbitration Board); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and the Legislative Analyst); Denise Payton (Airport Department); Patrick O'Riordan, Director (Department of Building Inspection); Katherine Petrucione (Port Department); Michael Lambert, City Librarian (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Risa Sandler (Office of the Controller); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion. David Pilpel; shared various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Walton, moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

220491 [Proposed Budget and Appropriation Ordinance for Selected Departments, as of May 1, 2022, for FYs 2022-2023 and 2023-2024]**Sponsor: Mayor**

Proposed Budget and Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the Airport Commission, Board of Appeals, Department of Building Inspection, Child Support Services, Office of County Education, Department of the Environment, Law Library, Municipal Transportation Agency, Port, Public Library, San Francisco Public Utilities Commission, Residential Rent Stabilization and Arbitration Board, and Retirement System as of May 1, 2022, for Fiscal Years (FYs) 2022-2023 and 2023-2024.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

05/18/22; CONTINUED. Heard in Committee. Speakers: Ivar Satero, Director (Airport Commission); Julie Rosenberg, Executive Director (Board of Appeals); Patrick O'Riordan, Director (Department of Building Inspection); Karen M. Roye, IV, Director (Child Support Services); Tyrone Jue, Acting Director (Department of the Environment); Marcia Bell, Director (Law Library); Jeffrey Tumlin, Director, and Jonathan Rewers (Municipal Transportation Agency); Elaine Forbes, Executive Director, (Port); Michael Lambert, City Librarian, and Mike Fernandez (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Christina Varner, Executive Director (Residential Rent Stabilization and Arbitration Board); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and the Legislative Analyst); Denise Payton (Airport Department); Patrick O'Riordan, Director (Department of Building Inspection); Katherine Petrucione (Port Department); Michael Lambert, City Librarian (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Risa Sandler (Office of the Controller); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion. David Pilpel; shared various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, to accept the recommended reductions proposed by the Office of the Budget and Legislative Analyst. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

Chair Ronen, seconded by Member Walton, moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

220492 [Proposed Annual Salary Ordinance for Selected Departments, as of May 1, 2022, for FYs 2022-2023 and 2023-2024]**Sponsor: Mayor**

Proposed Annual Salary Ordinance enumerating positions in the Proposed Budget and Appropriation Ordinance for the Airport Commission, Board of Appeals, Department of Building Inspection, Child Support Services, Office of County Education, Department of the Environment, Law Library, Municipal Transportation Agency, Port, Public Library, San Francisco Public Utilities Commission, Residential Rent Stabilization and Arbitration Board, and Retirement System as of May 1, 2022, for Fiscal Years (FYs) 2022-2023 and 2023-2024.

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

05/18/22; CONTINUED. Heard in Committee. Speakers: Ivar Satero, Director (Airport Commission); Julie Rosenberg, Executive Director (Board of Appeals); Patrick O'Riordan, Director (Department of Building Inspection); Karen M. Roye, IV, Director (Child Support Services); Tyrone Jue, Acting Director (Department of the Environment); Marcia Bell, Director (Law Library); Jeffrey Tumlin, Director, and Jonathan Rewers (Municipal Transportation Agency); Elaine Forbes, Executive Director, (Port); Michael Lambert, City Librarian, and Mike Fernandez (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Christina Varner, Executive Director (Residential Rent Stabilization and Arbitration Board); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and the Legislative Analyst); Denise Payton (Airport Department); Patrick O'Riordan, Director (Department of Building Inspection); Katherine Petrucione (Port Department); Michael Lambert, City Librarian (Public Library); Dennis Herrera, General Manager, and Laura Busch (Public Utilities Commission); Risa Sandler (Office of the Controller); Jay Huish, Executive Director (Retirement System); provided an overview and responded to questions raised throughout the discussion. David Pilpel; shared various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, to accept the recommended reductions proposed by the Office of the Budget and Legislative Analyst. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

Chair Ronen, seconded by Member Walton, moved that this Ordinance be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

220493 [Proposition J Contract Certification Contracted-Out Department Services Previously Approved]**Sponsor: Mayor**

Resolution concurring with the Controller's certification that department services previously approved can be performed by private contractor for a lower cost than similar work performed by City and County employees, for the following services: security, information and guest services, parking operations, shuttle bus services (Airport); citations, paratransit, parking meter collections, security, towing, transit shelter cleaning services (Municipal Transportation Agency); janitorial and security services (Port); and security services (Public Utilities Commission).

