



**Citizens' Advisory Committee (CAC)  
 MEETING AGENDA**

Tuesday, January 24, 2012

5:30 – 7:00 p.m.

1155 Market Street, 4<sup>th</sup> Floor

**Members:**

Stephen Bjorgan	Jessica Patricia Buendia	Doug Cain
Donald R. Carmignani	Jennifer Clary	Walt Farrell
Richard T. Hansen	Art Jensen	<b>Terrence Jones – Chair</b>
Alex Lantsberg	Mike Marshall	Dairo Romero

**Staff Liaisons:** Jean Walsh and Teresa Young

**ORDER OF BUSINESS**

1. Call to Order and Roll Call 5:30PM (5 min)
2. Approval of the **December 13, 2011** meeting minutes (5 min)
3. **Public Comment:** members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda.
4. **Report from the Chair:** See attached memo (5 min)
5. **2012 Agenda Items:** Discussion with SFPUC General Manager Ed Harrington regarding agenda topics for 2012 and working with SFPUC (40 min)
6. **Rates Policy:** Presentation from SFPUC Finance Officer Crispin Hollings (10 min) and discussion to follow (10 min)
7. **Discussion and Possible Action:** Resolution re Filling Vacant CAC seats (10 min)
8. Comments and requests for **future agenda items** by members of the CAC, staff, and general public (5 minutes)
9. Adjournment 7:00PM

Additional materials not listed as explanatory documents on this agenda, if any, that are distributed to the SFPUC Citizens' Advisory Committee (CAC) prior to or during the meeting in connection with any agenda item will be available to the public for inspection and copying in accordance with Government Code Section 54954.1 and Sunshine Ordinance §§ 67.9, 67.28 (b) & 67.28 (d), at 1155 Market Street, 11<sup>th</sup> Floor.

**Edwin M. Lee**  
 Mayor  
**Anson Moran**  
 President  
**Art Torres**  
 Vice President  
**Ann Moller Caen**  
 Commissioner  
**Francesca Vietor**  
 Commissioner  
**Vince Courtney**  
 Commissioner  
**Ed Harrington**  
 General Manager



**Disability Access**

The CAC meeting will be held in the Conference Room on the 4th Floor of the SFPUC Offices located at 1155 Market Street. (Between 7th & 8th Streets) The Conference Room is wheelchair accessible. The nearest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Wheelchair accessible Muni bus lines serving this location are: 5, 6, 7, 9, 21, 66, and 71. Metro Lines are F, J, K, L, M and N. For information about accessible Muni services call (415) 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Alison Kastama at (415) 554-0712 or our TTY at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6789.

**Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics

Commission at 25 Van Ness Avenue, Suite 220 San Francisco, CA 94102, Phone: (415) 252-3100/Fax: (415) 252-3112, Email: [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org).

**Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, by mail to Chris Rustom, Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4683; by telephone 415-554-7724, by Fax 415-554-7854, or by email: [sotf@sfgov.org](mailto:sotf@sfgov.org)

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

**Citizens' Advisory Committee (CAC)**  
Report from the Chair, Terrence Jones  
January 24, 2012

- 1) **CAC 2011 Report (DRAFT) – see attached**
- 2) **Agenda item:** End each meeting with “The agenda of each regular meeting shall contain an item during which Committee members may request items for the Committee to consider at future meetings”...Section XI of the Rules of Order amended 3/12/05
- 3) **Budget Date at Commission** – (February ?)
- 4) **Commission’s Long Term Strategic Plan Adoption** – (Date unknown?) “Prior to the scheduled adoption by the Commission of its long term strategic plans, the CAC shall prepare a report containing its overview of the status of the long term strategic plans and its recommendations regarding any proposed long term strategic plan adoption or amendment...the report shall be provided at least two weeks prior to the commissions consideration of a long term strategic plan adoption or amendment”...Ordinance 58-04 Establishing PUC advisory Committee 3/8/04
- 5) **CAC Section of Website** – Bio’s needed, photo, email contact. Send to Jean Walsh
- 6) **Resolutions** – Should come from the Sub-Committees one week prior to the full meeting to be circulated in advance of the meeting. Should be fully formed and ready to vote on by the members. Avoid re-drafting documents in full meeting. Hand out of 5 Resolutions from 2011 at Meetings.
- 7) **SFPUC Presentations** – Max length 10 Minutes with Q&A discussion to follow. All Presentations should be circulated 1 week in advance of the meeting to allow members to be informed and prepared.
- 8) **Sub-Committee assignments** – The Heads are Alex (WW), Jennifer (W), and Doug (P). For 2012 members will be on only one subcommittee. If members wish to participate in a second subcommittee, they can attend as a member of the public.
- 9) **CAC Vacancy Update and Outreach By Chair to fill seats** – Mayor’s office, Supervisor Cohen, Supervisor Chiu, Supervisor Chu, Ed Harrington, San Francisco Apartment Association, Small Business Commission, Commissioner Vince Courtney, Commissioner Art Torres. CAC Members are encouraged to encourage their appointing person or office to help fill the empty seats.

