

Correspondence - Audit Committee – March 31, 2010

3-23-2010

Geoff Grote
City of Piedmont Administrator
120 Vista Avenue
Piedmont, Ca 94611
420-3040

Re: PHUUD Financial Meltdown

Dear Mr. Grote,

By October 14, 2009 you knowingly had spent 100% of the budget-on only 35% of the main trench,

As our Chief Executive Officer you had a imperative duty and mandate to have warned the public.

Why didn,t you publically inform the Piedmont Citizenry in October, 2009 of our financial crisis?

Thank You
Angela & Neil Teixeira

Sent: Tuesday, March 16, 2010 10:14 AM
Subject: Audit Committee input

Mayor Barbieri and Mr Chiang,

The figures I used for my 3/15 Open Forum comments are based on the attached analysis I prepared. All data sources are attached.

- By Sept. 11 Staff has received invoices from Valley that total \$1,483,473. This is 98% of the original bid. I speculate less than 35% of the work is done. Which raises another question: how much work was actually done by the time the money is gone?

- By Oct 12 Staff has received invoices totaling \$2,206,869. This is \$144,047 more than entire availble funds including the reserve.

I would welcome an opportunity to go over this information with the Audit Committee.

best regards,

Rick Schiller

City Of Piedmont - Piedmont Hills Undergrounding Utility District
Timeline showing trenching cost overruns including overruns before Feb 2nd Election.

Mar. 11, 2010				Original Valley Bid	1,515,295				
				Project contingency	547,527				
				total	2,062,822				
Note below	Invoice Date	Paid Cate	Pmt Req # Payee	Valley Invoice To Date	Retention Amount	Paid Amount	Valley Invoice Totals	% of total available	Balance available
1	07/20/09	07/30/09	1 Valley U.	223,038	22,304	204,734	223,038	14.7%	1,839,784
	08/03/09	08/11/09	5 Valley U.	283,601	28,360	255,241	506,639	33.4%	1,556,183
	09/03/09	08/28/09	7 Valley U.	387,946	38,795	349,151	894,585	59.0%	1,168,237
	09/04/09	09/15/09	8 Valley U.	334,039	33,404	300,635	1,228,624	81.1%	834,198
2	09/11/09	09/25/09	9 Valley U.	254,849	25,485	229,364	1,483,473	97.9%	579,349
	09/25/09	10/07/09	12 Valley U.	282,588	28,259	254,329	1,766,061	116.5%	296,761
	10/12/09	10/14/09	13 Valley U.	228,404	22,840	205,563	1,994,465	131.6%	68,357
3	10/12/09	10/22/09	14 Valley U.	212,404	21,240	191,165	2,206,869	145.6%	(144,047)
	10/29/09	11/05/09	17 Valley U.	33,060	3,306	29,754	2,239,929	147.8%	(177,107)
	10/24/09	11/05/09	18 Valley U.	54,711	5,472	49,240	2,294,640	151.4%	(231,818)
	11/08/09	11/18/09	19 Valley U.	120,637	12,064	108,573	2,415,277	159.4%	(352,455)
4	11/16/09	11/16/09	-- Valley U.	296,000	0	296,000	Crest Rd. Repair		(352,455)
	11/22/09	12/17/09	20 Valley U.	112,069	11,207	100,862	2,527,346	166.8%	(464,524)
	12/06/09	12/23/09	22 Valley U.	207,711	20,771	186,940	2,735,057	180.5%	(672,235)
5	12/12/09	12/12/10	-- PHUUD	1st allocation		1,004,000	Balance + \$1,004M =>		331,765
	01/08/10	01/11/10	25 Valley U.	8,775	878	7,898	2,743,832	181.1%	322,990
	12/20/09	01/11/10	26 Valley U.	229,199	22,920	206,279	2,973,031	196.2%	93,791
6	01/03/10	01/21/10	27 Valley U.	115,099	11,510	103,589	3,088,130	203.8%	(21,308)
	01/28/10	02/08/10	28 Valley U.	280,678	28,068	252,610	3,368,808	222.3%	(301,986)
	01/28/10	02/08/10	29 Valley U.	31,790	3,179	28,611	3,400,598	224.4%	(333,776)
7	01/28/10	02/08/10	32 Valley U.	12,328	1,233	11,095	3,412,926	225.2%	(346,104)
	02/02/10	City Council election. Including the \$1,004,000 the project is over budget at least =>							(346,104)
8	02/06/10	02/06/10	-- PHUUD	2nd allocation		1,060,000	Balance + \$1,060M =>		713,896

Total Excluding Crest Road => 3,412,926 341,294 <= Total Retention Holdback

Notes Valley Utility bid \$1,515,295; additionally the entire project has a \$547,295 contingency. All figures are actual invoice amounts taken from data supplied either in staff reports or email from staff (see attached). This does not include any overruns on the project other than those from Valley Utility for mainline trenching. Balance available does not include the \$296,000 taken from the City Sewer Fund for the Crest Road repair.

- 1 Trenching starts and "Blue Granite" bedrock is found in the first week. 80,000 psi mining equip. is required.
- 2 Sep 11: **98%** of the original \$1,515,295 trenching bid is invoiced. Trenching is far from complete.
- 3 Oct 12: Valley billing **exceeds** the trenching allocation plus entire project contingency **by \$144,279**.
- 4 Oct 16: **Council takes \$296,000** from City Sewer Fund to repair Crest Rd. water damage.
- 5 By Dec 6 staff has received invoices for trenching that **exceed** the Valley bid and project contingency **by \$672,467**. Staff tells council 2,300 linear feet of trenching remain. **Council appropriates \$1,004,000** for Valley Utility for the project. \$331,533 remains to complete the project.
- 6 By Jan 3, despite \$1,004,000 extra funding, the project has **exceeded** council authorizations again.
- 7 Jan 28: Four days **before** the Feb 1 Council meeting and five days **before** the city election, staff has received invoices which **total \$346,336 over** the Dec 12 \$1M + the original Valley bid + the entire project reserve.
Feb 1: Staff does not inform council of amount of the overruns. Council is told 3,950 feet of trenching remain.
- 8 Feb 6: **Council appropriates another \$1,060,000**. Total taxpayer funds to PHUUD are **\$2,064,000**. Including Crest Road repairs **\$2,360,000** of taxpayer money is spent on this project.

