



San Francisco Public Utilities Commission  
Citizens' Advisory Committee

MEETING MINUTES

Tuesday, December 20, 2022  
5:30 p.m. – 7:00 p.m.

PARTICIPATE VIA ZOOM VIRTUAL CONFERENCE SOFTWARE

Meeting URL

<https://sfwater.zoom.us/j/84579999646?pwd=MTIvS096SkxOWGQzSnVVBjdaWFEwdz09>

Phone Dial-in

669.219.2599

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Meeting ID/Passcode

845 7999 9646 / 756343

This meeting is being held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Sixteenth 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 Citizens Advisory Committee's (SFPUC CAC) regular meeting room, 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room, is closed. CAC Members and SFPUC staff will convene CAC meetings remotely by teleconference. Members of the public are encouraged to submit their public comment on agenda items in advance of the teleconference meeting by emailing comments to [cac@sfwater.org](mailto:cac@sfwater.org). Comments submitted no later than 12 PM Tuesday the day of the meeting will be read into the record by SFPUC CAC Staffing Team members during the teleconference meeting and will be treated as a substitute to providing public comment during the meeting. Persons who submit written public comment in advance on an agenda item or items will not be permitted to also provide public comment on the same agenda item(s) during the meeting.

**Mission:** The purpose of the SFPUC CAC is to provide recommendations to the SFPUC General Manager, the SFPUC Commission, and the Board of Supervisors regarding the agency's long-term strategic, financial, and capital improvement plans ([Admin. Code Article XV, Sections 5.140 - 5.142](#))

**Members:**

**Moisés García, Chair (D9)**

VACANT (D1)  
Suki Kott (D2)  
Steven Kight (D3)  
Douglas Jacuzzi (D4)  
Emily Algire (D5)  
Barklee Sanders (D6)  
Joshua Ochoa (D7)  
Amy Nagengast (D8)

VACANT (D10)  
Jennifer Clary (D11)  
Maika Pinkston (M-Environmental Org.)  
Nicole Sandkulla (M-Regional Water Customers)  
VACANT (M-Engineering/Financial)  
Eliahu Perszyk (M-Large Water User)  
Andrea Baker (B-Small Business)  
Michelle Pierce (B-Environ. Justice)

**London N. Breed**  
Mayor

**Newsha Ajami**  
President

**Sophie Maxwell**  
Vice President

**Tim Paulson**  
Commissioner

**Tony Rivera**  
Commissioner

**Kate Stacy**  
Commissioner

**Dennis J. Herrera**  
General Manager

**OUR MISSION:** To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



**D = District Supervisor appointed, M = Mayor appointed, B = Board President appointed**

Staff Liaisons: Mayara Ruski Augusto Sa, Lexus Moncrease and Jotti Aulakh  
Staff Email for Public Comment: [cac@sfwater.org](mailto:cac@sfwater.org)

## **ORDER OF BUSINESS**

### **1. Call to order and roll call at 5:35 pm**

Members present at roll call: (9) García, Jacuzzi, Algire, Sanders, Ochoa, Nagengast, Clary, Baker, and Pierce

Members Absent: (5) Kott, Pinkston, Sandkulla, Perszyk, and Kight

Staff Presenters: Laura Busch

Members of the Public: Peter Drekmeier

\*Member Kott joined at 5:43. Quorum maintained.

### **2. Approve [August 16, 2022 Minutes](#)**

Motion was made (Clary) and seconded (Nagengast) to approve the August 16, 2022, Minutes as amended.

AYES: (9) García, Jacuzzi, Algire, Sanders, Ochoa, Nagengast, Clary, Baker, and Pierce

NOES: (0)

ABSENT: (5) Kott, Pinkston, Sandkulla, Perszyk, and Kight

Public Comment: None

### **3. Approve [October 18, 2022 Minutes](#)**

Motion was made (Ochoa) and seconded (Pierce) to approve the October 18, 2022, Minutes as amended.

