



**SAN FRANCISCO PUBLIC UTILITIES
COMMISSION**

City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, September 14, 2021
1:30 P.M.

(Approved September 28, 2021)

This meeting was held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Twelfth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020

During the Coronavirus Disease (COVID-19) emergency, the San Francisco Public Utilities Commission's (SFPUC) regular meeting room, City Hall, Room 400, is closed. Commissioners and SFPUC staff will convene Commission meetings remotely by teleconference.

Commissioners

Sophie Maxwell, President
Anson Moran, Vice President
Tim Paulson
Ed Harrington
Newsha Ajami

Michael Carlin
Acting General Manager

Donna Hood
Secretary



1. Call to Order

President Maxwell called the meeting to order at 1:30 PM.

2. Roll Call

Present: Maxwell, Moran, Harrington, and Ajami

Commissioner Paulson joined the meeting at 1:34 PM.

3. Approval of the Minutes of August 24, 2021

No public comment.

On motion to approve the Minutes of August 24, 2021:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

4. General Public Comment

- *Francisco DaCosta discussed his participation in SFPUC meetings for the past 35 years. He said that the pandemic has the SFPUC hiding issues. He discussed the agenda and stated there was deception.*
- *Eileen Boken discussed the Commission's September 17, 2021 workshop and ask that San Diego presenters include information on the Carlsbad Desal facility. She discussed an article written by Peter Coyote.*
- *David Pilpel discussed the SFGTV broadcast schedule for the Special Meeting (workshop) and other city meetings taking place at the same time. He asked about the status of the GM Search.*

5. Communications

a) Advance Calendar

b) Correspondence Log

c) Contract Advertisement Report

d) Alternative Water Supply Planning Quarterly Report

e) Annual Water System Improvement Program Report

f) Declaration of Emergency: Tree Removal, Slope Repair, and Debris Removal at Stern Grove

g) San Francisco Public Utilities Commission Citizens' Advisory Committee (CAC) Resolutions

- i. Resolution Supporting the SFPUC's Southern Skyline Boulevard Ridge Trail Extension Project
- ii. Resolution in Support of a Resilient Water Supply
- iii. Resolution Supporting SB 612 Electrical Corporations and other Load-Serving Entities: Allocation of Legacy Resources
- iv. Resolution Supporting the transition of CleanPowerSF Residential Customers to Time-of-Use Rates

h) Sewer Inspection and Replacement Program Update

i) Water Supply Conditions Update

President Maxwell thanked the Citizens' Advisory Committee for hard work and commitment to the SFPUC and to San Francisco.

Public Comment

- *Nicole Sandkulla spoke to item 5g as a member of the CAC Water Subcommittee, indicating each resolution represents a commitment by the CAC to engage in the important matters under the SFPUC's purview and to provide recommendations. She discussed item 5g-ii and stated that the Committee wanted to call it to the Commission's attention for discussion at the September 17 workshop.*
- *Francisco DaCosta stated item 5 has many documents, that there is no discussion, and that it is deceptive. He addressed item 5f – stating the Declaration of Emergency has a general title, and item 5h – and asked if there is a permit for for nine minimum controls.*
- *David Pilpel spoke to: (1) 5f Declaration of Emergency - and thanked staff for adding the signature date; (2) 5g - noting that one of the CAC resolutions is dated in May 2021; (3) Resolution for item 5g-iii, stating that the CAC should not be communicating their position with the state legislature as they do not have the authority to do so; and (4) 5h – indicating the information should be in the form of a memo.*

6. Report of the General Manager

a) Tuolumne River Diversion Curtailment Orders

Steve Ritchie, Assistant General Manager (AGM) Water, began with a brief review of current reservoir storage stating Hetchy storage is at approximately 71% and total system storage is at 68.5%. He stated that other reservoirs in the state are in worse shape. He displayed the California Drought Monitor that shows continued drought throughout California.

AGM Ritchie discussed Curtailment Regulations and Orders: (1) June 15, 2021 the State Water Board (Board) issued notices of water unavailability to all post-1914 appropriative water right holders in the Delta Watershed; (2) July 23, 2021 the Board released draft Emergency Water Right Curtailment and Reporting Regulations and issued notices of water unavailability, which San Francisco received; (3) Board adopted the Emergency Regulations on August 3, 2021 and the State Office of Administrative Law approved the Regulations and filed them with the Secretary of State on August 19, 2021; and (4) August 20, 2021 San Francisco was issued Curtailment Orders for several points of diversion: Eleanor, Cherry, Lower Cherry Aqueduct, Hetch Hetchy, Early Intake, Scoggins Dam, and Canyon Ranch Creek. AGM Ritchie reviewed actions being taken in response to the Curtailment Regulations and Orders.

