File No. 101267

Committee Item No. 9
Board Item No. ______

COMMITTEE/BOARD OF SUPERVISORS
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Committee: Budget and Finance Committee **Date:** December 8, 2010

Board of Supervisors Meeting **Date** ______

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Completed by: Victor Young **Date:** December 3, 2010
Completed by: Victor Young **Date:** ______

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

SFPUC
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SAN FRANCISCO PUBLIC UTILITIES COMMISSION
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October 4, 2010

Angela Calvillo
Clerk of the Board of Supervisors
1 Drive Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Subject: Project CUH947 Sustainable Energy Account Release, $1,873,500

Dear Ms. Calvillo,

I would like to request your assistance to have calendared a release of reserve on the SFPUC Sustainable Energy Account Project CUH947.

As part of the FY 2007 – 08 Hetch Hetchy Capital Project Budget, $3,173,500 was placed on reserve pending the SFPUC status report on the Community Choice Aggregation Implementation Plan.

On July 8, 2009, at the request of the Public Utilities Commission, the Budget Finance Committee released $1,300,000 of the reserved funds. I would like to request the remaining of $1,873,500 needed to support costs associated with the implementation of CCA by early 2011.

Regards,

Ed Harrington
General Manager

Item 9 File 10-1267	Department: Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objective

- Request to release $1,873,500 on Budget and Finance Committee reserve for the Community Choice Aggregation (CCA) program to fund (a) the costs of negotiations between the PUC and the preferred energy service provider, and (b) the marketing and outreach costs to implement the CCA program.

Key Points

- On May 18, 2004, the Board of Supervisors approved an ordinance for an Implementation Plan to create the San Francisco CCA program. The CCA program's stated benefits include: (a) increased conservation, energy efficiency, and renewable energy use, (b) local control over electricity prices, resources, and quality of service, and (c) another provider of energy service.
- In FY 2006-2007, the Board of Supervisors appropriated an initial implementation budget of $5,000,000 from the sale of electric power from the Hetch Hetchy Water and Power System for San Francisco's CCA program. Of the $5,000,000 appropriated, $3,173,500 was placed on Budget and Finance Committee reserve pending a status report on the CCA program.
- On July 8, 2009, the Budget and Finance Committee released $1,300,000 for the PUC to conduct an initial Request for Proposal (RFP) process to select an energy service provider to operate the CCA program. Negotiations with the selected provider, Power Choice, LLC, terminated due to Power Choice's inability to secure financing to operate the CCA program. Therefore, the PUC issued a revised RFP on August 5, 2010. Proposals were due on November 3, 2010, and four firms submitted proposals. As of the writing of this report, the PUC is in the process of reviewing these proposals.

Fiscal Impacts

- Approval of this request would release the remaining $1,873,500 on reserve ($3,173,500 reserved less $1,300,000 previously released) for the initial implementation of the CCA program, including an estimated $430,000 for attorneys and consultants to negotiate the contract for an energy service provider and $1,443,500 for marketing and outreach efforts.

Recommendations

- Reduce the amount requested for release from $1,873,500 to $430,000 to cover the estimated costs of the City Attorney's Office and consultant expenditures to assist the PUC in negotiations to select a preferred energy service provider.
- The balance of $1,443,500 ($1,873,500 less $430,000) shall continue to be reserved by the Budget and Finance Committee, (1) pending the Board of Supervisors approval of a contract between the City and the selected energy service to operate the Community Choice Aggregation program, and (2) pending the PUC providing the Budget and Finance Committee of the Board of Supervisors with (a) background and experience on the selected energy

provider, (b) details of how the proposed CCA program would be implemented, (c) anticipated sources and amounts of renewal energy, (d) proposed electricity rates, (e) anticipated CCA total program costs, and (f) financial and liability issues of the CCA program.

- The total of $1,873,500 was placed on reserve pending a status report on the CCA program. As of the writing of this report, the PUC has not submitted a written status report to the Board of Supervisors and the PUC advises that they will provide a status report to the Budget and Finance Committee on December 1, 2010. Therefore, the Budget and Legislative Analyst considers approval of the amended requested release of $430,000 on reserve to be a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Section 3.3 of the City's Administrative Code provides that the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve which are then subject to release by the Budget and Finance Committee.

