

Public Utilities Revenue Bond Oversight Committee

Minutes

Monday, May 9, 2011

9:30 a.m.

**1155 Market Street (between 7th & 8th Streets)
4th Floor Conference Room**

Committee Members

Aimee Brown, Chair
Kevin Cheng, Vice-Chair
Brian Browne
Ian Hart
Ben Kutnick
David Sutter
John Ummel

REGULAR AGENDA

1. Call to Order and Roll Call

Chair Brown called the meeting to order at 9:36 a.m. and roll call was taken:

Present: Aimee Brown; Kevin Cheng, Brian Browne, Ian Hart, and John Ummel.

Excused: Ben Kutnick and David Sutter

There was a quorum.

2. Public Comment: Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction that are not on today's agenda.

Public Comment: None.

3. Discussion and Possible Action: City Auditor's Services Working Group Report – Review of RBOC Audit Assignments - Presentation by CSA Working Group regarding prioritization of possible task assignments; approve and/or edit task list and direct CSA Working Group to finalize scopes of work for each task for consideration at a future RBOC meeting.

Member John Ummel presented the findings of the City Auditor's Services Working Group in regards to prioritization of possible task assignments and reviewing the task list.

Charles Perl (SFPUC); Julie Labonte (SFPUC); Mike Brown (SFPUC); Mark Blake (City Attorney); presented information concerning the matter and/or answered questions raised during the hearing.

Public Comment: Nancy Wuerfel stated that it is important to separate out financial audit issue through the amendment of objectives. Uninterrupted supply of water is the main goal. If CSA does the work on behalf of the RBOC it should be at no cost per Proposition P.

Member Cheng moved, seconded by Member Hart, that the RBOC directs the CSA Working Group to edit the task prioritization list as requested by the RBOC and to begin working with the City Auditor's Services to develop a Memorandum of Understanding for presentation to the Revenue Bond Oversight Committee.

The motion was approved by the following vote:

Ayes: Chair Brown, Cheng, Hart and Sutter.

Noes: Browne.

Excused: Kutnick and Sutter.

4. Discussion and Possible Action: Dissolution of the Contracting Working Group.

Public Comment: None.

Member Cheng moved, seconded by Member Hart, to dissolve the Contracting Working Group.

The motion was approved by the following vote:

Ayes: Chair Brown, Cheng, Hart and Sutter.

Noes: Browne.

Excused: Kutnick and Sutter.

5. Discussion and Possible Action: Revenue Bond Oversight Committee (RBOC) Member Information Requests Raised at Today's Meeting.

Public Comment: None.

6. Discussion and Possible Action: Future Agenda Items.

Emergency Preparedness
Climate Change
Close Out Projects
Financial Planning
Wholesale Water Rates

Public Comment: None.

7. Adjournment

At the hour of 11:20 a.m., Member Hart moved, seconded by Member Cheng, to adjourn the meeting.

The motion passed unanimously.

***These minutes were adopted by the RBOC on May 16, 2011.**

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

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

For information concerning agendas, minutes and meeting information please contact:

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Submitted by Member Brian Browne:

Dear Mr. Blake

I have some questions to ask you. I will do this at the meeting tomorrow.

You have stated that the RBOC may legally enter into a contract with the City Services Auditors (CSA), created by Proposition C in 2003.

How is this independent as demanded by 2002 Proposition P? The CSA receives 2/10th of 1% for funding from the entire CCSF budget. Part of that funding comes from the SFPUC. How can this process (using the CSA as a integral part of our independent analysis) continue and the independence of the RBOC be finally achieved?

How can CSA accept our funds. I don't see this mechanism in 2003 Proposition C? 2003 Proposition C explicitly forbids the CSA from using debt funds. All RBOC funds are debt funds (1/20th of 1% of all SFPUC revenue bonds). I also see in 2003 C the fact that the GOBOC (2002 Proposition F) is the "driver" (advisor) to the CSA. As I see this arrangement, I believe the RBOC is now voluntarily making itself subservient to the GOBOC. 2002 P strongly admonished the RBOC to remain independent and certainly these current complex comminglings were not intended by the framers (I am one).

Please explain, citing legal references, how all these conflicts can be resolved so that this current process does conform with what voters thought they were about in 2002 (P) and 2003 (C)? If this is not possible (clear and unequivocally legal explanation), will the City Attorney demand that this MOU process between the CSA and RBOC immediately cease?

Thank you,

Brian Browne