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; RECEIVED AND ASSIGNED to Budget and Appropriations Committee.

Heard in Committee. Speakers: Risa Sandler (Office of the Controller); provided an overview and responded to questions raised throughout the discussion. Mark Gleason (Teamsters Local 665); spoke in support of the hearing matter.

Chair Ronen, seconded by Member Walton, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

220494 [Administrative Code - Board of Appeals Surcharges on Permit Fees]**Sponsor: Mayor**

Ordinance amending the Administrative Code to adjust existing surcharges on permit fees, license fees, permit review fees, and permit and license renewal fees for permits and licenses issued by the Planning Department, Department of Building Inspection, Department of Public Works, Department of Public Health, Police Department, and the Entertainment Commission that may be appealed to the Board of Appeals; and affirming the Planning Department's determination under the California Environmental Quality Act.

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

05/04/22; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review.

05/08/22; NOTICED. First 10-Day Fee Ad for May 18, 2022, Budget and Appropriations Committee hearing published in the Examiner; per Government Code Section 6062(a).

05/12/22; RESPONSE RECEIVED. Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

05/13/22; NOTICED. Second 10-Day Fee Ad for May 18, 2022, Budget and Appropriations Committee hearing published in the Examiner; per Government Code Section 6062(a).

05/18/22; CONTINUED. Heard in Committee. Speakers: None

Heard in Committee. Speakers: Ashley Groffenberger, Budget Director (Mayor's Office on Public Policy and Finance); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Mar, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Chan, Walton

Absent: 1 - Mar

220495 [Accept and Expend Grant - Friends of San Francisco Public Library - Annual Grant Award - Up to \$1,002,647 of In-Kind Gifts, Services, and Cash Monies - FY2022-2023]

Sponsor: Mayor

Resolution authorizing the San Francisco Public Library to accept and expend a grant in the amount of up to \$1,002,647 of in-kind gifts, services, and cash monies from the Friends of the San Francisco Public Library for direct support for a variety of public programs and services in Fiscal Year (FY) 2022-2023. (Public Library)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; RECEIVED AND ASSIGNED to Budget and Appropriations Committee.

Heard in Committee. Speakers: Michael Lambert, City Librarian (Public Library); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Walton, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

220496 [Accept and Expend Grant - American Rescue Plan Act - California State Lands Commission - Operating and Capital Expenses - \$73,492,632 in FY2022-2023 and \$27,279,000 in FY2023-2024]

Sponsor: Mayor

Resolution authorizing the Port Commission to accept and expend a grant in the amount of \$73,492,632 in Fiscal Year (FY) 2022-2023 and \$27,279,000 in FY2023-2024, for a total amount of \$100,771,632 plus additional amounts up to 15% of the original grant amount that may be offered, from the California State Lands Commission for any lawful purpose; and authorizing the Port Director to enter into one or more grant agreements with the State of California State Lands Commission for \$58,200,000. (Port)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; RECEIVED AND ASSIGNED to Budget and Appropriations Committee.

Heard in Committee. Speakers: Katherine Petrucione (Port Department); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

Chair Ronen, seconded by Member Chan, moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 4 - Ronen, Safai, Mar, Chan

Absent: 1 - Walton

220497 [Appropriation - Proceeds from CleanPowerSF Revenue and California Public Utilities Commission Grant Funds - Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs - \$3,727,592 - FY2022-2023]

Sponsor: Mayor

Ordinance appropriating \$1,586,046 CleanPowerSF revenue for CleanPowerSF Capital Improvements and \$2,141,546 in California Public Utilities Commission grant funds to implement the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs for Fiscal Year (FY) 2022-2023.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

Chair Ronen requested File Nos. 220498 and 220499 be called together.