Background

In 2002, the California State Legislature approved AB 117, which permits any city or county to combine the electric loads of residents, businesses, and municipal facilities to purchase and sell electricity, without having to own the power transmission lines or related equipment, through a Community Choice Aggregation (CCA) program. CCA programs also allow cities or counties to generate electricity for their residents and businesses through various energy sources including hydroelectric, solar, wind, and biomass power. On May 18, 2004, the Board of Supervisors approved an ordinance to develop an Implementation Plan to create the San Francisco Community Choice Aggregation program[1] (Ordinance No. 86-04; File 04-0236). This ordinance stated that the benefits of a CCA program include: (1) the City would have an additional means of increasing conservation, energy efficiency, and renewable energy use, (2) the City could exercise local control over electricity prices, resources, and quality of service, and (3) residents and businesses would have another option for an energy service provider.

On June 12, 2007, the Board of Supervisors approved Ordinance 147-07, which (a) adopted San Francisco's CCA Implementation Plan and includes key aspects of the CCA program, including (i) a minimum requirement of 360 Megawatts from renewable energy sources, (ii) electricity rates that are equal to or lower than Pacific Gas & Electric Company (PG&E) rates[2], and (iii) meeting or exceeding the 51 percent Renewables Portfolio Standard[3] by 2017, and (b) requested the Public Utilities Commission (PUC) to issue a Request for Information (RFI) to solicit input from interested parties regarding the development of the CCA program (File 07-0501). According to Mr. Michael Campbell, CCA Project Manager for the PUC, responses to the RFI necessitated some minor changes to the CCA Implementation Plan, such as adding language that would allow firms to bid on various parts of the tasks required by the CCA program, since there are few firms that can perform all of the tasks required. As a result, on March 2, 2010, the

[1] In January 2009, San Francisco's CCA program was renamed CleanPowerSF. However, this report will continue to refer to the program as the CCA program.
[2] The electricity rates charged to CCA program customers will include (a) the energy service provider's power costs, (b) the administrative costs and profit of the provider, (c) costs from the rollout of the CCA program, and (d) any other related costs.
[3] The Renewables Portfolio Standard (RPS) was established in 2002 under California Senate Bill 1078 and accelerated in 2006 under California Senate Bill 107. The California Public Utilities Commission and the California Energy Commission jointly implement the RPS program. The California Energy Commission's guidelines for Renewables Portfolio Standards classifies the following projects as eligible for RPS-compliance: biomass, biodiesel, fuel cells using renewable fuels, digester gas, geothermal, landfill gas, municipal solid waste, ocean wave, ocean thermal, tidal current, solar photovoltaics, small hydroelectric (30 Megawatts or less), solar thermal, and wind.

Board of Supervisors approved a revised Implementation Plan (Ordinance 45-10; File 10-0161). The Board of Supervisors also authorized the PUC to submit the revised Implementation Plan to the California Public Utilities Commission (CPUC). The CPUC approved the revised Implementation Plan in May 2010, thereby allowing San Francisco to operate a Community Choice Aggregation program.

On June 19, 2007, the Board of Supervisors approved a separate ordinance (Ordinance 146-07; File 07-0777) authorizing the PUC to implement and manage the CCA program. While the PUC is directly responsible for implementing and managing the CCA program, the San Francisco Local Agency Formation Commission (LAFCo)[4] is responsible for advising the Board of Supervisors on San Francisco's CCA implementation.

In FY 2006-2007, the Board of Supervisors appropriated a total of $5,000,000 for San Francisco's CCA program. According to Mr. Carlos Jacobo, Budget Director at the PUC, the entire $5,000,000 is funded from the proceeds of the sale of electric power from the Hetch Hetchy Water and Power System.[5] Of the $5,000,000 appropriated for the CCA program, $1,826,500 was appropriated and not reserved in the PUC's FY 2006-2007 budget to fund the preparation of the CCA Implementation Plan, which was approved by the Board of Supervisors on June 12, 2007. The remaining $3,173,500 ($5,000,000 less $1,826,500) was placed on Budget and Finance Committee reserve pending a PUC status update on the CCA program.

