



Memorandum

TO: Honorable Mayor &
City Council Members

FROM: Lee Price, MMC
City Clerk

SUBJECT: The Public Record
November 21-30, 2006

DATE: November 30, 2006

ITEMS TRANSMITTED TO THE ADMINISTRATION

ITEMS FILED FOR THE PUBLIC RECORD

- (a) Pacific Gas and Electric Company Notification of Application Filing for recovery of Catastrophic Event Costs (CEMA) in electric rates to State, County and City Officials received November 27, 2006.
- (b) Letter from David S. Wall to Mayor Gonzales and Members of the San José City Council dated November 28, 2006 regarding possible Conflict of Interest.
- (c) Letter from David S. Wall to Mayor Gonzales and Members of the San José City Council dated November 29, 2006 regarding San José Repertory Theatre-Performance Review Month #1.
- (d) Letter from David S. Wall to Mayor Gonzales and Members of the San José City Council dated November 29, 2006 about directing SJPD to vigorously enforce handicap parking.
- (e) Letter from David S. Wall to Mayor Gonzales and Members of the San José City Council dated November 30, 2006 regarding expansion of the Office of the Auditor.
- (f) Memorandum from Bonnie Kobayashi Administrative Officer in the Department of Finance dated November 30, 2006 submitted a copy of the Monthly Investment Report for October 2006 (on file in the Office of the City Clerk).

Lee Price, MMC
City Clerk

LP/np

Distribution: Mayor/Council
City Manager
Assistant City Manager
Assistant to City Manager
Council Liaison
Director of Planning
City Attorney

City Auditor
Director of Public Works
Director of Finance
Public Information Officer
San José Mercury News
Library

TO: STATE, COUNTY, AND
CITY OFFICIALS
November 17, 2006

Public Record a

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**PACIFIC GAS AND ELECTRIC COMPANY NOTIFICATION OF
APPLICATION FILING FOR RECOVERY OF CATASTROPHIC EVENT
COSTS (CEMA) IN ELECTRIC RATES**

2006 NOV 27 P 2: 5'

(A. 06-11-005)

What is CEMA and What Does It Do?

CEMA stands for Catastrophic Event Memorandum Account. State law and the California Public Utilities Commission ("CPUC") allow public utilities to recover the incremental costs of: (1) restoring utility service to its customers; (2) repairing, replacing or restoring damaged utility facilities; and (3) complying with government agency orders resulting from declared disasters, as a result of catastrophic events. The CPUC also authorized utilities to record capital-related costs such as depreciation and return on capitalized plant additions resulting from the restoration activities. The CPUC provided that costs recorded in a utility's CEMA "may be recovered in rates only after a request by the affected utility, a showing of their reasonableness, and approval by the CPUC."

On November 13, 2006, Pacific Gas & Electric Company ("PG&E") filed the above referenced application with the CPUC, in which PG&E asks for authority to recover catastrophic event costs incurred in connection with two declared disasters, the 2005-2006 New Year's Storms and July 2006 Heat Storm. PG&E estimates that its electric revenues to cover these costs will increase by \$44.58 million over a 3 year period beginning January 1, 2008. The largest portion of this increase will be collected in 2008 and is approximately \$31.32 million, or about 0.3 percent.

Background to the filing of this Application:

From late December 2005 through early January 2006, northern California was affected by a series of severe winter storms. The New Year's Storms and flooding damaged electric distribution facilities in most of PG&E's service divisions. In addition, hydroelectric facilities were severely damaged on five watersheds. From July 21 to 26, 2006, PG&E's service territory experienced extremely high temperatures throughout the days and evenings, driving high energy use by PG&E customers and causing a record high peak load in California history. A large number of PG&E distribution transformers failed in various locations of PG&E's service territory due the persistent high heat. In this application, PG&E seeks recovery of the CEMA-eligible costs associated with the 2005-2006 New Year's Storms and July 2006 Heat Storm.

Does this mean rates will increase? Yes. However, the increase in rates resulting from this application will not appear in rates until January 1, 2008, and will be collected in rates over three years. As stated above, the largest portion of this increase will be collected in 2008 and is approximately \$31.32 million or about 0.3 percent.

