1			MINUTES				
2		Public Utilities Revenue Bond Oversight Committee					
3		Monday, March 15, 2010					
4		San Francisco Public Utilities Commission					
5	11	55 Market Str	eet (between 7 <sup>th</sup> & 8 <sup>th</sup> Streets), 4th Floor Conference Room				
6							
7			Committee Members				
8			<u></u>				
9		Aimee Brown, Chair					
10		Kyle Rhorer, Vice Chair					
11		Brian Browne					
12			Nathan Cruz				
13			David Sutter				
14			Patrick Sweetland				
15							
16	1.	Call to Orde	er and Roll Call				
17							
18			Brown called the meeting to order at 9:39 a.m. and roll call				
19		was taken.					
20		Descent	Aires a Drawn Drian Drawn a Kula Dhanan and Datrick				
21		Present:	Aimee Brown, Brian Browne, Kyle Rhorer and Patrick				
22		Abaanti	Sweetland.				
23 24		Absent: Excused:	None. Nothen Cruz, David Suttor				
24 25		Excused.	Nathan Cruz, David Sutter.				
26		There was a	auorum				
27							
28	2.	Public Com	ment: Members of the public may address the RBOC on				
29			t are within the RBOC's jurisdiction but are not on today's				
30		agenda.					
31		•					
32		Public Comn	nent. Speaker: None.				
33							
34	3.		SFPUC staff concerning the Critical Path and water				
35		•	tdowns for Water System Improvement Program (WSIP)				
36		Projects.					
37							
38			s, Julie Labonte, and Charles Perl, SFPUC, presented a report				
39		on the Critical Path and water system shutdowns for Water System					
40		Improvemen	t Programs Projects(WSIP).				
41		Dublis Osmu	and Oraclean Otage Talan				
42		Public Comn	nent. Speaker: Steve Toler.				
43							
44 45							
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47	4.	Chair's Report
48		a. Update from SFPUC staff concerning the Water System
49		Improvement Program (WSIP).
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51		Julie Labonte, Harvey Elwin, Charles Perl, SFPUC, presented an
52		update on the Water System Improvement Program.
53		
54		Public Comment. Speaker: None.
55		
56		
57		b. Update from SFPUC staff concerning the Water Bond Sales.
58		
59		No action taken. Continued to the call of the Chair.
60		
61		c. Update from SFPUC staff concerning Advanced Metering
62		Infrastructure.
63		
63 64		Heather Pohl, Water Enterprises, and Charles Perl, Deputy CFO,
65		SFPUC, presented an update on the Advanced Metering
66		Infrastructure.
67		
68		Public Comment. Speaker: None.
69		Tublie Comment. Opeaner. None.
70		d. Update from SFPUC staff concerning a WSIP Site Tour.
70		a. Opdate nom of 100 stan concerning a won one roun.
72		No action taken. Continued to the call of the chair.
73		
74	5.	Update from the RBOC Contracting Working Group concerning the
75		issuance of a Request for Qualifications for auditing consulting
76		firms.
77		
78		Member Sweetland presented an update from the RBOC Contracting
79		Working Group concerning the status of issuing a Request for
80		Qualifications for auditing consulting firms.
81		
82		Other Speakers: Stacy Camillo, SFPUC.
83		
84		Public Comment. Speaker: None.
85		
86	6.	Discussion and possible action regarding the approval of the
87		minutes from the RBOC meeting held on February 8, 2010.
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89		Member Sweetland moved, seconded by Member Rhorer, to approve the
90		February 8, 2010, minutes of the RBOC.
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93		The motion passed by the following votes:		
94				
95		Ayes: Chair Brown, Members Rhorer, Browne, and Sweetland.		
96		Noes: None.		
97		Absent: None.		
98		Excused: Members Cruz and Sutter.		
99				
100		Public Comment. Speaker: None.		
101		·		
102	7.	Discussion and possible action relating to RBOC member		
103		information requests raised at today's meeting.		
104				
105		Member Browne presented a document concerning overhauling the		
106		current RBOC Request for Proposals process and requested that it be		
107		attached to the minutes. Text attached*		
108				
109		Chair Browne presented Member Sweetland, upon his departure from the		
110		RBOC, a certificate in honor of his years of dedicated service to the		
111		people of the City and County of San Francisco.		
112				
113		Public Comment. Speaker: None.		
114		·		
115	8.	Discussion and possible action for future agenda items.		
116				
117		Water Model (Hydrologic) Presentation by the SFPUC		
118		Bond Sales		
119				
120		Public Comment. Speaker: None.		
121	_			
122	9.	Adjournment		
123				
124		Member Sweetland moved, seconded by Member Rhorer, to adjourn the		
125		meeting.		
126				
127		The motion passed by the follow vote:		
128				
129		Ayes: Chair Brown; Members Rhorer, Browne, and Sweetland		
130		Noes: None.		
131		Absent: None.		
132		Excused: Members Cruz and Sutter.		
133		The meeting edicument of 10:00 m m		
134		The meeting adjourned at 12:03 p.m.		
135		- Devenue Dend Oversight Occurrities and the DDOO Min to a fill		
136		The Revenue Bond Oversight Committee approved the RBOC Minutes of March		
137	15, 20	)10 on April 19, 2010.		
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139 \*Text from Mr. Browne's statement: 140 141 15 March 2010 142 Overhauling the Current Revenue Bond Oversight Committee (RBOC) Request for 143 Proposal Process (RFP) to Ensure Full and Unequivocal Compliance with San Francisco, 144 November, 2002, Proposition P 145 Brian Browne 146 Colleagues -147 I do not oppose creating a Revenue Bond Oversight Committee (RBOC) pre-approved 148 list of consultants. This list must be selected in the most competitive and rigorous manner 149 possible and must include major academic institutions. It must include candidates with 150 the broadest-skill reach consistent with Proposition P. This approach must not be used to 151 get around the moratorium on any individual or sub-group of individuals on the RBOC 152 being able to sign off on the expenditure of RBOC funds. 153 RBOC funds may only be spent after a competitive RBOC-RFP process, subject, to 154 selected subcommittee review, and final approval by the entire committee meeting as a 155 whole. The latter being a requirement never to be sidestepped. All stakeholder 156 representatives must sign off on any expenditure of revenue bonds at a full committee 157 meeting of the RBOC. 158 The RBOC is mandated by Proposition P – "(f) The health and welfare of all of the 159 PUC's customers would be promoted by the creation of a qualified body committed to a 160 persistent, vigorous and independent review of the expenditure of revenue bond funds for 161 the PUC's capital improvement program over the next decade. An on-going review of this 162 kind would be of material assistance to both the PUC and the Board of Supervisors 163 ("Board") in ensuring that the program is carried out in compliance with all applicable 164 laws." 165 I have concluded that the RBOC has not fully executed this mandate. Our three audit contracts to date have not been "vigorous and independent." For RBOC documents to 166 167 have value as being derived from a truly independent oversight committee, these aforementioned ("f") criteria must be met. Using SFPUC staff or staff paid for by the 168 SFPUC for developing, implementing, and logistical support for our independent audits, 169 170 and other ongoing work, is inconsistent with Proposition P. 171 I have read the City Attorney's letter referring to the legitimacy of contract No CS983. 172 It does not make sense to me in the context of the spirit and word of 2002, Proposition P. 173 The signing by the GM of the SFPUC on 7.15.09 of a RBOC independent audit, which 174 we did not vote approval until 9.21.09 seems indefensible under any logical construct. 175 This must not happen again. 176 My two major concerns, as a member of the Contracts Working Group (CS983), were: 177 (1) We had more important things to investigate; namely, the 2009 Master Water Sales 178 Agreement, and (2) We were not "vigorously independent." For example, my requests to 179 the RBOC-CWG-Chair, for clarification as to how to rule out both respondents were not 180 answered (trivialized) properly and/or I was directed to check with the SFPUC. Checking with the SFPUC on procedures in evaluating an independent RBOC audit is not 181 182 envisioned or allowed in Proposition P. This is why I refused to further participate in this 183 flawed process. It clearly was not a "vigorous and independent review of the expenditure 184 of revenue bond funds" as mandated by Proposition P.

