

**San Francisco
Local Agency
Formation Commission**

ITEM NO. 2

City Hall
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MINUTES
Special Meeting
Friday, June 7, 2002, 10:00 a.m.
City Hall, Room 263

Chairperson: Commissioner Gonzalez; Vice Chairperson: Commissioner McGoldrick
Members: Commissioners Ammiano, Hall and Schmeltzer
Alternate: Commissioners Peskin and Fellman

Clerk: Monica Fish

SPECIAL AGENDA

(There will be public comment on each item)

1. Call to Order and Roll Call

The meeting was called to order by Chairperson Gonzalez at 10:07 a.m.

Members Present: Chairperson Gonzalez, Vice-Chairperson McGoldrick;
Commissioners Ammiano, Hall, Schmeltzer and Fellman.

Members Absent: None

2. Approval of the Full Minutes of the Public Hearings of February 22 and March 22,
2002 and Commission Meetings of April 19 and May 10, 2002 (Action Item).

No Public Comment.

Commissioner Ammiano moved to approve the minutes. Minutes were duly
seconded. No objection. Minutes unanimously approved.

3. Discussion by Ed Smeloff, Assistant General Manager for Power Policy, Planning and Resource Development, San Francisco Public Utilities Commission on the San Francisco Public Utilities Commission's energy policies.

Mr. Smeloff stated, my understanding of the reason you invited me here was to discuss generally the issue of governance at the Public Utilities Commission. It is my intent to communicate the administration's position related to governance and answer any questions you have about energy policy issues. I brought and handed out to you the most recent survey that has been conducted by the American Public Power Association related to governance of public power agencies through the United States. I will briefly summarize the key elements that I thought were relevant to your considerations and then you can review the fuller document.

This was a survey of 816 public power agencies. It looked at a number of issues including how the governing body was selected. Twelve percent of the governing bodies are elected directly by the voters; 29 percent are appointed Commissions and then in 59 percent of the cases, the City Council is the governing body for the municipal utility.

Vice-Chairperson McGoldrick asked, it's City Councils, it's never Boards of Supervisors for counties that you know of?

Mr. Smeloff stated there are some exceptions where it is a County, but in almost every case it is a city government that operates the municipal utility. So they have categorized it as City Councils, but I assume when they survey places like San Francisco, Board of Supervisors means City Council.

Vice-Chairperson McGoldrick stated we're the only entity in the state that is both a City and County.

Commissioner Ammiano stated there is another one.

Mr. Smeloff stated this is a nationwide survey, so in 59 percent of the cases it was the City Council or the Board of Supervisors that directly acts as the governing body for the electric utility. Generally, elected boards tend to be for special districts--for municipal utility districts, public utility districts, public power districts, and irrigation districts. If you look nationwide, the elected boards tend to be more frequently in the Pacific Northwest where you have a lot of public utility districts that get their power from Bonneville and in California, where also a number of the districts got their power from the Western Area Power Administration or other hydro-electric projects that were developed as part of the historical development of the west. Generally, the larger the Public Power Agency, the more likely it is that it will be an appointed Commission. Smaller cities tend to have the governance occur directly by the City Council. When you look at public power agencies with more than 50,000 customers, 24 percent of them are elected, 39 percent appointed, and 37 percent governed directly by the City Council.

The appointed Boards—there are different ways of making the appointments. Fifty-five percent of appointed utility boards are appointed directly by the Mayor of the City. Of those appointed by the Mayor, 91 percent of those are subject to approval by the City Council so the City Council has confirmation approval. Ten percent of the bodies are appointed jointly by the City Council and the Mayor and then in 31 percent, they are appointed just by the City Council. That does not add up to 100. There are some other peculiar things like the Long Island Power Authority, where the governor appoints some members. You generally see with the larger agencies appointment by the Mayor, confirmation by the City Council.

The report goes into a number of issues that may or may not be of interest related to the terms of the governing body, any term limits, compensation of the governing body members, and I will leave that for you to read through. It also analyzes eight specific powers and authorities, which public power agencies often have for themselves, often operationalize. This analyzes how those authorities are divided between appointed Boards and City Councils when you have an appointed Board. Let me say what those eight authorities are. I think you are already aware of them and are addressing them in various discussions that I have heard about what should go into a Charter amendment. Eight key authorities are (1) setting electric rates; (2) approving the utility budget; (3) setting salaries of key utility officials; (4) issuing long-term utility bonds; (5) making any financial investments related to reserve funds that the utility holds; (6) approving purchase power contracts; (7) exercising the right of eminent domain; and (8) hiring and firing of key utility personnel. You can see in here how those duties, those powers and authorities are divided between appointed Commissions and elected City Councils.

Let me now articulate for you what the administration's position is related to governance. The administration, both the Mayor and the San Francisco Public Utilities Commission's view is that we need to maintain the existing governance structure for continuity and achieving key policy goals that have been recently set forth. The Mayor has hired a new General Manager in conjunction with the Public Utilities Commission. He has also hired an Assistant General Manager for Power Policy—of course that's me. We have over the past eight months to a year (I have been here for a year) have attempted to set forth some new policy direction for the Public Utilities Commission. The Commission, as you are aware, recently adopted a long-range capital improvement program that includes a major commitment of resources to rebuild the Hetch-Hetchy water and power system, the regional water system. We are underway in recruiting key staff to implement the capital program including a new Assistant General Manager for infrastructure development. We have discussions underway with suburban water users and key legislators about co-funding and co-financing some of the large projects. We've talked to the credit-rating agencies about our plans. In my area, we are developing a long-term business plan for the Hetch-Hetchy water and power agency so that agency can get a credit-rating. Then we can proceed with developing new clean sources of generation including solar, wind, and other sources needed to shut down the Hunter's Point power plant locally.

The administration believes that the current governance structure provides for transparency and accountability. We are subject, like all City agencies, to the Sunshine Act and the public has a right to all of the documents that we produce with certain limitations. All of our meetings are open to the public and there are opportunities for the public to comment and testify on key policy issues. I think we have shown the new leadership at the Commission, as Pat Martel and myself, a willingness to get out into the community and discuss the plans of the Public Utilities Commission. Ms. Martel has done an extensive community outreach around the capital-improvement program, and I have worked with the Department of the Environment on putting together an Electricity Resource Plan. We've met with numerous neighborhood and community groups in doing that.

I think the City needs to be aware that if we make a change in the governance at this time, that we may or may not be putting in jeopardy some of these plans. A new governing body will take some time to come together and set policies. A new governing body may or may not want to select a new General Manager, may or may not have a different attitude to the Capital Improvement Plan. That uncertainty, if we move at this point in time to changing the governing structure, will raise issues related to how the financial community looks at our plans, how other state legislators look at our plans. So the administration is very concerned that we be careful in changing direction at this time. It's the Mayor's belief that he has begun to set a course, one that is committed to public power, one that is committed to improving the infrastructure. We do believe there is a need for revision and reform at the PUC, changes in the authorities that are given, but that the governing structure is adequate and should not be changed. I would be glad to answer any questions.