Mr. Ritchie indicated Curtailment Order Certificates of Compliance must be filed by September 3, 2021 and that exceptions need to be requested by September 3, 2021, with supporting information submitted by September 17, 2021. He stated that the SFPUC expects to make requests under specific categories for different situations: (1) Non-consumptive use: Moccasin Fish Hatchery, and (2) Human Health and Safety: Regional Water System (RWS) and small systems in early 2022, if still dry, and for the Camp Mather diversions.

AGM Ritchie indicated that the SFPUC filed Certificates of Completion on September 2, 2021 and will begin filing monthly reports accounting for Tuolumne releases from Cherry/Eleanor and diversions to Hetch Hetchy to demonstrate compliance. He noted if dry conditions persist, additional actions will likely be taken regarding reduction in available water supply in January, potential including declaring a water supply emergency.

He reviewed RWS use reductions from 2020 (for the period July 1 through September 12), stating San Francisco customers have had an 8.1% reduction and Wholesale customers have had a 7.9% reduction, below the Governor's request for a 15% voluntary reduction.

AGM Ritchie reviewed charts projecting acre-feet storage scenarios if water year 2022 is like 1977, with demands at 200 MGD and at 180 MGD. He noted that water bank is out of San Francisco's reach and he responded to a question from Commissioner Ajami as to why this is the case. Brief discussion ensued on water bank, and demand and conservation.

Vice President (VP) Moran discussed impact of diversions during a drought. He noted the impact of the statewide order on the ability to draw water from the water bank.

At the request of Commissioner Harrington, AGM Ritchie explained what "curtailment" means. He responded to a question from President Maxwell as to when the SFPUC would begin to discuss an emergency.

Public Comment

- Francisco DaCosta stated 16,000 salmon have died at their spawning site and noted the depletion of the salmon population.*
- Peter Drekmeier stated the presentation was misleading and that the scenario was unlikely. He discussed the reasons for curtailment. He stated the presentation is trying to justify another lawsuit.*

b) Hetch Hetchy Capital Improvement Programs (HCIP) Quarterly Report

Katie Miller, Director, Water Capital Programs, began with a review of the HCIP program cost forecast summary. She provided a status update for the following projects: (1) O'Shaughnessy Dam Access and Drainage Improvements, (2) Mountain Tunnel Improvements, (3) Moccasin Penstock, (4) Moccasin Powerhouse and GSU Rehabilitation, (5) San Joaquin Pipeline Valve and Safety Entry Improvements, (6) San Joaquin Pipeline Tesla Valves Replacement, (7) Bridge Replacement, and (8) Warnerville Substation Rehabilitation.

At the request of President Maxwell, Director Miller clarified the location of the bridge replacement.

Director Miller respond to a question from Commissioner Ajami as to the reasons for the budget increase on the Power side and if the increase is related to PG&E issues

or the increased cost of work, and if any other cost increases are expected at the end of the project.

No public comment.

c) Quarterly Budget Status Report

Laura Busch, Budget Director, began with a FY 2020-21 report summary, noting: (1) negative operating results projected for Water, Wastewater and CleanPowerSF are driven by lower than expected revenues and offset by reduced operation costs; (2) interest income is down due to lower interest rates; and Water debt refinancing provided debt service savings; (3) December 2020 salary increases are reflected in salary projections; (4) one-time project closeouts replenished the fund balance, and year-end financial results are projected to exceed-or-meet SFPUC-wide policy targets.

She indicated one-time capital project reductions in Water, Wastewater and Hetch Hetchy Water and Power assisted with FY 2019-20 budget rebalancing efforts last spring. The following cuts were de-appropriated in the current year: \$44.5M capital project (mostly Power), and \$2.6M programmatic projects.

Director Busch reviewed FY 2020-21 budget variances (sources and uses) for Water (net operating result -\$0.4M), Wastewater (net operating result -\$16.3M), Power (net operating result +\$11.4M), and CleanPowerSF (net operating result -\$9.6M).

Barbara Hale, AGM Power, responded to a question from Commissioner Harrington as to the reasons behind the \$3.3M or -48.8% CleanPowerSF savings from salaries and benefits. She indicated that throughout the Enterprise it has been a challenging year to hire, stating it is difficult to get applicants for positions and that pandemic-related issues make staffing challenging. She stated they are currently trying to fill 15 vacancies with limited applicants. She noted the City's hiring procedures make it challenging to hire in a timely fashion. Brief discussion ensued on hiring challenges.