According to Mr. Campbell, the $5,000,000 serves as the initial implementation budget for the CCA program to fund PUC staff positions, City Attorney costs, and outside consultant costs to (a) analyze the economic and technical potential for various CCA program designs, (b) investigate the best practices of CCA programs operating in the United States, and (c) ultimately design San Francisco's CCA program. Pursuant to a Memorandum of Understanding between the PUC and LAFCo, dated April 17, 2009, the PUC has agreed to provide LAFCo up to $700,000 per year for three years, or a total of $2,100,000, for LAFCo's role in supporting the development of San Francisco's CCA program. According to Mr. Campbell, the expectation is that the PUC's initial implementation budget of $5,000,000 will eventually be repaid to the PUC through revenue generated from the CCA program over time.

Based on a verbal update provided by the PUC on the status of the CCA program to the Budget and Finance Committee on July 8, 2009, the Budget and Finance Committee released $1,300,000 of the $3,173,500 placed on reserve for the PUC to issue a Request for Proposal (RFP) to select an energy service provider to operate the CCA program. The Budget and Finance Committee's release of $1,300,000 from the $3,173,500 on reserve, left a remaining $1,873,500 on reserve.

As shown in Table 1 below, of the total $3,126,500 unreserved funds (initial appropriation of $1,826,500 plus $1,300,000 previously released from reserve) for the CCA program, $146,904

[4] LAFCo reviews public service needs, including utility services, and contractual service agreements. On June 19, 2007, the Board of Supervisors directed LAFCo to monitor the implementation process and advise the PUC and the Board of Supervisors regarding the development, implementation, operation, and management of the CCA program.
[5] The Hetch Hetchy Water and Power System sells hydroelectric power to the City and County of San Francisco. Surplus power is sold to the Modesto and Turlock Irrigation Districts and on the wholesale market to other public utilities.

remains in unexpended and unencumbered funds. Mr. Campbell states that the amount of $972,326 is encumbered for professional services including outside technical consultants ($586,371) and anticipated work order payments to LAFCo ($385,955).

Table 1: Total CCA Program Expenditures Through November 17, 2010

Total Unreserved Funds		**$ 3,126,500**
Salaries	$ 571,150	
Benefits	185,133	
Professional Services	876,474	
Licenses	100,000	
Materials and Supplies	24,468	
LAFCo	250,045	
Actual Expenditures		**$ 2,007,270**
Encumbered Funds		**972,326**
Total Expended and Encumbered		**$2,979,596**
Total Remaining Funds		**$ 146,904**

Mr. Campbell advises that the PUC anticipates fully expending the remaining $146,904 on City Attorney expenses to conduct contract negotiations with the selected energy service provider for the CCA program.

In November 2009, the PUC issued a RFP for an energy service provider for the CCA program, and received five responses from (a) Power Choice, LLC, (b) Main Street Power, (c) Invenergy, (d) Shell Energy North America, and (e) Fotowatio Renewable Ventures. According to Mr. Campbell, in January 2010, Power Choice was selected as the preferred energy service provider. However, Mr. Campbell advises that negotiations with Power Choice terminated in early June 2010 after Power Choice was unable to secure financing to implement the CCA program.

As a result, Mr. Campbell advises that the PUC issued a new RFP to select an energy service provider to operate San Francisco's CCA program on August 5, 2010. According to a PUC Press Release on August 9, 2010, the new RFP includes key provisions such as "strict provisions mandating that bidders provide sufficient credit assurances and proof of financial backing upon submission of the bid." Responses to the RFP were due to the PUC on November 3, 2010. Mr. Campbell reports that four firms (a) Constellation Energy Commodities Group, (b) Shell Energy North America, (c) Power Choice, LLC, and (d) Noble Americas Energy Solutions submitted proposals that will be carefully screened in the coming weeks. Similar to the earlier RFP process, once a preferred energy service provider is selected, the PUC will enter into negotiations with the preferred energy service provider to determine electricity rates and the amount and type of renewable energy sources. Mr. Campbell states that such negotiations are expected to extend through the spring of 2011, with actual operations (enrollment and electric service to San Francisco customers) anticipated to commence by July 2011.

