San Francisco Public Utilities Commission
Citizens’ Advisory Committee
MEETING MINUTES

Tuesday, January 15, 2013
5:30 p.m. – 7:00 p.m.
525 Golden Gate Ave., 2nd Floor O’Shaughnessy Conference Room

Members:
Richard Hansen (D1)          Walt Farrell (D7)          Avni Jamdar (M-Env. Group)
Vacant (D2)                  Javieree PruittHill (D8)     Art Jensen (M-Reg’l Water Customers)
Doug Cain (D3)               Dairo Romero (D9)          Stephen Bjorgan (M-Eng./Financial)
David Pilpel (D4)            Terrence Jones, Chair (D10)   Vacant (M-Lg Water User)
Diane Mokoro (D5)            Jennifer Clary (D11)        Ted Ko (B-S. Business)
Nella Manuel (D6)            Alex Lantsberg (B-Env Justice)

M = Mayoral appointment, B = Board President appointment
Staff Liaison: Teresa Young

ORDER OF BUSINESS

1. Call to Order and Roll Call: The meeting was called to order at 5:39 p.m.
   Present: T.Jones; J.Clary; W.Farrell; R.Hansen; D.Pilpel; A.Jensen; D.Romero; T.Ko; D.Mokoro; N.Manuel; A.Lantsberg; D.Cain; J.PruittHill; Absent: A.Jamdar; S.Bjorgan;
   SFPUC Staff Present: M.Carlin; B.Hale; J.Ellis; H.Kelly Jr; S.Ritchie; T.Rydstrom; K.Kubick; J.Walsh; L.Leu; A.Kastama; S.Gautier; L.Madjus; T.Young;
   Members of the public present: Tenderloin Organizer Coworker of Nella Manuel
   New CAC member Nella Manuel was introduced. She works for the Tenderloin Housing Development Corporation and is interested in community benefits and community gardens.

2. Presentation and Discussion: SFPUC Priorities for 2013, SFPUC Senior Management
   H.Kelly: My job right now is looking for a replacement for the Assistant General Manager (AGM) of Infrastructure position. The department has done a great job and we will continue to focus this year on continued reliability to deliver service, invest in direct staff, and move forward on capital improvements and operations. I am also planning on going out to all facilities and talking to staff to support them and investing in how teams and departments can work together and look at opportunities to work better together. For the CAC, we plan to forge a stronger partnership with this body to help solve a lot of issues and further the mission of this organization.
   M.Carlin: I echo H.Kelly’s priorities. I’m helping to find a replacement for the AGM of Infrastructure position and continue to deliver capital projects (rates, Sewer System Improvement Program (SSIP), future capital projects, regulatory projects).
   S.Ritchie: The big priorities for the Water Enterprise are making sure that we continue improvements and operations through the Water System Improvement Program (WSIP), ensure that we have plenty of water; help the CAC Water Subcommittee understand what the organization does and how we do it, and continue to improve reliability and quality of our water.
   J.Ellis: External Affairs is a support bureau that includes Community Benefits, Communications, and Legislative Affairs. Some of the key priorities for Legislative Affairs are exploring opportunities in Washington D.C. around the infrastructure bank, working with the Congressional Black Caucus on jobs, and identifying
resources to support capital projects. For Community Benefits, we will be focusing on piloting the Community Benefits policy; continue to track and expand on existing projects; work with the San Francisco Unified School District (SFUSD) on existing projects and identify benchmarks and partnerships for educating K-12 students on Water, Power, and Wastewater; and help with the revitalization of the Southeast Community Facility (SECF) as construction has already started. Priorities for the Communications are to support the SSIP around robust community engagement and outreach opportunities, focus on early education and outreach for CleanPowerSF, and continue to reinvigorate the CAC.

T.Rydstrom: The Business Services Bureau consists of many functions, including IT, Finance, HR, etc. We continue to focus on the 10 year rate focus/capital plan and try to keep things as affordable as possible. Residents pay about a half a penny a gallon for water, and a little over a penny per gallon for sewer. We’re keeping prices affordable for people under the median income and look for opportunities for continued savings for customers.