AYES: (9) García, Jacuzzi, Algire, Sanders, Ochoa, Nagengast, Clary, Baker, and Pierce

NOES: (0)

ABSENT: (5) Kott, Pinkston, Sandkulla, Perszyk, and Kight

Public Comment: None

### **4. Report from the Chair**

- Welcome members, staff, and the public
- Ohlone Tribal Land Acknowledgement
- New CAC Member Introduction

- The Chair presented to the Commission last week and updated them about the two resolutions passed by the CAC and other issues that were of concern

Public Comment:

- **Peter Dreke** commented that the Chair did a great job presenting to the Commission.

## 5. SFPUC Communications

- [FY2023-24 Budget and 10-Year Capital Plan Development Update](#)
- [Quarterly Budget Status Report](#)
- [Quarterly Audit & Performance Review Report](#)
- [Annual Policy and Government Affairs Update](#)
- [Annual Multi-Enterprise Climate Program Update](#)
- [Annual Surveillance Report for SFPUC Cameras and Drones](#)
- [Annual Real Estate Report](#)
- Water Enterprise
  - [Drought Conditions Update \(December 5, 2022\)](#)
  - [BAWSCA Update](#)
  - [State of the Regional Water System Report](#)
  - [Water Enterprise Environmental Stewardship Policy Report](#)
  - [Annual Water System Improvement Report](#)
  - [Annual Water Resources Division Report](#)
  - [Annual Water Supply Development Report](#)
  - [Alternative Water System Program Quarterly Report](#)
  - [Water Enterprise Capital Improvement Program Quarterly Report](#)
  - [Update on Lower Tuolumne River Pilot Habitat Restoration Projects](#)
  - [Lower Tuolumne River Fall-Run Chinook Salmon](#)
- Wastewater Enterprise
  - [Wastewater Capital Programs Quarterly Report](#)
  - [Green Infrastructure Grant Program: Board of Supervisors Update](#)
  - [San Francisco Bay Summer 2022 Algal Bloom and SFPUC's Plans for Nutrient Reduction](#)
- Power Enterprise
  - [CleanPowerSF Quarterly Report](#)
  - [Quarterly Report to the Board of Supervisors on Connection to PG&E Grid and Related Disputes](#)
  - [Streetlight Program Update](#)

Public Comment:

- **Peter Dreke** commented that the Water Enterprise Environmental Stewardship Policy states that releases from the SFPUC reservoir will mimic the variation of the seasonal hydrology for the magnitude, timing, duration, and frequency of the corresponding watersheds to sustain the aquatic and riparian ecosystems that the native fish and wildlife species depend on. He added that it was a great policy and should apply to the Lower Tuolumne as well, and because it does not, the Bay Delta Plan tries to correct that through unimpaired flows. Dreke noted that there is a disconnect because the SFPUC could say that it was not their dam, but they still impact the lower river.

He commented that on the Annual Water Resources Division Report there was good news that demand in the SFPUC service area last year was 182 million gallons per day (MGD), which marks eight consecutive

years where it has been under 200 MGD. Drekmeier added that the SFPUC is still planning as if 265 could come down the pipe but that was unlikely given the price of water.

He noted that on the Alternative Water Supply Quarterly Report, the Tuolumne River Trust submitted comments about a major error regarding a rationing policy that the SFPUC has. Drekmeier commented that the SFPUC looks at what the supply and demand is, which they plug into the design drought to determine how much and when they need to ration and was done after the Water System Improvement Program was finalized in 2008. He added that at that time, the SFPUC found that they could get by with rationing starting at 10% in year three and 20% in year six after which the Bay Delta Plan came into effect, and instead of re-running the model, the SFPUC used the exact same numbers. Drekmeier noted that the SFPUC was not looking at how rationing would stretch out the water supply, which is a major problem because they are putting together an alternative water supply plan for next July, and the numbers are bad.

He commented that for demand, the SFPUC was using the Urban Water Management Plan numbers, which a report back in July said that the numbers would be there if everything gets developed and nothing goes SFPUC's way. Drekmeier added that because of this, he would like to offer a presentation on water demand projections to the CAC.