According to Mr. Campbell, once the CCA program is operational by July 2011, the PUC would (a) provide oversight of the program, (b) conduct audits of the selected energy service provider as well as PG&E[6], (c) continue community outreach, and (d) monitor regulatory policies at the State level regarding rules governing CCA programs. Mr. Campbell advises that the CCA program is intended to become a self-sustaining program, with all program costs funded by the revenue generated from selling electricity to participating customers. Mr. Campbell notes that the PUC's costs to manage the CCA program are estimated at approximately $5,000,000 per year, all of which will be covered by the revenue generated from selling electricity to participating customers. As noted above, one of the key aspects of the CCA program is for the electricity rates sold through the CCA program to be equal to or less than the electricity rates sold by PG&E (see Policy Considerations section for further discussion).

DETAILS OF PROPOSED LEGISLATION

The PUC is now requesting the release of the $1,873,500 remaining on Budget and Finance Committee reserve for San Francisco's CCA program to fund (a) $430,000 for the estimated costs of the negotiations between the PUC and the selected energy service provider, based on the PUC's competitive RFP process, and (b) $1,443,500 for the estimated marketing and outreach costs needed to successfully implement the CCA program in San Francisco. As noted above, these funds were placed on reserve pending the PUC providing a status update report on the CCA program to the Budget and Finance Committee. Mr. Campbell states that he will provide the Budget and Finance Committee with an update on the status of the CCA program at the December 1, 2010 meeting.[7]

According to Mr. Campbell and as shown in Table 2 below, the PUC anticipates expending the requested $1,873,500 on (a) attorneys and consultants to provide legal and technical support during the negotiations with the selected firm, and (b) significant outreach and marketing efforts to educate San Franciscans about the CCA program. Such outreach and marketing efforts include notifying San Franciscans about the electricity rates under the CCA program, and providing San Franciscans with the opportunity to opt-out[8] of the CCA program. Mr. Campbell notes that over the past several years, PG&E has sent flyers and postcards to San Francisco residents and businesses in an attempt to stop the creation of San Francisco's CCA program. Thus, Mr. Campbell expects PG&E to have its own counter-marketing efforts over the next year as the CCA program is implemented in San Francisco.

[6] Mr. Campbell states that PG&E's records must be audited on a regular basis to ensure that PG&E is accurately recording the number of customers participating in the CCA program and their energy usage.
[7] Mr. Campbell advises that he has briefed LAFCo on a regular basis on the status of the CCA program, with the last presentation on November 12, 2010.
[8] Under AB 117, customers in a Community Choice Aggregation area are automatically placed in the CCA program unless customers opt out. AB 117 requires the CCA program to give customers four opportunities to opt-out. Two of the four opportunities must come in the 60 days prior to the CCA program's commencement date and the remaining two opportunities within 60 days after the CCA program's commencement.

Table 2: Estimated Costs to Launch CCA Program in 2011

Contract Negotiations		
City Attorney	$ 120,000	
City Attorney Consultants	150,000	
Technical Consultants	160,000	
Subtotal Contract Negotiations		$ 430,000
Outreach and Marketing		
Mailers (1,400,000 pieces)	$ 503,500	
Marketing Mailers (900,000 pieces)	300,000	
Television Commercials (2 commercials)	250,000	
Online Advertising	60,000	
Bill Board Advertising	80,000	
Commercial Production	50,000	
Market Research (Polling + Focus Groups)	80,000	
Marketing and Creative Consulting	100,000	
Website	20,000	
Subtotal Outreach and Marketing		1,443,500
Total Costs		**$ 1,873,500**

The PUC anticipates expending an estimated $430,000 of the requested funds on reserve plus the $146,904 remaining in unexpended and unencumbered funds on contract negotiations to select a preferred energy service provider, including (a) PUC staff time, (b) services of the City Attorney, and (c) hiring outside attorneys and technical consultants to provide legal and technical expertise. Mr. Campbell notes that the estimated costs of attorneys and technical consultants may change, depending on the difficulty of the negotiation process and the amount of specialized knowledge that is needed to implement and establish San Francisco's CCA program.

FISCAL IMPACTS

Approval of this request would result in the release of the remaining $1,873,500 on Budget and Finance Committee reserve. These funds are from the proceeds of the sale of electrical power from the Hetch Hetchy Water and Power System.

