

San Francisco Public Utilities Commission Citizens' Advisory Committee

MEETING MINUTES

Tuesday, November 19, 2024 5:30 p.m. – 7:00 p.m. 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room

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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 (D10) Cal Law (D1) Jennifer Clary (D11) Suki Kott (D2) Maika Pinkston (M-Environmental Org.) Sally Chen (D3) Nicole Sandkulla (M-Regional Water Douglas Jacuzzi (D4) Customers) Scott Brown (D5) Jodi Soboll (M-Engineering/Financial) Barklee Sanders (D6) Eliahu Perszyk (M-Large Water User) Elizabeth Steele Teshara (D7) Andrea Baker (B-Small Business) Amy Nagengast (D8) Michelle Pierce (B-Environ. Justice)

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

Staff Liaisons: Lexus Moncrease and Lupita Garcia Staff Email for Public Comment: cac@sfwater.org

ORDER OF BUSINESS

1. Call to Order and Roll Call at 5:40pm.

Members present at roll call:(11) Law, Kott, Chen Jacuzzi, Brown, Sanders, Steele Teshara, Nagengast, Soboll, Perszyk.

London N. Breed Mayor

> Kate H. Stacy President

Joshua Arce Vice President

Avni Jamdar Commissioner

Steve Leveroni

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.

Members Absent: (5) Clary, Pinkston, Sandkulla, Baker, Pierce, García.

Chair García joined at 5:53.

2. Approve October 25, 2024, Minutes

Motion was made (Jacuzzi) and seconded (Soboll) to approve the October 25, 2024, minutes.

Minutes approved without objection.

Public Comment: None

3. Report from the Chair

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

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. Presentation and Discussion: Water 101, Steve Ritchie, SFPUC Water Enterprise Assistant General Manager

Presentation:

- Our Water Delivery System
- Bay Area Reliance on Hetch Hetchy Regional Water System
- Water Treatment and Delivery
- The 1913 Raker Act
- Yosemite National Park
- Our Relationship with the National Park Service
- The Turlock and Modesto Irrigation Districts
- Our Relationship with the Irrigation Districts
- Don Pedro Reservoir
- Water Enterprise Organization
- The Water Enterprise Big Issues
- Questions?

Discussion:

 Member Jacuzzi asked why San Francisco wasn't 100% reliant on Hetch Hetchy water supply and if it's related to the East Bay water supply.

AGM Ritchie responded that it is due to the Presidio's water supply coming from Lobos Creek and the Presidio's water treatment center can be found near Baker Beach.

 Member Jacuzzi asked to clarify whether Lake Merced was San Francisco's main water prior to 1930. AGM Ritchie responded that San Francisco's main water source is Lake Merced which at one point was an estuary the Spring Valley bought, and Spring Valley built a dam and slowly converted it to freshwater supply since they were delivering water in the late 1800s. He further explained that the Spring Valley constructed 3 damns on the peninsula and the Calaveras Dam in the East Bay and that tunnels were also constructed to deliver water and would deliver water from the Presidio to San Francisco through a flue that ran along the north shore of San Francisco.

 Member Jacuzzi asked what is the 40% of mixed historic flow and how the San Joaquin River is allowed to run dry.

AGM Ritchie responded it is 40% of unimpaired flow which is something that is calculated for every river where there are no dams, and these are set through the State Board for a certain period throughout the calendar year. The San Joaquin River gets dried up because of the construction of the Friant Dam.

Member Law asked why San Francisco is opposed to the 40% unimpaired flow.

AGM Ritchie responded that from January through June we would need to release significant water and under certain circumstances, we would be responsible for 51.71% and that is a lot of water that would need to be released to meet downstream obligations that the districts would then have to pass through nonplayable reservoirs. He further commented that this would have a significant hit on our water supply, and we don't think it's the best way to improve the environment for fish — we think habitat restoration is just as important as flow.

 Member Jacuzzi asked why there are not particular projects for ground water listed especially after there was a big push to use local ground water and will we be able to achieve the mix of up to 20% of local groundwater.