Vice-Chairperson McGoldrick asked, what is it exactly that the Mayor has indicated as support for public power?

Mr. Smeloff stated, the Mayor has supported AB 117, which is authored by Assemblywoman Carol Migden. I met yesterday with her staff and key members at the CPUC and the Department of Water Resources. That bill is moving forward. That bill would give the Public Utilities Commission and the City the authority to become the load-serving entity, that is, get in the business of providing electricity to every business and residence in San Francisco. We would become the default-provider. Businesses and residences could opt out and go back to PG&E, could choose a third party to provide electricity, but the City would take over the major responsibility for procuring the commodity, for planning for the future, for setting electric rates, for managing energy efficiency and load-management programs. From the Mayor's and my point of view, these are the key first steps to a full-fledged public power agency and a major change that would allow us to accomplish the goals of shutting down Hunter's Point, cleaning up the power plants at Potrero, and getting cleaner and renewable resources into the City.

Vice-Chairperson McGoldrick asked, does this bill include the generation, transmission, and distribution control for the City?

Mr. Smeloff stated, this bill allows, in combination with Charter amendments that I understand are under consideration, for ownership of generation, for ownership of new transmission, new distribution, for ownership of the technologies for load management and energy conservation. The Migden bill is silent on the issue of taking over the electric distribution system that is owned by PG&E. In fact, it provides another way of getting into the power business without having to go through the complex challenge of taking over the distribution system, which will involve undoubtedly very complex litigation.

Vice-Chairperson McGoldrick asked, could you explain that in a little bit more detail?

Mr. Smeloff stated, the Migden bill would allow the City of San Francisco and other municipalities to get in the business of providing electricity, providing it over the existing utility wires. In our case, over PG&E's wires. We could own power plants, we could own other technologies that are essential for energy storage and load management. We could enter into long-term power contracts. We would become the body responsible for procuring the electricity commodity and for planning for the future, which are the key challenges that San Francisco faces is getting enough new supply that we have both reliability and clean sources of energy.

Commissioner Hall asked, how does this Migden bill differ from what we are allowed to do right now under the City Charter?

Mr. Smeloff stated, the key difference of the Migden bill and current state law is that it changes from what we call an opt-in aggregation to an opt-out. Right now, if the City wants to sell electricity to new customers, we have to sign up one by one every new customer. It is a complicated process. It would be time-consuming and expensive. The Migden bill allows by a vote of the Board of Supervisors if you pass an ordinance, and then we submit an implementation plan to the CPUC, we can become the default provider for all San Francisco's businesses and residents, and then they have the opportunity to opt out. If they don't want the City to be their supplier of electricity, they can go back to PG&E, or they can select a third party. That's the big difference—it's a very important difference that makes it less costly and easier to implement public power here.

Vice-Chairperson McGoldrick asked, does that mean what we are doing is entering into a competitive relationship with the other provider, say PG&E?

Mr. Smeloff stated, yes it would, because people would have choice. They would not be obligated. They would not be locked into taking electricity for the City. The City would be protected—there would be both exit and entry fees charged. After a certain period of time if customers decided to opt out, the City would be able to assess those customers any fees that it has incurred on procuring supply on their behalf. The City

would be protected, but no customer is locked into taking electricity from the City or any other supplier.

Vice-Chairperson McGoldrick asked, does that mean that we would be competing with the entire PG&E corporation or network as a City?

Mr. Smeloff stated, remember PG&E has gotten out of the commodity business. They have sold all of their fossil power plants with the exception of Hunter's Point. They want to spin off their hydro and nuclear plants. That is a whole separate issue. We are proposed to doing that. They are interested in being a wires and pipes company and having other parties own generation and be responsible for selling the commodity. San Francisco is such a peculiar location geographically. We will never have effective competition among generators being at the top of the peninsula. In my judgement, it was a huge mistake to have sold off the Potrero Plant to Merant to give them the kind of monopoly power without competition in San Francisco. The only way to protect our interest in the future is to have the City take responsibility for procurement of the electric commodity.

Chairperson Gonzalez stated, I want to ask you a couple of questions related to the survey. I want to thank you for putting it together and for bringing it forward. The thing that I would be interested in knowing is whether or not you think there is some way of trying to break down this information with power authorities or whatever we want to call them that have essentially what we could identify as best practices. So, rather than looking at all of them put together, is there some way that we can say, here are five or ten that work exceptionally well, and this is what they do?

Mr. Smeloff stated, I think I can get for you in a week or so a list of the largest public power agencies in the United States and how they are governed. It is a little bit more subjective for me or someone else to say, these bodies have the best practices. You could look at what their rates are, but that will vary regionally. You could look at what their portfolio of renewables is, but I could at least give you a list of the largest agencies, and you could see how those agencies are going.

Chairperson Gonzalez stated, I don't think just looking at the largest ones would quite get to where I am trying to take you. I understand that to a large extent that it would be a subjective determination, but you might be able to maybe give it some thought. There is some possibility that certainly within the industry, there are certain models for how to do things.

Mr. Smeloff stated, I can discuss this with the both the American Public Power Association and the California Municipal Utilities Association and see if I can pull something together for you. Your next meeting is on the 17th?

Chairperson Gonzalez stated, that is right.

Mr. Smeloff stated, I will pull something together.

Commissioner Fellman stated, I was actually thinking it might be useful to have Jerry Jordan or somebody from the California Municipal Utilities Association come and address us on this question. I was going to suggest it. I think, Mr. Smeloff, you are familiar with it, but they can give us a direct overview. They work with this all of the time, and we could ask them questions. They could say, down south, this is what works because they are familiar with the whole statewide operation.

Mr. Smeloff stated I think with enough notice, you could get somebody to come from Washington from the American Public Power Association as well to talk about nationally how public power agencies are governed.

Chairperson Gonzalez stated, I think your survey captures that in large part. I think to my mind you have successful models that have different governing structures, but the extent that we can flush that out. It certainly would be helpful to hear from anyone who could speak on the governance structure, but I am satisfied with your presentation frankly on the averages. I am just wondering if there are some way of breaking these figures down and saying, does the governing structure change when you separate out best practices or the agencies that are the most successful? Is there some way of identifying that, and that would obviously be of use.