Ms. Busch concluded with a review of key financial ratios for Water, Wastewater, and Hetchy.

No public comment.

d) Wastewater Enterprise Quarterly Report Including Southeast Area Major Projects Update (1) Biosolids, (2) Headworks, and (3) 1550 Evans Southeast Community Center

Stephen Robinson, Wastewater Enterprise Capital Improvement Program (CIP) Director, provided a summary of construction updates for the Ocean Beach Climate Change Adaption, Force Main Rehabilitation at Embarcadero and Jackson Streets, and Oceanside Plant Digester Gas Utilization Project. Director Robinson reviewed project count by phase as of March and June 2021 and indicated that the project is 45.7% complete.

Mr. Robinson reviewed the Sewer System Improvement Program (SSIP) cost summary; facilities and infrastructure status cost summary; capital program highlights; Southeast Plant (SEP) Biosolids Digester Facilities Project; SEP New Headworks Facilities Project; and Southeast Community Center 1550 Evans.

Mr. Robinsons responded to a question from President Maxwell regarding the source of odors in the digesters and what is being done about odor control.

No public comment.

- e) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
None.

- 7. New Commission Business
None.

- 8. Consent Calendar

- a) Approve the plans and specifications, and award Contract No. WD-2718, 8-Inch Ductile Iron Pipe and 24-Inch Earthquake Resistant Ductile Iron Pipe Water Main Installation on Prospect, Fair and Coso Avenues and Coleridge Street, in the amount of \$8,090,530, and with a duration of 690 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Cratus Inc., to install 4,200 feet of ductile iron water conveyance pipe, 3,300 feet of earthquake resistant ductile iron water conveyance pipe, ancillary water service pipe, 2,300 feet of sewer pipe, curb ramps, and pavement restoration. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0137](#))
- b) Approve execution of an attestation of veracity for CleanPowerSF's 2020 Power Source Disclosure (PSD) Reports and 2020 Power Content Label (PCL) and their submission to the California Energy Commission (CEC). CleanPowerSF is required by State law to annually disclose the sources of electricity generation used to serve its end-use electric customers through the preparation of PSD Reports, submitted to the CEC on June 1, 2021, and then provide that information to its customers through the PCL by October 1st. The 2020 PSD Report and PCL demonstrate that in 2020, CleanPowerSF's Green product supply was 54.5% Renewable Portfolio Standard (RPS) eligible renewable and its SuperGreen product supply was 100% RPS-eligible renewable. CleanPowerSF's Green product has a greenhouse gas (GHG) emissions intensity of 40 pounds of carbon dioxide equivalent (CO₂e) per megawatt-hour (MWh) of generation, and the SuperGreen product had a GHG emissions intensity of 0 pounds of CO₂e/MWh. The PCL provides power mix information to CleanPowerSF's customers, showing the sources and emissions intensity of CleanPowerSF's electric generation and comparing it to the statewide resource mix. Under recently adopted CEC regulations, the SFPUC can attest to the veracity of the PSD Report and PCL for all retail products offered by CleanPowerSF. ([Resolution 21-0138](#))

- c) Approve execution of an attestation of veracity for Hetch Hetchy Power's 2020 Power Source Disclosure (PSD) Reports and 2020 Power Content Label (PCL) and its submission to the California Energy Commission (CEC). Hetch Hetchy Power is required by State law to annually disclose the sources of electricity generation used to serve its end-use electric customers through the preparation of PSD Reports, and then provide that information to its customers through the PCL. The 2020 PSD Report, submitted to the CEC on May 29, 2021, and PCL shows that the electricity sources used to serve Hetch Hetchy Power's end-use electric customers were 100% greenhouse-gas (GHG) free with a GHG-emission intensity of 0 pounds per Megawatt/hour (lb./MWh), significantly below the state-wide average. This attestation covers the SFPUC's operations as a publicly-owned electric utility (Hetch Hetchy Power). ([Resolution 21-0139](#))

Public Comment

- *David Pilpel spoke to item 8a and stated that on page one of the resolution, second to last Whereas clause, that there is an extra backslash.*

On motion to approve the Consent Calendar:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

9. Approve the addition of scope and an increase of \$19,983,100 to the existing contract contingency for Contract No. DB-126, Wastewater Enterprise Distributed Control System Upgrades with Emerson Process Management Power & Water Solutions, Inc; and authorize the General Manager to approve future modifications to the contract for a total contract not-to-exceed amount of up to \$47,550,600, with no change to the contract duration. ([Resolution 21-0140](#))

Maria Kristel Cruz, Project Manager, provided background on the Distributed Control System (DCS) Upgrades Project. She stated it is intended to replace the Wastewater Enterprise's existing DCS which was installed in the 1990's and will support new SSIP projects. She stated the contract is a progressive design-build and she discussed the scope of work, work completed to-date, and the request for an increase in contract cost contingency.