AGM Ritchie responded that there is a groundwater project specifically for San Francisco where the wells are already constructed. He stated that currently, the SFPUC is working on well treatments and that wells that are serving Golden Gate Park and will be replaced by recycle water as they're currently being used for irrigation. Once these are replaced, the wells will be delivering drinking water into the drinking water system. We might achieve the mixture of up to 20% through a project for wells outside of San Francisco in the lower part of the ground basin in San Francisco, North and South Basins that go towards Millbrae. In times of drought, groundwater pumping would increase which we can do with cooperation from Colma, South San Francisco, San Bruno, and Daly City. They all use groundwater and when there is a lot of water access, they use a mixture of Hetch Hetchy and local supply to allow the groundwater basin to recover. Currently we have about a 60,000-acre foot reservoir developed that will only be pumping in times of need such as droughts.

Member Jacuzzi left the meeting at 6:17 pm and quorum remains.

 Member Soboll asked what kind of testing and how often are we testing for plastics in the natural water supply.

AGM Ritchie responded there is not a standardized method that has been developed, and we are currently working with the State of California who is working on coming up with a testing methodology we can use. Testing for this may commence in 2025 or 2026. If we find microplastics in Hetch Hetchy water, there is a concern the microplastics is coming from atmospheric degradation so the microplastics are already in the air we are breathing. From our internal research, our local water supplies are fine because they are very protected watersheds. However, the same thing was said about Mercury which was found in water through atmospheric deposition through bioaccumulation from the fish in the reservoirs.

Member Perszyk asked if there was conversation between the
Wastewater Enterprise and Water enterprise on a project where there
would be the possibility to remove nitrogen from wastewater to get it
close to direct potable standards and do the new water regulations and
requirements change the timeline in any way.

AGM Ritchie responded there are conversations between the two enterprises for a pure water project that is in the very beginning stages. The hope is to build a facility at 1990 Newcomb which is our existing yard area close to the Southeast plant so that water can be transported from a wastewater facility to water facility for additional necessary treatments to get it to local standards. The challenge with the timeline is not industry standards but public support. The SFPUC is observing this in Southern California where they are approaching their communities in a measured, positive, constructed way on demonstrating that purified water is perfectly safe to drink and it's something that really is necessary for the future. The SFPUC has started its communication strategy with focus groups composed of employees and found a mixed result on people's perspectives. The biggest challenge to this is the community's support as they may be able to stop the project, an example being in San Diego where the plant is functional but there is no community buy in.

 Member Chen asked what some of the ways are California is aiding in water affordability.

AGM Ritchie stated the biggest lever is currently finding State and Federal grants to help pay. There is a high lobbying effort this year to get grants to build and operate, and to get dedicated relief funds to help have low-income programs. In California, we are saddled by Prop 218 where you have to charge everyone the cost of service, so this doesn't allow one user group to subsidize another as shown through several court cases throughout the years. For customer assistance programs, we have to use non-rate payer funds, so these usually are funds from property we lease out and other forms of revenue. During the pandemic, the State and Federal government had ratepayer relief funds, and we lobby for more so that the burden is not just on the ratepayers but the broader economy at large. The other lever is to slow down investments. There are some risked involved with slowing down

investments such as a 100-year-old pipe breaking and fixing it when it breaks. There is investment strategy to think about.

 Member Brown asked if Hetch Hetchy and the other hydroelectric plants under the Water Enterprise or Power Enterprise and are revenues and expenses shared.

AGM Ritchie responded that they are under water because their principal purpose is designed for delivery of water. We are generating the hydropower with the delivery of water. When it comes to revenues, they are differentiated by the different enterprises. When it comes to expenses, facilities are classified as either one of three enterprises only or jointly where there is a cost share of 45% water and 55% power. One suggestion AGM Ritchie has is buying all the hydroelectric facilities so that they are owned and operated by Water.

Member Kott left the meeting at 6:40 pm and quorum remains.

 Member Sanders asked if the residents of Treasure Island pay the bill towards Hetch Hetchy Power as part of their rent or if it is paid via a different method and if TIDA is considered a ratepayer.