Mr. Smeloff stated, I have written a book on electric utilities, called Reinventing Electric Utilities Competition Citizen Action and Clean Energy in 1997. I interviewed a lot of community groups throughout the country in that process. One of my observations is that cultural differences in different parts of the country really affect the practices of electric utilities. You will find a lot stronger commitment to renewable energy, to openness and conservation in the Pacific Northwest. You will see a very different type of governance in the Tennessee Valley and in the south where you have a number of other public agencies that are associated with development of public power in that part of the country. You will see different things in the East Coast where you have a different City Council type government. So, it may be hard to generalize best practices across the country.

Chairperson Gonzalez asked, is there a way to do the reverse, to identify worst practices or a utility that has disappeared as a result of their governing structure?

Mr. Smeloff stated, let me think about that.

Vice-Chairperson McGoldrick asked, Mr. Smeloff, what do you believe would be the advantages of following the provisions in the Migden legislation as proposed to municipalization of the existing utility in San Francisco?

Mr. Smeloff stated, I think the Migden legislation allows us to put the city's most pressing problems first, that is, getting new sources of generation in San Francisco, developing renewable energy both in and outside the City, and developing a source of revenues for the City by having a relationship with end users, with businesses and

residents. It avoids the first priority being a litigation with PG&E over whether or not we have the right to take over their electric system and then secondly, what is the value of their system? My point of view, ownership of the grid is not the primary problem that we are facing. The primary problem is that we have very old and unreliable power plants in the City. Second part of the problem is that we have a vacuum of leadership and structure in the state. It's not clear long term who is responsible for planning for electricity and procuring supply. Combine that with the peculiar nature of San Francisco not in my mind ever going to have a competitive market. We are at a real disadvantage of just letting things go forward without any clear policy direction on how we are going to get new sources of generation. For that reason, the Migden bill offers us the clearest pathway to solving our problems in that full-scale municipalization is likely to be a stalemate situation for a number of years.

Commissioner Fellman stated, when PG&E were here, they indicated that they were supporting the Migden bill. Do you know if that is still the case?

Mr. Smeloff stated, they were in a meeting with me yesterday with Migden's staff along with Southern California Edison and Sempra, and all of them were supporting the legislation. Key issue on this legislation is some clarity on the methodology for determining what the exit fees are to support so that the Department of Water Resources and the State of California don't not lose revenues as part of the process of implementing community aggregation.

Commissioner Fellman stated, an issue was raised with respect to energy efficiency program financing. Did that come up in the discussions yesterday?

Mr. Smeloff stated, there is language in Migden's bill, a little convoluted, but after talking to her staff and talking to TURN, the way that language is structured is that if we were to become a community aggregator, we would have control over specific programs that have already been designed by PG&E and approved by the Commission. We could target them in specific neighborhoods to specific customers, but we would not have the discretion to just take those public goods dollars and spend them in any way that we saw fit. There is also supervision in her bill that would allow us, if we thought we had better ideas about energy efficiency programs, to apply to the CPUC for a portion of the funds that have been set aside for innovative programs.

Commissioner Fellman asked, would it be possible for you to just inform the LAFCo regarding the status of the legislation?

Mr. Smeloff stated, the Migden bill is up before the Senate Utilities Commission next Tuesday. I met with Senator Spier's staff yesterday and they are supporting it. I think there is a good likelihood that we get it out of Senate Utilities and then go over to the Finance Committee in the State Senate.

Vice-Chairperson McGoldrick asked, as regards to the approval of an implementation plan by the CPUC if the City were to move in the direction of the Migden legislation.

Have you seen a history of approval of an implementation plan by the CPUC that has some sort of a picture that you could draw?

Mr. Smeloff stated, we crafted language yesterday. It was very careful so that the CPUC has no approval authority over the implementation plan. The only thing that that CPUC has authority is to establish exit fees related to the DWR contracts, and that any city that wants to do this can't go forward with their implementation plan until their exit fees are established. The CPUC is authorized to provide technical assistance for those counties that may have less sophistication than San Francisco. They may need to get some technical assistance, and the Migden legislation allows the CPUC to provide that.

Chairperson Gonzalez asked, is there any member of the public that would like to be heard on this item?

No public comment.

Public Comment Closed

4. Discussion and Action regarding Outside Legal Counsel versus City Attorney's Office support to SF LAFCo.

Gloria L. Young, Executive Officer stated, as you are aware there has been an ongoing discussion about legal counsel. In your packet is a letter from City Attorney Dennis Herrera, and I believe both Ms. Miller and Mr. Maynor can speak to their continuing role and also Commissioner Ammiano who has indicated his desire to return to inside counsel. I am here and available for questions.

Chairperson Gonzalez stated, I have stated my thoughts on this previously. I don't know if all of the members were here. Absent a compelling reason to change counsel, I wouldn't be inclined to want to do that until the calendar year was over. I think we have some projects underway. I think there is commonly this idea that there is a savings to the Commission to having the City Attorney do the work, and I don't think that was true given past history. I also think that in the City Attorney's letter relating to conflicts, that frankly, it simply underscores the reality that there are times when you are going to want a different counsel than what the Board of Supervisors has for this kind of Commission.

Commissioner Schmeltzer stated, I tend to disagree. I think that there will be savings. I think that there was an enormous amount of start-up costs involved in the initial use of the City Attorney's Office that won't need to be repeated, and that there will be savings realized because there won't be those types of large start-up costs. In addition, I think there is some benefit to be had from getting the coordination between the Energy Plan representation and the LAFCo representation and making sure that the legal strategy and the legal advice is in concert. This is part of what the City is doing as a whole. I

don't see a conflict there. I think the City Attorney's Office is able to identify if there would be one and advise us of that at that point.

Chairperson Gonzalez stated, just so you know, I was an alternate at the time and LAFCo had some unusual interactions. I think we spoke about this previously in regards to whether or not there was a conflict. The City Attorney took the position that there wasn't a conflict. While I know we had a different City Attorney, I believe the same Deputies that were advising us at that time would come back in and probably in all likelihood be the attorneys advising us in the event we had the City Attorney. On to the question of costs, Ms. Young, do you have any opinions about the point Commissioner Schmeltzer raises that the reason there may be a cost disparity is that there were start-up costs? If you could also mention the pre-existing relationship the City Attorney had with outside counsel as well?

Ms. Young stated, I believe the outside counsel was hired by the then City Attorney. I concur with Commissioner Schmeltzer's remarks about the fact that there was a need for start-up information, especially with relationship to the Municipal Utility District that was being placed on the ballot at the time. We weren't in direct contact in terms of how and when the outside counsel was hired. They were hired on a number of occasions. When we went through the billing after we had received the first and only bill from the City Attorney's Office, we did go through the bill and we extracted those costs from the outside counsel that was used more with respect to PUC as opposed to LAFCo. There was a substantial amount of money that was paid to the outside counsel. I think that their costs were similar if not higher than our existing counsel. I know that they worked on a number of occasions. The inside counsel met with a variety of the supervisors with respect to the ongoing issues that were being placed on the ballot.

