



San Francisco  
**Water Power Sewer**  
Services of the San Francisco Public Utilities Commission

**SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION**

City and County of San Francisco

**London N. Breed**  
Mayor

**REGULAR MEETING MINUTES**  
**Tuesday, January 25, 2022**  
**1:30 P.M.**  
(Approved February 8, 2022)

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

**Commissioners**

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

**Dennis J. Herrera**  
General Manager

**Donna Hood**  
Secretary



1. Call to Order

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

2. Roll Call

*Present: Moran, Ajami, Maxwell and Paulson*

3. Adopt renewed findings under State Urgency Legislation to continue to allow remote meetings during the COVID-19 Emergency; continue remote meetings for the next 30 days; and direct the Commission Secretary to agendize a similar resolution at a Commission Meeting within the next 30 days. ([Resolution 22-0016](#))

*No public comment.*

*On Motion to adopt renewed findings under State Urgency Legislation:*

*Ayes: Moran, Ajami, Maxwell and Paulson*

4. Approval of the Minutes

a) January 7, 2022 Special Budget Meeting #1

b) January 11, 2022 Regular Meeting

*The Commission Secretary noted corrections to the Minutes of January 11, 2022 to (1) amend the roll call to remove a duplicate recording of Commissioner Ajami's attendance and to add the attendance of Commissioner Harrington; and (2) amend the record of the Commission votes on all motions for the meeting to remove duplicate recording of "aye" votes for Commissioner Ajami and to add "aye" votes for Commissioner Harrington.*

*No public comment.*

*On Motion to adopt the Minutes of January 7, 2022:*

*Ayes: Moran, Ajami, Maxwell and Paulson*

*On Motion to adopt the Minutes of January 11, 2022, as amended.*

*Ayes: Moran, Ajami, Maxwell and Paulson*

5. General Public Comment

- *Peter Drekmeier, Tuolumne River Trust, discussed a letter that was sent to Dr. Casey Brown and Alexis Dufour regarding their January 27, 2022 webinar. He stated the Long-Term Vulnerability Assessment (LTVA) study was well done but did not answer the question as to whether the SFPUC can manage the Bay Delta flow requirements without running out of water. He presented the three recommendations in the letter with an ask that they be included in the webinar.*
- *David Pilpel stated he provided a letter offering his comments made during the budget meetings to the Commission Secretary for distribution to the Commission and appropriate staff.*

6. Communications
  - a) Advance Calendar
  - b) Contract Advertisement Report
  - c) Correspondence Log
  - d) CleanPowerSF Quarterly Report
  - e) Onsite Water Reuse Program Update FY 19-20 and FY 20-21
  - f) Quarterly Report on Contracts Awarded by the General Manager Pursuant to Delegated Authority

*No public comment.*

7. Bay Area Water Supply & Conservation Agency (BAWSCA) Update

*Nicole Sandkulla, BAWSCA CEO, read a statement stating that strategic and results-driven leadership from the San Francisco Public Utilities Commission is required to ensure necessary water supply and habitat for fish in the Tuolumne River and to maintain a reliable water supply for 1.8 million residents, 40,000 businesses and hundreds of communities in Alameda, San Mateo, and Santa Clara Counties.*

Public Comment

- *Peter Drekmeyer, Tuolumne River Trust, indicated that no one wants 50% rationing, stating it is based on the Design Drought and is no longer a reasonable scenario. He discussed the LTVA and demand projections.*

8. Recognition of Retirements
  - a) John S. Roddy in recognition of his 41 years of service to the City and County of San Francisco and the San Francisco Public Utilities Commission

*Dennis Herrera, General Manager (GM), stated it was his pleasure to recognize the contributions made by those who support the SFPUC through their work. He noted that there was a pause in retirement recognitions at the onset of the pandemic and he thanked President Moran for asking that the retirement acknowledgements resume.*