Ms. Kristel Cruz responded to a concern from Commissioner Harrington regarding the increase in the contract amount since the original RFP was issued, and to his question as to whether there was mention in the initial RFP that the project would be completed in phases, which could have potentially increased the number of bidders. Brief discussion ensued. Commissioner Harrington noted the need to be clear regarding total project costs and phases in the agenda item summary.

Public Comment

- *Ali Altaha stated the contract and the contract process needs to be looked into. He stated that RBG was a subcontractor on the original proposal. He discussed subcontractor Montez.*
- *David Pilpel stated the staff report is vague as to scope changes and asked that future the staff reports reflects that. He stated it is unclear if Board of Supervisors approval is required under Charter Section 9.118. He asked if the resolution*

contemplates delegating authority to the General Manager to negotiate future changes without returning to the Commission, up to the proposed \$47M budget.

On motion to approve Item 9:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

10. Authorize the General Manager to execute a Second Amendment to the Planning Coordinator Agreement between the City and County of San Francisco Public Utilities Commission and the California Independent System Operator Corporation (CAISO), so that CAISO can continue to provide the SFPUC with planning coordinator services as required by the North American Electric Reliability Corporation and regional reliability standards. This amendment will extend the agreement from November 11, 2021 to November 10, 2031, for a total duration of approximately 16 years, and for a total cumulative amount not-to-exceed \$500,000; subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 21-0141](#))
AGM Ritchie introduced the item and stated that it will extend the agreement with CAISO to provide planning coordinator services as required under Federal regulations.

No public comment.

On motion to approve Item 10:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

11. Approve the program rules for, and authorize the General Manager to implement, the Rain Barrel and Rain Cistern Rebate Program to provide qualifying SFPUC water service customers up to a \$100 rebate for the purchase of a rain barrel (with a limit of two rain barrels per property), or a \$350 rebate for the purchase of a single larger capacity cistern, to capture and use rainwater for outdoor irrigation. ([Resolution 21-0142](#))
AGM Ritchie introduced the item stating it is the first of three rebate programs on the agenda for Commission consideration.

Commissioner Harrington expressed concern with a potential \$80,000 expenditure for three rebate programs. He questioned the effectiveness of the programs with this budget and asked how it could be made more meaningful and allow for more participation. Julie Ortiz, Program Manager, noted these programs are just a few of many programs that work together as a suite. She stated that participation may be limited due to site conditions that must be met and indicated that as much information and educational materials as possible is provided. She noted that participation is estimated, and regular marketing is conducted to encourage program applicants. Commissioner Harrington questioned if participation would expand if the grant amount was increased or if the application process was made easier. Ms. Ortiz discussed participation rates in the various programs and stated that she does not think the incentive price is a factor in participation and stated that ways to improve the ease of application is continually reviewed. Commissioner Harrington asked that the team conduct outreach/survey with the public to determine what efforts would improve and encourage participation rates in these programs.

Ms. Ortiz responded to questions from Commissioner Ajami as to the cost for the Hot Water Recirculating Pumps and Laundry-to-Landscape programs, and whether advertisement or outreach is conducted when there is construction or remodeling, to encourage participation. Commissioner Ajami suggested participant tracking and the creation of maps to know where there is program participation and to assist with data gathering.

Commissioner Paulson expressed his support for the program, assistance with outreach efforts, and he discussed his experience shopping for a cistern.

VP Moran stated that as we think about these issues that market research needs to be conducted.

President Maxwell concurred with comments made by the Commission. She stated that these programs get people thinking about conservation and savings but that there are many questions that need to be answered. In response to a follow-up question, Ms. Ortiz noted potential water savings through the various conservation programs and touched on any training programs offered.

Ms. Ortiz responded to a question from Commissioner Ajami as to whether thought has been given to indoor graywater programs, noting that there has not, given challenges including the need for on-site treatment.

Ms. Ortiz provided concluding comments on the benefits of the program and requested approval.

