

**San Francisco
Local Agency
Formation Commission**

ITEM NO. 2

City Hall
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MINUTES

Special Meeting

Friday, November 8, 2002, 3:30 p.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 Acting Chairperson Commissioner Ammiano at 3:39 p.m.

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

Member Absent: Chairperson Commissioner Gonzalez

Gloria L. Young, Executive Officer and Nancy Miller, Esquire were noted as present.

2. Approval of Minutes for the Commission Meeting of October 18, 2002 (Action Item).

Commissioner Ammiano moved to approve the October 18, 2002 meeting minutes; Commissioner Hall seconded. The meeting minutes were unanimously approved with no objection.

No Public Comment

3. Resolution requesting Support of the Board of Supervisors for the Future Work Plan of the San Francisco Local Agency Formation Commission (Discussion and Action Item).

Commissioner Hall moved that the Resolution be forwarded to the Board of Supervisors with recommendation for approval. Duly seconded; no objection. The Resolution requesting support of the Board of Supervisors for the Future Work Plan of the San Francisco Local Agency Formation Commission has been adopted.

No public comment.

4. Resolution adopting Terms of Office for the San Francisco Local Agency Formation Commission (SFLAFCo) and Amendment to the SFLAFCo's General Policies and Procedures, Section 1.22 (Discussion and Action Item).

Commissioner Ammiano asked if terms of office were set for the Commissioners.

Gloria L. Young, Executive Officer stated that the terms are within the Resolution.

Commissioner Hall moved to adopt the Resolution; duly seconded. The Resolution adopting terms of office for the San Francisco Local Agency Formation Commission and Amendment to the SFLAFCo's General Policies and Procedures, Section 1.22 has been adopted.

No public comment.

5. Information regarding Long Island Power Authority's Data Assumptions (Discussion Item).

Gloria L. Young, Executive Officer stated that Chairperson Commissioner Gonzalez asked that staff provide the Commission with information about the Long Island Power Authority. The information is in your packet. Staff is available for questions.

The item has been continued to the next Local Agency Formation Commission meeting.

No public comment.

6. San Francisco Local Agency Formation Commission's (SFLAFCo's) Budget Update (Discussion and Action item).

Gloria L. Young, Executive Officer stated that the budget update is being provided to the Commission as they discuss the future work plan in terms of whether the Commission would like to enter into a contract with R. W. Beck. At the last meeting,

the Commission requested a budget update. Ms. Young stated that no action is required.

Commissioner Fellman asked Ms. Young to summarize the budget.

Ms. Young stated the budget shows permanent salaries for our Commission Clerk. The premium pay is pay that has been negotiated in the contract for the Executive Officer. We have just expended about \$2500 from our travel budget for both Commissioner Hall and the Executive Officer who will be attending the CALAFCo conference next week. You currently have about \$250,000 in professional services that includes funds for our legal counsel and funds if the Commission chooses to move forward with entering into a contract with R. W. Beck and resolution adopting the Future Work Plan. At this point from the current budget update memo she received today, the balance in the budget is \$302,994.00.

Ms. Fellman asked if that is until the end of Fiscal Year 2003.

Ms. Young stated that is for Fiscal Year 2002-2003. July 1st would start the next fiscal year.

No public comment.

7. Direction to the Executive Officer to pursue entering into a contract with R. W. Beck to study the follow-up recommendations listed in the Resolution adopting the Energy Services Study (Discussion and Action Item).

Ms. Young stated that Mr. Bell from R. W. Beck is here to address the letter that we received. The legal counsel, Nancy Miller and herself met with Mr. Bell last week based on the direction of the Commission to look at what would be the possible future studies that the Commission might want to undertake and also in what order and timelines designated for those studies. Also, looking at what would be the pursuit of the studies after the elections process if this occurred, whether it would make sense to do all or some of the recommendations and which ones we should take. Mr. Bell can address these issues.

Mr. Mike Bell, R. W. Beck stated they put together a recommendation letter before the election and was a "menu" of potential items based upon the previous work that was done for the LAFCo and upon the findings that the LAFCo made on the Energy Services report. They attempted to identify any number of areas, a budget for each of those items, and an estimated timeline as well as personnel that would be assigned for those projects. Depending upon the desire of the LAFCo, any of these could be mixed or matched. Some of these could be discarded. Some may even be of a smaller scope that what was identified in the letter. They attempted to raise talking points for the Commission's discussion and identify that they are prepared to address those areas should the Commission choose.