*GM Herrera discussed Mr. Roddy's 41 years of invaluable service to the SFPUC and to the City and County of San Francisco. He noted that Mr. Roddy was the longest serving Deputy City Attorney upon his retirement. GM Herrera recognized Mr. Roddy's passion for his work and his deep knowledge of issues. He thanked Mr. Roddy for his service and read the ceremonial resolution that will be signed by the Commission and presented to Mr. Roddy.*

*Sheryl Bregman, Deputy City Attorney, thanked Mr. Roddy for his commitment and dedication to his work and for all he has done for the SFPUC and San Francisco. She expressed her appreciation for the 26 years she has had the pleasure to work with him.*

*Mr. Roddy thanked GM Herrera for the kind words. He noted his fulfillment with his work. He stated the SFPUC is the most fascinating and fundamental part of San*

*Francisco's government. He stated he will miss everyone with whom he has worked. He noted the exciting issues that lay ahead for the SFPUC and the enthusiasm for new SFPUC management.*

*President Moran indicated that not many departments are as intertwined with the City Attorney's office as the SFPUC and noted the strong and cooperative relationship. He thanked Mr. Roddy for his service and wished him well in his retirement.*

b) Lisa Diep in recognition of her 34 years of service to the City and County of San Francisco and the San Francisco Public Utilities Commission

*GM Herrera celebrated Ms. Diep's 34 years of service. He stated that although she preferred not to appear before the Commission, it was important to recognize her contribution and important work. He thanked Ms. Diep for her service and read the ceremonial resolution that will be signed by the Commission and presented to Ms. Diep.*

*Marge Vizcarra, Director, Customer Service Bureau (CSB), thanked the Commission for the recognition of Ms. Diep. She stated that Ms. Diep began working at the SFPUC in 1988 and that Lisa was a valuable member of the CSB and contributed significant accomplishments to the CSB and the SFPUC. She applauded Lisa's loyalty, dedication, and commitment to her work. Ms. Vizcarra congratulated Ms. Diep on retirement and thanked the Commission on Lisa's behalf.*

c) Recognition of those San Francisco Public Utilities Commission Employees who retired 2020 – 2021

*GM Herrera stated that during the pandemic a number of employees retired and were unfortunately, not able to be recognized by the Commission. He indicated that all of these retirees worked for the SFPUC for a minimum of 25 years and that their service to the SFPUC and the city is valued and appreciated. GM Herrera noted that certificates of appreciation will be provided to each retiree. A recognition video displaying the names, positions, and years of service of the retirees was played.*

*President Moran noted that attention should be paid to the position titles of the employees, stating these are the people who make the SFPUC work and are the ones who respond to calls for service at all hours. He highlighted the value of these individuals and expressed his gratitude for their service. He stated civil service is a noble and important career.*

Public Comment

- *David Pilpel discussed his work with Mr. Roddy on wastewater and sewer issues during his tenure on the Citizens' Advisory Committee. He thanked Mr. Roddy for his good work and wished him the best. He wished all the retirees well and thanked them for their service.*

*Commissioner Maxwell highlighted the years of knowledge and experience held by the retirees. She thanked them for dedicating their careers to the SFPUC.*

*VP Ajami stated that people often forget what it takes to bring services to them and that it is important to recognize the value of public service. She thanked the retirees for their work and wished them well.*

*Commissioner Paulson thanked the retirees for their service, dedication, and important work. He stated that employees need a voice, representation, and engagement at work.*

## 9. Report of the General Manager

### a) Drought Conditions Update

*Ellen Levin, Deputy Assistant General Manager, Water, presented (1) January 18, 2022 Reservoir storage levels, noting Hetchy is relatively high; (2) Other California Reservoirs, with a mention that Don Pedro Reservoir is at 79% capacity; (3) California Drought Monitor, stating the areas previously showing extreme drought have moved to severe drought; (4) Hetch Hetchy precipitation; (5) Upcountry snowpack, noting staff are currently conducting snow surveys and that more information will be available when completed; (6) Water available to the city; (7) Tuolumne River water available to the city; (8) Upcountry 6-Station Precipitation Index as of January 17, 2022 (total year-to-date 18.67 inches); (9) Bay Area 7-Station Precipitation Index as of January 17, 2022 (total year-to-date 19.88 inches); (10) National precipitation forecast, stating late January and early February are expected to be wet; (11) Total deliveries, noting lower winter demand; and (12) Water System Reduction Tracker, with a 14.9% reduction for San Francisco customers and a 6.6% reduction for Wholesale Customers, for a total reduction of 9.2%.*