He then commented that the Lower Tuolumne River Fall-Run Chinook Salmon includes a graph of salmon counts with a major error because the SFPUC changed data sources in 2009. Drekmeier added that previously it was Department of Fish and Wildlife carcass surveys and then it was a weir dam that counts fish coming in but those count different things because the weir counts are two and a half times higher than the carcass surveys causing the SFPUC to make things look better than they are. He noted that this was intentional because Drekmeier pointed it out to the author and the board but did not get a response, and now it has made it into this report. Drekmeier commented that he sees the CAC as a watchdog representing the public with the SFPUC and again offered a presentation to the CAC.

- 6. 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

- 7. Discussion and Possible Action:** [Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953\(e\)](#), Moises Garcia, Full CAC Chair

Motion was made (Kott) and seconded (Clary) to adopt the resolution.

The motion PASSED with the following votes:

AYES: (10) García, Jacuzzi, Algire, Sanders, Ochoa, Nagengast, Clary, Baker, Pierce, and Kott

NOES: (0)

ABSENT: (4) Pinkston, Sandkulla, Perszyk, and Kight

Public Comment: None

**8. Presentation and Discussion:** [Budget Presentation](#), Laura Busch, Budget Director, SFPUC Business Services

*Presentation*

- FY 2023-24 Budget Process and Priorities
- Agenda
- FY 2023-24 Operating Budget
- Budget Process
- Challenges and factors influencing budget development
- Budget Priorities
- Capital Planning Goals
- Capital Planning Process
- Calendar

*Discussion*

- **Member Nagengast** commented that she would be interested in a presentation on the Capital Delivery and Improvement Program to better understand what the program is and learn more about the unbalanced issue from phase one and two. Nagengast noted that she would also like more detail on the four priorities mentioned, specifically how they are implemented in terms of numbers and ranking.

**Staff Busch** responded that with the unbalanced capital budget and the Capital Delivery and Planning Improvement Program, she had walked through what happened with the unbalanced budget last year, and the program had begun in the spring. Staff Busch commented that it was a multi-year process where phase one identified the issues, and the SFPUC now had a charter document that identified nine work streams, which she could have the project team come back and give a more in-depth presentation on. She added that the SFPUC has the capital budget for 2023 and 2024, and the capital plan in place will be approved by the Commission. Staff Busch noted that there are teams throughout the SFPUC who are just now beginning to develop work plans and get started on trying to fix the multitude of problems and issues that were identified during the discovery phase with the Capital Delivery and Planning Improvement Process.

- **Member Nagengast** asked what the four priorities meant and how they were implemented into the capital plan.

**Staff Busch** responded that the four priorities were the same priorities that helped the SFPUC frame out the two-year fixed operating budget last year. She commented that when the SFPUC was developing the two-year fixed operating budget last year, the priorities guided them by developing new initiatives and programs. Staff Busch added that the strategic priorities were set by leadership, such as the General Manager and staff, and guided them when deciding where resources would be added to the budget. She noted that the priorities also helped

them when they were discussing the budget and selling it to the Commission, the Mayor's office, and the Board and helped frame the new initiatives in the SFPUC's budget to make sure they were in line with their overarching strategic goals. Staff Busch commented that the budget priorities affect budget development by helping people in the agency prioritize and make the trade offs between the various ways the money could be spent. She added that it was the same for capital and that some of the priority areas are more relevant to the operating spending rather than the capital spending because much of their capital is maintenance repair and repair and renewal of existing assets but that could also fall under the responsible management ensuring that they have system reliability and high-quality products for their customers.

- **Member Nagengast** commented that there are more details she needs to look into both on the operating and the capital side whether that be metrics, prioritization, and how capital programs are ranked.

**Staff Busch** responded that a big issue that the SFPUC will be working on before the next budget cycle is how capital projects are ranked, which goes back to the Capital Delivery and Planning Improvement Program because the SFPUC does not have a standard prioritization for their different enterprises. She commented that the SFPUC recently published a budget book for the two-year budget, which is on the SFPUC's website, that has information about the specific initiatives that tie back to the budget priorities.

- **Member Kott** commented that she does not know the difference between the "water" and "HH water" (Hetch Hetchy) budget items.

**Chair García** responded that there are three enterprises that are also reported by bureaus, which were alluded to in the FTE (Full-Time Equivalents) count. He commented that the Hetchy water is a combination of both Water and Power enterprises.