Data sources eleven pages attached:

Feb. 6 Mark Bichsell finance report to Council, pages 1 and 5

Feb. 12 City accountant Ken Lee's spreadsheet with invoiced amounts and missing dates

Feb. 18 Mark Bichsell/Ken Lee email clarifying Pmt Req 23

Feb. 18 Ken Lee email clarifying Sewer Fund as source of \$296,000 (typo as \$296)

Dec. 7, 2009 Staff report June 12, 2008 61 Glen Alpine Geotechnical Report Page 00200 Valley Contract

note: Excluded from calculations above are: (1) Pmt Req 23 in three parts and evidently for lateral work; see Feb 18 Ken Lee email. (2) Pmt Req 31 is total retention fee est. \$355,058; see Feb 12 Ken Lee email.

PIEDMONT HILLS UNDERGROUNDING ASSESSMENT DISTRICT

DATE	TRANSACTION			
<u>Cash income</u>				
	Seed money from homeowners		250,671.00	\$250,671.00
7/9/2009	Bond Proceeds to City of Piedmont		3,107,197.55	3,107,197.55
	Prepayment received from Homeowners		1,243,059.45	1,243,059.45
	Seed money, Bond Proceed & Prepayments			4,600,928.00
12/12/2009	City contribution		1,004,832.00	1,004,832.00
	From City's General Fund			1,004,832.00
9/2/2009	Dividend Income		9.40	9.40
10/2/2009	Dividend Income		8.86	8.86
11/2/2009	Dividend Income		53.08	53.08
12/2/2009	Dividend Income		19.58	19.58
1/2/2010	Dividend Income		17.51	17.51
	Total Dividend Income after fees			108.43
	Total Income			\$5,605,868.43
Expenditures				
Invoice Date	Payment Date			
	Design and Engineering Costs : Harris and Gray		229,093.18	229,093.18
	Repayment of seed money to homeowners		250,671.00	250,671.00
7/20/2009	07/30/2009	Pmt - Req #1	Valley Utility Services	\$200,734.16
7/27/2009	8/3/2009	Pmt - Req #2	Robert Gray Associateds	9,144.69
5/4/2009	8/7/2009	Pmt - Req #3	AT&T	12,924.00
6/15/2009	8/7/2009	Pmt - Req #4	PG&E	1,627,774.00
8/3/2009	8/11/2009	Pmt - Req #5	Valley Utility Services	255,240.97
8/26/2009	8/28/2009	Pmt - Req #6	Robert Gray Associates	9,144.69
9/3/2009	8/28/2009	Pmt - Req #7	Valley Utility Services	349,151.38
9/4/2009	9/15/2009	Pmt - Req #8	Valley Utility Services	300,634.92
9/11/2009	9/25/2009	Pmt - Req #9	Valley Utility Services	229,364.12
8/26/2009	9/25/2009	Pmt - Req #10	Robert Gray Associates	1,086.66
9/28/2009	10/5/2009	Pmt - Req #11	Robert Gray Associates	12,894.50
9/25/2009	10/7/2009	Pmt - Req #12	Valley Utility Services	254,329.17
10/12/2009	10/14/2009	Pmt - Req #13	Valley Utility Services	205,563.54
10/12/2009	10/22/2009	Pmt - Req #14	Valley Utility Services	191,164.50
9/30/2009	10/22/2009	Pmt - Req #15	ILS Associates Inc	5,027.48
10/27/2009	11/5/2009	Pmt - Req #16	Robert Gray Associates	9,643.75
10/29/2009	11/5/2009	Pmt - Req #17	Valley Utility Services	29,754.00
10/24/2009	11/5/2009	Pmt - Req #18	Valley Utility Services	49,239.75
11/8/2009	11/18/2009	Pmt - Req #19	Valley Utility Services	108,573.22
11/22/2009	12/17/2009	Pmt - Req #20	Valley Utility Services	100,862.13
11/25/2009	12/21/2009	Pmt - Req #21	Robert Gray Associates	5,105.15
12/6/2009	12/23/2009	Pmt - Req #22	Valley Utility Services	186,939.67
11/10/2009	12/28/2009	Pmt - Req #23	Valley Utility Services	123,886.80
12/28/2009	12/23/2009	Pmt - Req #24	Robert Gray Associates	7,098.40
1/8/2010	1/11/2010	Pmt - Req #25	Valley Utility Services	7,897.50
12/20/2009	1/11/2010	Pmt - Req #26	Valley Utility Services	206,278.96
1/3/2010	1/21/2010	Pmt - Req #27	Valley Utility Services	103,588.98
	to be paid	Est. Pmt - Req #28	Valley Utility Services	252,610.45
	to be paid	Est. Pmt - Req #29	Valley Utility Services	28,611.00
	to be paid	Est. Pmt - Req #30	Robert Gray Associates	7,946.50
	to be paid	Est. Pmt - Req #31	Valley Utility Services	11,095.00
	Total Project Costs		5,383,074.22	5,383,074.22
	Total Expense			5,383,074.22
	Balance as of 01/31/2010			222,794.21