As shown in Table 2 above, the PUC anticipates expending the requested $1,873,500 on (a) $430,000 for attorneys and consultants to provide legal and technical support during the negotiations with the selected firm, and (b) $1,443,500 for outreach and marketing efforts to educate San Franciscans about the CCA program, including the electricity rates under the CCA program, and providing San Franciscans with the opportunity to opt-out of the CCA program.

As discussed above, the total initial implementation budget for the CCA program is $5,000,000, of which $3,126,500 (initial appropriation of $1,826,500 plus the July 8, 2009 release of $1,300,000 from reserve) has been available for the CCA program. As shown in Table 1 above, as of November 17, 2010, the PUC had expended or encumbered $2,979,596, such that the PUC had $146,904 remaining in unexpended and unencumbered funds, which is anticipated to be fully expended on contract negotiations between the PUC and the preferred energy service provider. According to Mr. Campbell, the expectation is that this initial implementation budget of $5,000,000 will eventually be repaid to the PUC from revenue generated by the CCA program over time.

According to Mr. Campbell, once the CCA program is operational by July 2011, the CCA program is intended to become a self-sustaining program, with all operating costs paid by the revenue generated from selling electricity to participating customers. While a contract has yet to be negotiated between the City and the selected energy service provider, the CCA Implementation Plan states that the energy service provider will provide all required services at its own risk. As mandated by the Board of Supervisors, the electricity rates for electricity sold through the CCA program are intended to be equal to or less than the rates for electricity sold through PG&E, with the electricity rates to be determined during negotiations between the City and the selected energy service provider (see Policy Considerations section for further discussion). Mr. Campbell notes that in negotiating rates sufficient to recover all costs related to the operation of the CCA program, the City will consider (a) rate competitiveness, (b) rate stability, and (c) revenue sufficiency.

POLICY CONSIDERATIONS

San Francisco's CCA program as currently envisioned may not be economically feasible

On June 12, 2007, the Board of Supervisors approved the Implementation Plan for the CCA program (Ordinance 147-07; File 07-0501) which detailed key aspects of the CCA program including: (a) electricity rates for electricity sold through the CCA program must be equal to or less than the rates for electricity sold through PG&E, (b) the CCA program provide a minimum of 360 Megawatts from renewable energy sources, and (c) the CCA program meet or exceed 51 percent Renewables Portfolio Standard by 2017. On June 19, 2007, the Board of Supervisors approved an ordinance (Ordinance 146-07; File 07-0777) incorporating those key aspects into the Request for Proposal for the CCA program. However, the Budget and Legislative Analyst notes that historically, the costs of renewable energy have been higher than electricity generated from non-renewable sources (fossil fuels such as natural gas, oil, and coal power). In addition, the Budget and Legislative Analyst notes that while the costs of renewable energy in general have decreased in the past ten years due to greater utilization, the costs of renewable energy still remain higher than non-renewable energy.

The Budget and Legislative Analyst notes that PG&E benefits from (1) a large customer base of approximately 15 million customers, and (2) a service area that encompasses most of Northern California. These factors allow PG&E to take advantage of economies of scale to sell electric power at low rates, as compared to a CCA program that (1) would serve only San Francisco's population of up to 800,000, and (2) must pay additional costs to PG&E to provide electricity to CCA customers. In addition, Mr. Campbell advises that the selected energy service provider is expected to fund the PUC's oversight and auditing costs of approximately $5,000,000 annually from the revenues generated from selling electricity to CCA customers. Therefore, the Budget and Legislative Analyst notes that it may not be economically feasible to implement a sustainable CCA program that (a) has smaller purchasing power and a significantly smaller customer base than PG&E, (b) provides electricity rates equal to or lower than PG&E, (c) provides a minimum of 360 Megawatts from renewable energy sources, (d) meets or exceeds a 51 percent Renewables Portfolio Standard by 2017, (e) pays additional fees to PG&E, and (f) expends approximately $5,000,000 annually for the PUC to perform oversight and auditing functions.

Results of the Recent RFP Process Should be Reviewed Prior to Releasing Additional Funds From Reserve

As discussed above, in November 2009, the PUC issued an initial RFP for an energy service provider for the CCA program, and received five responses. In January 2010, the PUC selected Power Choice, LLC as the preferred energy service provider. However, negotiations with Power Choice terminated in early June 2010 after Power Choice was unable to secure financing to implement the CCA program.

