



**SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION**

City and County of San Francisco

**London N. Breed**  
Mayor

**REGULAR MEETING MINUTES**  
**Tuesday, November 9, 2021**  
**1:30 P.M.**

(Approved as amended, November 23, 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**

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

**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 Harrington*

*Not Present: Paulson*

*The Commission Secretary announced that item 10 was removed from the agenda.*

*President Moran welcome General Manager Herrera as SFPUC General Manager (GM). GM Herrera indicated his excitement to start and stated he had an eventful first week.*

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 21-0165](#))

*No public comment.*

*On motion to adopt renewed findings under State Urgency Legislation to continue to allow remote meetings during the COVID-19 Emergency:*

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

4. Approval of the Minutes

a) October 26, 2021 Regular Meeting

b) October 29, 2021 Special Meeting

*No public comment.*

*On motion to adopt the Minutes of the October 26, 2021 Regular Meeting:*

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

*On motion to adopt the Minutes of the October 29, 2021 Special Meeting:*

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

5. General Public Comment

- *John McMannis, Golden Gate Salmon Association, welcomed GM Herrera stating that he looks forward to working together. He referenced letter from the California Natural Resources Secretary and the California Environmental Protection Agency rejecting the Tuolumne River Voluntary Agreement (TRVA) proposal. He requested that San Francisco withdraw its participation in the lawsuit against the State Water Board.*
- *Francisco Da Costa stated that the SFPUC needs a better way to look into the future. He discussed fires, climate change, and stated that a visionary model is needed. He indicated that he speaks for the First People and the salmon and said that the land was stolen.*

- *Eileen Boken, on behalf of Coalition of San Francisco Neighborhoods, welcomed GM Herrera. She spoke on her own behalf of regarding the Merced Manor Reservoir and construction on the east side. She discussed the salmon and First People living in harmony on the River and stated that the salmon and river are suffering.*

*Commissioner Paulson joined the meeting at 1:45 PM.*

- *Denise Louie, Center for Biological Diversity, welcome GM Herrera. She stated that San Franciscans care about the fish and the species that depend on the Bay Delta and Tuolumne River. She requested that the SFPUC withdraw from the lawsuits. She stated that outreach should address biological diversity.*
- *Mark Gonzales discussed his recreational activities on the Lower Tuolumne River and water flow on the river. He discussed the TRVA. He noted his Ohlone ancestry. (note bad audio connection during comments)*
- *Bill Martin congratulated Mr. Herrera on his appointment as GM. He discussed the Commission's workshop on alternative water supplies and San Diego's work toward sustainable management of natural resources and water recycling projects. He referenced a "Mother Jones" article on San Diego's efforts. He asked that the SFPUC move towards more sustainability.*
- *Peter Drekmeier, Tuolumne River Trust, thanked Michael Carlin for his service as Acting GM and welcomed Mr. Herrera as GM. He thanked the Commission for the workshop on the Long-Term Vulnerability Assessment and for the opportunity to participate. He noted the follow-up letter that was sent to the Commission, which contained several requests, which he noted.*
- *Susan Stansbury welcome GM Herrera. She noted Mr. Herrera's commitments as outlined in the Mayor's press release announcing his appointment. She asked that there be a transition from politically expedient decisions about rivers and the Delta and base decision on the best available science.*
- *Shannon Macintee welcome Mr. Herrera and asked that he become an environmental leader. She requested that scientific evidence be read to reduce the length of the Design Drought, without jeopardizing water supply.*
- *Aleta Dupree stated that she practices her values through the use of electricity and living in an all-electric home. She asked that affordable, clean, and equitable grid be built. She requested the municipalization of the electric grid to allow for the oversight of delivery and generation.*
- *Julie Ann Frizzell congratulated GM Herrera on his appointment. She expressed support for the Bay Delta Plan as presented in 2018 and discussed the SFPUC's position. She expressed support for the positions offered in the November 8<sup>th</sup> letter from the Non-Governmental Organizations (NGOs). She indicated she is a resident of Palo Alto and is a landscape architect and noted her professional work on conservation.*
- *Iris Stewart Frye, Professor of Environmental Science, Santa Clara University, and Science Advisor to the Tuolumne River Trust, welcomed GM Herrera. She asked that he take a view that is future-oriented and invest into the future with water resource protection and with science.*
- *John Rosepepe thanked the Commission for workshops. He congratulated GM Herrera on his appointment. He noted he is a former biologist, angler, and*

fisherman, and expressed sadness about the salmon on the Tuolumne. He asked that the lawsuits against the Bay Delta Plan be withdrawn.