PIEDMONT HILLS UNDERGROUNDING ASSESSMENT DISTRICT

DATE	TRANSACTION	Vendor	Billed Amount	Retention	Actual Amount Paid
07/30/2009	Pmt - Req #1	Valley Utility Services	\$223,038	\$22,304	\$200,734
8/3/2009	Pmt - Req #2	Robert Gray Associates	9,145	0	9,145
8/7/2009	Pmt - Req #3	AT&T	12,924	0	12,924
8/7/2009	Pmt - Req #4	PG&E	1,627,774	0	1,627,774
8/11/2009	Pmt - Req #5	Valley Utility Services	283,601	28,360	255,241
8/28/2009	Pmt - Req #6	Robert Gray Associates	10,231	0	9,145
8/28/2009	Pmt - Req #7	Valley Utility Services	387,946	38,795	349,151
9/15/2009	Pmt - Req #8	Valley Utility Services	334,039	33,404	300,635
9/25/2009	Pmt - Req #9	Valley Utility Services	254,849	25,485	229,364
9/25/2009	Pmt - Req #10	Robert Gray Associates	1,087	0	1,087
10/5/2009	Pmt - Req #11	Robert Gray Associates	12,895	0	12,895
10/7/2009	Pmt - Req #12	Valley Utility Services	282,588	28,259	254,329
10/14/2009	Pmt - Req #13	Valley Utility Services	228,404	22,840	205,564
10/22/2009	Pmt - Req #14	<u>Valley Utility Services</u>	212,405	21,241	191,165
10/22/2009	Pmt - Req #15	ILS Associates Inc	5,027	0	5,027
11/5/2009	Pmt - Req #16	Robert Gray Associates	9,644	0	9,644
11/5/2009	Pmt - Req #17	<u>Valley Utility Services</u>	33,060	3,306	29,754
11/5/2009	Pmt - Req #18	Valley Utility Services	54,711	5,472	49,240
11/18/2009	Pmt - Req #19	Valley Utility Services	120,637	12,064	108,573
12/17/2009	Pmt - Req #20	Valley Utility Services	112,069	11,207	100,862
12/21/2009	Pmt - Req #21	Robert Gray Associates	5,105	0	5,105
12/23/2009	Pmt - Req #22	Valley Utility Services	207,711	20,771	186,940
12/28/2009	Pmt - Req #23	<u>Valley Utility Services</u>	137,652	13,765	123,887
12/23/2009	Pmt - Req #24	Robert Gray Associates	7,098	0	7,098
1/11/2010	Pmt - Req #25	<u>Valley Utility Services</u>	7,898	0	7,898
1/11/2010	Pmt - Req #26	Valley Utility Services	229,199	22,920	206,279
1/21/2010	Pmt - Req #27	Valley Utility Services	115,099	11,509	103,589
to be paid	Est. Pmt - Req #28	Valley Utility Services	280,678	28,068	252,610
to be paid	Est. Pmt - Req #29	<u>Valley Utility Services</u>	31,790	3,179	28,611
to be paid	Est. Pmt - Req #30	Robert Gray Associates	7,947	0	7,947
to be paid	Est. Pmt - Req #31	<u>Valley Utility Services</u>	12,328	1,233	11,095
Total Project Costs			<u>\$5,258,577</u>	<u>\$354,180</u>	<u>\$4,903,310</u>

Valley estimates retention at

\$388,749.00

Main Identity

From: "Ken Lee" <klee@ci.piedmont.ca.us>
To: "R Schiller" <r_schiller@comcast.net>
Cc: "Mark Bichsel" <mbichsel@ci.piedmont.ca.us>
Sent: Thursday, February 18, 2010 1:06 PM
Subject: RE: Typo in your 2/6 Fin. Report ?

Mr. Schiller,

You are right. The \$137,652 is the original invoice amount and we paid just \$123,886.80, 90% of invoices.

If you have any questions, please feel free to contact me.

Best regard,

Ken Lee, City Accountant
City of Piedmont
120 Vista Avenue
Piedmont, CA 94611
D: 510) 420-3043
email: klee@ci.piedmont.ca.us

From: R Schiller [mailto:r_schiller@comcast.net]
Sent: Thursday, February 18, 2010 11:13 AM
To: Mark Bichsel; klee@ci.piedmont.ca.us
Subject: Re: Typo in your 2/6 Fin. Report ?

Ken, \$123,887 (\$123,886.80) is Pmt. Req. 23. previously dated 11/10/2009. \$137,653 minus the 10% retention of \$13,765 nets the paid amount of \$123,887. The \$137,653 figure is according to previous information you provided me.

As the 10% will have to be paid at the conclusion of the project, is the real cost of that work shown on Pmt. Req. 23 the actual totaled invoice amounts of \$137,652 ?

best

Rick Schiller

----- Original Message -----

From: [Mark Bichsel](#)
To: '[R Schiller](#)'
Sent: Thursday, February 18, 2010 10:47 AM
Subject: FW: Typo in your 2/6 Fin. Report ?

From: Ken Lee [mailto:klee@ci.piedmont.ca.us]
Sent: Tuesday, February 16, 2010 4:27 PM
To: 'Mark Bichsel'
Subject: RE: Typo in your 2/6 Fin. Report ?

Mark,

It was for three invoices for Individual Service Connections.

The invoices were signed by Russ Harlan, Coast Land, at

11/16/09	\$ 55,113.30
12/14/09	33,966.00
12/21/09	<u>34,807.50</u>
Total	\$123,886.80

I just put the earliest signature date on the sheet and 11/10 is the error of 11/16.

If you have any questions, please feel free to contact me.

Best regard,

Ken Lee, City Accountant
City of Piedmont
120 Vista Avenue
Piedmont, CA 94611
D: 510) 420-3043
email: klee@ci.piedmont.ca.us

From: Mark Bichsel [mailto:mbichsel@ci.piedmont.ca.us]
Sent: Tuesday, February 16, 2010 02:37 PM
To: klee@ci.piedmont.ca.us
Subject: FW: Typo in your 2/6 Fin. Report ?

Ken,

Please respond.

Thanx.

Mark B.

From: R Schiller [mailto:r_schiller@comcast.net]
Sent: Tuesday, February 16, 2010 12:56 PM
To: mbichsel@ci.piedmont.ca.us
Subject: Typo in your 2/6 Fin. Report ?

Mr. Bichsell,

Your 2/6 financial report (see attached) to the council shows Pmt-Req 23 Valley Utility invoice date as 11/10/2009. This would be the only invoice out of sequence. Was this a typo or is this the actual invoiced date?

best regards,

Rick Schiller
43 Fairview Ave

2/18/2010

Main Identity

From: "Ken Lee" <klee@ci.piedmont.ca.us>
To: "R Schiller" <r_schiller@comcast.net>
Cc: "Mark Bichsel" <mbichsel@ci.piedmont.ca.us>
Sent: Thursday, February 18, 2010 4:38 PM
Subject: RE: \$296 Crest Repair

Hi Rick,

\$296 was paid from Sewer fund.

Right, it is separate matter and absolutely not included in the spreadsheet.

If you have any questions, please feel free to contact me.

Best regard,

Ken Lee, City Accountant
City of Piedmont
120 Vista Avenue
Piedmont, CA 94611
D: 510) 420-3043
email: klee@ci.piedmont.ca.us

From: R Schiller [mailto:r_schiller@comcast.net]
Sent: Thursday, February 18, 2010 02:51 PM
To: Ken Lee
Cc: mbichsel@ci.piedmont.ca.us
Subject: \$296 Crest Repair

Ken,

On Nov. 16 the City Council approved \$296 to be paid to Valley Utility for the repair on Crest Road by damaged caused in October. This \$296 was paid out of the general sewer fund, as I recall.

That \$296 is a separate matter and not included in any Payment Requests on the spreadsheet you previously sent me?

Thank you

Rick

**City Of Piedmont
Council Agenda Report**

DATE: December 7, 2009

FROM: Lawrence A. Rosenberg, Director of Public Works
Ann Swift, City Clerk

SUBJECT: **Consideration of an Appropriation of \$1,004,832 from the General Fund for Projected Construction Costs to Complete the Piedmont Hills Underground Utility District**

RECOMMENDATION:

By motion, approve the attached resolution appropriating \$1,004,832 from the General Fund Reserve for projected construction costs required to complete the Piedmont Hills Underground Utility District.