With respect to the existing legal counsel, we have used them very differently. As you know, we have two legal counsels. One we use mainly to advise us on LAFCo related issues and the other for energy. Generally, they are not both working on the same subjects at the same time, and that's been how we constructed it to keep the costs within reason. The fact that we had to request an additional \$25,000 was based on the fact that we were needing both of their input into this energy consultant plan and also as we went about negotiating the contracts. I think that we have been reasonable in terms of how we used the outside legal counsel. I think if the LAFCo Commission chose to use inside counsel, we would have to think about how we use their services as well and when and if there is a need for outside counsel, that this Commission has some input into this process.

Commissioner Ammiano stated, let me clarify your comments, Commissioner Gonzalez, because there are some very good points made. Are you suggesting that there could be a disruption if we change, and by the end of the calendar year that you would be supportive of outside counsel?

Chairperson Gonzalez stated, I think there was a kind of unique thing happening at the time we went to outside counsel, and we did embark on as I see as a particular project

that will in a certain extent run its course hopefully by the end of the year. So I think, the answer to your question is yes. The other thing I would say is that the determination as to whether to hang on to your attorney also turns on whether or not you are satisfied with their services. We can have that discussion. I am certainly very satisfied.

Commissioner Ammiano stated, I am not on fire about this issue as long as we get good services. I was looking at it in terms of the economics of course. The other thing is there was a history. There was a particular member of this Commission who was also running for City Attorney and was very pronounced in the opposition to the City Attorney's opinions, which is perfectly legitimate, but it was extremely pronounced to the point where it just got to be uncomfortable. I think what Commissioner Gonzalez is stating is certainly in a different vein, but expressing the desire to retain the outside counsel. I am finding his suggestion that we retain the services, which I think has been more than adequate, for the rest of the calendar year very appealing. This way based on his observation, things are not disrupted. The money situation would then be mitigated by the non-disruption, and by the end of the year, we would move to retain the City Attorney, who would then have been briefed.

Commissioner Schmeltzer asked, I am curious why the calendar year versus the fiscal year since the project that we are working on is largely wrapped up? We'll have the report out by the end of the fiscal year. It seems to me that would be a logical timeframe.

Commissioner McGoldrick asked, Commissioner Schmeltzer, do you want to also delineate your thoughts in terms of the difference in our outside counsel. Mr. Maynor is working on one area and then Nancy Miller is working on another area.

Commissioner Schmeltzer stated, primarily, Ms. Miller is advising us on governance issues and general LAFCo issues. That of course is an ongoing process and is not tied to the project cycle. That is the difference between the two outside counsels that we have. There was a mention you made of hybridization of legal services, and that may make sense between the project and general LAFCo.

Commissioner McGoldrick asked, are you suggesting in terms of outside counsel, that Mr. Maynor's work would end soon, but Ms. Miller would stay on?

Commissioner Schmeltzer stated, I am suggesting that that is something that could be open for discussion as far as looking at the project that we're dealing with versus LAFCo, which is an ongoing concern and that we're continuing to get advice on LAFCo generally versus the project in specific.

Nancy Miller, Esquire stated, I just think in terms of your future agendas, we have really been focusing on one issue, which will tend to be wrapped up relatively shortly. I suspect that Mr. Maynor will tell you that his services will conclude fairly shortly unless you have reason to continue on or want additional services from him. As for me, it's

the same kind of thing. Once you get to a point and whether it's the end of the fiscal year, I don't know, because we have some hearings, and you may want to have more hearings. But at least at the end of this project, you may decide that you don't really need to meet on any other types of projects, so your services for anybody may dramatically drop. We're on an as-needed basis so quite frankly, you can terminate or reduce our services at any time. I see that what we're trying to get through right now is a particular process. Whether that's really done right at the end of the fiscal year, I really don't know. But certainly, we see our services as winding down fairly quickly once the study is done and disseminated to the public.

Chairperson Gonzalez stated, just to respond to Commissioner Schmeltzer's issue about the project. I think anybody that has been watching the proceedings here has a pretty good idea that we're focused on trying to put discussion about measures on the ballot, a particular measure that there is some likelihood about reaching the ballot. I think that it is pretty natural that in the course of between the end of June and November or December, you are going to have issues related to the work that we did and the hearings that were conducted. To not have the benefit of our counsel that played such an important role in putting these hearings together and bringing in somebody else that may not have the familiarity and to expect them to be able to come in and adequately comment on, defend, what have you, raises its own burden.

Commissioner Schmeltzer stated, I guess I don't see that as being a particularly pressing legal issue looking at what happened in the public hearings that we were all at.

Commissioner Gonzalez asked, your primary concern appears to be about saving money?

Commissioner Schmeltzer stated, that was raised as an issue. I do think we would save money, but that is not my primary issue.

Commissioner Gonzalez stated, to the extent that it is one of the issues, I am just wondering for the Commissioner generally, what is the threshold? Is it \$50,000, is it \$20,000? I am just curious for folks here how much do we have to save for it to be ...? The other points you raised were the energy plan and LAFCo. I think to the same extent that you are resisting my suggestion that keeping our current counsel in the course of a measure going to the voters and maybe being able to comment on things that were in the plan that gets put together, etc. I think a similar argument could be made about the coordinating of different bodies within the City and County of San Francisco as it relates to different energy policy. Mr. Smeloff certainly comes over and is willing to make presentations to this body. I think an argument could be made that there's no great likelihood that having the City Attorney would facilitate that. The final thing I would say is that is having been here at a period of time when there was a vote to put certain items on the Board, I thought the conflict issue was handled very poorly. While we have a new City Attorney, I do think it is a little bit unrealistic to believe that that entire agency somehow was reformed completely in how it handles business.

Commissioner Ammiano stated, just to not get overwrought about this issue. Once the ballot measure is put on and passes, then any defense or potential litigation would be handled by the City Attorney because then it is the purview of the City and County of San Francisco, and not LAFCo anymore. The City Attorney would have to defend it.

Chairperson Gonzalez stated, I think it would depend what kind of challenge it was and of course who our current-counsel was.

Commissioner Hall stated, Commissioner Schmeltzer you had started to express a secondary or third concern and then you stopped.

Commissioner Schmeltzer stated, the other concern was that in ensuring that we understand what is happening legally, with the City's Energy Plan, and seeing that we're in coordination and not "shooting each other in the foot," so to speak.

Chairperson Gonzalez stated that we have a lot of interdepartmental interagency-type work. I am not sure that the Energy Plan turns on who our counsel is.

