



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

MEETING MINUTES

**Tuesday, August 15, 2023
 5:30 p.m. – 7:00 p.m.
 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room**

**MEMBERS OF THE PUBLIC MAY OBSERVE AND PARTICIPATE VIA ZOOM
 VIRTUAL CONFERENCE SOFTWARE**

Meeting URL

<https://sfwater.zoom.us/j/82012281803?pwd=R1JieWdZT01zM3FVWlVHcXlxRTVwdz09>

Phone Dial-in

669.219.2599

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Meeting ID/Passcode

820 1228 1803 / 181576

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)
 Sally Chen (D3)
 Douglas Jacuzzi (D4)
 Emily Algire (D5)
 Barklee Sanders (D6)
 VACANT (D7)
 Amy Nagengast (D8)

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

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

ORDER OF BUSINESS

1. Call to order and roll call at 5:32 pm

Members present at roll call: (9) García, Chen, Jacuzzi, Sanders, Nagengast, Clary, Soboll, Perszyk, and Baker

Members Absent: (6) Kott, Algire, Lee, Pinkston, Sandkulla, and Pierce

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.



Staff/Presenters: Newsha Ajami

Members of the Public: Dave Warner, Peter Drekmeier, Tom Francis, and Mindy Spatt

*Member Pinkston joined at 5:45 pm. Quorum maintained.

**Member Nagengast left at 7:08 pm. Quorum maintained.

2. Approve [June 20, 2023 Minutes](#)

Motion was made (Clary) and seconded (Perszyk) to approve the June 20, 2023, Minutes.

AYES: (9) García, Chen, Jacuzzi, Sanders, Nagengast, Clary, Soboll, Perszyk, and Baker

NOES: (0)

ABSENT: (6) Kott, Algire, Lee, Pinkston, Sandkulla, and Pierce

Public Comment: None

3. Approve [May 24, 2023 Minutes](#)

Motion was made (Baker) and seconded (Clary) to approve the May 24, 2023, Minutes.

AYES: (9) García, Chen, Jacuzzi, Sanders, Nagengast, Clary, Soboll, Perszyk, and Baker

NOES: (0)

ABSENT: (6) Kott, Algire, Lee, Pinkston, Sandkulla, and Pierce

Public Comment: None

4. Report from the Chair

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

Public Comment: None

5. 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

- **Dave Warner** commented that San Francisco has one of the highest water rates in California, and rates are likely to increase in the next 10 years. He noted at the SFPUC, costs are fixed, so the cost is allocated by how much is sold. Warner added that if demand decreases, then costs must increase, which is interesting because San Francisco's population is expected to decline in the next 20 years according to a report from the Department of Finance for the State of California. He

commented that because population is the number one driver of water demand, that could cause the water demand to go below what the SFPUC has planned for, which would cause rates to increase.

- **Peter Drekmeier** commented that he appreciated the hybrid option for both CAC and Commission meetings of the SFPUC. Drekmeier expressed his disappointment at the Commission's decision to hold general public comment at the end of their meetings and hoped that the SFPUC would reconsider the issue to move general public comment back to the beginning of the meeting.

6. Discussion: Commissioner Update - Commission President Newsha Ajami, SFPUC

Introduction

- **Chair García** provided a brief introduction of Commissioner Ajami. He noted that she is the President of the SFPUC Commission and is the Chief Strategic Development Officer for Research at EESA (Earth and Environmental Sciences Area) at Lawrence Berkeley National Laboratory. Additionally, Commissioner Ajami has published many highly cited peer review articles, co-authored two books, and contributed numerous pieces to local and national papers.

Discussion

- **Member Perszyk** asked if the proposed PureWaterSF project should describe the potential to scale up from the current proposed 4mgd of purified water by 2045 in the Draft Alternative Water Supply Plan.

Commissioner Ajami responded that there is always a concern about whether there will be enough demand for what the SFPUC is building because if projects are oversized, then the burden falls on low-income communities. She noted that the SFPUC also needs to think more strategically regarding what projects they want to invest in.

Commissioner Ajami added that the issue is modularity because the SFPUC would like to build things that can be added to or improved upon gradually. She commented that every project in the Alternative Water Supply Plan is expensive, so a great deal of thought is needed.

- **Member Perszyk** commented that there is potential with the direct potable reuse regulations because the SFPUC would not have to install a separate set of pipes.

Commissioner Ajami responded that a great deal of energy is required to treat water to the highest quality, and half of that water ends up going down the drain. She noted that this was not a wise way to deal with the challenges brought on by water shortage today.

- **Chair García** commented that TIDA (Treasure Island Development Authority) alone has the authority to address issues related to the power grid on Treasure Island (TI) and Yerba Buena Island (YBI) and asked what the SFPUC can do to help alleviate power outages on TI and YBI.