- *Anonymous speaker welcome GM Herrera. She stated environmental stewardship is important to SFPUC constituents and that they are hopeful that Mr. Herrera will become an environmental leader. She discussed the effect of habitat disruption and asked that recreation not be the priority.*
- *David Pilpel welcome GM Herrera and wished him success. He requested that when item 10 is re-scheduled there is more explanation about the process and alternatives considered, and the Municipal Transportation Agency's 16<sup>th</sup> Street Improvement Project. He asked for information on how employees return to on-site work is going. He thanked Commission Secretary Hood for her work on the Correspondence Log.*
- *Regina Chichizola, Save California Salmon, congratulated Mr. Herrera on his appointment. She asked that the lawsuit be dropped and that he works with the State Water Board on implementing Phase I of the Bay Delta Plan. She noted the need to save the salmon to avoid extinction.*
- *Ron (inaudible) Northern California Council, Flyfishing International, welcomed Mr. GM Herrera. He asked that he become an environmental leader. He expressed support for the Bay Delta Plan and asked that science be followed with planning for drought. He asked that there be a focus on recycling and used Israel and Australia as examples.*
- *Norma Wallace welcomed GM Herrera. She indicated she is an indigenous Chochenyo Ohlone person, with Muwekma Ohlone Marine family lineage. She noted that the rivers and fish were here before any of us. She expressed support for the NGO letter and noted that SFPUC constituents value the environment and the Tuolumne.*

## 6. Communications

- Advance Calendar
- Correspondence Log
- Contract Advertisement Report
- 2009 Water Supply Agreement Report
- Annual Report on NEM/ShARE
- CleanPowerSF Quarterly Report

### Public Comment

- *David Pilpel commented on item 6f and asked that future reports indicate how many CleanPowerSF customers are on Time-of-Use rates compared to those who are not.*

## 7. Report of the General Manager

### a) Drought Update

*Steve Ritchie, Assistant General Manager (AGM), Water Enterprise, presented the following information: (1) Reservoir storage numbers; (2) Reservoir storage levels statewide; (3) Drought outlook statewide. He noted that much of the state has reverted from exceptional drought to extreme drought with the October storm. He emphasized that that storm has not taken the state out of the drought; (4) Hetch Hetchy precipitation. He indicated the storm carried precipitation above*

1983 levels; (5) Upcountry snowpack; (6) Water available to the city; (7) Tuolumne River water available to the city, which is currently at 81,000 acre-feet; (8) Upcountry 6-station Precipitation Index as of October 31, 2021, which was three times the average for October; (9) Bay Area 7-station Precipitation Index as of October 31, 2021, which was more than 10-times the precipitation for October; (10) National precipitation forecast; (11) Total deliveries, which showed a substantial decrease in demand between the third and fourth weeks of October; (12) Curtailment: Curtailments lifted for the SFPUC points of diversion on the Tuolumne River on October 19, 2021; as of November 1, 2021 curtailments continued to be suspended; and the State Board staff have indicated that curtailment updates, including reinstatement of curtailments, will be provided weekly, generally on Tuesday but may be more frequent as conditions dictate; and (13) Recent inflows to upcountry reservoirs. He emphasized that none of the information indicates that we are out of the drought.