Ms. Young suggested that if the Chair wishes to direct her as the Executive Officer to enter into a contract with R. W. Beck, that prior to that they have the Subcommittee that they previously had identify the components. Perhaps Commissioner Schmeltzer and Fellman would agree to look at this process and work with her, legal counsel, and R. W. Beck as to what would be the appropriate study mechanisms and then bring it back to the Commission.

Acting Chairperson Ammiano concurred.

Commissioner Fellman stated she would like to discuss this item in terms of sequencing and direction given Tuesday's election and what we have now with AB117 going into law as of January 1, 2003. That's the aggregation bill by Assemblywoman Migden.

Ms. Young asked to meet as a Subcommittee to discuss those items.

Commissioner Fellman recommended that the Commission get some public input of what we should do next and perhaps put out a call for comments. We can come up with an approach. We have had some active followers of our process, and there may be other people who are interested in asking us to study particular things out of our Energy Services Study.

Commissioner Schmeltzer asked if Commissioner Fellman is suggesting asking for comment on the six items listed in the R. W. Beck letter.

Commissioner Fellman stated or there may be other items that people want to look at. We have this concept of MSR and we may want to direct that to the Public Utilities function within the City and County.

Commissioner Schmeltzer asked if there should be a public comment period on this item during the next LAFCo meeting?

Nancy Miller, Esquire stated those are all very good ideas. She thinks it would be good to meet with the Task Force and define a plan of how we're going to do the public input. We will have background materials which would be the seven items that come out of the R. W. Beck report and perhaps the Subcommittee recommendation, have a public hearing on that, further define it, and go from there.

Commissioner Fellman agreed. She asked how the Resolution regarding LAFCo's Future Work Plan being forwarded to the Board of Supervisors would fit into the process.

Ms. Young stated that this Resolution would be forwarded to the Board of Supervisors. They can do a number of things. They can adopt it on the Adoption Without Committee Reference calendar, or they could send it to a Committee where there would be a hearing generating the public to come in for discussion. If the

Subcommittee met ahead of that process, we would be a part of what occurs. In addition, Commissioner Hall and herself will be attending the CALAFCo conference next week and will bring back any MSR information they receive. She recommended having the Subcommittee with staff meet first to work out how the process should move forward, set the public hearings, and then follow-up with the community input process.

Commissioner Fellman requested that the Commission support a survey of interested stakeholders as part of the Committee work before the Commission receives public input. We have an identified group of parties who are interested in our process, but also parties who are interested in the public power issues for the City and County. We could survey them as our next step so we are addressing issues that are pertinent when we do our proposal.

No public comment.

8. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

Motion that the San Francisco Local Agency Formation Commission convenes in closed session. Conference with Legal Counsel – Existing Litigation (Government Code Section 54956.9(a).

E. J. Simpson v. Local Agency Formation Commission of the City and County of San Francisco: San Francisco Superior Court Case No. 412427.

Question: Shall this Motion be ADOPTED?

PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

The San Francisco Local Agency Formation Commission convened into closed session at 3:53 p.m. without objection.

After a closed session, if one occurs, the Chairperson shall (1) request the Legal Counsel to identify the subjects discussed in the closed session, and (2) direct the Clerk to report the vote taken on any motion in the closed session.

[Elect To Disclose]

Motion that the SF LAFCo finds it is in the public interest to disclose information discussed in closed session and directs the Chairperson immediately to disclose that information.

[Elect Not to Disclose]

Motion that the SF LAFCo finds that it is in the best interest of the public that the Board elects at this time not to disclose its closed session deliberations concerning the litigation listed above.

RETURN TO OPEN SESSION FOR ANY REPORTABLE ACTION

The San Francisco Local Agency Formation Commission reconvened into open session at 4:00 p.m.

Nancy Miller, Esquire stated that a discussion was held during closed session regarding the matter of litigation that is before the Commission. There was no vote taken and there was no motion on the matter.

Vice-Chairperson McGoldrick moved that in the best interests of the public that the Commission elect not to disclose any information discussed in closed session; Commissioner Schmeltzer seconded.

9. Future Agenda Items.

Future agenda items were previously discussed.

No public comment.

10. Public Comment on Items not on the Agenda.

No public comment.

11. Adjournment.

The meeting of the San Francisco Local Agency Formation Commission adjourned at 4:05 p.m.