



**PUBLIC UTILITIES  
REVENUE BOND OVERSIGHT COMMITTEE  
CITY AND COUNTY OF SAN FRANCISCO  
AGENDA**

**Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor, Yosemite Conference Room  
San Francisco, CA 94102**

**March 10, 2014 - 9:00 AM**

**Regular Meeting**

**1. Call to Order and Roll Call**

- Seat 1 Holly Kaufman
- Seat 2 Kevin Cheng, Chair (Holdover status)
- Seat 3 Vacant
- Seat 4 Marina Pelosi
- Seat 5 Eric Sandler
- Seat 6 Chris Godwin
- Seat 7 John Ummel, Vice Chair (Holdover status)

**2. Agenda Changes**

- 3. Public Comment:** Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction but are not on today's agenda. (No Action)

- 4. Contract for CS-363, "Construction Management Services – Lessons Learned" to RW Block Consultants** (Discussion and Possible Action)

**5. Chair's Report:**

- A. San Francisco Public Utilities Commission (SFPUC) Staff Report: Construction Management Update (Discussion)
- B. San Francisco Public Utilities Commission (SFPUC) Staff Report: Q2 Update on WSIP-related Performance Audits by City Services Auditor (Attachment) (Discussion)

- 6. Election of Officers for the RBOC - 2014** (Discussion and Possible Action)

- 7. RBOC Bylaws** (Discussion and Possible Action)

8. **Approval of RBOC Minutes of February 18, 2014** (Attachment) (Discussion and Action)
9. **Announcements, Comments, Questions, and Future Agenda Items**
10. **Adjournment**

### **Agenda Item Information**

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Date: January 31, 2014

To: Kevin Cheng, Chair, RBOC  
 John Ummel, Vice-Chair, RBOC  
 Holly Kaufman  
 Eric Sadler  
 Marini Pelosi  
 Chris Godwin

From: Nancy L. Hom, Director, Assurance & Internal Controls

**Subject: FY 2013-14, Q2 Update on WSIP-related Performance Audits by City Services Auditor**

The following summary provides an update on recently Completed, In Progress, and Planned audits by the Controller's Office, City Services Auditor (CSA). Performance audits completed in the 2<sup>nd</sup> Quarter, FY 2013-14 include:

- The SFPUC Complied With All Applicable Close-out Procedures in Its Contract for the Bay Division Pipelines Nos. 3 & 4 Crossover Facilities Project

The above performance audit was a favorable audit by the CSA and contained no recommendations or findings.

Below is a summary of Fiscal Year 2013-14 audit activities by the CSA.

**Completed:**

1. **[new]** The SFPUC Complied With All Applicable Close-out Procedures in Its Contract for the Bay Division Pipelines Nos. 3 & 4 Crossover Facilities Project
  - Memo issued, January 8, 2014
  - Objective: Part of a citywide audit program to review compliance to construction contract close-out procedures. Determine whether the SFPUC adequately oversaw compliance with the close-out procedures in the contract.
  - Recommendation: None
  - Notes: The contractor for this project was Shimmick Construction Company, Inc.
  - URL to Controller's Memo:  
<http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=4993>

**In Progress:**

1. **[new]** Change Management Review: Sunol Valley Water Treatment Plant
  - Start Date: Entrance conference 11/12/13
  - Objective: Evaluate change order costs incurred, and review aspects of the change order process.
  - Status: Fieldwork through 2/7/14. Target report issuance date 3/17/14.
  - Notes: Fieldwork performed by CSA and McGladrey (3<sup>rd</sup> party consultant).

**Edwin M. Lee**  
 Mayor

**Vince Courtney**  
 President

**Ann Moller Caen**  
 Vice President

**Francesca Vietor**  
 Commissioner

**Anson Moran**  
 Commissioner

**Art Torres**  
 Commissioner

**Harlan L. Kelly, Jr.**  
 General Manager



2. Citywide Performance Audit: Construction Contractor Performance Evaluations
  - Objective: Assess effectiveness of various City departments' Contractor Performance Evaluation (CPE) processes and procedures.
  - Phase: Planning currently in progress for areas of measurement/review, construction contracts to select, and further fieldwork/interviews.
  - Status: Last met with CSA at entrance conference on 6/6/13. Discussion included whether CPEs are completed, what are the challenges, and desired improvements. No updates since.
  - Timeline: Target completion during Q3, FY 2013-14.