220498 [Appropriation - \$211,004,676 in Proceeds from Revenue Bonds, Hetch Hetchy Revenue, Cap and Trade Allowance - Hetch Hetchy Water and Power Capital Improvements - FY2022-2023]

Sponsor: Mayor

Ordinance appropriating a total of \$211,004,676 of Hetch Hetchy Revenue, Cap and Trade Revenue and Power and Water Revenue Bonds for the San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy Capital Improvement Program for Fiscal Year (FY) 2022-2023; and placing \$140,889,875 of Power Bonds and \$67,069,801 of Water Bonds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act Findings for projects, following review and consideration of completed project related environmental analysis, where required.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

The Committee requested that a report from the Public Utilities Commission on proposed Hetch Hetchy and CleanPowerSF customer rate increases in FYs 2022-2023 and 2023-2024 prior to the Budget and Appropriation Committee's recommendations in June 2022.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

220499 [SFPUC Power Revenue Bond Issuance - Various Capital Projects Benefitting the Power Enterprise - Not to Exceed \$140,889,875]**Sponsor: Mayor**

Ordinance authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (SFPUC) ("Commission") in an aggregate principal amount not to exceed \$140,889,875 to finance the costs of various capital projects benefitting the Power Enterprise under the Charter, including amendments to the Charter enacted by the voters on June 5, 2018, commonly referred to as Proposition A; authorizing the issuance of Power Revenue Refunding Bonds; declaring the Official Intent of the Commission to Reimburse Itself with one or more issues of tax-exempt or taxable bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith. (Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion.

The Committee requested that a report from the Public Utilities Commission on proposed Hetch Hetchy and CleanPowerSF customer rate increases in FYs 2022-2023 and 2023-2024 prior to the Budget and Appropriation Committee's recommendations in June 2022.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 4, Lines 10-11, to state that the required report detailing issuance of Power Revenue bonds will be included in the legislative history file. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton
(Fiscal Impact)

Chair Ronen, seconded by Member Walton moved that the Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

Chair Ronen requested File Nos. 220500 and 220501 be called together.

220500 [SFPUC Wastewater Revenue Bond Issuance - Various Capital Wastewater Projects Benefitting the Wastewater Enterprise - Not to Exceed \$704,198,901]

Sponsor: Mayor

Ordinance authorizing the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (SFPUC) ("Commission") in an aggregate principal amount not to exceed \$704,198,901 to finance the costs of various capital wastewater projects benefitting the Wastewater Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; declaring the Official Intent of the Commission to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

The Committee requested for an annual report from the General Manager of the Public Utilities Commission on Wastewater Enterprise expenditures, fund balance, and debt service coverage ratio, and the impact on sewer rates.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 5, Lines 7-8, by stating that the required report detailing issuance of Wastewater Revenue Bonds approved by File Nos. 200837, and 220500 will be included in the legislative files for the respective ordinances. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

(Fiscal Impact)

Chair Ronen, seconded by Member Mar, moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

220501 [Appropriation - Proceeds from Revenue Bonds, State Loans or Grant Funds, Wastewater Revenues, and Wastewater Capacity Fees - Wastewater Capital Improvements - \$793,003,901 - FY2022-2023]

Sponsor: Mayor

Ordinance appropriating a total of \$793,003,901 of proceeds from revenue bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), wastewater revenue and capacity fees for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise's Capital Improvement Program for Fiscal Year (FY) 2022-2023, and placing \$704,198,901 in Revenue Bonds or State Loan or Grant Funds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act findings for projects, following review and consideration of completed project related environmental analysis, where required.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

The Committee requested for an annual report from the General Manager of the Public Utilities Commission on Wastewater Enterprise expenditures, fund balance, and debt service coverage ratio, and the impact on sewer rates.

Chair Ronen, seconded by Member Mar, that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

Chair Ronen requested File Nos. 220502 and 220503 be called together.