The CPUC Process

The CPUC's independent Division of Ratepayer Advocates (DRA) will review this application filing, analyze the proposal, and present an independent analysis and recommendations for the CPUC's consideration. Other parties may also participate.

The CPUC may hold evidentiary hearings where the parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings.

After considering all proposals and evidence presented during the hearing process, the CPUC will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's proposed application filing.

FOR FURTHER INFORMATION

For more details call PG&E at 800.743.5000
Para más detalles llame 800.660.6789 • 詳情請致電 800.298.8438
For TDD/TTY (speech-hearing impaired) call 800.552.4712

You may also contact the CPUC's Public Advisor with comments or questions as follows:

Public Advisor's Office	415-703-2074 or 866-849-8390 (toll free)
505 Van Ness Avenue, Room 2103	TTY 415-703-5282, TTY 866-836-7825 (toll free)
San Francisco, CA 94102	E-mail to public.advisor@cpuc.ca.gov

If you are writing a letter to the Public Advisor's Office, please include the application number (A.06-11-005). All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

David S. Wall
 455 North San Pedro Street
 San José, California 95110
 Phone (408) - 287 - 6838
 Facsimile (408) - 295 - 5999

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 San Jose City Clerk

2006 NOV 28 P 1:31

November 28, 2006

Mayor Gonzales and Members San José City Council
 200 East Santa Clara Street
 San José, California 95113-1905

Re: POSSIBLE CONFLICT OF INTEREST: Mayor-Elect Staff Appointments

Mayor Gonzales and Members San José City Council;

Reported on the front page of the San José Mercury News (11/28/2006), "Reed selects his three top aides" was discussed.

I have concerns with "two of the three appointments" concerning Possible Conflict of Interest.

Ms. Ru Weerakoon: Title-Economic Development Director

As Redevelopment Employee, in a position of significant responsibility, her appointment *may bring an inappropriate bias to the Mayor and Council's decisions on the issue of Economic Development*. Whereas, in her role in the Redevelopment Agency is to advise the same, being in a position as a top aide on the Mayor's Staff is too close for "cronyism comfort".

Will Ms. Weerakon continue to draw a salary from the Redevelopment Agency as well as from the Mayor's Staffing appointment?

Will Ms. Weerakon sever all relationships with and step down from the Redevelopment Agency?

Mr. Armando Gomez: Title-Budget Director

As a current Milpitas City Councilman, this appointment **should never** have occurred. *There exists a demonstrable CONFLICT OF INTEREST with the appointment of Mr. Gomez to a senior position on the Mayor-Elect's staff*. Mr. Gomez should not have been considered for a position as an aide in Reed's Office (2000 to the present) as well.

The arguments that serving as a Milpitas City Councilman is: "not a full-time job" and "avoiding issues in which those interests might be divergent" are best tendered to a rotting corpse than to the taxpayers of San José and Milpitas.

Mr. Gomez should resign from the Appointment-Budget Director or resign from his position of "newly elected (this month)" Member-Milpitas City Council.

Respectfully submitted,

David S. Wall 11.28.2006

Cc: City Attorney / City Auditor / Foreperson-Santa Clara County Grand Jury

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2006 NOV 29 P 12: 27

November 29, 2006

Mayor Gonzales and Members San José City Council
200 East Santa Clara Street
San José, California 95113-1905

Re: San José Repertory Theatre-Performance Review Month #1

Mayor Gonzales and Members San José City Council;

On October 18, 2006 you formally enacted the \$4 million dollar ARTS STABILIZATION FUND which was the bastard child born of a \$34 million dollar budget surplus arising mysteriously from the ashes of a protracted budget deficit a few weeks prior to the November 4, 2006 elections.

The \$2 million dollar line of credit extended to the **San José Repertory Theatre** contained conditions precedent, concurrent and subsequent as consideration for continued financial life support for this despicable entity. **The official monthly accounting and review of performance measures are over due.**

Direct the Interim City Manager, before he fades into administrative obscurity in the waning moments of his temporary office, to produce an accounting and performance of the **San José Repertory Theatre**.