Commissioner Ajami responded that the SFPUC inherited a legacy system from the Navy, and as part of the redevelopment, there is an opportunity to upgrade some of the power infrastructure there.

- **Member Soboll** commented that TIDA has oversight of the redevelopment group on TI, which is a part of the California state system and not a part of San Francisco. She noted that the redevelopment group is interested in fixing the grid 15 years from now when the rich people have moved in but is not fixing it for the current underserved population. Soboll added that the obstacle is convincing TIDA to agree to the grid updates and asked Commissioner Ajami if she had any insight on this issue.
- **Member Sanders** commented that additionally, TIDA does not have any oversight from the CPUC (California Public Utilities Commission) and has stated that they do not think it is worth upgrading the grid for the current residents. She noted that TI also does not have access to other types of funding, and something needs to be done to remove TIDA from the decision-making process to upgrade the current grid.
- **Commissioner Ajami** asked if TIDA is a public entity.

Members Sanders responded that TIDA is a public non-profit.

- **Commissioner Ajami** commented that a public entity cannot be regulated by the CPUC, which only regulates investor-owned utilities or entities. She then asked what governing body does have oversight over TIDA.

Member Sanders responded that there is none because TI is treated as its own city. He asked why TI was not treated as an investor-owned utility if the redeveloper was investing money in TI.

Commissioner Ajami responded that TIDA was created under the Redevelopment Act, which means it is not an investor-owned entity because it is a government entity. She then asked if TIDA was the only development authority in California and how other development authorities are managed. Commissioner Ajami commented that in the long run, it does not make sense for the redeveloper to keep spending money on maintaining a problematic grid when there are more cost-effective solutions.

Member Sanders responded that because TI consists of the most disenfranchised population in the City, there is not much political will to help the 3,000 people that live there.

- **Member Soboll** asked if Commissioner Ajami could return once the CAC has more information and knowledge on the issue to have a more productive conversation.

Commissioner Ajami responded affirmatively. She commented that the CAC should ask more tactical questions when trying to get more information about in this issue.

Member Sanders responded that TIDA does not respond to those kinds of questions.

- **Member Clary** commented that all the City's redevelopment areas are overseen by the Office of Community Investment and Infrastructure except for TI. She noted that the updated Disposition and Development Agreement for TI was signed in 2011, and there was a lawsuit filed by Aaron Peskin in the 90s, which is something the City Attorney should look into.

Commissioner Ajami responded that this seems to be more of a State problem now, and she will investigate what the financial relationship is between TI and the SFPUC.

- **Member Clary** commented that the SFPUC has had challenges delivering capital programs on time and within budget. She noted that the SFPUC is doing some internal investigations to right-size future capital programs. Clary then asked what levers are essential in this Capital Rebalancing effort.

Commissioner Ajami responded that she joined the SFPUC mid pandemic, which caused many delays. She commented that since then, there have been many conversations about tracking contracts and creating new performance measures. Commissioner Ajami added that they are also looking at the issue of selecting the right bidder because although the lowest bidder wins, the contract says it can go up by a certain percentage, which it always does.

- **Member Clary** asked if the SFPUC ranked or graded their contractors.

Commissioner Ajami responded that legally they cannot do that.

- **Member Clary** asked if the SFPUC can consider whether a bidder has a history of cost over-runs.

Commissioner Ajami responded that the SFPUC is creating a database that will include things like that, and she has been working closely with the Capital Improvement Team to provide SFPUC staff with the right tools.

- **Member Soboll** asked if the SFPUC has investigated other methods of selecting contractors that can provide more information such as best value selection.

Commissioner Ajami responded that because the SFPUC is an entity of the City, they must follow the City's method. She noted that she can let the right people know about the best value method because the City is working on improving the bidder selection process.

- **Member Nagengast** commented that 12X was repealed, which means that the pool of contractors and consultants has broadened. She then asked how Capital Planning might look different in the future for the SFPUC, and what is needed to steer the SFPUC toward more interdepartmental collaborations with other City departments on big capital projects, which was an approach used on the Upper Islais Creek Watershed Evaluation.

Commissioner Ajami responded that the SFPUC has tried to collaborate with other agencies, but the challenge is enabling collaborations and funding money sharing. Commissioner Ajami noted that climate change is an interesting lens to encourage collaboration.

- **Member Clary** commented that the San Francisco Department of the Environment is the keeper of the climate plan, and the new head of the Department of the Environment was previously employed by the SFPUC. She then asked whether the SFPUC was creating written agreements to pursue a climate plan jointly if another department oversees it.