220502 [SFPUC Water Revenue Bond and Other Forms of Indebtedness Issuance - Various Capital Water Projects Benefitting the Water Enterprise - Not to Exceed \$141,418,472]

Sponsor: Mayor

Ordinance authorizing the issuance and sale of tax-exempt or taxable Water Revenue Bonds and other forms of indebtedness (as described below) by the San Francisco Public Utilities Commission (SFPUC) in an aggregate principal amount not to exceed \$141,418,472 to finance the costs of various capital water projects benefitting the Water Enterprise pursuant to amendments to the Charter of the City and County of San Francisco enacted by the voters on November 5, 2002, as Proposition E; authorizing the issuance of Water Revenue Refunding Bonds and the retirement of outstanding Water Enterprise Commercial Paper; declaring the Official Intent of the SFPUC to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and ratifying previous actions taken in connection therewith, as defined herein.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

The Committee requested the General Manager of the Public Utilities Commission to report on the proposed disposition of the Rollins Road facility during the review of the Public Utilities Commission two-year operating and capital budget in May 2024.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, pn Page 5, Line 4, to state that the required report detailing issuance of Wastewater Revenue bonds approved by File 200830 and File 220503 will be included in the legislative files for the respective ordinances. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

Chair Ronen, seconded by Member Mar, moved that the Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

220503 [Appropriation - Proceeds from Revenue Bonds, State Loan or Grant Funds, Water Revenues, and Water Capacity Fees - \$122,471,597; De-appropriation and Re-Appropriation - Water Capital Improvement Projects - \$38,331,661 - FY2022-2023]

Sponsor: Mayor

Ordinance appropriating a total of \$122,471,597 of proceeds from Revenue Bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), water revenues, and water capacity fees for the San Francisco Public Utilities Commission (SFPUC) Water Enterprise's Capital Improvement Program for Fiscal Year (FY) 2022-2023; and de-appropriating and re-appropriating Water Capital Project appropriations of \$38,331,661 in FY2022-2023 and placing \$96,899,821 of Revenue Bond and State Loan Funds or State Grant Funds proceeds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act findings for projects, following review and consideration of completed project related environmental analysis, where required.

(Fiscal Impact)

05/02/22; RECEIVED. Received the Mayor's Budget for selected departments pursuant to Administrative Code, Section 3.3.

05/03/22; ASSIGNED to Budget and Appropriations Committee. 5/5/22 - President Walton waived the 30-day rule pursuant to Board Rule No. 3.22.

Heard in Committee. Speakers: Dan Goncher (Office of the Budget and Legislative Analyst); Dennis Herrera, General Manager (Public Utilities Commission); provided an overview and responded to questions raised throughout the discussion. David Pilpel; spoke on various concerns regarding the hearing matter.

The Committee requested the General Manager of the Public Utilities Commission to report on the proposed disposition of the Rollins Road facility during the review of the Public Utilities Commission two-year operating and capital budget in May 2024.

Chair Ronen, seconded by Member Walton, moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, on Page 1, Lines 9-12, and Page 17, Lines 11-14, to place \$2,536,607 in the FY 2022-23 appropriation for predevelopment costs for the City Distribution Division administrative building on Budget and Finance Committee Reserve, pending a report to the Board of Supervisors on facility design, space needs, total project costs, and disposition of 1990 Newcomb Avenue. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

Ordinance appropriating a total of \$122,471,597 of proceeds from Revenue Bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), water revenues, and water capacity fees for the San Francisco Public Utilities Commission (SFPUC) Water Enterprise's Capital Improvement Program for Fiscal Year (FY) 2022-2023; and de-appropriating and re-appropriating Water Capital Project appropriations of \$38,331,661 in FY2022-2023; and placing \$2,536,607 on Budget and Finance Committee Reserve pending a report to the Board of Supervisors on facility design, space needs, total project costs, and disposition of 1990 Newcomb Avenue; and placing \$96,899,821 of Revenue Bond and State Loan Funds or State Grant Funds proceeds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act findings for projects, following review and consideration of completed project related environmental analysis, where required.
(Fiscal Impact)

Chair Ronen, seconded by Member Mar, moved that the Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 5 - Ronen, Safai, Mar, Chan, Walton

ADJOURNMENT

There being no further business, the Budget and Appropriations Committee adjourned at the hour of 4:23 p.m.

N.B. The Minutes of this meeting set forth all actions taken by the Budget and Appropriations Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.