Commissioner Ammiano stated, I think we need a motion and counsel.

Donald Maynor, Esquire stated, I hate to argue against myself on this. I think there are a lot of good arguments in favor of the transition. I think there are some advantages to getting the City Attorney's Office more closely involved in some of the things that are going on. At the same token, I think that it may be useful to have Ms. Miller and myself available on a consulting basis when questions or issues come up or the City Attorney's Office, who may not be as familiar with what has happened. It may make sense to get the transition going sooner or later. How that transition evolves depends a lot on how your agendas look like.

Commissioner Fellman stated, thank you for your comments Mr. Maynor. I think that at our last meeting what we discussed was the potential of having the contracts and the termination of a fiscal year and using a renewal ability on a month to month basis. I think what Mr. Maynor just suggested was that we could bring in the City Attorney when needed and bring Mr. Maynor in when needed so we could have the best of both worlds. That would be my suggestion. There are some projects that are going on, and there is also the ballot measure moving forward, and I think we need different kinds of input at this point. We have had excellent service, our hearings were well received. I think Ms. Miller has done an excellent job on the formation questions, so as we wind that initial phase down with the publication of the report and go into the next phase, we can use both services. That would be my compromised recommendation.

Chairperson Gonzalez stated, I think that is somewhat attractive, but the City Attorney does give advice to the Board of Supervisors. One of the ballot measures that is being considered was offered by Commissioner Ammiano at the Board of Supervisors. I think they are already involved in that measure and are playing some role. I tend to

agree with what Ms. Young said in so far as the reality is that the LAFCo has only been meeting to the extent that we've been meeting because of these hearing and trying to put this study together. This was not a body that was meeting this frequently previously. So, I think there is kind of a natural attrition that takes place here. The City Attorney is already involved to the extent that they are otherwise giving advice to the Board of Supervisors.

Ms. Young stated, I need to make sure that you are aware that we will need a decision today because both Mr. Maynor and Ms. Miller's contracts do end June 30, 2002, and there is a provision for us to go month to month. But we need to confirm that. Otherwise, we may or may not be without legal counsel. This is a policy decision for this Commission.

Chairperson Gonzalez asked, Mr. Maynor, what would happen if we went month to month and made a decision at a later time related to when we get this study done? What is your opinion on it?

Mr. Maynor stated, I don't have an opinion on it. What I see as the big project right now is finishing the report. There will be other issues that come along involving the election that may better handled by the City Attorney's Office. I don't know--you are a better judge of that because of the politics. From my perspective, after the report is completed and if I can offer any suggestions or helpful comments on it, I don't see where my role would continue unless you have more issues that you needed answers to.

Chairperson Gonzalez stated, I agree with you. But for me the thinking is questions related to the election, the Board of Supervisors already has the City Attorney to rely on without bringing them here, calling them our counsel, and paying them to do for us what they already do for the Board of Supervisors. While I appreciate that you essentially feel that your work is over, once the report comes in, we're all saying that for the large part, the work of the Commission would be certainly not on the back burner, so to speak. Whether you call yourself our counsel or consultant to the City Attorney, it seems that your role would be identical. So the question for me is the benefit of bringing in the City Attorney into this arena as opposed to the Board of Supervisors.

Commissioner Hall stated, I am trying to sum up my thoughts. Everybody is saying something that makes sense. I agree with Commissioner Gonzalez on the fact that we're half way through a project or whatever percentage we're through with legal counsel that I think we might need on matters specific to the issues we've been working on. However, I think Ms. Fellman's idea of having the option to go to the City Attorney on matters that don't directly relate to the most important thing that we've been working on makes sense. I agree—I think we're better off sticking with the existing counsel. I would like a diversion point at some place downstream. If we happen to divert in a manner that is not related to the subject that we've been working on for the past couple of months, then I think we should go to the City Attorney.

Commissioner Schmeltzer asked, Ms. Young, if we were to follow the terms of the current contract, does it have to be invoked or does it automatically go from month to month? I am not sure how that works. Does that mean that we would have to decide every month as a Commission on retaining them or does that mean we can just go month to month until we get to a point where we believe as Commissioner Hall suggested, that we were at a diversion point?

Commissioner Hall stated, it doesn't have to be month to month. We could do it for two or three months at a time. Between now and November, there are six months. Is that correct?

Commissioner Schmeltzer stated, my question is that Ms. Young stated that there is a month to month provision in there.

Ms. Young stated, what I would do is to prepare an amendment with a consideration of Mr. Maynor and Ms. Miller that would allow us to continue this agreement to the end of the fiscal year working on a month to month basis as needed. So, we would look at it again in December of this year. As you know in our contracts, we do have at any given time with a thirty-day notice, you can terminate the contract.

Chairperson Gonzalez stated, there is also an option with any of the things that are specifically related to issues of concern that our counsel has as it relates to expertise of the City Attorney is that there is no need that the relationship be the City Attorney be counsel and these attorneys be consultants. It could be the other way around. At the time that the City Attorney backed out of representation here, they backed out with no open door, no interest in consulting, and no interest in having a relationship as far as I saw it. I appreciate having a letter from the City Attorney. But frankly, they are not here, they are not addressing the issue, they have not put together a plan of how they would proceed, how they are familiar with what we've done. I find it very unusual that we would just decide today that we would want to hire them. I would much prefer to go month to month and direct our attorneys to speak to the City Attorney about the role they can play in the future and make that transition. We don't have to commit ourselves until the end of the year.

Commissioner Hall stated, maybe I could just offer the amendment if it could be done. Rather than go month to month, which I think makes the existing situation all the more tenuous, I would rather say, let's approve it on a month-to-month basis now for the next three months taking it through September. Then, we could revisit this issue in September when we have a better idea of how much longer we may want to concentrate on what we've been working on for the last three months.

Commissioner Ammiano stated, I will second it.

Chairperson Gonzalez stated, maybe we can give a directive to the attorneys or Ms. Young to speak to the City Attorney and maybe have specificity about what it is they would do for us.

Ms. Young stated, I would appreciate that and if that is the motion and the Commission approves that, we will move ahead to prepare an amendment to the existing contract. If you are interested in pursuing the relationship with the City Attorney's Office, I would ask that direction be given as to whether we have the City Attorney come to another future meeting so you can determine whether you agree with the exceptions that they made in their letter. He happened to be out of town this week.

Chairperson Gonzalez stated, although I tend to agree with Commissioner Hall, I am sure there are other points of view here and maybe we should flush them out.