Commissioner Ajami responded that every entity has its own climate plan, so a formal process to jointly implement the plan is a better approach. She noted that it also needs to be a priority for both entities.

- **Member Nagengast** commented that the CAC received an update on the Joint Benefit Authority (JBA) and asked if still existed.

Commissioner Ajami responded affirmatively and noted that the JBA was a collaboration between the SFPUC and the SFMTA (San Francisco Municipal Transportation Authority) on infrastructure projects that would bring multiple benefits to the table.

Member Nagengast commented that the update about the JBA should be added the CAC's advanced calendar.

- **Commissioner Ajami** commented that the way budgets are managed can be an obstacle to collaboration because it is difficult to move money designated for one project to another project.
- **Member Baker** asked whether there was an opportunity to apply for separate funding if two agencies are brought together over a common issue.

Commissioner Ajami responded affirmatively.

- **Member Clary** asked how the Commission oversees the agency's commitment to racial equity and whether a third-party audit was necessary.

Commissioner Ajami responded that she could check if a third-party audit was already in place. She commented that there is quarterly report from the teams but maybe some of the goals need to be revisited to see what could be added. Commissioner Ajami noted that the SFPUC has internal processes to make sure they meet their equity and social justice goals. She added that if there are issues that can be measured with a process, then she can go back to see if the issue is pandemic related or an individual issue.

Member Perszyk commented that as an example, during a presentation to the Water Subcommittee, he interpreted that there was a racial equity component in the performance evaluation for senior staff but not for frontline staff, so it was recommended that the SFPUC include a racial equity component for all staff. He noted that he was not sure if this had been put into place since then.

- The SFPUC like all other departments is understaffed. What is the SFPUC doing to recruit and retain people?

- **Commissioner Ajami** commented that the SFPUC is desperate to hire qualified people from various cultural backgrounds, but no matter how much outreach the SFPUC has done, they still have many openings. She noted that they are trying to reach the broader community to fill their openings with diverse staff. Staff Ajami added that utilities are evolving, so they need various professions such as data scientists and people with expertise in communications and business. She commented that utilities generally do not have a diverse talent pool.
- **Member Pinkston** commented that she plans on running a job fair at the Southeast Community Center for the Bayview Hunters Point neighborhood, which the SFPUC should consider participating in.
- **Member Baker** asked what the SFPUC's long-term plan was to better inform people about the job opportunities.

Commissioner Ajami responded that the SFPUC does go to academic job fairs and local colleges/universities to speak with students, but it is difficult to make this field attractive. She commented that those who are interested in fighting climate change might be interested, so it is important to appeal to such groups, which could be done by changing the job description.

- **Member Soboll** asked why the SFPUC approved Waymo operating 24 hours.

Commissioner Ajami responded that it was not the SFPUC, but the CPUC that approved that because driverless cars also fall under the investor-owned utility category.

Public Comment:

- **Peter Dreke** commented that he appreciates Commissioner Ajami's comments on demand projections because she is optimistic that demand will stay low, even without considering the future population decline of San Francisco. He noted that despite this, SFPUC staff continue to assume that demand projections in the Urban Water Management Plan are the only numbers out there, which is problematic. Dreke added that if the SFPUC were to build enough alternative water supplies to meet those projected demands, it would be 46 mgd (million gallons per day) above the high point of 200 mgd, where it has been for the last nine years. He commented that if the SFPUC were to stick with the 46 mgd, that would cost \$150 million per year, which would hurt low-income ratepayers the most. Dreke then asked how SFPUC staff can be convinced to look at alternative demand projections that are more realistic.

7. Presentation and Discussion: Subcommittee Updates, Moisés García, Full CAC Chair

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

Discussion

- **Member Clary** commented that at their Water Subcommittee meeting next week, members will make comments on the Alternative Water Supply Plan, and they will review their priorities for the upcoming year. She noted that the Water Subcommittee has been behind on resolutions the last couple years, so they need to think about taking more action.
- **Member Nagengast** commented that she would encourage CAC members to look at the minutes for the Wastewater Subcommittee's last two meetings. She noted that some of the presentations were related to climate and inter-departmental agency collaboration, specifically pertaining to the Ocean Beach Climate Adaptation Plan, which includes more substantial design changes, an overhaul of the intersection right off the zoo towards Ocean Beach, and sea wall improvements. Nagengast added that they also had a presentation on the existing condition of TI's collection system and future wastewater plans with the redevelopment and the new \$165 million treatment plant. Lastly, she commented that the water and sewer rates for San Francisco have changed as of July 1st, and there is now a stormwater charge on ratepayers' bills, which is not a new charge but a reallocation of existing charges. Nagengast noted that the Wastewater Subcommittee's main concern had been outreach and community engagement and added that the website was updated to include material about the stormwater charge allocation and to allow ratepayers to understand the changes.
- **Member Jacuzzi** commented that millions of gallons of water are sent out to sea because water that falls from the sky is treated as wastewater when it is usable water. He noted that the capacity of the Westside Water Aquifer is only limited by the ability to keep it in balance, so the more water that is put in, the more water there is available to be taken out.