K.Kubick: I am here on behalf of Tommy Moala, AGM for Wastewater. Last year there were twelve emergencies and we also lost two digester roofs at our Southeast Treatment Plant. We had to make repairs to the Northshore force main as well as deal with salt water coming into the system and climate change impacts. This year, we will be building green infrastructure projects as part of the SSIP (Valencia, The Wiggle, and Chinatown) and working on another five concepts in coordination with the Water Enterprise and the Department of Public Works (DPW). We are looking to improve interagency coordination. We will issue the Urban Watershed framework; starting on the Urban Watershed Assessment (UWA). We will be starting the first phase of the SSIP with $2.7B of work moving ahead – there’s the treatment plant component and digester replacement, as well as the Central Bayside System Improvement Project (CBSIP), a tunnel from Mission Creek to Islais Creek and connector tunnel to alleviate flooding challenges. The Wastewater Subcommittee helped with the Triple Bottom Line (TBL) analysis tool and we will be employing that on a beta testing level. We recently purchased 1550 Evans and will be consolidating our Sewer Operations staff in that location.

B.Hale: This year, the Power Enterprise will be focusing on marketing power to metering and billing City and County of San Francisco (CCSF) customers. We will be implementing new energy efficiency measures throughout the City. We recently installed solar on the roof of Alvarado School. This year, we aim to continue our reliable, affordable services and harmonize our relationship with PG&E. We will also focus on CleanPowerSF; local generation of 60-90 megawatts; expenditure of Prop. 39 funds; streetlight repairs within a 48 hour period; rolling out improvements on cobra head streetlights, and installing wireless streetlight controls.

Discussion and Q&A:

D.Pilpel: I’m interested in the urban agriculture pilot program, CEQA and environmental review, the SSIP schedule for project implementation, comprehensive financial reports, power rates for City departments, facility upgrades for Moccasin, water and sewer rates, reducing operating cost when possible (in terms of chemical use), accomplishing 1MGD reduction in dry weather flows to the wastewater system, water conservation, the 100th anniversary of the Raker Act and history, staff to bring PUC-wide issues that we can deal with as the Full CAC, look at PUC as an example of a good City department and make other City agencies more like the PUC.

H.Kelly: D.Pilpel has been working closely with us on a lot of issues. The challenge is to prioritize and come back to subcommittees to focus in on these items. R.Hansen: The purpose of the CAC is to provide advice on overall policy. I’d love to see a table of organization of senior management present today. Things like snacks at CAC meetings will encourage greater willingness to contribute and could help to improve meetings.

W.Farrell: Harlan, where did you come from? What is your background?

H.Kelly: I started as a student trainee from UC Berkeley at DPW. Then I became a City Engineer for 8 years at DPW. Mayor Willie Brown invited me to run the WSIP. I came to the PUC 9 years ago, and when Ed Harrington retired I had opportunity to become General Manager. My door is always open.

A.Jensen: Harlan, what’s your timeline on hiring your replacement for AGM of Infrastructure?

H.Kelly: I believe in about two weeks. M.Carlin is helping to run the process.
J.Clary: To T.Rydstrom, what percentage of the budget is debt service? To J.Ellis, the Community Benefits Policy is great. In terms of the Environmental Justice Policy, where is that going? To K.Kubick, the three green infrastructure pilot projects don’t address the most serious flooding areas in SF. Lastly, since SF voters defeated Restore Hetchy Hetchy initiative, does that mean that we’re not having tours again?

H.Kelly: We can definitely provide tours because education about our system is important.

T.Rydstrom: 30% of budget is debt service.

D.Romero: I’m interested in the Community Benefits Policy, hiring policies, and any outreach campaign for the Latino community. It is also important to conduct outreach to tenants.

H.Kelly: By educating the CAC, you are helping to spread the word. Under J.Ellis’ leadership, we are documenting all the good work the SFPUC has been doing. An example is the Garden Project, a social program that benefits many people in the community. There are programs for high school, college, and students etc.

A.Lantsberg: I am setting up a Community Benefits/Environmental Justice Subcommittee. I’m hoping J.Ellis will relay to staff the importance of integrating community benefits and environmental justice into projects.

J.Ellis: Folks that are interested in community benefits work should know that the Environmental Justice Policy says that it is implemented through the Community Benefits Program. The Commission has asked us to provide an update at the 2/12/13 meeting. We are inviting the CAC to attend that meeting.

T.Ko: I’m interested in legislative and regulatory efforts on the state level, especially for CleanPowerSF/Community Choice Aggregation, local generation, local build out, and how it all rolls out.

