SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
(Approved February 9, 2016)

SPECIAL MEETING
Friday, January 29, 2016

NOTE DIFFERENT TIME AND LOCATION

10:00 A.M.
525 Golden Gate Avenue, Second Floor
O’Shaughnessy Conference Rooms A, B, and C
San Francisco, CA 94102

Commissioners
Francesca Vietor, President
Anson Moran, Vice President
Ann Moller Caen
Vince Courtney
Ike Kwon

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary

For information, contact the Commission Secretary at 554-3165.
Minutes and other information are available on the SFPUC web site:
www.sfwater.org
1. **Call to Order**  
   President Vietor called the meeting to order at 10:14 AM.

2. **Roll Call**  
   Present: Vietor, Moran and Kwon  
   Excused: Caen and Courtney

3. **Public Hearing and discussion of FY-2016-17 and 2017-18 Operating and Capital Budgets for all of the San Francisco Public Utilities Commission enterprises and bureaus:**  
   *Mr. Eric Sandler, CFO and Assistant General Manager (AGM), Business Services, provided a re-cap of the first budget workshop and outlined the agenda for the second.*

   Vice President Moran expressed concern with de-funding Moccasin. He indicated he needs additional information and cannot support the budget as presented.

   a) **External Affairs Proposed Budget**  
   *Ms. Juliet Ellis, AGM, External Affairs, began with a discussion of the core services of External Affairs (EA) and a review of the organizational chart. She discussed EA’s accomplishments in the areas of: (1) Communications and Strategic Engagement (engage the public; drought/water conservation; Citizens’ Advisory Committee; and Southeast Community Facility Commission); (2) Policy and Government Affairs (local, state, and federal); (3) Initiatives and Planning; (4) and Community Benefits.*

   AGM Ellis briefly discussed priorities in the areas of: (1) Communications and Strategic Engagement; (2) Community Benefits; (3) Policy and Government Affairs; and (4) Strategic Initiatives/Planning. She discussed challenges faced and improvements sought.

   AGM Ellis reviewed EA’s proposed total budget and total full-time authorized positions.

   Commissioner Kwon complemented AGM Ellis on the water conservation ad campaign. He offered suggestions for the use of Salesforce.

   AGM Ellis responded to a question from President Vietor on the strategic planning process and when it will be presented to the Commission. President Vietor requested a framework/timeline.

   AGM Ellis responded to a follow-up question from President Vietor regarding the K-12 Eco-literacy Framework and green infrastructure.
Public Comments

- Mr. Toye Moses, Executive Director, Southeast Facility Commission, expressed support for the External Affairs budget. He thanked AGM’s Ellis and Moala, and GM Kelly for their support of the Southeast Facility Commission and the Southeast sector.

- Steve Good, Five Keys Charter School and Vice Chair Southeast Facilities Commission, stated he looks forward to the community engagement process and partnering with the SFPUC. He thanked Ms. Ellis for her work.

b) Business Services Proposed Budget

Mr. Sandler began with a summary of the core service areas of Business Services: Customer Service; Financial Services, Information Technology Services; Fleet Management; Records Management; and Assurance and Internal Controls. He reviewed the Business Services organizational chart and introduced staff in attendance.

CFO Sandler discussed the accomplishments and priorities for Customer Service; Financial Services; Information Technology Services; Fleet Management; Records Management; and Assurance and Internal Controls. He discussed the financial system replacement project.

Mr. Sandler reviewed Business Services total budget and total full-time authorized positions.

AGM Sandler responded to a question from Vice President (VP) Moran regarding the audit program; the recurring mention of unresolved audit issues; and if there is coordination planned to ensure audit issues are resolved in a timely manner. Brief discussion ensued.

Ms. Nancy Hom, Director, Assurance and Internal Controls, provided additional response, noting that she is working closely with the Controller’s Office, City Services Auditor, on recommendations and solutions.

VP Moran stated that inventory management tools and controls need to be dealt with at a management level.

President Vietor addressed succession planning, noting it needs to be taken seriously, and include retirees and staff in key functions. GM Kelly stated that at a future Commission meeting he would provide details on the efforts and strategies, along with challenges.

Public Comments

None.
c) Infrastructure Proposed Budget

Ms. Kathy How, AGM, Infrastructure, presented the Mission, Roles and Responsibilities of the Infrastructure Division. She reviewed the Division’s organizational chart, introduced staff, and presented the Division’s project team matrix.

AGM How reviewed Infrastructure’s direct vs. indirect staff charges; current workload distribution and workload comparison; and the Division’s Capital Improvement Programs.

AGM How responded to a question from President Vietor on the Sewer System Improvement Program’s workload comparison.

AGM How continued with a review of the staffing plan, noting staffing will remain flat.

Ms. How discussed the accomplishments and priorities for the Water System Improvement Program and Water Capital.

Commissioner Kwon posed a question regarding the status of the Sunol Golf Course. Deputy City Attorney Ambrose stated that the item was not on the agenda it could not be discussed. Staff will schedule for a future meeting.

AGM How continued, discussing priorities and accomplishments for the Auxiliary Water Supply System (AWSS); Hetch Hetchy Capital; Sewer System Improvement Program and Wastewater Capital; and overall organizational priorities and challenges.

President Vietor discussed potable vs. non-potable water for the AWSS and requested an update at a future Commission meeting.

Ms. How reviewed Infrastructure’s total budget and total full-time authorized positions, and concluded her presentation.

CFO Sandler thanked the Commission.

4. Consider motion to continue this agenda item to a Special Meeting noticed for Friday, February 5, 2016.

On Motion to continue the meeting to a Special Meeting noticed for Friday, February 5, 2016:
Ayes: Vietor, Moran and Kwon