Public Comment:

- **Peter Drekmeier** commented that this year the SFPUC was entitled to 2.7-million-acre feet from the Tuolumne River, and demand has been under 200 mgd for the past nine years. He noted that 200 mgd is 225,000-acre feet per year, so this year the SFPUC was entitled to enough water to last 12 years with no place to store it. Drekmeier added that unimpaired flow in the lower Tuolumne River between February and June, which are the months that the Bay Delta Water Quality Control Plan would be in effect, was 81% and twice what the Bay Delta Plan calls for. He commented that the SFPUC and the irrigation districts get paranoid and hoard water if the reservoirs are not full. Drekmeier noted that during the drought they just came out of, which was the driest three-year period on record, unimpaired flow averaged 13%, and the SFPUC never had less than four years' worth of water in storage. He added that this was three terrible years for the salmon and an overkill year this year. Drekmeier commented that it would be great if the CAC could ask the SFPUC to model what water supply needs would look like if they took a year off from the design drought and took a second year off and modeled at 200 mgd demand.

8. Staff Report

- Reminder that the District 1 seat is still vacant

- Reminder to work on priorities for the upcoming Annual Report

Public Comment: None

9. SFPUC Communications

- Water Enterprise
 - [Water Supply Conditions Update \(July 31, 2023\)](#)
 - [Alternative Water Supply \(AWS\) Plan](#)
 - [Hetch Hetchy Capital Improvement Program Report, Q3](#)
- Wastewater Enterprise
 - [Capital Program Quarterly Report, Q3](#)
 - [Green Infrastructure Grant Program Report, Q3](#)
- Power Enterprise
 - [CleanPowerSF Report, Q3](#)
 - [Wildfire Mitigation Plan Comprehensive Revision](#)
 - [Update on Street and Pedestrian Lighting Programs](#)

Public Comment:

- **Dave Warner** commented that the SFPUC has not been a pillar of trust over the last few years, and the latest draft of the Alternative Water Supply Plan (AWSP) is a heavily biased document in support of the SFPUC's lawsuit against the Bay Delta Plan and to be a sales tool to persuade constituents that more water is needed. He noted that the AWSP does not provide enough data for Commissioners to make decisions. Warner added that the executive summary states that the SFPUC will be short between 92 and 122 mgd of supply 20 years from now, but the 92 mgd is 50% more than what is being used today. He commented that SFPUC staff know that such levels of demand are highly unlikely. Warner noted that while the numbers are based on the SFPUC's Urban Water Management Plan and BAWSCA's (Bay Area Water Supply and Conservation Agency) latest annual survey, Assistant General Manager Steve Ritchie has said that the Urban Water Management Plan represents an outside envelope of demand when asked why internal projections show demand to be flat versus growing by 50%. He added that the AWSP should show the internal projections scenario and what the water supply gap would be. Warner commented that it should also show what the cost impact would be to water rates if supplies are built that are not needed, and it should show the water and sewer rate situation including how much capacity there is to raise rates beyond current projections if supply is overbuilt. He noted that the AWSP should be revisited if the design drought probability is reduced from once in 70,000 years to once in 10,000 years saving 20 mgd of alternative water supplies. Warner added that there is too much missing from the AWSP to be more than a sales marketing tool and asked that the CAC be cautious when reviewing the document.
- **Tom Francis** commented that he is from BAWSCA, which will be commenting their support on the AWSP because they see it as a needed effort. He noted that the AWSP is a living document that will be updated continuously. Francis noted that those in the wholesale customer base do stand behind their demand estimates, and BAWSCA will be embarking on a new demand study starting next fiscal year.

10. Future Agenda Items and Resolutions

- [CAC Advance Calendar](#)

- Budget – *tentatively October*
- Joint Benefit Authority (JBA) Update – *for CAC Advance Calendar*
- Presentation from Bob Beck – *for CAC Advance Calendar*

Public Comment: None

11. Announcements/Comments Please visit www.sfpuc.org/cac for confirmation of the next scheduled meeting, agenda, and materials.

- **Member Clary** commented that there was \$200 million in the budget to address water and wastewater arrearages, but she is not sure how much San Francisco would receive because they are \$16 million behind in collections.

Public Comment: None

12. Adjournment

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

Meeting was adjourned at 7:10 pm.