**Staff Busch** responded that there are three enterprises and the Bureau. She added that the three enterprises consist of Water, Wastewater, and Hetch Hetchy Water and Power (HHWP), which is also known as HHW (Hetch Hetchy Water) or HHP (Hetch Hetchy Power), and CleanPowerSF is part of the Hetchy Power portion. Staff Busch noted that Hetch Hetchy Water and Power is the up-country Water and Power because the power is generated through the hydroelectrical gravity fed water mains bringing the water down from Hetchy and the other reservoirs from up-country down into San Francisco. She commented that Hetch Hetchy Water encompasses all the up-country water infrastructure as well as the power infrastructure, which are inextricably linked together, and the Power Enterprise down-country that delivers the power to customers in San Francisco. Staff Busch added that the Water Enterprise was all about delivering water to customers in the Bay Area, and Hetch Hetchy Water and Power is the up-country water infrastructure and the related power that gets generated from there.

- **Member Kott** commented that sometimes it is listed as Hetch Hetchy Water and Power, Hetch Hetchy Water, Water, and Hetch Hetchy Power.

**Staff Busch** responded affirmatively and added that technically, Hetch Hetchy Water and Power is one enterprise, but it is often separated out because of the way it is managed. She commented that Steve Ritchie, who is the Assistant General Manager (AGM) for the Water Enterprise, also manages Hetch Hetchy Water. Staff Busch noted that Margaret Hannaford is the manager for Hetch Hetchy Water, but she reports to Steve. She commented that Barbara Hale is the AGM for Power, so she oversees Hetch Hetchy Power and CleanPowerSF.

- **Member Sanders** commented that TIDA (Treasure Island Development Authority) pays for its own infrastructure upgrades because it is a development zone that has been isolated from the rest of the City by design. He then asked whether Treasure Island is included in the budgets, because if an infrastructure upgrade needs to be done to Treasure Island, it is paid for by the developers and not by the City. Sanders added that any upgrades that are completed are subcontracted out to the SFPUC but are not coming from the SFPUC's budget itself.

**Staff Busch** responded that it is included and added that TIDA was in the SFPUC's operating budget as well as their capital budget with the work they do for TIDA in the Water, Power, and Wastewater Enterprises. She commented that it is funded through several different mechanisms such as work orders via TIDA as well as other transfers. Staff Busch added that it was in many places throughout the budget, and the expenditures for TIDA are included in both the capital and operating budget.

- **Member Sanders** commented that for years they have been saying that any upgrades that need to be done to improve the 92 outages in the last five years would come out of TIDA's budget, but TIDA does not have a big enough budget to do the upgrades and have pushed it back and allowed the developer to pay for the new power lines that went up to the new condos last year. He added that there was conflicting information and asked if he could email Staff Busch directly to follow up.

**Staff Busch** responded that it could mean reaching out directly to TIDA's CFO, Jamie Querubin, because she could answer that question better than Staff Busch.

- **Member Jacuzzi** asked if there was a place for the public where the ten-year Capital Improvement Plan is available and broken down by priority.

**Staff Busch** responded that there are multiple ways for the public to get this information, but it is not broken down by priority area but by project. Staff Busch noted that last year's capital plan is available through the February 8<sup>th</sup> Commission agenda, which includes all the spreadsheets and every single project data sheet. She added that an easier way to access the information is through the capital book found

on the SFPUC website, which details the entire capital plan, highlights key projects, and includes the data sheets for every single project. Staff Busch commented that for this year's capital plan, the SFPUC has made many changes and, it will be made public January 13<sup>th</sup> at the Special Meeting of the Commission. She noted that at this meeting each AGM will go over what is in their capital plan and what has been deprioritized. Staff Busch added that the SFPUC will provide the full capital spreadsheets, which detail the hundreds of projects that make up the total funding and will be available in the Commission agenda as well as the February 14<sup>th</sup> Regular Meeting of the Commission where the capital plans will be adopted. She commented that the SFPUC will do another version of the capital book later the following year that is just for capital and will be available on the SFPUC website.

- **Member Jacuzzi** provided an example of a sinkhole in the road where two blocks of infrastructure would need to be replaced and asked if that would be ear marked in the capital plan or out of maintenance within the operating budget.