Vice-Chairperson McGoldrick stated, just on a point of clarification, I think Mr. Maynor has indicated and I think we know that Mr. Maynor's services will not be that necessary by the end of this month. I would assume that within the motion there is an understanding that month-to-month simply means that if and when we don't need Mr. Maynor's services, doesn't mean we have to wait until September to say we have disengaged ourselves if there's no work left. Mr. Maynor's work is different than Ms. Miller's work. I am assuming that means that Mr. Maynor will no longer be billing us.

Ms. Young stated, there is another item on the agenda that talks about outreach and public hearings. If in fact this item goes further than the end of this month, there could be a need to continue to use Mr. Maynor's services.

Vice-Chairperson McGoldrick stated, that's fine, just so there is an understanding that whatever policy we agree to today, doesn't mean that anybody is staying on until September. We may or may not need Mr. Maynor. I would like to see us transition towards the City Attorney.

Chairperson Gonzalez asked, Mr. Maynor, presumably you bill by the hour?

Mr. Maynor stated, yes.

Chairperson Gonzalez stated, so if Mr. Maynor is not working, he is not billing.

Commissioner Hall stated, I think it is a mistake to stop midstream again when we have been working on something for the past, I don't know how many months. I think it is a mistake to switch horses midstream. I am going to make the motion again to improve Mr. Maynor's contract through September right now and then we can revisit this subject then.

Commissioner McGoldrick stated, let me make sure I understand. Approving his contract through September doesn't mean we're approving a contract for three months. We're talking about the fact simply that Mr. Maynor would agree to continue to be available and that each month, he sends us a bill if he works and doesn't send us a bill if he doesn't work.

Ms. Young stated, we will work with the attorneys to draft that up so that we can approve that kind of relationship until September. Commissioner Hall, you made the motion for Mr. Maynor. Did you also want to make it for Ms. Miller or is that separate?

Commissioner Hall stated, it is up to my colleagues.

Vice-Chairperson McGoldrick stated, I think what we could say is that what we are looking to do is retain our outside counsel as needed, and I am not sure we need to put September on it, just continuing on a month-to-month basis as needed. I think that leaves the door open and leaves us with the flexibility of temporal circumstances as they unfold.

Commissioner Schmeltzer stated, I think that works. I am not sure if we need a separate motion to ask Ms. Young to talk with the City Attorney's Office about eventual transition.

Commissioner Ammiano stated, I would think just a direction, we don't need a motion.

All Commissioners concurred to direct Ms. Young to speak to the City Attorney's Office about eventual transition.

Ms. Young stated, if one or two of you wishes to meet with me and the City Attorney so your actual concerns and comments can be addressed, that would be fine as well.

Chairperson Gonzalez stated, remember when you meet with the City Attorney, they can't bill you until we have a contract in place.

Commissioner Gonzalez stated, we will approve the motion unanimously.

Public Comment

No Public Comment

5. Discussion and Action regarding Public Outreach for the Energy Consultant Study and Possible Community Meetings.

Ms. Young stated, there are two reasons this item is on the agenda. First, it is an opportunity if you wish to have some comments about where we are with respect to the draft study. Secondly, this was raised by Commissioner Gonzalez and a member of the public who has been working with us on the energy study, Mr. Kalish. The issue is whether or not it will be beneficial for the Commission to hold public meetings in the community once the draft report is scheduled and what that would mean in terms of cost if we needed to have the consultants actually do the presentations. This is open for your discussion and is a policy decision.

Chairperson Gonzalez stated, Ms. Young, perhaps you can say something about the number of public meetings that we could expect within the existing contract.

Ms. Young stated, my understanding from the existing contract is that we had the public hearing that is scheduled to be held on June 17. There may be an additional meeting when the final plan is prepared. We could talk to the Attorney's Office. I don't believe that we included in the actual contract additional community meetings. That came up after our contract was in place, I believe. Two meetings is what I have said.

Chairperson Gonzalez stated, I guess the thinking here is whether it would be useful to try to see what it would cost us to have these kinds of public presentations. Mr. Smeloff made reference to Pat Martel visiting the various districts with discussions about Hetch-Hetchy and trying to reach out to the public about what has happened, what information was gathered, etc. I don't know that we would have to have one per district, but I do find attractive the idea of there being some outreach.

Commissioner Fellman stated, I would like to suggest that we get a report on the status of the LAFCo report first and then talk about what the public meetings will entail. I think it would be useful to know. In our last conference call that I participated in as a member of the Task Force, we had a slight change in the schedule and our understanding of the schedule. If we could go through where the draft is and talk about the appropriate way in which to represent the report to the public or involve in the public in the report. I think it would be first good to do the status report.

Ms. Young stated, several of you were involved in the conference call that we had a couple of days ago. The status of the report—you have received a first draft that is without the portion of the plan that is going to be provided by Henwood. It is still in draft. There were comments made in the conference call that requested different structuring of the report and some additional bullet points that need to be in the report. Mr. Bell is taking the lead in coordinating the draft study report from the two other consultants, Henwood and Flynn and Associates. It is my understanding that Henwood will provide their information as soon as possible at the beginning of next week. Our hope is that there will be a draft that will include the legal comments that is being provided from our counsel, Ms. Miller. This morning I got a recent e-mail from Mr. Bell stating his concern that he is awaiting the information from Henwood and is hopeful that he will receive it by today or Monday. When he receives Henwood's information will have an effect on whether than information is in a position of simply being plugged into the report or whether it will need to have some editing done. Commissioners Schmeltzer and Fellman, who participated in the conference call on June 5, have also agreed to review the draft plan and to give comments. They can also talk about the comments that were raised at the meeting. I hope to have the draft on the web on Friday, the 14th and copies made and available in our office on Friday afternoon and as soon as possible prior to the meeting on Monday evening. Our concern about putting it on the web is that the public has some opportunity to read it. We recognize that the timing was short because the contract with Henwood was not initiated until the latter part of May. Our understanding was that Henwood was

beginning to work on the plan. We were informed the day before yesterday that Henwood was waiting for an executed copy of the agreement which went out several days ago, but had not reached them yet. They will be working diligently, and it is my understanding around the clock, that we get the information that we need to have plugged into the report. That is the status. I will not be here at the last meeting after the 10th on Monday so Ms. Miller and the Assistant Clerk, Monica Fish will be working together to coordinate those efforts to make sure that the report is available and ready. As soon as they are, we will also electronically send them to the Commissioners. You can comment on the portions that are specific to the Plan. It still needed some work. It is a work in progress.