#### Public Comment

- *Peter Drekmeier, Tuolumne River Trust, stated that there is good news in the report that the 81,000 acre-feet received is more than the 51,000 acre-feet received during all of last year. He discussed current demand and reservoir storage and stated that the SFPUC is not in drought. He noted the lower demand. He stated that the report is missing information on the salmon, who are currently spawning. He indicated there is only 40% of the salmon from last year.*
- *David Pilpel questioned the status of the drought emergency declaration. He asked how to get the state to recognize communities who are already low water users and asked that they not be penalized under drought conditions.*

*Commissioner Harrington, in response to comments made by Mr. Drekmeier, stated that it would be useful to include environmental measures, including the health of the river, in the report going forward.*

*Vice President (VP) Ajami expressed appreciation for the reduction in demand. She reiterated Mr. Pilpel's comments, noting not every community is the same. She stated that the SFPUC needs to communicate to the state that we have low water use overall and ask that they track per capita use.*

*Commissioner Paulson thanked Mr. Ritchie for the update and expressed agreement with the comments made.*

b) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements

*GM Herrera stated that on November 5, 2021, HR 3864 (Infrastructure Bill) passed the House of Representatives. He indicated it is a \$1.2 trillion dollar package that will allow for \$500 billion in new federal spending for a variety of infrastructure projects, including water, wastewater, and energy infrastructure. He stated staff is actively tracking the legislation to look for SFPUC opportunities.*

*No public comment.*

8. New Commission Business

*None.*

9. CONSENT CALENDAR

- a) Discussion and possible action to approve the First Amendment to the Prepayment and Collection Agreement between the Bay Area Water Supply and Conservation Agency (BAWSCA) and the City and County of San Francisco, dated as of October 1, 2021 (“First Amendment”); and authorize the General Manager to execute the First Amendment. Under the First Amendment, a new annual fee will be charged to BAWSCA to recover SFPUC administrative costs related to services provided by the SFPUC to BAWSCA under the Agreement. ([Resolution 21-0166](#))
- b) Approve the plans and specifications and award Contract No. WD-2871, Sunol Valley Water Treatment Plant and Chloramination Facility Aqua Ammonia Structural Repairs and Tank Replacement, in the amount of \$1,769,014, with a duration of 547 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Cal State Constructors, to upgrade the aqua ammonia chemical feed systems at the Sunol Valley Chloramination Facility and Sunol Valley Water Treatment Plant including bracing structural elements; replacing two aqua ammonia chemical tanks and tank pedestal supports; and upgrading related instrumentation and controls systems. ([Resolution 21-0167](#))
- c) Approve the plans and specifications and award Contract No. WW-704, Various Locations Sewer Replacement No. 9, in the amount of \$3,898,770, and with a duration of 310 consecutive calendar days to the responsible bidder submitting the lowest responsive bid, JDB and Sons Construction, Inc. This action constitutes the Approval Action for the project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0168](#))

Public Comment

- *Ali Altaha stated that items on the Consent Calendar are not being publicly discussed and that CMD memos show that companies are not LBE certified, that owners are not licensed in California to perform work, and that they have a surrogate. He discussed the new infrastructure funding noted by GM Herrera and stated it is not how much money you have but how you spend it.*
- *David Pilpel discussed item 9c and stated he did not see a “various sewer locations replacement number 8” and questioned if it was skipped, handled differently, or numbered incorrectly. He asked that the list of the work presented in the staff report include a city map showing the work locations.*

*On motion to approve the Consent Calendar items 9a through 9c:  
Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington*

*The Commission Secretary re-announced that item 10 was removed from the agenda.*

10. Approve Project No. CWWSIPFCDB14, Folsom Area Stormwater Improvements Project, and authorize the General Manager to implement the Project in compliance with the Charter and applicable law, subject to Board of Supervisors approval where required, to construct 12,500 linear feet of upsized Combined Sewer pipes and boxes within the neighborhood around 17th Street and Folsom Street, along with a new 4,500 linear feet wet weather tunnel of outside diameter 15 feet from the 17th and Folsom neighborhood, connecting to the Channel Consolidated Transport/Storage Box. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code.
  