**Staff Busch** responded that it was both. She added that the SFPUC does have crews that go out and repair mains and sewers that are budgeted in the operating budget, and historically, DPW (Department of Public Works) used to do much of that work for the SFPUC before they brought it in-house to the Wastewater Enterprise as part of their regular operations. Staff Busch noted that there was also capital funding for repair and replacement (R&R) where planned repair and replacement work also covered emergencies. She then provided an example of how a water main burst at Stone Grove and the money for repairs came from their water main replacement capital project fund, which was then refunded at the next iteration of the capital plan because the SFPUC budget was large enough to not require budget contingencies.

- **Member Jacuzzi** asked where the grant programs were in the budget and if they were publicly traceable.

**Staff Busch** responded that they were in both the capital and operating budget and the information could be found in the budget book. Staff Busch added that there was a chunk in their operating budget and that the SFPUC has ongoing funding for grants. She noted that they budget a great deal for their programmatic funding, which is where add backs from the Board of Supervisors is budgeted, and they had grants that were funded through their capital program such as the Green Infrastructure Program. Staff Busch provided the following link: <https://sfpuc.org/about-us/reports/operating-and-capital-budgets>.

- **Member Sanders** commented that he asked about the emergency declaration with Stone Grove because part of a resolution he wrote addressed whether the SFPUC or the party capable of filing for emergencies could file for Treasure Island due to the power situation.

**Staff Busch** responded that it was introduced by the SFPUC but approved by the Board as a resolution. Staff Busch provided the following link:

<https://sfgov.legistar.com/LegislationDetail.aspx?ID=5522092&GUID=DC4A9859-5F3B-4B19-AD16-4867F91301CC>.

- **Member Sanders** asked if the SFPUC were to determine the number of power outages that Treasure Island has declared as an emergency, could they go to the Board and obtain an approval for a declaration, or would it have to come from TIDA.

**Staff Busch** responded that she did not know because it was not her area of expertise, and it was something to ask the City Attorney about.

- **Member Ochoa** asked if Staff could look at the administrative code because this has been a problem for years.
- **Chair García** commented that there was a 15% gap between people who are on staff and FTEs who are available for hire. He then asked at what point that would become critical and what understaffing has looked like over time.

**Staff Busch** responded that speaking from her own experience, it was critical because she has several vacancies on her team. Staff Busch commented that it was a city-wide problem with many vacancies and a slow to hire process, but it was something to ask Wendy Macy who is the Chief People Officer about. She noted that it has gotten worse over the pandemic for various reasons and is probably affecting most organizations in the public sector similarly.

- **Chair García** commented that Wendy Macy might be presenting in the new year.

**Staff Busch** responded that this was a big concern and high priority for SFPUC leadership and the city as a whole. She commented that the City has formed a new government body called the Government Operations Initiative and Mayor Breed wrote an article addressing this issue head on because it is not just an SFPUC problem. Staff Busch provided the following link: <https://londonbreed.medium.com/making-government-work-speeding-up-hiring-c12da1a3270e>.

- **Chair García** asked what the interplay was between the capital and finance plans because they are two separate documents.

**Staff Busch** responded that the capital plan is a spending plan for ten years for what the SFPUC wants to spend on their capital programs in each enterprise. She commented that in the last version of the capital plan, they had planned expenditures of about \$10 billion over the ten years. Staff Busch added that in the next version that will be approved early next year, it will be less than that because the SFPUC has been working on prioritization throughout the last year. She noted that the capital plan was funded by the operating budget, which pays for the direct cash funded capital programs and funds the debt service on the debts that the SFPUC raises to pay for their capital programs. Staff Busch added that the operating budget was funded by the SFPUC's rates, and the operating budget and the rate trajectory are the two main outputs of the financial plan. She commented that the financial plan is a cash flow projection for their operating budget that considers

whether the rate revenue is sufficient to pay for costs baked into the capital plan, operating and maintenance cost, debt service, personnel, materials and supplies, and contractors over the ten-year time horizon. Staff Busch noted that it also looked at whether the SFPUC was meeting their financial policies such as debt coverage and reserve balance in the long term. She added that the capital plan is the cost projection just for the capital that feeds into the financial plan, and the financial plan is used to ascertain whether there is enough money and where rates need to be set to pay for everything.