# 2011 Citizens' Advisory Committee (CAC) Report DRAFT

January 17, 2012

From CAC Chair Terrence Jones

**Background** - In 2004 the San Francisco Board of Supervisors established the San Francisco Public Utilities Commission (SFPUC) Citizens Advisory Committee (CAC) in accordance with the 2002 voter-approved Proposition E to advise the SFPUC General Manager, SFPUC Commission, and the Board of Supervisors regarding the agency's long-term strategic, financial and capital Management Plans. The CAC has been meeting regularly since 2005.

**Membership** - As of January 2012, the CAC has five vacant seats out of a total of seventeen seats. Filling these vacant seats is critical for the CAC in 2012. The CAC Rules of Order state "The Committee shall meet no less than nine times in a twelve-month period..." and "The presence of a majority of the Committee members (i.e. nine members ...) shall constitute a quorum for all purposes. Bios of current CAC members can be found: <http://sfwater.org/Modules/ShowDocument.aspx?documentID=1706>

Vacancies Status of January 17, 2012:

1. **Mayor** – Representing a large SF water user. (Brian Mork applied in October 2011)
2. **Mayor** – Representing a regional or statewide environmental group
3. **President Board of Supervisors**, David Chiu – Representing small business in SF. (Anand Gohl is applying in January 2012)
4. **Supervisor District 4**, Carmen Chu – (David Pilpel applied in December 2011)
5. **Supervisor District 8**, Scott Wiener – (Jeanne McKinney was appointed in November, resigned in January 2012)

Upcoming potential vacancies:

1. **Supervisor District 1**, Eric Mar – CAC member Richard Hansen would like to be replaced when a replacement is found.
2. **Supervisor District 5**, Christina Olague - New Supervisor *may* elect to appoint a new member.

## 2011 Meetings:

- Full CAC held 8 meetings
- Water Subcommittee held 9 meetings
- Wastewater Subcommittee held 9 meetings
- Power Subcommittee held 6 meetings

**Resolutions:** The five resolutions passed by the CAC in 2011 are named below and attached. The CAC aims to work to make the text of the resolutions more clear and concise in 2012.

1. Climate Change Information Request (June 2011)
2. Water Conservation and New Development (June 2011)
3. Staff Report Content for Informed Commission Decisions (June 2011)
4. Power Rate Increase to City General Fund Departments (December 2011)
5. SFPUC Budget Payments to Other City Agencies (December 2011)

**RESOLUTION SUBMITTED BY THE CITIZENS' ADVISORY COMMITTEE (CAC) RE:  
FILLING VACANT CAC SEATS**

*DRAFT* for January 24, 2012 Full CAC Meeting

WHEREAS, the SFPUC CAC is intended to have 17 appointed members; and

WHEREAS, as of January 2012, five of the appointed CAC seats are currently vacant; and

WHEREAS, the CAC Rules of Order state, "The Committee shall meet no less than nine times in a twelve-month period.;" and

WHEREAS, in 2011 the CAC was only able to meet eight times because of an inability to establish quorum; and

WHEREAS, failure of the CAC to meet regularly detracts from the achievement of the CAC's goals and places an unfair burden on members of the CAC; therefore be it

RESOLVED, that the SFPUC CAC urges the SFPUC General Manager, SFPUC Commission and the Board of Supervisors to act to fill the vacant seats on the CAC.



Services of the San Francisco Public Utilities Commission

# SFPUC Rates Policy

SFPUC Finance  
January 13, 2012



# Rates Policy - Purpose

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Services of the San Francisco Public Utilities Commission

To guide the rate-making process during budget deliberations and to constrain budget actions to conform with rate policy

To establish rates expectations and maintain positive public perception of SFPUC rate stewardship



# Rates Policy - Scope

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Services of the San Francisco Public Utilities Commission

1. Affordable
2. Compliant
3. Sufficient to Fund SFPUC Mission
  - Utility Functions
  - Policy Directives
4. Transparent





# Rates Policy - Affordable

Services of the San Francisco Public Utilities Commission

Rates must consider customer financial impact:

- At least a 10-year rate plan
- Structured and financed to avoid discontinuities
- Include a rate reserve fund to avoid the need for short-term reactive rate changes
- With range of rates charged by comparable northern California utilities
- Operating costs should increase at a rate no greater than inflation



# Rates Policy - Compliant

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Services of the San Francisco Public Utilities Commission

Rates structures must be in compliance with:

- Law
- Regulations and permits
- Contracts
- Bond covenants



# Rates Policy – SFPUC Mission

Services of the San Francisco Public Utilities Commission

Rates must be sufficient to fund SFPUC's mission:

- Utility Functions

- Levels of service for Water, Power and Sewer
- Levels of service for Repair and Replacement
- Rates, fees and charges to recover full cost of service
- Capital and program decisions to be based on life-cycle costs

- Policy Directives

- Environmental Justice
- Environmental Stewardship
- Local Hire
- Electric Resource Plan
- Rate Policy
- Technology Policy
- Asset Management Policy
- Land Use Policy



# Rates Policy – Transparent

Services of the San Francisco Public Utilities Commission

## Rate decisions must be transparent:

- Procedurally transparent
- Public information designed to provide understandable explanation of rate changes and trends
- Capital costs should be clearly linked to specific programs and outcomes
- Oversight
  - SFPUC
  - Rate Fairness Board
  - Citizens Advisory Committee
  - Revenue Bond Oversight Committee