

Public Utilities Revenue Bond Oversight Committee

MINUTES Regular Meeting

**Monday, August 15, 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
Larry Liederman
John Ummel

1. Call to Order and Roll Call(*0.00.00)

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

Present: Brian Browne, Ian Hart, Ben Kutnick, Larry Liederman, and John Ummel.

Absent: None.

Excused: Aimee Brown and Kevin Cheng.

There was a quorum.

Member Ummel, seconded by Member Liederman, moved to elect Member Ian Hart to act as the Chairperson for the RBOC meeting of August 15, 2011.

The motion passed by the following vote:

Ayes: Hart, Kutnick, Liederman, and Ummel

Noes: None.

Absent: Browne

Excused: Chair Brown and Cheng

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. (*0.35.00)

Public Comment: "Nancy Wuerfel requests that the City Attorney justify the legal grounds on which it intends to bill RBOC retroactively (or prospectively) for services rendered. Prop P specifically states that RBOC may commission "outside auditors, inspectors and necessary experts to conduct such independent review." RBOC has not commissioned the City Attorney to provide services to them; there is no prior agreement that RBOC requested the services of the City Attorney; there is no agreement to pay for City Attorney services; and there is no obligation for RBOC to hire the City Attorney as their legal counsel. Also, since the prior fiscal years are now closed for the City Attorney's budget, any current payment becomes a windfall to the City Attorney's Office, not an offset to prior expenses."

**3. Chair's Report
City Services Auditor (CSA) Report: Audit Update. (*0.54.00)**

Tonia Lediju, Irella Blackwood, Mary Soo, Chris Trenchel, and Kathleen Scoggin, (Controller's CSA); Cheryl Taylor (SFPUC); Mark Blake (City Attorney); presented information concerning the matter and/or answered questions raised during the hearing.

Public Comment: Nancy Wuerfel commented on the source of the scope of work and objective.

4. Discussion and Possible Action: RBOC City Services Auditor Working Group recommendations for Peer Reviewer to the SFPUC's Independent Review Panel and to authorize the Chair to initiate a Contract for Services. (*0.23.46)

Member Ummel provided an update from and recommendations of the RBOC City Services Auditor Working Group.

Mark Blake presented information concerning the matter and/or answered questions raised during the hearing.

Member Browne stated that the agendas need to be more descriptive. In addition, Member Browne believed that pursuant to Proposition P mandate that reviewers be independent and that Mr. Ibbs should be disqualified because he worked for the SFPUC in the past and is not independent.

Public Comment: Nancy Wuerfel questioned the rules as to how RBOC should authorize P500 in the future and how to authorize payment of invoices in the future.

Member Ummel, seconded by Member Kutnick, moved to: 1) Approve the recommendation of the RBOC City Auditors Service Working Group to enter into an agreement with Ibbs Consulting Group, Inc. (P500); 2) Authorize the RBOC City Auditors Service Working Group to make technical revisions and finalize the agreement (P500); and 3) Authorize the RBOC Chair or her designee to execute the agreement between the RBOC and Ibbs Consulting Group, Inc. (P500) on behalf of the RBOC.

The motion passed by the following vote:

Ayes: Hart, Kutnick, Liederman, and Ummel
Noes: Browne
Excused: Chair Brown and Cheng

5. Discussion and Possible Action: Approval of the Minutes from the Revenue Bond Oversight Committee (RBOC) meetings of May 16, 2011, and July 18, 2011. (*1.12.41)

Member Kutnick, seconded by Member Ummel, moved to approve the minutes of Revenue Bond Oversight Committee meetings for May 16, 2011, and July 18, 2011.

The motion passed by the following vote:

Ayes: Hart, Kutnick, Liederman, and Ummel
Noes: Browne
Excused: Chair Brown and Cheng

Public Comment: None.

6. Discussion and Possible Action: Revenue Bond Oversight Committee (RBOC) Member Information Requests Raised at Today's Meeting. (*1.13.40)

Ummel – Revise future agenda formats to provide a complete description of agenda items.

7. Discussion and Possible Action: Future Agenda Items. (*1.13.40)

Leiderman – Investigate the possibility of selection of a second auditor and to discuss the fulfillment of the RBOC's goal.

Leiderman - Establishment of a pool of outside consultants for the use of the RBOC.

Browne – Burden of Debt on Water Users (Master Water Sales Agreement of 2009 and how it affects the rate structure.)

Leiderman – Establish separate bank account instead of Controller's Bank Account

Public Comment: Nancy Wuerfel stated that the issue of establishing an independent bank account was also discussed at the General Obligation Bond Oversight Committee.

8. Adjournment

The meeting adjourned at 11:08 a.m.

The Minutes for the RBOC August 15, 2011, meeting was approved by the RBOC on September 19, 2011.

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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