BACKGROUND:

On June 15, 2009, the city entered into an agreement with Valley Utility for construction of the Piedmont Hills Underground Utility District for a cost of \$1,515,295. Bids for the project ranged from \$1,515,295 (from Valley Utility) to \$2,594,979. Analysis of the bidding pattern indicated that although Valley Utility's bid was more than \$1 million less than the high bidder, there were sufficient bids in the same range (within 15% or \$200,000) to indicate that Valley Utility had provided a responsive bid.

Construction on the project began the week of July 13, 2009. Within the first week, the city was notified by Valley Utility that they had encountered unexpected rock at the entrance to Sotelo Avenue which would require extraordinary measures beyond the normal obligations of the city's contract. Although no indication of encountering major portions of rock on the job was mentioned specifically on the improvement plans or was shown in the estimate of cost from the design engineer, page 18 of the Technical Specifications, page 18 of the city's bid document did include the following provision in case rock was encountered on the project: "*Rock excavation shall be paid by the cubic yard, which price shall include full compensation shall include all labor, materials and incidentals required to perform all work described under Rock Excavation. This unit price will be paid in excess of normal excavation paid under various other items in the Bid Schedule required for the project*".

A meeting was held that week with John and Patrick Benedict of Valley Utility, City Engineer John Wanger and other staff. We discussed the ramifications of utilizing the "rock clause" in Valley Utility's bid which was \$2,190 per cubic yard of material. The city's position was that utilizing the rock clause would prove to be very expensive and use up the \$547,000 contingency for the project at a very rapid rate. As an option, Valley Utility offered to proceed with rock work on a force account basis (time and materials plus 15%). Using Valley's option, the city would be billed for all force account work, but would then receive a credit equal to the as-bid amount for each trench section

completed under force account. All parties believed at that point that if the rock problem was isolated to Sotelo Avenue, the contract contingency would be sufficient to complete the project.

Since the beginning of the project, Coastland Engineers have reviewed and approved all payments to Valley Utility. In addition to the city's on-site inspector who monitors daily activities on the project and verifies the use of materials and manpower, the city has relied on Coastland's expertise to ensure that timesheets, change orders and payment requests are calculated correctly. Computing the net cost to the city for trench segments (which are either constructed per contract, constructed with boring equipment or constructed under force account due to rock), analyzing other types of change orders and documenting payments has required substantial time on the part of the city engineer. Such costs are paid through the city engineering account and considered as a staff function in the same manner as the services of the Public Works Director and the City Clerk.

Unfortunately, to date over 4,500 linear feet of rock has been encountered on portions of St. James, Crest, LaSalle, and Somerset Avenues and Calvert Court. At the present time, the city has approved nine (9) change orders and is in the process of processing one additional change order for rock. The total gross cost of all of these change orders is \$1,480,384. Taking into account credits received (\$ 423,025) from not having to do the standard open trench cut work for certain trenches as shown in the original contract, brings the overall net additional cost for rock work to approximately \$1,057,359.

However, there are approximately 2,300 linear feet of joint trench which remain unfinished. Attached (Exhibit B) are maps of the Piedmont Hills district showing street segments completed per original contract (green) and street segments completed per force account due to rock (red). In calculating the cost for the remaining work, staff and Valley Utility have presumed that the majority of the incomplete sections are rock. This is based on fact that trench boring equipment at both ends of the street sections "refused" or was stopped by rock. The estimated force account cost to complete this work is \$680,000 (\$800,000 less contract credit). Any sections of trench which can be completed without force account change orders, will be billed according to the original contract and would be a savings.

The total projected cost to finish the Piedmont Hills Underground Utility District is the sum of the completed rock work (\$1,057,359) and the remaining rock work (\$680,000) or \$1,737,359. Of that amount, \$543,527 can be covered by the project contingency fund.

Additional savings of approximately \$85,000 in other line items of the project budget can also be applied to this deficit including Assessment engineering (\$24,000), Easement allowance (\$20,000), Project inspection (\$20,000) and Incidental expenses (\$21,000). These savings can also be applied to the total cost overrun.

The steering committee of the Piedmont Hills District has begun a fund raising effort to raise at least \$100,000 to help reduce the overall deficit for this project. Individual letters were sent to all homeowners requesting financial assistance, either through cash contributions or through the gift of funds deposited previously to pay for preliminary development costs. As of December 3, the committee has raised \$30,000.

Financial Summary

Completed rock work	\$1,057,359
Needed rock work	<u>\$ 680,000</u>
Subtotal	\$1,737,359
Contingency fund	\$ 547,527
Other project savings	\$ 85,000
Homeowner contributions	<u>\$ 100,000</u>
Subtotal	\$ 732,527
Total Appropriation	\$1,004,832

The City Administrator Geoff Grote and City Attorney George Peyton recommend that it is in the best interest of the city to complete the Piedmont Hills construction. If the council concurs, staff is requesting a General Fund appropriation in the amount of \$1,004,832. Although staff and Valley Utility have made their best efforts to calculate the amount needed, council should note that all parties are working from good faith estimates. The estimates are based on experience with actual work performed to date and a street by street analysis of what remains to be done. To the extent that unforeseen unusual circumstances are encountered, the figures could rise. To the extent that additional contributions are received from residents of the district (above \$100,000) or actual construction costs are less than projected, the total expenditure of city funds will be reduced.

Finance Director Mark Bichsel recommends that the appropriation of \$1,004,832 come from the General Fund Reserve, thereby reducing the reserves from approximately \$3,080,000 to \$2,075,168. An option available for FY 09-10 is to reduce the general fund transfer to the workers' compensation and liability insurance funds by approximately \$500,000. This strategy will increase general fund reserves from \$2,075,168 to \$2,575,168 and reduce insurance reserves from \$1,055,402 to \$555,402.

Please note that, if this strategy is adopted, the newly reduced insurance reserves of \$555,402 are supplemented by an additional mandatory reserve of \$674,012. This additional mandatory reserve of \$674,012 was established by actuary reports for ultimate cost of claims either reported or unreported at 6-30-09. It is shown as a liability in the FY 08-09 audited financial statements, but represents additional insurance reserves.