Public Comment

- *David Pilpel expressed appreciation for the Water Conservation and Planning staff. He suggested an informational packet be made available detailing all the available rebate and conservation programs, and that they be provided at opportune times, such as during an inspection. He recommended coordination with the Wastewater planning team. He stated the last resolved clause in the resolution has odd formatting. He suggested capping the budget on all three programs.*

On motion to approve Item 11:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

The Commission Secretary called items 12 and 13 together.

12. Approve the program rules for, and authorize the General Manager to implement, the Laundry-to-Landscape Graywater Rebate Program to provide qualifying SFPUC residential water service customers with a single-family home or two-unit building up to a \$100 rebate for the purchase of essential components of a graywater system that uses water from the clothes washer for outdoor, subsurface irrigation, commonly referred to as “laundry-to-landscape” system. ([Resolution 21-0143](#))
13. Approve the program rules and authorize the General Manager to implement a new

Hot Water Recirculating Pump Rebate Program to provide qualifying SFPUC residential water service customers a rebate of up to \$100 for the purchase of a hot water recirculating pump that reduces the wait time for hot water in residential properties. ([Resolution 21-0144](#))

Public Comment

- *David Pilpel suggested capping the budget amount. He indicated that the program rules are formatted differently than the others and recommended a consistent approach for all three programs.*

On motion to approve Item 12:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

On motion to approve Item 13:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

14. Approve the terms and conditions of, and authorize the General Manager to execute, a four-year license between the San Francisco Public Utilities Commission and the San Francisco Zoological Society for the SFPUC to use approximately 32,000 square feet of Zoological Society property located near the intersection of Armory Drive and Herbst Road, in San Francisco, California, for construction staging for the SFPUC Westside Pump Station Reliability Improvements Project, with a \$25,000 monthly use fee for a total cost to the SFPUC of \$1,200,000. ([Resolution 21-0145](#))

Dina Brasil introduced the item stating the SFPUC will use Zoo property as a staging area for the Westside Pump Station Reliability Improvements Project. She discussed the need for the staging area and describe the surrounding area, stating that the Zoo property was the best option in the area for staging. She stated the location was previously used under a similar agreement for the Recycled Water Project. She reviewed the agreement conditions, noting the \$25,000 monthly use fee for a duration of four years, and discussed the calculation of the use fee. Ms. Brasil responded to a question from Commissioner Ajami as to the calculation of lost parking cost.

Commissioner Harrington thanked Ms. Brasil for the presentation. He stated the project will help the SFPUC as well as assist the Zoo with a steady revenue stream during the pandemic.

Public Comment

- *David Pilpel stated the Recreation and Park Department owns the property and was surprised the agreement is with the Zoological Society. He stated he is less concerned about the money and agrees with Commissioner Harrington regarding the predicable revenue steam for the Zoo. He noted the need for the staging area for the project.*

On motion to approve Item 14:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

15. Public comment on matters to be addressed during Closed Session

None.

16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel

On motion to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel:

Ayes: Maxwell, Moran, Paulson, Harrington, and Ajami

The Commission entered Closed Session at 4:12 PM

Present (all items): Commissioners Maxwell, Moran, Paulson, Harrington and Ajami; Francesca Gessner, Deputy City Attorney, Nicholas Whipps, Deputy City Attorney, Michael Carlin, Acting General Manager, Steve Ritchie, Assistant General Manager, Water Enterprise, Eric Sandler, Assistant General Manager, Business Services & CFO, Donna Hood, Commission Secretary, Lee Sayao, SFPUC IT.

17. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (d)(1) and San Francisco Administrative Code Section 67.10 (d)(1) Existing Litigation
San Joaquin Tributaries Authority v. California State Water Resources Control Board
Filed on September 2, 2021; Fresno County Superior Court
Note: A case number has not yet been assigned by the court

Commissioner Paulson was excused from the meeting at 4:53 PM.

18. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (d)(1) and San Francisco Administrative Code Section 67.10 (d)(1) Existing Litigation
San Joaquin Tributaries Authority, et al v. California State Water Resources Control Board
Tuolumne Superior Court Case No. CV62094/Date Filed: January 10, 2019
Coordinated as State Water Board Cases by order filed May 13, 2019 in Sacramento Superior Court, JCCP No. 5013

The Commission exited Closed Session at 5:05 PM.

19. Announcement following Closed Session
President Maxwell announced there was no reportable action.
20. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a)
On motion not to disclose discussions during Closed Session:
Ayes: Maxwell, Moran, Harrington, and Ajami
21. Adjournment
President Maxwell adjourned the meeting at 5:06 PM.