The PUC subsequently issued a second RFP to select an energy service provider for San Francisco's CCA program on August 5, 2010. Mr. Campbell reports that on November 3, 2010, the following four firms submitted proposals to the PUC: (a) Constellation Energy Commodities Group, (b) Shell Energy North America, (c) Power Choice, LLC, and (d) Noble Americas Energy Solutions. Mr. Campbell advises that the PUC will carefully evaluate the four proposals to select a preferred energy service provider, and then enter into negotiations with the preferred energy service provider to determine electricity rates and the amount and type of renewable energy sources. Mr. Campbell states that such negotiations are expected to extend through the spring of 2011, when it is anticipated that a contract will be awarded to the preferred energy service provider.

Given that the PUC's initial RFP process did not result in the selection of a financially viable energy service provider for the CCA program, and that the PUC has recently received four proposals from the second RFP process, the Budget and Legislative Analyst recommends that the PUC obtain approval from the Board of Supervisors of the PUC's preferred energy service provider for the CCA program, prior to releasing the remaining funds to implement the CCA program. As part of that approval process, the PUC should provide to the Budget and Finance Committee of the Board of Supervisors in a written report with (a) background and experience on the selected energy service provider, (b) details of how the proposed CCA program would be implemented, (c) anticipated sources and amounts of renewal energy, (d) proposed electricity rates, (e) anticipated CCA total program costs, and (f) financial and related liability issues of the CCA program.

Therefore, the Budget and Legislative Analyst recommends releasing $430,000 of the requested $1,873,500 on reserve for the PUC to complete contract negotiations with the preferred energy service provider. The balance of $1,443,500 ($1,873,500 less $430,000) should remain on Budget and Finance Committee reserve, pending (1) the Board of Supervisors approval of a contract between the City and the selected energy service to operate the Community Choice Aggregation program, and (2) pending the PUC providing the Budget and Finance Committee of the Board of Supervisors with (a) background and experience on the selected energy provider, (b) details of how the proposed CCA program would be implemented, (c) anticipated sources and amounts of renewal energy, (d) proposed electricity rates, (e) anticipated CCA total program costs, and (f) financial and liability issues of the CCA program.

Proposition 26 May Adversely Impact the Implementation of San Francisco's CCA Program

On November 2, 2010, California voters approved Proposition 26, which amended the California State Constitution to (1) categorize most fees as taxes and (2) require either 2/3rd approval by the State Legislature or local voters to enact new fees or increase fees. Proposition 26 would not affect any fees that were adopted prior to November 2, 2010.

The Budget and Legislative Analyst notes that because the City and County of San Francisco would be setting the electricity rates of the CCA program, Proposition 26 and its 2/3rd local voter approval requirement may apply. However, Mr. Campbell advises that the PUC, in consultation with the City Attorney's Office, is currently assessing the impact of Proposition 26 on several PUC programs, including the CCA program. The City Attorney's Office will provide guidance and further information to the PUC and the Board of Supervisors regarding which fees fall under Proposition 26 and thus require 2/3rd local voter approval.

RECOMMENDATIONS

1. Reduce the amount requested for release from $1,873,500 to $430,000 to cover the estimated costs of the City Attorney's Office and consultant expenditures to assist the PUC in negotiations to select a preferred energy service provider.

2. The balance of $1,443,500 ($1,873,500 less $430,000) should continue to be reserved by the Budget and Finance Committee, (1) pending the Board of Supervisors approval of a contract between the City and the selected energy service to operate the Community Choice Aggregation program, and (2) pending the PUC providing the Budget and Finance Committee of the Board of Supervisors with (a) background and experience on the selected energy provider, (b) details of how the proposed CCA program would be implemented, (c) anticipated sources and amounts of renewal energy, (d) proposed electricity rates, (e) anticipated CCA total program costs, and (f) financial and liability issues of the CCA program.

3. The total of $1,873,500 was placed on reserve pending a status report on the CCA program. As of the writing of this report, the PUC has not submitted a written status report to the Board of Supervisors and the PUC advises that they will provide a status report to the Budget and Finance Committee on December 1, 2010. Therefore, the Budget and Legislative Analyst considers approval of the amended requested release of $430,000 on reserve to be a policy decision for the Board of Supervisors.