### Public Comment

- *Peter Drekmeyer, Tuolumne River Trust, stated that although November and January were relatively dry it has been an average year at 18.6% from October through January. He discussed the annual cycle and stated that San Francisco is entitled to 750 acre-feet per year. He stated it is not surprising that the system will fill up this year and that climate change won't change annual precipitation, with more rain likely.*

### b) Power Customer Program Update

*Daniel Young, Manager of Customer Programs, reviewed (1) SFPUC customer program offerings for Hetch Hetchy Power and CleanPowerSF customers, noting customer needs of affordability, eMobility, energy efficiency and decarbonization, load shifting, and renewable energy; (2) Customer program development process (six steps); (3) Low-income Solar Inverter Replacement Program; and (4) Electric Vehicle (EV) Charge SF.*

*In response to a question from VP Ajami as to whether the SFPUC is tapping into existing or new funding resources for EV charging opportunities in multi-family*

*buildings, Mr. Young and Barbara Hale, Assistant General Manager (AGM) Power, noting the funding from the SFPUC and stated that other funding opportunities are being investigated. AGM Hale stated that the SFPUC has applied for competitive funding in the past and has been denied but indicated that staff will continue to apply for funding opportunities.*

*VP Ajami noting the difficulty of conducting outreach in multi-family buildings that do not have power submetering but do have water submetering. She indicated communication efforts between the Water and Power Enterprises should be coordinated to simplify the application process for residents and ease administrative work.*

#### Public Comment

- *David Pilpel stated that the bullet points noted on page 6 of the supporting document (guiding principles) should be reviewed and be considered as Commission policies related to the Power Enterprise and customer programs.*

- c) Water Enterprise Capital Improvement Program (WECIP) Quarterly Report  
*Katie Miller, Director, Water Capital Programs, noted revisions made to the quarterly report, as per Commission direction.*

*She began with a review of the WECIP status, noting \$801M has been expended (31%), and provided an update for the WECIP cost summary. She presented the Regional WECIP projects (approved budget for 25 regional projects by phase) and the Regional projects with variances for the first quarter. Director Miller provided a brief progress and status update for the following Regional projects (1) Corrosion Control (Phase 2); and (2) Sunol Long Term Improvements.*

*She continued with a review of Local WECIP Projects (approved budget for 11 Regional Projects by phase) and Local projects with variances for the first quarter. Director Miller provided a brief progress and status update for the following Local projects (1) New CDD Headquarters; and (2) College Hill Reservoir Outlet.*

*In response to a question from VP Ajami as to the project forecast timeline, Director Miller indicated that the budget preparation has been the focus and stated that work has started on forecasting categories, but that it will take time.*

*Director Miller responded to a follow-up question from Commissioner Paulson regarding the reporting database, noting project forecast information can also be found for each individual project in the quarterly report under “issues and challenges”.*

*President Moran discussed forecasting estimates. He stated it needs to be determined where in the process accountability needs to begin and that the scope should lock and be measured. He stated the reports have several audiences and that he would like to hear how the public likes the new format.*

