

**San Francisco Public Utilities Commission
Citizens' Advisory Committee**

MEETING MINUTES

Tuesday, June 21, 2016

5:30 p.m. – 7:00 p.m.

525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room

Members:

Wendy Aragon, Chair (D1)	Kelly Groth (D7)	Nicole Sandkulla - (M-Reg'l Water Customers)
Suki Kott (D2)	Shalini Swaroop (D8)	Rebecca Lee, (M-Eng./Financial)
Leslie DeTaillandier (D3)	Art Taylor (D9)	Tamar Barlev (M-Lg Water User)
Amy Zock (D4)	Marjorie Goodwin (D10)	Owen O'Donnell (B-Small Business)
Ted Loewenberg (D5)	Jennifer Clary (D11)	VACANT (B-Env Justice)
Mark Connors (D6)	VACANT (M-Env. Group)	

M = Mayoral appointment, B = Board President Appointment

Staff Liaison: Tracy Zhu and Afrodita Lopez

ORDER OF BUSINESS

- 1. Call to order and roll call:** The meeting was called to order at: 6:08 pm.

Members present at roll call: (9) Aragon, Kott, DeTaillandier, Zock, Groth, Swaroop, Lee, Barlev, O'Donnell

Members absent at roll call: (5) Loewenberg, Connors, Taylor, Goodwin, Clary

Members of the public present at the meeting: Al Thompson, Miriam Solis, Milcaro Larkin

Staff present: Amy Kam, Kathryn Horn, Dan Donahue, Amy Chastain, Kay Fernandez, Charles Sheehan

- 2. Report from the Chair** - Wendy Aragon, Chair

- Welcome members, staff, and the public
- CAC Leadership retreat is on July 10. Members should let Wendy know if they would like to inform the agenda.

Public comment: none.

- 3. Approval** of the [May 17, 2016](#) meeting minutes

Motion was made (O'Donnell) and seconded (Zock) to approve [May 17, 2016](#) meeting minutes with edits from Member Barlev.

The motion PASSED by the following vote: Aragon, Kott, DeTaillandier, Zock, Groth, Swaroop, Lee, Barlev, O'Donnell

AYES: (9)

NOES: (0)

ABSENT: (5)

Edwin M. Lee
Mayor

Francesca Vietor
President

Anson Moran
Vice President

Ann Moller Caen
Commissioner

Vince Courtney
Commissioner

Ike Kwon
Commissioner

Harlan L. Kelly, Jr.
General Manager



Public comment: none.

4. **Public Comment:** members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda

Public comment: none.

5. **Discussion: Commissioner Update,** Commissioner Anson Moran

Topics covered include:

1. Water Supply
 - The agency is in pretty decent shape in terms of the amount of water we consume and the amount of water we have. However, our obligations to our city and wholesale customers are 265 MGD, but we are using only 190 MGD. If we are called upon to deliver on our obligations, we will have challenges delivering on our obligations.
 - We have requests from customers in San Mateo and Santa Clara Counties to become permanent customers. City of East Palo Alto is economically depressed and wants to grow; East Palo Alto has asked for additional water allocations in order approve future developments.
 - We have been better these days with our wholesale customers, but we can still be better in working with our wholesale customers and their contracts to be able to address regional water challenges.
2. Hetch Hetchy's Business Plan
 - Interconnection agreement with PG&E has expired and was replaced by fees. Litigation is underway. There are similar issues with transmission.
 - In Turlock and Modesto, we are negotiating with municipal and commercial customers on their contracts.
 - We are now in the retail business that gets us away from just providing power through contracts. Now we're on competitive markets to procure power. For redevelopment areas in San Francisco, we are now the preferred power provider. We have to think more like a private power company.
3. Rate Shock
 - I was general manager when there was a rate freeze. Since then, we have been raising rates, and we plan on increasing them even more. We need to be diligent that ratepayers know what they are getting and that we're diligent in accounting for the costs associated with what they ask for.
 - We are doing things that are much greener than when I was a general manager. If you want SFPUC to be the kind of utility that you want it to be, there's a cost associated with it.
 - We need to be transparent, have the highest level of business practices, and have personal institutional ethical standards.
 - We have best auditing program that any public agency has anywhere. The agency has the CAC, Revenue Bond Oversight Committee, Rate Fairness Board, the Commission, and a lot of oversight; it gives the public an opportunity to come to us if they think there's something wrong.
 - Ratepayers should know what they're getting and why it's costing that amount of money.
4. Rate Structures
 - Our rate structures don't align with our cost structure. Our rate structure is highly driven by consumption, and our cost structure is driven by fixed costs. It's structured that way to incentivize conservation.
 - Conservation costs money: Offering incentives like low flow toilets cost money, and when they conserve water, the agency's revenues go

down. Any time the commission adopts a conservation program, we're committing to a rate increase.