AGM Ritchie responded that this is a unique situation where San Francisco got Treasure Island as part of the naval closure imitative and TIDA is in charge of it. Under water, the SFPUC has been operating it under contract with TIDA but as there are developments, the SFPUC is taking over ownership where we will be delivering water directly. For power, the existing properties bill is paid by TIDA but overtime that will gradually progress to be directly paid to the power enterprise by the rate payers. TIDA is considered an authority that was created to facilitate the movement from the Navy to the City of San Francisco.

Member Sanders emphasized a point where if TIDA is not considered a ratepayer, then they cannot use ratepayer funds to update the infrastructure on Treasure Island impacting the ability to get reliable water and power.

AGM Ritchie commented that Treasure Island has gotten reliable water service as we are delivering the water directly to Treasure Island.

 Member Steele Teshara asked about previous seismic activities impacted the water infrastructure and what are the plans in place for future seismic activity.

AGM Ritchie responded that looking at the Peninsula and the San Andrea Fault, there are 3 dams that were constructed prior to the 1906 earthquake and the Loma Prieta earthquake where the infrastructure was field tested twice with seismic activity. Fault lines make great valleys which make great reservoir sites. The SFPUC recently wrapped up its water system improvement project which was aimed at seismic strengthening the system to withstand seismic activity. The infrastructure is structured so there are two ball joints and a split joint that will move and stretch while maintaining tension compressions at different times during an earthquake. It is intended to be able to

withstand 7 feet of displacement on the Hayward Fault. We also have two sets of valves across the Hayward fault and there is flexible piping installed between the two valves so no matter how far it moves, we will be able to restore access within 24 to 48 hours. Calaveras Dam was deemed seismically unsafe and that was the largest project in the Water System Improvement Project. The New Dam was built downstream of the old one.

Public Comment:

Peter Drekmeier policy director for the Tuolumne River Trust shared his appreciation for AGM Ritchies presentation and suggested that they address the concerns raised by some NGOs. Specifically, the Tuolumne River Trust believes that the SFPUC has plenty of water to contribute to the Tuolumne River which have been modeled by the Bay Delta plan flows in place. The SFPUC can manage a repeat of drought of records similar to the one from 1997 to 1992 without rationing or developing any alternative water supplies. With rationing, we could get through a very dry year and with a modest amount of alternative water supply, we can get through 8 years. The SFPUC does not disagree with the Tuolumne River Trust's assessment but states that the SFPUC is planning for something different. The problem with SFPUC's planning is that during dry years, they hold back as much water in reservoirs as they are allowed to, only releasing the base flows. From 2012 to 2016 fish only saw 12% of what they would see in the absence of dams and diversions. In 2017, there was so much water that they had to spill it from the reservoirs making unimpaired flows 79%. The Bay Delta Plan attempts to even this out slightly. The Tuolumne River experienced the worst salmon decline, and it is not being managed well. Peter expressed concern regarding the financial situation as ratepayers' rates have quadrupled since the Water System Improvement Program.

6. Report from the Chair

Chair García thanked everyone and informed that this may be his last
meeting after serving on the committee for 6 years as he will be joining
Mayor-Elect Lurie's team and he further recognized members
Sandkulla and Kott for their work and contribution to this committee as
they are both transitioning out.

Public Comment: None

- 7. Discussion: Full CAC FY24-25 Priorities, Full CAC Chair Moisés García
 - Resources:
 - o SFPUC FY23-24 Annual Report
 - Subcommittee Priorities

Discussion:

 Member Nagengast mentioned the importance to include Racial Equity as a priority for this fiscal year, especially since the SFPUC hired a new Racial Equity Director and adopted new Racial Equity Plan a few years ago. Member Nagengast would like to hear more about how other enterprises and bureaus are involved in the racial equity plan.

"Racial Equity" was added as first the priority on the Full CAC FY2024-25 Priority List. Beneath that "Racial Equity Plan" was added as sub priority a. and "How are the Bureaus involved?" was added as subpriority b.

 Member Sanders stated he would like to see Accountability within the SFPUC as a priority. More specifically, how are records request processed within the policies of the SFPUC such as the Sunshine Ordinance and Brown Act.