- **Chair García** commented about the price of construction bids continuously climbing and mentioned Steven Robinson.

**Staff Busch** responded that Steven Robinson is the new AGM of infrastructure, which is one of the SFPUC's support bureaus and is funded through their capital projects because they are the project managers for the capital program.

- **Chair García** commented that since the Board of Supervisors has passed certain ordinances barring work with certain states, they have been a driver in costs because there are less organizations to bid on the projects. He asked whether those ordinances had been removed or if they were still in process.

**Staff Busch** responded that she was not aware the bans were being removed because they are still in place. Staff Busch explained that these were bans on doing business with certain states that have anti-abortion and anti-LGBTQ laws or policies in place. She added that when the SFPUC puts out their contracts to bid, they cannot do business with consulting companies that are in certain states. Staff Busch noted that there are waivers available, but it still adds to the challenge of hiring, putting out RFPs (Request for Proposal), and bringing on cost effective consultants. Staff Busch provided the following link: <https://sf.gov/resource/2021/states-where-city-will-not-fund-travel-or-do-business>.

- **Member Nagengast** commented that the City does work with companies in those states but cannot directly contract with companies from those states, so they must go through a company from a state that is not banned and subcontract to those other companies. She commented that there are many unintended consequences, so it is being looked at because it is a big impedance to deliver projects and have competitive bids quickly and efficiently. Nagengast shared the following link: <https://www.scribd.com/document/601412581/Mandelman-Chapter-12X-LOI-10182022>.

Public Comment: None

**9. Presentation and Discussion: Subcommittee Reports**, Moisés García, Full CAC Chair

- Water Subcommittee, Jennifer Clary, Chair
- Wastewater Subcommittee, Amy Nagengast, Chair
- Power Subcommittee, Emily Algire, Chair

## Discussion

- The Water Subcommittee updated the CAC on the Water Conservation Program for which they received two publications from the SFPUC. They also provided an update on the Environmental Stewardship Program and noted that they will receive a budget presentation in the following year. Lastly, the Water Subcommittee added that they would continue their groundwater investigations and their work with the Water Climate Action Plan.

The Wastewater Subcommittee focused their attention on competency-based training systems, succession planning, and the vacancy rate. They also looked at the SFPUC's broader community benefits with the levels of service as well as the co-benefits with investments. Additionally, the Wastewater Subcommittee noted that there was a need for improved communication and community engagement from the SFPUC.

The Power Subcommittee focused on topics such as CleanPowerSF's participation in the California Community Power's long duration energy storage procurement, SFPUC's Power Rate Study, the IRP (Integrated Resource Plan), and passed two resolutions pertaining to public power studies and grid reliability for Treasure Island. For the following year, they are interested in learning more about IEPR (Integrated Energy Policy Report), power inequities, wildfire mitigation, and emergency preparedness.

- **Chair García** provided the following links for the State of the Regional Water System Report <https://sfpuc.sharefile.com/d-s74f835eb8d9c4a0da706115834bf2f1a> as well as the Water Enterprise Environmental Stewardship Policy Report <https://sfpuc.sharefile.com/share/view/s0463c70e749b4d68a4d127e98bfd2db3>.

Public Comment: None

## 10. Staff Report

- Reminder about CAC vacancies including District 1, District 10, and the Engineering/Finance seat.

Public Comment: None

## 11. Future Agenda Items and Resolutions

- [CAC Advance Calendar](#)
- Capital Delivery and Planning Improvement Program
- Budget Priorities Update
- SFPUC Land Use Issues

Public Comment: None

**12. Announcements/Comments** Please visit [www.sfpuc.org/cac](http://www.sfpuc.org/cac) for confirmation of the next scheduled meeting, agenda, and materials.

- **Member Ochoa** asked if the administrative code would allow the SFPUC to declare an emergency regarding the power outages on Treasure Island.

Public Comment: None

**13. Adjournment**

Motion was made (García) and seconded (Nagengast) to adjourn the meeting.

Meeting was adjourned at 7:12 pm.