If funding is approved at this meeting, Valley Utility will finish 90% of their work on the project by the end of December. PG&E, AT&T and Comcast will begin to pull wire and complete their portion of the project work beginning January 15, 2010 (unless winter storms interfere). It is anticipated that the project will be completed and wires down by June 2010.

Attached (Exhibit A) for council consideration is a draft resolution prepared by City Attorney George Peyton, setting forth various findings regarding the appropriation of funding for the Piedmont Hills project.

Jensen - Van Lienden Associates, Inc.
GEOTECHNICAL ENGINEERING CONSULTANTS

June 12, 2008
Job No. J147BB

Doug Smith
61 Glen Alpine
Piedmont, California 94611

Re: Foundations for New House Construction
Smith/Hughes Residence
61 Glen Alpine Road - Piedmont, CA

Curtis N. Jensen
Geoffrey Van Lienden
Steven K. Moller

RECEIVED

JUN 20 2008

**PUBLIC WORKS
CITY OF PIEDMONT**

Our firm studied the foundation conditions on the 61 Glen Alpine Road property in 1999 for a project different than is currently conceived for the site. The study included test borings, soil and rock sampling and laboratory testing and culminated in a report dated April 2, 1999.

The study found variably thick fill and loose soils over sedimentary rock. We concluded that the rock should be used for support of new foundations, and because of the presence of the natural soil and fill, recommended that the new foundations be drilled cast-in-place concrete piers that bypass the natural soil and fill, and penetrate into the rock.

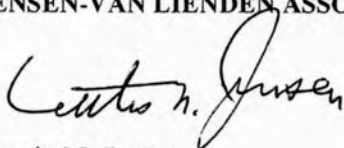
Shallow test pits were recently excavated around the existing house perimeter. These pits indicated that the rock surfaces are close to the ground surface, making the use of spread footing foundations viable for supporting the planned new house. Consequently, we recommend that the new house be supported upon spread footings.

The footing should bear a minimum 6 inches into the site rock. Bearing in rock, footings can be designed for allowable bearing pressure of 4000 psf for dead plus live loads. This value may be increased by the usual one-third factor to account for the seismic loading condition.

We estimate that the site class is C. The estimated site short period spectral acceleration is 1.998 and the site 1-second period acceleration is 0.779.

Very truly yours,

JENSEN-VAN LIENDEN ASSOCIATES, INC.



Curtis N. Jensen
G.E. # 438

cc: GFDS Engineers
Moller Willrich



FILE

SECTION 00220

GEOTECHNICAL DATA

Subsurface geotechnical investigations have not been conducted at the site of the work.

Main Identity

From: "Ken Lee" <klee@ci.piedmont.ca.us>
To: "R Schiller" <r_schiller@comcast.net>
Sent: Friday, February 12, 2010 10:07 AM
Subject: RE: PHUUD Pmt Req #28 #29 #30 #31

Mr. Schiller,

Here are the invoice dates

Pmt. # 28 - Jan. 28, 2010
 Pmt. # 29 - Jan. 28, 2010
 Pmt. # 30 – Jan. 26, 2010
 Pmt. #31 – This is for 10% retention amounts we haven't paid from the beginning of the project.
 It doesn't have invoice dates. Here is the calculation of \$355,058.

DATE	TRANSACTION	Vendor	Billed Amount	Retention	Actual Amount Paid
07/30/2009	Pmt - Req #1	Valley Utility Services	\$223,038	\$22,304	\$200,734
8/3/2009	Pmt - Req #2	Robert Gray Associates	9,145	0	9,145
8/7/2009	Pmt - Req #3	AT&T	12,924	0	12,924
8/7/2009	Pmt - Req #4	PG&E	1,627,774	0	1,627,774
8/11/2009	Pmt - Req #5	Valley Utility Services	283,601	28,360	255,241
8/28/2009	Pmt - Req #6	Robert Gray Associates	10,231	0	9,145
8/28/2009	Pmt - Req #7	Valley Utility Services	387,946	38,795	349,151
9/15/2009	Pmt - Req #8	Valley Utility Services	334,039	33,404	300,635
9/25/2009	Pmt - Req #9	Valley Utility Services	254,849	25,485	229,364
9/25/2009	Pmt - Req #10	Robert Gray Associates	1,087	0	1,087
10/5/2009	Pmt - Req #11	Robert Gray Associates	12,895	0	12,895
10/7/2009	Pmt - Req #12	Valley Utility Services	282,588	28,259	254,329
10/14/2009	Pmt - Req #13	Valley Utility Services	228,404	22,840	205,564
10/22/2009	Pmt - Req #14	<u>Valley Utility Services</u>	212,405	<u>21,241</u>	191,165
10/22/2009	Pmt - Req #15	ILS Associates Inc	5,027	0	5,027
11/5/2009	Pmt - Req #16	Robert Gray Associates	9,644	0	9,644
11/5/2009	Pmt - Req #17	<u>Valley Utility Services</u>	33,060	<u>3,306</u>	29,754
11/5/2009	Pmt - Req #18	Valley Utility Services	54,711	5,472	49,240
11/18/2009	Pmt - Req #19	Valley Utility Services	120,637	12,064	108,573
12/17/2009	<u>Pmt - Req #20</u>	Valley Utility Services	112,069	11,207	100,862
12/21/2009	<u>Pmt - Req #21</u>	Robert Gray Associates	5,105	0	5,105
12/23/2009	<u>Pmt - Req #22</u>	Valley Utility Services	207,711	20,771	186,940
12/28/2009	<u>Pmt - Req #23</u>	<u>Valley Utility Services</u>	137,652	<u>13,765</u>	123,887
12/23/2009	<u>Pmt - Req #24</u>	Robert Gray Associates	7,098	0	7,098
1/11/2010	<u>Pmt - Req #25</u>	<u>Valley Utility Services</u>	8,775	<u>878</u>	7,898
1/11/2010	<u>Pmt - Req #26</u>	Valley Utility Services	229,199	22,920	206,279
1/21/2010	<u>Pmt - Req #27</u>	Valley Utility Services	115,099	11,509	103,589
<u>2/8/2010</u>	<u>#28</u>	Valley Utility Services	280,678	28,068	252,610
<u>2/8/2010</u>	<u>#29</u>	<u>Valley Utility Services</u>	31,790	<u>3,179</u>	28,611
<u>2/8/2010</u>	<u>#30</u>	Robert Gray Associates	7,947	0	7,947
<u>2/8/2010</u>	<u>#31</u>	<u>Valley Utility Services</u>		0	0
<u>2/8/2010</u>	<u>#32</u>	<u>Valley Utility Services</u>	12,328	1,233	11,095
Total Project Costs			<u>\$5,259,454</u>	<u>\$355,058</u>	<u>\$4,903,310</u>

If you have any questions, please feel free to contact me.