*No public comment.*

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

10. New Commission Business

*None.*

11. CONSENT CALENDAR

- a) Authorize the General Manager of the to execute a Cost Recovery Agreement with the United States Bureau of Land Management (BLM) to reimburse the BLM for costs of \$22,106.74 to correct the mapped boundary of a right-of-way grant for the Canyon Power Tunnel and Aqueduct; and authorize the General Manager to amend the Cost Recovery Agreement, or enter into a new Cost Recovery Agreement, to reimburse the BLM for additional reimbursable expenses of up to \$77,893.26 if the BLM incurs reimbursable costs over \$22,106.74, for the total potential not-to-exceed sum of \$100,000. ([Resolution 22-0017](#))
- b) Approve the plans and specifications and award Contract No. WD-2843, 16-, 12-, and 8-inch Ductile Iron Water Main Replacement on Diamond St from 27th St to Diamond Heights Blvd, 28th and Duncan Sts from Douglass to Noe Sts, Valley St from Diamond to Noe Sts, and Noe St from Duncan to Valley Sts, in the amount of \$8,802,037 and with a duration of 783 consecutive calendar days (approximately two years and two months), to a responsible bidder that submitted the lowest responsive bid, M Squared Construction Inc., to install 13,640 feet of ductile iron water conveyance pipe, ancillary water service pipe, curb ramps, and pavement restoration The contract is funded under the Local Conveyance/Distribution System Program. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision. ([Resolution 22-0018](#))
- c) Approve an increase of \$200,000 to the contract cost contingency and an increase of 180 consecutive calendar days to the contract duration contingency for Contract No. WD-2858R, Sunol Valley Water Treatment Plant Water Quality Modular Office, with Alta Group, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract amount up to \$1,405,820 and a total contract duration of up to 422 consecutive calendar days. ([Resolution 22-0019](#))
- d) Approve an increase of \$2,250,000 to the contract cost contingency, and an increase of 180 consecutive calendar days to the contract duration contingency for Contract No. WW-712, New Montgomery, Jessie, Minna, and Mission Street Brick Sewer Rehabilitation, with D'Arcy & Harty Construction, Inc; and authorize

the General Manager to approve future modifications to the contract for a total contract amount of up to \$7,627,625 and a total contract duration of up to 609 consecutive calendar days. This action constitutes the Approval Action for the additional work covered under this modification for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision.

#### Public Comment

- *David Pilpel spoke to item 11d and stated that within the staff report is discussion to add elements from the Tenderloin and Nob Hill Sewer Improvements Project. He indicated that there is no detail in the staff report regarding this project or elements of the work. He stated the agenda item description does not reference this work and questioned if the noticing for the item is adequate. He requested that it be removed.*

*After some discussion on the incorrect item of 11b, and clarification by Mr. Pilpel that his concerns are related to item 11d, President Moran stated that item 11d would be severed from the calendar and not be considered for approval at this time.*

*On Motion to approve the Consent Calendar items 11a through 11c:*

*Ayes: Moran, Ajami, Maxwell and Paulson*

12. Approve modification of the program rules for the Water Use Allocation and Excess Use Charge Program for Accounts Complying with Article 12C of the City and County of San Francisco Health Code to (1) change the name of the program to Non-Potable Water Ordinance Excess Use Charge Program; (2) modify the process for determining the Potable Make-Up Allocation for projects subject to the Program; (3) change the water usage data reporting requirements for projects subject to the Program; (4) establish methodology for applying excess use charges on a project's bill and change the billing schedule for excess use charges to a six-month cumulative basis; (5) clarify the eligibility requirements and process for projects to request a Temporary Suspension or a Potable Make-Up Allocation Revision; and (6) authorize the General Manager, in consultation with the City Attorney, to approve future non-material modifications to the Non-Potable Water Ordinance Excess Use Charge Program Rules that are necessary or appropriate to facilitate implementation of the Program.  
[\(Resolution 22-0020\)](#)

*Taylor Nokhoudian, Water Enterprise, began with a review of San Francisco's Non-Potable Water Ordinance, which apply to (1) new buildings and development projects 100,000 square feet or grater; (2) buildings that are 100% commercial – must capture, treat, reuse all wastewater, not just graywater, onsite to help meet non-potable demands; and (3) multi-family residential and mixed-use buildings – must capture graywater to meet clothes washing demands in addition to toilet flushing and irrigation demand.*

*She reviewed the Non-Potable Ordinance (NPO) Excess Use Charge Program, stating the goal is to enforce the NPO. She stated the Commission approved the Excess Use Charge Program in 2017 by Resolution 17-0019 and indicated that each NPO project is assigned an allocation of potable water, and any unit of water used above the allocation will receive Excess Use Charges (3x water and sewer rates).*