187
188 The three contracts the RBOC has let to this point have had procedural flaws. Flaws that
189 must be remediated before we spend another penny of revenue bond money. I suggest
190 the following steps (not an exhaustive list) be considered immediately:

- The chair and vice chair of the RBOC and subcommittees must rotate
   on a meeting or short-term basis among all stakeholder-members.
   This committee was selected, not elected, to represent the various
   stakeholders. The current election process significantly dilutes this
   stakeholder representation.
- Proposition P did not intend a popularity contest to impound political control, among certain people, but rather equal representation by all stakeholders through the stakeholders' representatives. This exclusion must end.
- Outreach meetings to the public must be held. We must move
   immediately from the SFPUC and meet at the Board. Our staff must be
   supported by the Board as mandated by Proposition P. All future
   meetings must be at times convenient to the main stakeholders;
   namely, the city and suburban ratepayers.
  - Proposition P did not intend we merely audit. Our mandated scope of inquiry is greater.
- A unique and independent RBOC -RFP procedure must be established
   immediately by this committee. It must be independent and uncoupled
   from the SFPUC and /or any other entity benefiting from revenue bond
   expenditures under the purview of the SFPUC.
- Establishing a transparent, balanced representation and non-discretionary process will
- help ensure compliance with Proposition P. The current implosive system must end
- before the RBOC embarks on any new audit or study or expends one more penny of revenue bonds.
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206

- 216 Sincerely,
- 217
- 218 Brian Browne
- 219 Board of Supervisors No. 1 Seat on the SFPUC Revenue Bond Oversight Committee
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- 221

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