Gentlemen,

Attached is a detailed examination, prepared by a group of concerned citizens of Piedmont, of the circumstances surrounding the \$2.4 million in public funds that have been expended on the Piedmont Hills undergrounding project. It raises some very troubling questions that we believe the audit subcommittee must respond to in order for the process to have any meaning.

I look forward to receiving notification of your first meeting.

Sincerely,
Timothy Rood

Something is Rotten in Piedmont

By Timothy Rood and the members of POGO, the Piedmont Organization for Government Oversight

After two separate million-dollar “emergency” appropriations, the Piedmont City Council has buried over \$2.4 million in public funds in a utility undergrounding special benefit district that benefits only 144 homeowners – a subsidy of over \$17,000 per household. **These actions violated City policy and possibly state law as well.** It is the City’s policy to have these private underground districts pay 100% of their cost, consistent with Proposition 218. But taxpayers in the rest of Piedmont have now paid nearly half the cost of what was supposed to be a private beautification project, the official documents of which state that any benefit to the public at large is incidental and limited to no more than 5% of the cost.

The City of Piedmont has similarly poured public funds into other utility undergrounding districts and studies for privately-championed projects on public property, such as the controversial Moraga Canyon sports fields, and is poised to pour in hundreds of thousands more, **even as its highly-ranked school system faces a \$750,000 funding shortfall. Citizens are outraged, and an election may have been affected** by an information blackout that involved senior City staff and elected officials.

The Piedmont Hills Undergrounding Fiasco

How did this happen? Flawed construction documents, no prior geotechnical investigation, and inadequate oversight by City staff resulted in massive cost overruns for tunneling through bedrock in the Piedmont Hills Utility Undergrounding District. The change orders were approved by Public Works Director Larry Rosenberg, despite there being no funds left in the project budget or contingency fund. Bedrock was discovered in the first week of digging, and staff met in July to discuss the problems. **But the overruns were kept out of public view for months, until the project was so far along that it could not easily be shut down.** Rosenberg’s boss, City Administrator Geoff Grote, must also have been aware of the extent of the overruns as early as September 11, 2009, when invoices had been received from the contractor totaling 98% of the project budget. At this point, staff allowed the project to keep digging blindly. The City Administrator did not publicly inform the City Council, nor did anyone inform the undergrounding district. **Then-Mayor Abe Friedman said Grote told him about the August overruns but that he “didn’t know what to do” and that he “can’t remember” whether he heard in September, October or November.**

By Oct. 12, 2009, City staff had received invoices totaling \$2,206,869, which is \$144,574 more than the total available funds including project reserves. Significant amounts of bedrock had been found, yet City staff let the contractor continue digging. Staff did not inspect the geotechnical maps on file at City Hall or the many geotechnical reports on file for the project area, which the City requires on all private construction projects – many of which indicated the existence of extensive bedrock in the project area. Staff did not stop the project to do basic geotechnical exploration by core samples, simple stake driving or ground penetrating radar. **The digging and overruns continued throughout October and November 2009, with no public notification.** When heavy rains in November caused the collapse of inadequately protected open trenches, the City made an initial bailout of \$296,000 from its sewer fund, which attracted little attention.

The true extent of the problems first came into public view on the morning of Saturday, December 5, 2009, when the staff report for the December 7 council meeting appeared on the City's website, requesting an appropriation of \$1,004,832 to complete the project, with assurances from staff that this amount would be adequate to complete the project. A massive outpouring of emails from all over Piedmont protesting the appropriation and the minimal public notification did not sway the Council, although the vote was postponed five days to a special Saturday meeting. The resolution cited public benefits of the project, including safety and beautification, but the primary motivation was City Attorney George Peyton's assertion, in a seriously flawed handwritten guesstimate, that the liability to the City of not completing the project, while it could not be reliably quantified, would vastly exceed the amount of the appropriation. **Peyton has not fully responded to repeated requests for clarification as to whether he received a considered legal opinion from outside counsel as to whether this appropriation of public funds for a special benefit district was in fact legal.** After significant pressure from Mayor Abe Friedman for a unanimous vote, the Council unanimously approved the appropriation.

The influx of public funds allowed the digging to continue, along with the overruns. **It appears that material information about the extent of the overruns was kept out of view until after an election.** On the eve of Piedmont's Feb. 2, 2010 City Council election, in which challenger Julie Watters had repeatedly called for an independent audit of the problems, City Clerk Ann Swift told the Council that additional errors in the contract documents had been uncovered and that the \$247,000 remaining would not be adequate to complete the project, but she could not say how much additional money would be needed. Watters was defeated in the election, and two days later, a staff report revealed that a second appropriation of \$1,150,000 was being requested to complete the project. After another lengthy special meeting, the Council approved the second bailout by a 3-2 vote.

Homeowners in the District, which is among the wealthiest areas in Piedmont, have raised only about \$100,000 toward the \$2 million overruns and have angrily protested that they did nothing wrong and should not have to pay the full cost of the beautification project. The City Council says it hopes to recoup some of the funds by suing its engineering consultants, even as the City is spending hundreds of thousands of public dollars defending an adjacent undergrounding that likely has the same problems of bedrock and is effectively dead.

A sham investigation

The Council has ignored citizen requests for a legal validation action, essentially a court's stamp of approval as to the legality of its action. An "audit subcommittee" consisting of two Council members who voted in favor of both appropriations was announced after the December bailout. **Charged with producing a report by April 15, the audit subcommittee had not even met once as of March 10.**

A group of concerned citizens filed a complaint with the Alameda County Civil Grand Jury in February. Whether the Grand Jury will have time to investigate the matter before its term expires at the end of June or will turn it over to the next Grand Jury is unknown and will not be known, given the secrecy of its proceedings.