11. Discussion and possible action to authorize the Issuance of up to \$127 million of the 2021 Series AB Power Revenue Bonds. The Commission resolution will approve the sale of the 2021 Series AB Power Revenue Bonds with an aggregate par amount not-to-exceed \$127 million as follows: 2021 Sub-Series A (Green Bonds) and 2021 Sub-Series B Bonds, and approve the form of, and authorize the execution and delivery of, related documents; authorize the General Manager to sell the bonds in one or more series on a competitive basis the General Manager determines within the parameters of the Commission's adopted "Debt Management Policies & Procedures" in the best financial interest of the San Francisco Public Utilities Commission; and delegate to the General Manager authorization to award each series of bonds to the highest bidder (lowest cost). ([Resolution 21-0169](#))

*Mr. Rich Morales, Debt Manager, presented the item which requested that the Commission approve up to \$127 million par amount of the 2021 Series AB Power Revenue bonds, which will be sold in two sub-series (1) Sub-series A Bonds (Green Bonds), and (2) Sub-series B Bonds. He stated that this is the first Power Enterprise bond sale since the inaugural 2015 Power Revenue Bond issuance and is included in FY 2021-22 Capital Financing Plan which was presented to the Commission on October 12, 2021.*

*Mr. Morales reviewed the structure/plan of finance for the bonds (1) 30-year senior lien, fixed rate; (2) tax-exempt; (3) possible debt service reserve fund; (4) capitalized interest; (5) bonds to be competitively sold; (6) expected bid opening the fourth week of November; and (7) expected closing the second week of December. He stated that information provided in the staff report required adjustment and pertains to the good-faith estimates and certain financial information related to the bonds. He stated a true interest cost of 1.95% was provided in the staff report by the financial advisor, which is not incorrect. However, this is based on a Yield to Call calculation, which is the less conservative metric. He further discussed and stated that the SFPUC usually provides good faith estimate of true interest cost that is based on Yield to Maturity, which is the more conservative metric, so the true interest cost in the staff report should be adjusted to 3.29%.*

*He reviewed key transactions (1) Preliminary Official Statement (POS); (2) Second Supplemental Indenture; (3) Official Notice of Sale; and (4) Continuing Disclosure Certificate (Appendix in POS).*

*He noted key disclosure questions and answerers that were provided to the Commission with their complete meeting materials. He concluded with a review of the recommended Commission action.*

*In response to a question from Commissioner Harrington, Mr. Morales indicated that staff would report back to the Commission after the bond sale.*

*In response to a question from VP Ajami as to whether the Infrastructure Bill will have resources for power infrastructure, and if or how that will impact debt financing, Mr. Morales indicated that staff have not reviewed the bill but will do so to see if there are any impacts on future debt issuance. She expressed concern with debt issuance and revenue collection and noted the need for balance between the two.*

*No public comment.*

*On motion to approve item 11:*

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

12. Discussion and possible action to approve a resolution establishing Commission priorities to guide the new General Manager as he assumes his responsibilities in the areas of (1) Organizational Leadership, (2) Environmental Leadership, (3) Sustainable Public Power, (4) Capital Program Effectiveness and Integrity, and (5) Communications; that they will result in significant and measurable improvements in all priority areas; and that they will in turn guide the Commission in evaluating his performance. ([Resolution 21-0170](#))

*President Moran stated that the resolution is not intended to be a complete list of priorities nor is not intended to highlight the most important things the agency does, but that it is intended to capture elements that the Commission believes are important at this point in time. He stated it does not establish or revise policy.*

*He noted that the resolution was made available to the public after the last meeting and that some comments were received in two primary areas.*

*First, comments from BAWSCA were received indicating that as an important customer, the maintenance of the relationship between the SFPUC and BAWSCA should be included. He proposed the following addition to the resolution as a new bullet before “Environmental Leadership”:*

- *Regional Leadership: Continued strengthening the SFPUC’s working relationship with the Bay Area Water Supply and Conservation Agency representing the SFPUC’s wholesale customers.*

*Second, comments received from the NGO’s and those concerned with environmental issues, objecting to the bulleted referencing the Voluntary Agreement. Upon discussions and review of correspondence received, he proposed the following amendments under “Environmental Leadership”. He noted that the resolution will not modify the Commissions policies on the issue.*

1. Add new bullet after first (to be second bullet) to read:
  - Review the status of the Tuolumne River Voluntary Agreement with a view toward strengthening relationships with state and local governmental partners.
2. Modify existing second bullet to read:
  - Coordinate with Tuolumne, State, and local partners toward early implementation of habitat measures in the Tuolumne River Voluntary Agreement.

Commissioner Paulson thanked President Moran for the resolution. He stated it reflects the issues that have arisen and are of importance to the Commission and its customers.