**Upcoming:**

1. Change Management Review: New Irvington Tunnel (\$249M original contract)
  - Anticipated Start Date: Q3, FY 2013-14
  - Compliance audit of the WSIP contract change order administration.
  
2. WSIP: Consultant Multiple Billing and Other Issues Audit.
  - Anticipated Start Date: Q3, FY 2013-14
  - Objectives: Determine whether,
    - Duplicate consultant billings exists between Construction Management and professional services contracts.
    - City employees are also being compensated under City contracts.
    - Any conflict of interest or other issues arising from these contracts (i.e. City employees supervising the work of consultant relatives).

If you have any questions or comments you would like to discuss, please contact me at (415) 487-5229.



**PUBLIC UTILITIES  
REVENUE BOND OVERSIGHT COMMITTEE  
CITY AND COUNTY OF SAN FRANCISCO  
MINUTES - DRAFT**

**Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor, Yosemite Conference Room  
San Francisco, CA 94102**

**February 18, 2014 - 9:00 AM**

**Special Meeting**

**1. Call to Order and Roll Call**

Seat 1 Holly Kaufman  
Seat 2 Kevin Cheng, Chair (Holdover status)  
Seat 3 Vacant  
Seat 4 Marina Pelosi  
Seat 5 Eric Sandler  
Seat 6 Chris Godwin  
Seat 7 John Ummel, Vice Chair (Holdover status)

The meeting was called to order at 9:07 a.m. On the call of the roll, Members Kaufman and Sandler were noted absent; all other members were noted present. There was a quorum. Member Kaufman was noted present at 9:15 a.m.

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

There was no public comment.

**3. Consideration and Possible Approval of Award of Contract for CS-363, "Construction Management Services – Lessons Learned" to RW Block Consultants**

Member Cheng, seconded by Member Kaufman, moved to approve the selection of the Evaluation Panel's designated winner, RW Block, regarding CS-363 at a not-to-exceed budget of \$250,000 and authorize the Chair (Ummel) of the Contracting Working Group to finalize the contract, issue a notice to proceed, and serve as the liaison between RBOC and the consultant during the term of the engagement.

There was no public comment. The motion passed without objection.

4. **Chair's Report:** San Francisco Public Utilities Commission (SFPUC) Staff Report: Quarterly Report on Water System Improvement Program (WSIP).

Dan Wade, Director of Water System Improvement Program (SFPUC); presented information concerning the matter and answered questions raised during the hearing.

There was no public comment.

5. **Election of Officers for the RBOC - 2014**

Member Cheng, seconded by Member Kaufman, moved to continue this item to next RBOC meeting, to allow for all members to be present.

There was no public comment. The motion passed without objection.

6. **RBOC 2013 Annual Report**

Mark Blake (City Attorney's Office); Charles Perl, Deputy Chief Financial Officer (SFPUC); presented information concerning the matter.

There was no public comment. The item was continued to the call of the chair by unanimous consent.

7. **Approval of RBOC Minutes of January 13, 2014.**

Member Kaufman, seconded by Member Ummel, moved to adopt the RBOC January 13, 2014, meeting minutes.

There was no public comment. The motion passed without objection.

8. **Announcements, Comments, Questions, and Future Agenda Items.**

Election of Officers is scheduled for the RBOC March 10, 2014, meeting.

Charles Perl, Deputy Chief Financial Officer (SFPUC) requested clarification for the title, calendar, and topics for discussion for the RBOC 2013 Annual Report. Member Kaufman suggested the RBOC release a draft report preceding the final report.

Member Cheng scheduled a discussion and possible action regarding the RBOC bylaws for the RBOC March 10, 2014, meeting.

Charles Perl, Deputy Chief Financial Officer (SFPUC) requested members' biographical information for the PUC website and further reminded members and attendees of the committee vacancy.

Dan Wade, Director of Water System Improvement Program (SFPUC) confirmed further WSIP updates tentatively scheduled for the RBOC May, June, and July 2014 meetings.

Member Ummel reminded the Committee of his tentative departure at the end of June 2014, and overlap for his tentative replacement, Christina Tang.

RBOC site visit logistics and information is forthcoming.

There was no public comment.

9. **Adjournment.**

The meeting adjourned at 10:15 a.m.

*N.B. The Minutes of this meeting set forth all actions taken by the Revenue Bond Oversight Committee on the matters stated but not necessarily in the chronological sequence in which the matters were taken up.*

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