At the same Feb. 16 meeting at which he was sworn in as the new Mayor, Dean Barbieri announced his appointment of retired Judge Ken Kawaichi as the sole citizen representative to the audit subcommittee. **Left unsaid was the fact that Judge Kawaichi's wife Susan is the foreman of this year's Alameda County Civil Grand Jury.** While no one is questioning either Kawaichi's integrity, the appointment of Judge Kawaichi to represent the citizenry of Piedmont in the official investigation creates **at least the appearance of a rather blatant conflict of interest.**

How Things Are Done

When Piedmont was flush with real estate transfer taxes, it was par for the course for staff to expend large amounts of public money on sole-source consulting contracts and subsidies of projects that were supposed to be privately funded. Most cities have their municipal budgets peer-reviewed, but Piedmont hasn't done this in at least 10 years. **At least two former Piedmont mayors say they are shocked** by the actions of former Mayor Abe Friedman, who championed the undergrounding project and assumed the role of negotiator with the utility contractor, in apparent violation of the City Charter limiting the mayor to a purely ceremonial role. But Gray Cathrall, editor of the privately-owned local newspaper, the Piedmont Post, rejected all letters to the editor on the subject, citing his own legal opinion. (Mr. Cathrall, a former sportswriter, is not an attorney).

Citizens are calling for a supplemental assessment so that the 144 homeowners pay the full cost of their beautification project, charter amendments prohibiting staff from spending City funds without prior approval, a free press that publishes the full range of views on issues of public importance, and a commitment to transparency, honesty and public oversight.

For more information:

Timothy Rood, 510-676-9772 or PiedmontPOGO@gmail.com

City Of Piedmont - Piedmont Hills Undergrounding Utility District
Timeline showing trenching cost overruns including overruns before Feb 2nd Election.

Mar. 11, 2010

Original Valley Bid 1,515,295
Project contingency 547,527
total 2,062,822

Note below	Invoice Date	Paid Date	Pmt Req #	Payee	Valley			Valley		Balance available	
					Invoice To Date	Retention Amount	Paid Amount	Invoice Totals	% of total available		
1	07/20/09	07/30/09	1	Valley U.	223,038	22,304	204,734	223,038	14.7%	1,839,784	
	08/03/09	08/11/09	5	Valley U.	283,601	28,360	255,241	506,639	33.4%	1,556,183	
	09/03/09	08/28/09	7	Valley U.	387,946	38,795	349,151	894,585	59.0%	1,168,237	
	09/04/09	09/15/09	8	Valley U.	334,039	33,404	300,635	1,228,624	81.1%	834,198	
2	09/11/09	09/25/09	9	Valley U.	254,849	25,485	229,364	1,483,473	97.9%	579,349	
	09/25/09	10/07/09	12	Valley U.	282,588	28,259	254,329	1,766,061	116.5%	296,761	
	10/12/09	10/14/09	13	Valley U.	228,404	22,840	205,563	1,994,465	131.6%	68,357	
3	10/12/09	10/22/09	14	Valley U.	212,404	21,240	191,165	2,206,869	145.6%	(144,047)	
	10/29/09	11/05/09	17	Valley U.	33,060	3,306	29,754	2,239,929	147.8%	(177,107)	
	10/24/09	11/05/09	18	Valley U.	54,711	5,472	49,240	2,294,640	151.4%	(231,818)	
	11/08/09	11/18/09	19	Valley U.	120,637	12,064	108,573	2,415,277	159.4%	(352,455)	
4	11/16/09	11/16/09	--	Valley U.	296,000	0	296,000	Crest Rd. Repair		(352,455)	
	11/22/09	12/17/09	20	Valley U.	112,069	11,207	100,862	2,527,346	166.8%	(464,524)	
	12/06/09	12/23/09	22	Valley U.	207,711	20,771	186,940	2,735,057	180.5%	(672,235)	
5	12/12/09	12/12/10	--	PHUUD	1st allocation		1,004,000	Balance + \$1,004M =>		331,765	
	01/08/10	01/11/10	25	Valley U.	8,775	878	7,898	2,743,832	181.1%	322,990	
	12/20/09	01/11/10	26	Valley U.	229,199	22,920	206,279	2,973,031	196.2%	93,791	
6	01/03/10	01/21/10	27	Valley U.	115,099	11,510	103,589	3,088,130	203.8%	(21,308)	
	01/28/10	02/08/10	28	Valley U.	280,678	28,068	252,610	3,368,808	222.3%	(301,986)	
	01/28/10	02/08/10	29	Valley U.	31,790	3,179	28,611	3,400,598	224.4%	(333,776)	
7	01/28/10	02/08/10	32	Valley U.	12,328	1,233	11,095	3,412,926	225.2%	(346,104)	
	02/02/10	City Council election. Including the \$1,004,000 the project is over budget at least =>									(346,104)
8	02/06/10	02/06/10	--	PHUUD	2nd allocation		1,060,000	Balance + \$1,060M =>		713,896	

Total Excluding Crest Road => 3,412,926 341,294 <= Total Retention Holdback

Notes Valley Utility bid \$1,515,295; additionally the entire project has a \$547,295 contingency. All figures are actual invoice amounts taken from data supplied either in staff reports or email from staff (see attached). This does not include any overruns on the project other than those from Valley Utility for mainline trenching. Balance available does not include the \$296,000 taken from the City Sewer Fund for the Crest Road repair.

- 1 Trenching starts and "Blue Granite" bedrock is found in the first week. 80,000 psi mining equip. is required.
- 2 Sep 11: **98%** of the original \$1,515,295 trenching bid is invoiced. Trenching is far from complete.
- 3 Oct 12: Valley billing **exceeds** the trenching allocation plus entire project contingency **by \$144,279**.
- 4 Oct 16: **Council takes \$296,000** from City Sewer Fund to repair Crest Rd. water damage.
- 5 By Dec 6 staff has received invoices for trenching that **exceed** the Valley bid and project contingency **by \$672,467**. Staff tells council 2,300 linear feet of trenching remain. **Council appropriates \$1,004,000** for Valley Utility for the project. \$331,533 remains to complete the project.
- 6 By Jan 3, despite \$1,004,000 extra funding, the project has **exceeded** council authorizations again.
- 7 Jan 28: Four days **before** the Feb 1 Council meeting and five days **before** the city election, staff has received invoices which **total \$346,336 over** the Dec 12 \$1M + the original Valley bid + the entire project reserve.
Feb 1: Staff does not inform council of amount of the overruns. Council is told 3,950 feet of trenching remain.
- 8 Feb 6: **Council appropriates another \$1,060,000**. Total taxpayer funds to PHUUD are **\$2,064,000**. Including Crest Road repairs **\$2,360,000** of taxpayer money is spent on this project.