Commissioner Fellman stated we understand we are working with a very abbreviated timeframe. We had a further surprise when we found out that Henwood's piece had not yet started. Given where we are on the report, they did a good first draft. But it was a first draft. What it means for the public hearing on the 17th is that that hearing will not be set up so that the public can comment on the contents of the report, but rather it will be set up as a presentation of the report to the public. We will have to in my view incorporate some kind of public comment process post June 17th. We need to make it clear for the meeting on the 17th that this is just our public release of the Public First Draft, and that we are in a position to receive comments subsequently. Otherwise, we don't want to say that we released it Friday at 5:00 p.m., and we are having a hearing Monday at 6:00 p.m. We have shifted the focus of that public hearing from what we originally thought it would be. At the minimum, we will need a second public hearing to close the comment period, but also I think we can incorporate some sort of community outreach as part of that comment process.

Commissioner Schmeltzer stated just to follow up as to what Diane is saying. There were significant good portions of this draft. There were significant missing portions—there were placeholders. This is going through the true drafting process. Because there really won't be time unless somebody is very clued in to timing over the weekend for the public to read this, this will be an opportunity for the public to be walked through the draft. It is not the final. Even if we receive no comments afterwards. If we have a public comment period, I still would expect that there will be changes because we will have a chance to look at it and see if we're still missing a piece, etc. The Commissioners will also see this draft and will have some idea about what the focus should be and if there is something that is given short shift or too much emphasis. There will also be an opportunity for the public to ask questions about the draft and hopefully come up to speed faster than they would just by having it themselves. There will be an opportunity to get clarification on what else they might expect to see by the final even if they do not choose to submit comments.

Ms. Young stated, I just had a conversation with Mr. Smeloff, and he can speak to this directly. As I recall, the Energy Plan from the PUC was issued very shortly before they started their public hearings as well. In terms of whether the public was capable of commenting, you may want to ask what their experience was so we may have some

idea what we can expect on Monday because theirs was a very short timeframe. It was on the web and the hearings were in place briefly after that as well.

Commissioner Schmeltzer stated, going along with that I do think we will not have a long comment period just because this is such a compressed process. While this is clearly too short Friday to Monday, I also don't think we were anticipating that there would be a month-long comment period either.

Ms. Young stated, the other suggestion I would make is you may want to get some experience from Mr. Smeloff as to what his outreach district meetings produced in terms of attendance, how we go about that, and whether or not the cost is necessary.

Vice-Chairperson McGoldrick asked, what did you have in mind in regards to public outreach?

Ms. Young stated, this was an item that was placed on the agenda as a direct result of a conversation that occurred at your last meeting, and it was Supervisor Gonzalez that was interested in pursuing this. Other than place it on the agenda as a discussion item for the Commission and to collect some information from Mr. Smeloff about his actual outreach, I haven't gone further in that regard.

Vice-Chairperson McGoldrick stated, I want to talk to you further about that because the PUC outreach in the Richmond District produced I believe five or six staff members and five or six members of the public, which I would term gently as a feeble turnout. I think what we need to do if we talk about public outreach is figure out how we are going to do it also in the least expensive way. I understand that was done by a private consultant, and I am not sure that turning out five or six members of the public in a neighborhood as large as the Richmond of about 85,000 people is an adequate level of public outreach. I think there are ways we might be able to do it inexpensively as well and perhaps use the various contacts we have through the Supervisor's Offices along with your own contact list that you have developed. So before going too far along that line, I want to make sure you consult with us so we can make sure we don't go expending a lot of money that doesn't really produce as many bodies and participants.

Ms. Young stated, I think the Commissioners may want to hear from Commissioner Gonzalez. Our conference call that we had prior to the one on June 5, I believe the consultants also had some comments about their involvement in outside consulting meetings, and perhaps they can provide more readable information or provide us with more opportunities. Maybe the information could be distributed in various ways and not necessarily use their attendance at those meetings which would in fact be more costly.

Chairperson Gonzalez stated, I think Commissioner McGoldrick is making a very good point.

Commissioner Fellman stated, I agree. In our last conference call with the consultants, they were going to provide an Executive Summary for the report that can be used for those purposes. I was just going to suggest in our dialogue on what to do about public comment that if appropriate to take public comment out of order and include it in this conversation to see if there is anybody in attendance today who has thoughts.

Public Comment

Mr. Charles Kalish stated, I work with Commissioner Gonzalez on the LAFCo and energy issues. I put forth the idea of outreach in a much more extended manner than what has been suggested here at all. This is the reason why. I was given the experience of what happened at East Bay MUD after R. W. Beck presented the plan there. It was not spread to the community either in an effective manner or in fact a completely forthright manner. A suggestion that was made to me by one of the people that was involved over there was to really get the community involved to go to many organizations, not just district and invite people in. But to go to everything from the Commonwealth Club and the Chamber of Commerce to local Asian-American, African-American groups, put ourselves on the agenda, simply have one person from R. W. Beck. I spoke to Mike Bell about this—he said it was very doable. We are talking about an hour or an hour and a half of his time, but many evenings and a short period of time to really communicate your findings. I think it is the responsibility of this Commission to do that. There has been a lot of confusion over the past months over what public power means. This would really help to spread the word and have that filter out in a very meaningful manner rather than these district meetings where only six people show up. I think it would be very cost-effective. I can't see it costing more than \$10,000 or \$12,000 if we got to two dozen of these types of meetings.

No other public comment.

Public Comment closed.

Mr. Maynor stated, I just want to share my concern about the release of the report too soon. I think we shouldn't release the report in any form unless you have seen the Executive Summary and you are comfortable with it, that it captures the direction you want to go. Particularly if this outreach program is going to be effective. I think to Mr. Smeloff's credit, he put together an outstanding presentation where you could get the essence of where he was going with it, what the key points were. The status of the report right now is very rough. There is a lot of information in it, but there's not direction to it. To make sure that not only the consultant captures the direction but you agree with it, I think is really critical. Releasing it too soon could be a mistake. I don't know how you solve that problem. I think we are all concerned about the timing on this, but I would rather you make sure you are comfortable with what that first step is in presenting it.

I put together some comments that I was going to share with Mike Bell, and I will hand these out now. These are suggestions as opposed to something that has to be in the report. I think the idea would be to have a sense when you first read the report you read the purpose or the Executive Summary that would capture these various sections. These are going to be complicated to read. I think that is important that you are comfortable as to how that is captured. The other ideas are just recommendations or suggestions to the consultants whether they want to use them or not.

Commissioner Schmeltzer stated, we had a conversation on the phone as part of this Task Force on Wednesday and went through everybody's comments to the direction of the report and the items that we thought should be incorporated or changed. Do you see that as summarizing something as you said Wednesday, or is this something new?

Mr. Maynor stated, it says what it says.

Commissioner Schmeltzer stated, I think I see new things here.

Mr. Maynor stated, they are things that I have said in the past, and I thought about them this morning and put them on a piece of paper. This is what I would have intended to send to all of you as to what my recommendation would be.