D.Cain: To me, the SFPUC seems to be an open pocket book. There is no one looking over the bond issuing function at the SFPUC, and the Revenue Bond Oversight Committee (RBOC) has never turned down any bonds. There is concern that billions of dollars are being taken on board. Is the best ROI done on it? How much oversight is being done on the bond issues and financing for Moccasin? We need to fight for more money for Moccasin. Is that being handled well over the years, management wise?

H.Kelly: From when I started to where we’re at now, we’re in a much better position. Todd’s group has gone through a rigorous process in looking at the finances and bonds. We have a lot of oversight, and we bring in assistance to help us and look at ways that we can maximize the use of financing. Todd is our hawk. As far as Power, that is something we’re trying to figure out. One is PG&E and general fund departments. We are trying to figure out a way to keep our system in a state of good repair. We want to improve it and take it to a better place than what we received.

J.PruittHill: The main focus for the Wastewater Subcommittee right now is the SSIP. A.Lantsberg presented us with a resolution at the previous meeting and we are planning to push it to the Full CAC. We are focusing to make sure that certain funds are allocated correctly.

H.Kelly: We do have a Community Benefits Policy, and we’re willing to look at what you had in mind and will work with you on that.

N.Manuel: The PUC has done a great job on the reservoirs and power system. San Franciscans don’t know about your projects. Some lands are rented to private farmers. Why rent to private farmers, instead of providing something for the homeless community? Why not make a project where one or two buses bring them to these farms for them to do the planting and gardening? Give the produce to the people in SF. Continue to outreach your good works to all San Franciscans and expand education in schools and toresidents.

H.Kelly: As we continue educating in the schools, we are reaching our future ratepayers and customers. In terms of use of our land, the Commission is very interested in the ways we use our land and maximize everything. We have moved out of the agriculture/farming business. Instead of maintaining it for ourselves, we have relationships to rent the land that won’t be harmful to our watersheds and operations. We can look at ways where we can do programs like that.

Public comment: Tenderloin organizer (Nella’s coworker) here to listen and learn.

3. Approval of the **November 20, 2012** meeting minutes
A.Lantsberg moved; J.Clary seconded. Public comments: none. Minutes approved by acclamation with amendments.


5. Staff Update: none.

6. Report from the Chair (Terrence Jones)
I was doing the Annual Report that goes to the Commission, Board of Supervisors (BOS), and the General Manager. I took the four resolutions from 2012 and topics of discussion and possible future topics. The resolutions are the work product of the CAC. Public comment: none.

7. Subcommittee Chair Reports:
   a. Power Subcommittee (Doug Cain)
   D.Cain: John Doyle from the Power Enterprise talked about local generation for 60MW. That will be driven by the needs of CCA. If it gets going, it will drive the SFPUC to move forward.
   A.Jensen: Was there something for this committee to do something that is constructive in that regard?
   D.Cain: Not until they have CCA up and going and see what the demand will be. We will bring this topic back up for future consideration.
   T.Jones: A suggestion is to develop a resolution in the next 6-8 months.
   D.Cain: We have several resolutions in preparation, including an issue when people go to DBI regarding permits that go through SFPUC and energy efficiency topics.
   D.Pilpel: If it’s resolution regarding all SFPUC permits, we should bring it up to the Full CAC.
   b. Water Subcommittee (David Pilpel)
   We did not meet in December. We are meeting on January 31. The focus will be on Hetch Hetchy Operations with Margaret Hannaford and budget as it relates to water. There may be a third item as well.
   c. Wastewater Subcommittee (Javieree PruittHill)
   Due to the holidays, we did not meet in December. We met last week. Crispin Hollings came to talk about the difference between water and sewer rates, input from the community about their rates, and creating an open forum to learn about rate increases. We want to focus on the SSIP and what that project means to San Francisco as a whole.
   d. Environmental Justice & Community Benefits (Alex Lantsberg)
   A.Lantsberg: We are trying to find a location and time for the first meeting. So far I have just one volunteer – Dairo. I would love to recruit more CAC members, up to five members, and bring in members of the public. We can use this as an opportunity for the public to interact with staff. We are only going to meet every other month or once a quarter. I would also like the meetings to be held around town to bring these discussions to where programs are being employed.
   D.Romero: I can offer our office as a meeting location.
   Public comment: none.

8. Future Agenda Items

9. Announcements/Comments – The next regularly scheduled meeting for the Full CAC is on Tuesday, February 19, 2013.

10. Adjournment at 6:55 p.m. J.Clary moved; A.Jensen seconded.