Data sources eleven pages attached:

Feb. 6 Mark Bichsell finance report to Council, pages 1 and 5

Feb. 12 City accountant Ken Lee's spreadsheet with invoiced amounts and missing dates

Feb. 18 Mark Bichsell/Ken Lee email clarifying Pmt Req 23

Feb. 18 Ken Lee email clarifying Sewer Fund as source of \$296,000 (typo as \$296)

Dec. 7, 2009 Staff report June 12, 2008 61 Glen Alpine Geotechnical Report Page 00200 Valley Contract

note: Excluded from calculations above are: (1) Pmt Req 23 in three parts and evidently for lateral work; see Feb 18 Ken Lee email. (2) Pmt Req 31 is total retention fee est. \$355,058; see Feb 12 Ken Lee email.

To: Piedmont Special Audit Committee
From: Alice Creason
RE: Piedmont Hills Underground Utility District Investigation
March 26, 2010

The purpose of this memo is to assist you in the investigation of the Piedmont Hills Underground Utility District. Many in Piedmont are eager to have this matter understood and policies or ordinances suggested to assure there will be no repeat of the errors made as pertained to the PHUUD. Confidence in the City Council is primary to returning Piedmont to being a well run city. Therefore much of the following is directed to the Council members and staff who served during the past 6 years.

Given that the Council has the right to initiate investigations under the Piedmont City Charter, it is hoped you will use that power to subpoena witnesses and require all witnesses to testify under oath. Additionally, since the council members, who are on the Audit Committee, are a part of the investigation, a procedure should be undertaken in which testimony will not create a conflict of interest. This would likewise apply to any staff member who is advising the committee during the investigation, including the City Attorney. Consideration should be given to hiring outside counsel to provide advice during the Committee's review of the matter. If there are any conflicts of interest on the part of any members, these should be identified prior to consideration of the matter, and any conflicted member of the committee should recuse themselves.

An understanding of the Piedmont City Charter is vital to this investigation.

As you investigate the issues around the failure of the PHUUD, it is requested that you review and inquire about the issues listed here.

1. When did any serving council member, which in this memo shall include the then Mayor, Friedman, learn about the financial overages? How did they learn? What did each do as individuals? Include any action taken in closed session, which can be revealed at this time regarding direction to staff.
2. Did the City Administrator at any time discuss the problems on an individual basis with any council member? If so, when and what was discussed?
3. Did any other staff member discuss the problems with any council member? If so, name the staff member, what was discussed, who it was discussed with, and when was it discussed?
4. Did any council member raise a question regarding the fact that the City Engineer was not in charge of the project? If so, when was the question raised?

5. Who on the staff, which includes the contract engineer and City Attorney, actually read the contract and bid documents? When did they read them? Did they make or recommend any changes? Detail any discussions on this matter.
6. Was a question of the City assuming all the risk and potential additional cost of the project ever raised by any staff member as an issue? If so, tell when and the result.
7. Given the Crest Road water problem, was there any provision in the contract to place responsibility on the contractor rather than the City?
8. Did any council member read or understand the part of the bid document or contract that specified that risk was being assumed by the City?
9. Who by Council resolution was directed to sign the contract for the City?
10. Did the City Administrator keep the Council apprised of the financial situation of the PHUUD and of the City at all times? Note the various times, publicly, privately, or in closed session.
11. During the time when the financial overages were known, did any council member or staff member refer to the City Charter for guidance?
12. Was it ever brought to the attention of the public or the Council that the City Charter was frequently not being followed in regard to the PHUUD?
13. To date, has Piedmont's outside auditor reviewed the payment dates and amounts of the PHUUD? Is this the same auditor that does the annual audit of the City? How long has this same auditor been auditing the City?
14. What was the role of the Audit Committee during the progress of the PHUUD work?
15. Given that no public action was taken, nor any authority permitted under the City Charter, why was the Mayor allowed to negotiate the contract and direct the staff and contractors, as he described at the Feb. 6, 2010, Council meeting?
16. Each staff member involved in any manner with the project from inception to present should be asked to provide information and/or any emails, conversations, written documents, etc. with the council members. If community members played a significant role in the project by interacting with the staff, this information should also be detailed.
17. Did any council member have a direct interest in the project?
18. Explain why the original projection of cost and work by the City Engineer was discarded and a new engineer was chosen? Detail the changes.

19. Given the great disparity between the first and second engineers' cost projections, did the staff, public or Council raise this as a potential problem?
20. When was the City Attorney first informed that there was a financial problem with the project? What did he do?
21. When did the contractor first inform the City of the rock problem and the fact there were going to be overages? Who was informed and what did they do?
22. Did any individual associated with the project delay revealing the problem to the public, council members, staff or District members? If so, how and why?
23. When determining the date to inform the public regarding the significant overages in the PHUUD, did anyone on the staff, the Council, or member of the District give consideration to either the filing date for City Council nomination papers, in November, 2009, or the City Council election date, February 2, 2010? If so, detail the specific consideration, any discussions, orally, emails, or other methods of communication about this issue.
24. Detail when and how all money regarding the PHUUD was acquired and expended. Include the seed money, individual donations, PGE undergrounding funds, any insurance money for the Crest Road water problem, general fund money, CIP money, etc.
25. Was any money spent from any fund which was not designated for the project. State which City, State or PUC policies, if any, were not followed in the funding of the project.
26. In returning the PHUUD streets to a properly paved condition, was the cost of the repaving a part of the original PHUUD cost? If not, did the City follow the City's paving priority list? If not, which streets were preempted in deference to the PHUUD streets? What was the total cost of the PHUUD repavement?
27. Were any bonds required for staff members or contractors? Detail.
28. Does the Council and staff have Errors and Omissions insurance? If so, describe it and its possible application to this matter.
29. Does the City Attorney have liability insurance covering actions or inactions?
30. What were the accounting procedures for the prior recently completed underground district? Were the the same procedures followed for PHUD?
31. Was there an outside audit of the prior underground district? Were there any irregularities with that district? Were there any unforeseen costs or overages? Were any City funds used to cover the cost of the prior district. Detail.

32. Has the City restored all of the 20A funds, which according to Council policy adopted in 1985, were to be accumulated for undergrounding utilities on Piedmont's primary streets, Oakland and Moraga Avenues? How much money is set aside in 20A funds?
33. What ordinances or policy changes need to occur to prevent a repeat of the problems associated with PHUUD?
34. How can the Council and staff become more aware of the Piedmont City Charter, adopted Council policies, the Brown Act, conflicts of interest laws, and other pertinent laws?

I have presented these questions to allay concerns by citizens, who expect a full investigation of the matter. Providing answers to these inquiries will aid in restoration of confidence in Piedmont's governance.

Showing the Special Audit Committee meetings live on KCOM will allow the greatest public participation and the most open process.

Thank you for your consideration.

Alice Creason