Commissioner Schmeltzer asked, I am just wondering why we didn't hear them Wednesday, and some of the ones that we discussed Wednesday and talked about and thought came to an agreement on.

Mr. Maynor asked, what in particular?

Commissioner Schmeltzer stated, history of electric utilities in California and constitutional right.

Mr. Maynor stated, I mentioned that before. I don't think we covered every single thing that was going to be in the report yesterday. When I thought about it afterwards, and we just got the report the day before as you know, I thought what would be helpful for me if I were reading the report. I think it's important to have not forty pages of history or a reference and bibliography, but a page that points out why the City has a very important constitutional right whether they want to exercise now in view of the things that are going on. It ties back to that history. I think it would be useful to have that in.

Chairperson Gonzalez stated, Mr. Maynor, it may be that Commissioner Schmeltzer is concerned because it gives the impression that it would be a major section.

Commissioner Schmeltzer stated, I am actually more concerned that we are moving so fast on this document and everybody read it. We spent a couple of hours on the phone talking about all of these things, so I just hope we are able to move forward from there and not keep going back.

Mr. Maynor stated, I could write up that history in half an hour, send it to you, and see if you like it or not.

Chairperson Gonzalez stated, I think we are moving off of the item that we are actually on, which is the public outreach, and I would like to bring that to a close.

Commissioner McGoldrick had to leave, and I am going to have to leave. I have to go to a school in a district, and so I think we should take a five minute break and reconvene. I think there will still be a quorum here.

Commissioner Fellman asked, do you want to take a break to consider the community outreach? I was going to say if we could close community outreach.

Commissioner Ammiano stated that we are going to close community outreach and then take a five-minute break.

Chairperson Gonzalez stated, I think my instinct on the community outreach would be let's wait until we have the Executive Summary, Ms. Young. You have certainly spoke to Mr. Kalish. I agree with what he is trying to accomplish with the concern that Commissioner McGoldrick raises which is let's not have meetings where nobody attends and try to come up with a balance. Maybe we could inquire what this would cost.

Commissioner Ammiano stated, I concur with that. My caveat is that in being involved in many issues over the years that going to community meetings that already exist and are structured is a great idea, but really getting the most updated list is very important because a lot of these organizations do not meet anymore, etc. That is going to take a little bit of time to hone the meetings that actually do happen and are legitimate meetings and that we can be part of an agenda for that particular community meeting.

Ms. Young stated, what I would also suggest is that Mr. Kalish could contact agencies and the groups that he has identified and encourage them to be at our June 17th meeting because they would start from the beginning in terms of being a part of this process. We could see and get their input as we meet and after that determine what our next steps are.

Commissioner Ammiano stated, a number of Supervisors have community meetings in town forums anyway, and the attendance at those is very good. That might be another meeting that we could piggyback on.

Commissioner Schmeltzer stated, also, if Mr. Kalish has a list of contacts that we could e-mail a link to the report since it will be on the web. The public hearing will be televised as well if people can't attend.

Ms. Young stated, yes the meeting is going to be televised. We have placed the notice of our meeting on Citywatch. It is on the web. We have also included it in the Board of Supervisors outreach ad, which is published in all of the neighborhood

newspapers. We have done a great deal of outreach and we have noticed it in the newspaper as well. What I would ask is that Mr. Kalish gives me a list of addresses of the people he would actually like to have included in our outreach.

Chairperson Gonzalez stated, I do have to leave. I think the direction we have given Ms. Young will serve as our motion to have her put together a proposal for us of some kind in the future related to how we might do outreach and what it might cost us and some of the options we might have.

Commissioner Fellman stated that I would suggest that when we go into the meeting on the 17th, that we have a process for comment.

Chairperson Gonzalez stated, that is for the meeting on the 17th. We are talking beyond that.

Commissioner Fellman stated, so that we can announce to people so that we schedule the meeting to discuss that process because there might be people who come on the 17th that want to hear about that.

Chair Gonzalez stated, yes and no. I think the concern was whether we want to go far enough along the process and have the report before we're completely committed to this.

Commissioner Fellman stated, I think we need to schedule our next meeting when we're going to discuss what the process is going to be, so we can let people know that on June 24th or whatever...That's what I am suggesting.

Chairperson Gonzalez stated, we will place it on the agenda. We will conclude this item.

The Local Agency Formation Commission meeting recessed at 11:20 a.m.

Acting Chairperson Ammiano called the reconvened meeting back to order at 11:40 a.m.

6. Report by Commissioner Ammiano regarding the public power authority measure. (Continued from the May 10, 2002 Meeting.)

Commissioner Ammiano motioned to continue this item to the next meeting; Commissioner Schmeltzer seconded. Approved without objection.

No public comment.

7. Discussion regarding SF LAFCo's Future Work Plan.

Commissioner Ammiano motioned to continue this item to the next meeting. Duly seconded. Approved without objection.

No public comments.

8. Discussion on Senate Local Government Committee; Cortese-Knox-Hertzberg Local Government Reorganization Act, Implementation Survey, May 2002.

Ms. Young stated you have at your places and as part of your packet the survey that I have completed and forwarded to the Senate Local Government Committee. They did request that the LAFCo Commissions place this item on the agenda and concur with the survey. If you concur with the survey responses, I will send them a memo that the Commission is in agreement.

The Commission unanimously approved the Implementation Survey responses.

9. Future Agenda Items

Ms. Young stated, I would suggest that at our June 17th meeting, we can after that meeting come to some decisions about our next meeting. We will probably then have an idea from the consultants in terms of what they project to be their second draft. We can also with the input of the public look at whether we would need another meeting before we start looking at the outreach items that Commissioner Gonzalez has asked for. Unless the Commission is interested in setting a meeting to date.

Commissioner Fellman stated, I recommend we set another meeting two weeks from the date of our public hearing so if we have public comment or whatever our process is, that we at least have that public notice going out.

Ms. Young asked, are you suggesting a public meeting or a meeting of LAFCo?

Commissioner Fellman stated, to schedule a LAFCo meeting so we have a springboard to go forward. There may be a public comment period after the 17th.

Ms. Young asked whether or not the Commission would want a meeting on Friday, July 5th. We would need to have it soon because of the contract.

Commissioner Schmeltzer stated, I would say we should have it on the Friday before.

Ms. Young asked, June 28th?

Commissioner Ammiano stated, it would be preferable that the meeting was in the afternoon because Commissioner Hall and I will have to be at the Golden Gate Bridge Board.

Ms. Young stated, is June 28th at 2:00 p.m. appropriate?

Commissioner Ammiano concurred to schedule the meeting for that date and time.

No public comment.

10. Public Comment on Items not on the Agenda

No public comment.

11. Adjournment

The meeting adjourned at 11:53 a.m.