"Accountability" was added as the second priority on the Full CAC FY2024-25 Priority List. Beneath that, "information requests" was added as sub priority a. and "Sunshine Ordinance, Brown Act, and Public Records Act" was added as sub priority b.

- Member Perszyk commented that it would be good for everyone to be familiar with this and it is relevant to the questions members have around what the committee can do.
- Member Brown commented he appreciated Peter Drekmeier's public comment about how the SFPUC stores and uses stored water during drought years impact the environment and asked if there are any steps the committee can take, to please email them.
- Member Brown further commented that the PG&E PowerGrid should be a priority as it will be a huge topic for the upcoming year. There will be a bill introduced at the State Level probably in January or February that will produce a lot of public pressure on PG&E.

"PG&E Reliability & Climate Impact" was added to the Full CAC FY2024-25 Priority List.

• **Member Nagengast** reminded everyone that it is the CAC's duty to think long-term and encourage the agency to do so as well.

Member Soboll mentioned seeing the long-term planning for the maintenance and improvement of Power infrastructure as a priority since currently, there is a lack of responsibility on who pays for it due to the complexity of relationship with PG&E.

 Chair García stated he would like to see affordability as a priority considering the SFPUC is adding programs which in turn increase rates for ratepayers.

"Affordability" was added to the Full CAC FY2024-25 Priority List.

- Member Nagengast mentioned that there are two very high-profile court cases whose outcome can also significantly raise ratepayers' rates.
- Member Soboll commented she would like to add Water Quality as a
 priority and understanding how the SFPUC is measuring water quality
 and how we are doing water quality wise.

"Water Quality" was added to the Full CAC FY2024-25 Priority List.

• **Member Perszyk** commented that the list of priorities will be finalized offline with committee chairs prior to December 2nd so they may submit it to the SFPUC Commissioners to present.

Public Comment:

• Peter Drekmeier commented the two big crises the SFPUC faces are the environment and finances. There will be a scientific basis report for the Tuolumne River Voluntary Agreement coming out early next year and hopes that it will be included in the CAC agenda. In regard to finances, is the deferred maintenance over many decades. The Alternative Water Supply Plan can double the SFPUC budget, and this could potentially be avoided. Mr. Drekmeier further commented he suggested to start the Urban Water Management plan earlier since previously the SFPUC ran out of time and a presentation on water projection and management was not included in the previous plan. That plan projected that demand would be 216 MGD and demand this year was 184 MGD so the plan was off. Mr. Drekmeier strongly encouraged the SFPUC CAC to add urban water management as a priority.

8. Staff Report

- The next full CAC meeting will be in January where members will hear a presentation on Community Benefits.
- The Power Subcommittee will meet on December 10th.

Public Comment: None

9. SFPUC Communications

- SFPUC Wildfire Mitigation Plan 2024
- Capital Financing Plan FY 2024-25
- Quarterly Audit and Performance Report, FY 2023-24, Q4
- Hazards and Climate Resilience Plan 2025 Update
- Water Enterprise
 - o Water Supply Conditions Update (September 3, 2024)
 - Water Enterprise Capital Improvement Program Report, FY 2023-24, Q4
 - Hetch Hetchy Capital Improvement Program Report, FY 2023-24, Q3
 - o Alternative Water Supply Annual Progress Report
 - o Alternative Water Supply Planning Annual Progress Report
 - o 2009 Water Supply Agreement Quarterly Update
 - o Onsite Water Reuse Program Update, FY 2022-23
 - o Recent Wastewater Enterprise Bond Sale Results
 - Supplemental Appropriation of Earthquake Safety and Emergency Response (ESER) 2010 and 2014 General Obligation Bonds Interest Earnings
 - o Water System Improvement Program Annual Report
 - o Water Enterprise Capital Improvement Program Update, FY 2023-24, Q3
- Wastewater Enterprise
- Power Enterprise
 - o CleanPowerSF Update, FY 2023-24, Q4
 - o PG&E Interconnection Report, FY 2023-24, Q4

Public Comment: None

10. Future Agenda Items and Resolutions

- CAC Advance Calendar
- Leadership discussion

Public Comment: None

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

Public Comment: None

12. Adjournment at 7:15 pm

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