



SFMTA Bond Oversight Committee

Chair – Tajel Shah Vice Chair – John Lisovsky
Luke Brewer, Leona Bridges, Steve Heminger, Charles Perl

MINUTES – Wednesday, December 1, 2021 – 2:15pm
MEETING LOCATION—via MS Teams

1. Call to Order and Roll Call

Committee Members:

Luke Brewer
Leona Bridges
Steve Heminger
John Lisovsky
Charles Perl
Tajel Shah

A quorum being present, the meeting was called to order at 2:18pm. Chair Tajel Shah reported present at 2:28pm.

2. Public Comment: None

3. Approval of Minutes from September 1, 2021 meeting: On motion to adopt September 1, 2021 meeting minutes: Unanimously approved.

Public Comment: None

4. KPMG presentations – Draft FY 2021 Bond Agreed Upon Procedures

Lisa Alvis from KPMG, SFMTA external auditor presented a draft summary of the engagement letter. Ms. Alvis reported that back in September meeting the scope of these procedures were discussed and it was agreed upon that the purpose of this engagement was to determine that the bond proceeds were being spent in accordance with the agreement. Ms. Alvis also stated that they selected over the high dollar value and assorted small dollar samples. KPMG will obtain the general ledger detail related to bond series 2012, 2013, 2014, 2017 and 2021 from management of all transactions recorded related to the bond series 2012, 2012B, 2013, 2014, 2017, and 2021. Ms. Alvis then reported that KPMG selected a total of 62 sample items that included debt principal and interest payment to trustee amounts. No exceptions were found as the result of applying these procedures.

Public Comment: None

5. Suggested Format Changes for Quarterly Reports:

Mark Lui, SFMTA staff presented a proposed Revenue Bond Report format change. He reported that during the last meeting of the Bond Oversight Committee a request was made to change some of the information presented on the Revenue Bond Quarter Reports. Mr. Lui stated that staff met with Chair Shah and discussed possible changes to the format that presents additional project information. A draft template was presented to the committee for review and comments.

Public Comment: None

6. Quarterly Report: FY 21-22 Quarter 1

Mark Lui, SFMTA staff presented a summary that this report covers the period through the first quarter of Fiscal Year 2021-2022, which ended on September 30, 2021. Also, Mr. Lui reported that on February 23, 2021, the Series C 2021 Green Bonds were issued in the amount of \$118 million. He stated the "Green" in this context is a designation of Green Transaction Evaluation by S&P Global Ratings. Series 2021 A and Series 2021 B Bonds were issued to refund earlier SFMTA revenue bond issuances. SFMTA will use the proceeds of the bond to finance projects intended to improve the efficiency and environmental footprint of the municipal transportation network.

Mr. Lui presented a summary of Project Status Reports:

- a. 1 California: Laurel Village Transit Priority Project – Closeout
- b. King Street Substation Upgrade – Consultant completed an independent report for the surge arrester failure. The Project Team worked with the mobile substation supplier and implemented some of the suggestions by the consultant and completed the repair work at the Mobile Station. Project issues include delay claims by the contractor associated with the PG&E service connection as well as inability to access the Fourth Street work site due to Central Subway construction delays. The Central Subway Team is working to expedite work site access but are uncertain when the site will be accessible.
- c. Lombard Street Safety Project – Adapter plate was installed for the traffic signal cabinet foundation at Pierce. Final traffic signal Punch List completed and there are no outstanding items. Caltrans is still reviewing our proposed redesign of the curb ramp at Chestnut and Richardson. Once approved, Public Works will work with the contractor to get it reconstructed.
- d. PARCS Replacement Project – Continued work on Punch List and closeout.
- e. Procurement of New Light Rail Vehicles (LRV4) – the first of the phase 2 fleet (car 2069) was delivered to San Francisco and is undergoing adjustments and on-site testing. Routine phase 2 production in Sacramento is fully ramped up and underway. Contract Modification 9 was executed to set the escalation for the Phase 2 vehicles and to include additional improvements to the operator cab area. Contract Modification 10 was executed to exercise the Option 2 for an additional 30 vehicles. The vehicles will be

delivered after the Phase 2 completion in December 2025 and the Option includes a no cost cancellation up until June 2025.

Public Comment: None

7. Final – FY 2020-2021 Annual Report - Mr. Mark Lui, SFMTA staff, presented a summary of the final FY 2020-2021 Annual Report. The Bond Oversight Committee is required to provide its annual report to the SFMTA Board of Directors by January 31st of each year. The annual report was unanimously approved by the committee.

Public Comment: None

8. Presentations of Projects: Presentations of Series 2021 C bonds:
 - a. Parking Meter Replacement: - Revenue bond project funds were booked into the accounting system and project spending can begin. Contract was recently approved by the Board of Supervisors. Meter installations are scheduled to begin in the first quarter of calendar year 2022.
 - b. 1200-15th Street Renovation – Public Works rehab proposal chosen. Predevelopment and due diligence in process with City and regional agencies. Planning and design phase are next for Enforcement’s headquarters. Jurisdictional transfer was completed between Animal Care & Control and SFMTA in 2019 with BOS Resolution 482-19.
 - c. Train Control System Upgrade – the train control system upgrade project is in the planning phase and currently developing staffing, resource, and project plans. Project staff are developing contract requirements, and the SFMTA expects to issue an RFP for the Train Control System in Spring 2022. The project concept of operations and other foundational documents have been finalized. These documents describe the desired capabilities of the new train control system.
 - d. Van Ness BRT Transit Optimization – Construction Phase is at about 83% completion. Project team has coordinated with Golden Gate Transit with testing and training. The approved construction finish date is currently December 16, 2022. The revenue service date is Spring 2022.

Public Comment: None

9. Schedule Upcoming Meeting date:

Next meeting is scheduled on March 2, 2022.

10. Adjournment: 3:15pm

11. For an audio recording of this meeting contact Ms. Aida Corpuz, Administrative Support for the SFMTA Bond Oversight Committee. Aida Corpuz can be reached at 415.646.2498 or via email at aida.corpuz@sfmta.com.