- Rate study is being conducted this summer, which happens once every 5 years, and it's an opportunity for staff to think outside of the box.

Topics of discussion:

- General discussion on what the full CAC and subcommittees can do to be helpful (Member Kott). Commissioner Moran responded: What we need help with is people to groundtruth some ideas, for example the rate structure. As issues present themselves and before they go before the commission, they can be tested out here at the CAC.
- General discussion on how to align the consumer and the ratepayer, specifically how to incentivize renters who don't pay their water bills to conserve water (Member O'Donnell). Commissioner Moran responded that people can be incentivized to reduce their consumption if they can compare their consumption with others.
- Comment on costs associated with developing new sources of water. PUC is pumping water on the westside, while developing more infrastructure that allows for more permeability for to water infiltrate back into water table. To complement the Commissioner's earlier discussion on the cost of water conservation, there's a cost to developing new sources of water. When we develop these ways to charge our ground water we are investing into our water source (Member Barlev).
- General discussion about sharing conservation strategies and stormwater management practices with wholesale customers (Member Barlev). Commissioner Moran responded that while there are many wholesale customers to communicate with, Nicole and BAWSCA have developed customers' capacity and resources to address water conservation and best practices.

Public comment: none.

6. Update from General Manager Harlan Kelly on [Flood Resilience Study and Stormwater Management Efforts](#), General Manager Harlan Kelly

Topics covered include:

- Flooding Terminology
- History of Our Collection System
- National Context for Flood Protection
- Areas Impacted by Flooding
- Partnership with other Public Agencies
- Green Infrastructure
- Stormwater Management
- New Development and Sanitary Flows
- What is San Francisco's plan for flood minimization projects

Topics of discussion:

- General discussion on how can we encourage individuals to install rainwater catchment systems to reduce stormwater runoff (Member O'Donnell)

Public comment: none.

7. Presentation and Discussion: [Environmental Justice Analysis Update](#), Yolanda Manzone, Environmental Justice and Land Use Analyst

Topics covered:

- Environmental Justice EJ relation to CEQA
- Doing our Part to Support Healthy Communities

- Environmental Justice Analytical Components
- Existing Conditions Report – Incorporation of your input
 - Pollution Burden Indicators
- Environmental Justice schedule & next steps

Public Comment:

- Miriam Solis: I am a doctoral candidate UC Berkeley where I am studying environmental justice efforts undertaken by utilities across the country. She wanted to laude the Yolanda Manzone and PUC's efforts for its environmental justice analysis because it's rare to see agencies be proactive on conducting environmental justice analyses. We are hoping other cities will follow suit.

8. Staff Report

- CleanPowerSF update – Amy Sinclair
 - Amy passed out CleanPowerSF packets.
 - CleanPowerSF is giving people a choice in their power generation.
 - CleanPowerSf enrolled 7800 hundred businesses and individuals primarily in District 5, 8 and 10. These are mainly commercial businesses. 400 of these customers early enrolled.
 - Coming this fall we will possibly roll out CleanPowerSF to Districts 5 and 8, likely residential.
 - Very few people opt out of the program, around 89.
 - People can easily enroll through the website, by calling, or contacting Amy Sinclair.
 - People ideally sign up before the end of July to get into the next offering.
 - If you don't pay the power bill, you should talk to your landlord to enroll.
 - The Green product is cheaper than the PG&E rate, and the 100% renewable option is the SuperGreen product.
- Standing meetings update – Tracy Zhu
 - Wastewater CAC: 1st Tuesdays of the scheduled month. The next meeting will be September 6
 - Power CAC: 2nd Tuesday of the scheduled month. The next meeting will be August 9.
 - Water CAC: 4th Tuesday of the scheduled month. The next meeting is August 23.
 - Full CAC: 3rd Tuesday of the scheduled month. The next meeting is July 19.

Public comment: none.

9. Future Agenda Items and Resolutions

- Green Infrastructure (*July*)
- Commissioner Update from Ike Kwon (*September*)
- Mountain Tunnel (*tentative September*)
- Stormwater Cost Allocation (*tentative fall*)
- Southeast Community Facility and Greenhouses Outreach Update (*tentative fall*)

Public comment: none.

10. Announcements/Comments

- The next regularly scheduled meeting for the Full CAC will take place at our regularly scheduled time on Tuesday, July 19, 2016.
- Chair Aragon announced that there will be a pre-meeting mixer at Southeast Community Facility Commission meeting on June 22. DJ Brookter, former deputy director at Young Community Developers, is the new Executive Director of the Southeast Community Facility.

Public comment: none.

11. Adjournment

Motion was made (Swaroop) and seconded (Groth) to adjourn the meeting

The meeting was adjourned at 7:03 pm.

MINUTES