*She outlined the proposed process of the program (1) projects will be assigned an allocation of potable make-up water based on SFPUC-approved Water budget documentation; (2) projects will self-report data monthly on volume of potable make-up water used and treated on-potable water sent to end users; (3) SFPUC will use self-reported and CC&B data to calculate any applicable excess use charges; (4) applicable excess use charges will appear on the project's bill two times per year, in August and February; and (5) SFPUC will allow projects to apply for an allocation revision, temporary suspension, or appeal of excess use charges.*

*She concluded with a review of the requested Commission action to (1) change the name to "Non-Potable Water Ordinance Excess Use Charge Program"; (2) modify the process for determining the potable make-up of water allocation; (3) change the water usage data reporting requirements; (4) establish methodology for applying excess use charges on a project's bill and change the billing schedule for excess use charges to six-month cumulative basis; (5) clarify eligibility requirements and process for projects to request Temporary Suspension or Potable Make-Up Allocation Revision; and (6) authorize the General Manager, in consultation with the City Attorney, to approve future non-material modifications to the Program Rules.*

*In response to a question from VP Ajami, Ms. Nokhoudian stated that it is an existing program and there are no current programs that are receiving excess use charges at this time.*

#### Public Comment

- *David Pilpel stated he had no substantive concerns but did have technical and procedural concerns, which he provided. He expressed disagreement with the 6<sup>th</sup> element of the proposal to delegate authority to the GM to approve future non-material modifications to the Program Rules and referenced Charter Section 4.104(a)(1). He requested that documentation of public notice be included in future staff reports.*

*President Moran stated that the non-substantive issue noted by Mr. Pilpel can be cleaned up by staff. In response to a question regarding the GM delegation of authority that was raised, Deputy City Attorney Sheryl Bregman stated that the item went through a detailed development process and is consistent with the prior guidance.*

*On Motion to approve Item 12:*

*Ayes: Moran, Ajami, Maxwell and Paulson*

13. Public comment on matters to be addressed during Closed Session  
*None.*

14. 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:  
Ayes: Moran, Ajami, Maxwell and Paulson*

*The Commission entered Closed Session at 3:21 PM.*

*Present in Closed Session: Commissioners Moran, Ajami, Maxwell, and Paulson; Dennis Herrera, GM, Michael Carlin, Deputy GM, Ron Flynn, Chief-of-Staff, Sheryl Bregman, Deputy City Attorney, Theresa Mueller, Deputy City Attorney, Barbara Hale, AGM Power, Pam Husing, Power Enterprise, Charles Perl, SFPUC Finance, Lee Sayao, SFPUC IT, and Donna Hood, Commission Secretary.*

15. Conference with Legal Counsel – Pursuant to California Government Code, Section 54956.9(a), and San Francisco Administrative Code, Section 67.10(d)(1) Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: City and County of San Francisco v. Federal Energy Regulatory Commission, (United States Court of Appeals, D. C. Circuit), No. 20-1313, petition for review filed August 17, 2020, consolidated with No. 20-1458, petition for review filed November 16, 2020; City and County of San Francisco v. Federal Energy Regulatory Commission, (United States Court of Appeals, D. C. Circuit), No. 20-1084, petition for review filed March 23, 2020; consolidated with No. 20-1297, petition for review filed August 3, 2020; In re: PG&E Corporation and Pacific Gas & Electric Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38- 000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18- 1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703- 000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006,

filed January 10, 2019; California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019; and California Public Utilities Commission Case No. P. 21-07-012, filed July 27, 2021.

*The Commission exited Closed Session at 3:54 PM.*

16. Announcement following Closed Session  
*President Moran stated there was no reportable action taken during Closed Session.*
17. 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:*

*Ayes: Moran, Ajami, Maxwell and Paulson*

18. Adjournment  
*President Moran adjourned the meeting at 3:55 PM.*