Commissioner Harrington thanked Commissioner Moran for his amendments. He commented on the section “Capital Program Effectiveness and Integrity”, specifically the last bullet in that section referencing green infrastructure policies and indicated that conversations have included including green infrastructure in the city family, as a whole.

He proposed a new bullet under “Capita Program Effectiveness” to read:

- Integrate SFPUC capital planning with other city departments to maximize public benefits in addressing climate change, sea level rise, and flood resiliency.

VP Ajami agreed with Commissioner Harrington and the need to include the work between SFPUC enterprises and the city family. She discussed the section “Organizational Leadership” and how the SFPUC can grow the capacity of its employees to do more and invest in their professional growth rather than utilizing consultants for work.

Commissioner Paulson indicated that he would like to add a bullet related to workforce development. President Moran suggested it be included under “Organizational Leadership”.

#### Public Comment

- Barry Nelson, Golden State Salmon Association, stated they strongly support bullets one, three, and four under the “Environmental Leadership” section. He urged the Commission to revise the language referencing the Tuolumne River and noted a letter was sent with suggestions. He noted his three critical issues.
- Heinrich Albert spoke to the “Environmental Leadership” section and expressed appreciation that is a priority for the new GM. He stated the second bullet is not leadership but is “ducking” leadership and that leadership is not fighting the Bay Delta Plan.
- Eileen Boken welcomed GM Herrera. She discussed the Emergency Firefighting System and indicated the need for investment in a desalination facility.

- Nicole Sandkulla, BAWSCA CEO, expressed support for the resolution with the inclusion of Commissioner Moran’s amendments, and with the addition of the language as to the relationship with BAWSCA.
- Ali Altaha stated the priorities don’t include integrity and fighting corruption at the SFPUC. He discussed organizational leadership and integrity.
- Dave Warner referenced a letter he sent to the Commission and discussed the “Environmental Leadership” section. He discussed the Voluntary Agreement and indicated it should be broadened and included in the priorities.
- Regina Chichizola, Save California Salmon, thanked the Commission for the resolution and urged the Commission to give up on the Voluntary Agreement process and let flows be restored.
- David Pilpel thanked the Commission for the work. He provided thoughts on the following: “Organizational Leadership” - requested that “EDI” be spelled-out, and that it include knowledge transfer and continuity, and that it addresses workforce development. “Environmental Leadership” – continue to balance watershed access with protection. “Sustainable Public Power” – add continue to increase municipal energy conservation efforts. “Capital Program Effectiveness & Integrity” – add work with other city departments. “Communications” – reinforce organizational leadership.

President Moran presented proposed amendments to the resolution for approval:

On motion to approve amendment 1:

Addition of a new bullet before “Environmental Leadership”

- Regional Leadership: Continued strengthening the SFPUC’s working relationship with the Bay Area Water Supply and Conservation Agency representing the SFPUC’s wholesale customers.

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

On motion to approve amendment 2

Added as a second bullet under “Environmental Leadership”

- Review the status of the Tuolumne River Voluntary Agreement with a view toward strengthening relationships with state and local governmental partners.

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

On motion to approve amendment 3:

Revise (current) second bullet under “Environmental Leadership” to read:

- Coordinate with Tuolumne, State, and local partners toward early implementation of habitat measures in the Tuolumne River Voluntary Agreement.

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

On motion to approve amendment 4:

Add bullet under “Capital Program Effectiveness and Integrity”

- Integrate SFPUC capital planning between SFPUC enterprises and with other City departments to maximize public benefits in addressing climate change, sea level rise, and flood and water supply resiliency.

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

On motion to approve amendment 5:

*Add bullet under “Organizational Leadership”*

- *Special attention to effective and successful workforce development in the Commission’s capital and employment contracts and priorities*

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

On motion to approve amendment 6: Add bullet under “Organizational Leadership”

- *Establish programs to support SFPUC employee growth and professional development and excellence.*

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

On motion to approve item 12 as amended:

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

*President Moran thanked Commissioner Maxwell for her work on the resolution.*

*Commissioner Maxwell thanked the Commission for the discussion and noted it will be a useful tool for the General Manager.*

13. Adjournment

*President Moran adjourned the meeting at 3:37 PM.*