Should there be found; any unsound financial decision making, lack of revenue generation and or general administrative malaise, a formal and final budgetary castration should occur immediately, without hesitation or the slightest measure of intestinal remorse.

A copy of the Interim City Manager's Performance Review of the **San José Repertory Theatre** should be forwarded, with unabridged dispatch, to the City Attorney and Auditor for Review and procedural direction.

Additionally, a copy of the Interim City Manager's Performance Review of the **San José Repertory Theatre** should be disseminated to the media so as to inform the citizenry how their taxpayer money was gifted as a bailout and any financial returns generated, if any, or losses as contemplated.

Respectfully submitted,

David S. Wall 11.29.2006

Cc: City Attorney / City Auditor / Interim City Manager

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2006 NOV 29 P 12: 27

November 29, 2006

Mayor Gonzales and Members San José City Council
200 East Santa Clara Street
San José, California 95113-1905

Re: DIRECT S.J.P.D. TO VIGOROUSLY ENFORCE HANDICAP PARKING

Mayor Gonzales and Members San José City Council;

I request that the San José Police Department be directed to vigorously enforce HANDICAP PARKING throughout the City of San José.

Too many citizens who are not handicapped are either misusing Department of Motor Vehicle Handicap Placards or parking in designated Handicapped Parking Spaces in violation of law. This must stop.

I request that as an integral part of the Police patrol regimen, be focused on reigning in these violators with a *vengeance* not seen recorded since the days of the Old Testament. No hesitation to enforce and no mercy should be shown to these violators.

The doctrine of Full Disclosure requires identifying me as a registered Handicapped Person.

My sincerest "thank-you" to those San José Police Officers who cite these violators without a formal request to do so!

Respectfully submitted,

David S. Wall

11.29.2006

Cc: City Attorney / City Auditor / Chief of Police

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2006 NOV 30 A 11: 55

November 30, 2006

Mayor Gonzales and Members San José City Council
200 East Santa Clara Street
San José, California 95113-1905

Re: Expansion of the Office of the Auditor

Mayor Gonzales and Members San José City Council;

Before 2006 slips into the ages, you should assist Mayor --Elect Reed by providing the necessary infrastructure to expand the Office of the Auditor.

The expansion of the Office of the Auditor is; long over-due and was a campaign issue of Mayor-Elect Reed in restoring confidence of City government. Mayor-Elect Reed rightly ascertained the necessity of more "Performance Audits" of City Operations. Considering the magnitude of Mayor-Elect Reed's support of the electorate, Council Members would be wise to support this mandate.

This will require forward planning of personnel acquisition, work plan augmentation and future corresponding City Charter Amendments to give the Auditor additional autonomy.

Performance Audits of all City Operations, *in real time accounting*, should begin as soon as possible and linked directly to City Management performance measures including but not limited to; disciplines and terminations of responsible personnel.

Real Time Accounting will assist Mayor and Council in budgeting and overall financial cohesiveness. **It will also eliminate the bogus administrative conduct, uniquely characteristic of the Office of the City Manager, such as projecting budget deficits all year long and then announcing a budget surplus of \$34 million dollars a few weeks before the November 4, 2006 elections.**

It is a matter of historical record in the City of San José, each time an Audit of a particular City Department was completed, (such as the Environmental Services Department); City Management assented to the findings and recommendations of the Auditor and promptly thereafter implemented them. *This begs the question why the taxpayers need to fund the Office of the City Manager in the first place.*

Respectfully submitted,

David S. Wall
11.30.2006

Cc: City Attorney / City Auditor / Interim City Manager



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San Jose City Clerk

Memorandum

2006 NOV 30 P 3:33

TO: Lee Price

FROM: Bonnie Kobayashi

**SUBJECT: FILE FOR PUBLIC RECORD:
INVESTMENT REPORTS**

DATE: November 30, 2006

The City's Investment Reports are sent via email to the City Council and others (including the City Clerk's Office) in addition to posting the reports to the City's website (www2.csjfinance.org). We are submitting the following paper copy of the report for filing for the public record.

- Monthly Investment Report for October 2006 (on file in the Office of the City Clerk)

If you have any questions, please contact me at 535-7041.

BONNIE KOBAYASHI
Administrative Officer
Finance Department