



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, May 25, 2021
1:30 P.M.
(Approved June 8, 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

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

Michael Carlin
Acting General Manager

Donna Hood
Secretary



1. Call to Order

President Maxwell called the meeting to order at 1:31 PM.

2. Roll Call

Present: Maxwell, Moran, Paulson, Harrington and Ajami

The Commission Secretary announced that Closed Session item 17 would not be heard.

3. Approval of the Minutes of May 11, 2021

The Commission Secretary stated that Commissioner Harrington provided minor edits to item #9, which were read into the record.

Public Comment:

- *David Pilpel suggested non-substantive edits to the draft minutes.*

Commissioner Paulson lost connection and dropped from the meeting at 1:35 PM.

On motion to approve the Minutes of May 11, 2021, as amended:

Ayes: Maxwell, Moran, Harrington and Ajami

4. General Public Comment

- *Francisco Da Costa stated the Commission needs to hold hearings on the for clarity as to whether they are a policy-making Commission. He discussed the recently filed lawsuit.*
- *Ali Altaha expressed thanks for including documents with the Correspondence Log. He asked that correspondence be attached to previous logs. He asked that staff have integrity when they appear before the Commission and the public.*
- *Regina Chichizola, Save California Salmon, stated they are dismayed by the lawsuit filed on May 13, 2021. She discussed the need for access to clean water for people and for Salmon. She asked that the lawsuit be dropped. She expressed opposition to the appointment of Mr. Herrera as General Manager.*

Commissioner Paulson regained connection and returned to the meeting at 1:48 PM.

- *Eileen Boken, Coalition of San Francisco Neighborhoods, indicated they support Board of Supervisors Resolution 210577 and discussed the resolution.*
- *Alita Dupree discussed the need to push forward with the procurement of renewable energy and the importance of electrification.*
- *(inaudible), Redwood City, stated that the SFPUC should conduct a national search for the General Manager.*
- *David Pilpel stated he has filed a CEQA appeal on the Vicente/Wawona project. He expressed a desire to discuss it with staff to resolve issues. He*

discussed the Islia Creek Adaption Strategy and suggested the Commission schedule it as a discussion item.

5. Communications

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) Hetchy Power and CleanPowerSF Source Disclosure Report
- e) Water Main Break Maps, 2017-2020

President Maxwell thanked staff for providing the map. In response to her request as to why the outer section of the City has fewer main breaks than the center, Steve Ritchie, Assistant General Manager (AGM), Water, noted there are many reasons for main breaks, but some factor are that the middle of the City is more hilly, steeper, and has greater pressure differentials, resulting in more main breaks.

Commissioner Ajami thanked staff for the map. She asked AGM Ritchie if there are any trends within a specific main line that might help predict breaks, to which AGM Ritchie stated there are and that information is used to help determine main replacement work. He discussed a pilot system to use sensors to help determine if breaks are occurring but indicated there are many factors involved with a break. Brief discussion ensued. AGM Ritchie stated he would ask staff to prepare a report summarizing the cost to fix a main break.

- f) Water Supply Conditions Update

Public Comment

- *David Pilpel spoke to item 5a and asked that during the next Wastewater Major Projects update, City College concerns regarding 1550 Evans be addressed; and 5c, asking that in addition to communications, attachments be included.*
- *Alita Dupree addressed item 5d and indicated it exceeded her expectations. She requested a breakdown on SuperGreen information.*
- *Ali Altaha spoke to item 5c and thanked the Commission for the inclusion of correspondence. He asked that attachments be included. He asked that agenda items with LBE goals not be placed on the Consent Calendar.*

6. Bay Area Water Supply and Conservation Agency (BAWSCA) Update

Nicole Sandkulla, BAWSCA CEO, read from a letter which had been sent to the Commission regarding the San Francisco Board of Supervisors (SFBOS) desire for more "public engagement" on the 2018 Update to the State Water Resources Control Board's Bay-Delta Plan and their call for the SFPUC to pause its litigation strategy. She stated the SFBOS' requests of the SFPUC are outlined in a proposed resolution that is on the agenda for consideration at its May 25, 2021 regular meeting and that BAWSCA urges the Commission to reject the SFBOS' requests. She stated that BAWSCA asks that the Commission remind the SFBOS and its constituents of the unassailable legal agreements between BAWSCA's member agencies and San Francisco to ensure the agencies' water supply and protect the water users' health, safety, and economic well-being. She stated that BAWSCA respectfully requests that the SFPUC advise the

SFBOS of the above-detailed obligations to its wholesale water customers, and that as a result of those obligations, it cannot agree to the SFBOS' request outlined in its resolution put forward for consideration at their May 25, 2021 meeting.

Public Comment

- *Francisco DaCosta asked that the Raker Act be read. He stated in its context we can see how far the diversion of water meant for San Francisco has gone. He stated it is not proper for the SFPUC to dictate terms to the Board of Supervisors.*
- *Peter Drekeimer, Tuolumne River Trust, expressed disappointment and a vote of no confidence in BAWSCA. He discussed a December 2020 presentation by Ms. Sandkulla to the BAWSCA Board on the Tuolumne River Voluntary Agreement (TRVA)...*
- *Regina Chichizola, Save California Salmon, stated she was disturbed by the update, indicating it was disingenuous. She discussed the BOS resolution and stated that the people of San Francisco want to see Salmon in the Bay. She stated the SFPUC is going against water quality measures for water supply.*
- *David Pilpel noted the exclusive charge language under Charter Section 8B.121(a); the exclusive authority granted to the SFPUC by the voters per Proposition E (2002); and City Attorney opinion 2003-03 (August 29, 2003), and suggested it may have bearing.*
- *Carol Steinfeld, Sierra Club, stated the public doesn't know about the Bay Delta Plan update or the TRVA and that it could be presented to the public.*

7. Report of the General Manager

a) Infrastructure Division Racial Equity Action Plan (REAP)

Kathy How, AGM, Infrastructure, introduced the item and stated that the Infrastructure Division is supported by a dedicated team of 300 staff who are responsible for overseeing the administration, planning, design, and construction of San Francisco's water, wastewater, and power capital programs. AGM How introduced staff who presented their REAP (1) Hiring and Recruitment: student engineering training program, annual recruitment conferences, and career engagement and mentorship (Leesha Langlois); (2) COVID-19 Safety Response: Immediate response (Infrastructure performed a lead role in the development of City Guidelines), tools (essential projects, health and safety plans, PPE, and inspection checklists), and results (construction proceeded safely, crafts continued to work, and by City department, the lowest transmittal rate at job sites) (Alan Johanson); (3) Infrastructure REAP Priorities – Hiring and Recruitment: identify barriers that impede diversity, partner with human resource and SFPUC enterprises to evaluate education requirements and minimum qualifications, and identify ways to best support applicants from underserved communities (Leesha Langlois); (4) Infrastructure REAP Priorities – Hiring and Recruitment: develop specific outreach plans for most utilized classifications, expand outreach efforts to reach non-traditional outlets, establish networks with community colleges, universities, trade schools, and internship programs (Alan Johansen); (5) Infrastructure REAP Priorities – Retention and Promotion: access barriers, provide on-the-job education and trainings, proactive engagement, and develop transparent promotional pathways to core competencies; and (6) REAP Goals:

Professional Development: The 70:20:10 Model – 70% Learn and develop through experience on the job, 20% learn and develop through exposure to others, and 10% learn and develop through education with structured training (Steven Robinson). Mr. Robinson concluded the presentation with a review of next steps.

Commissioner Ajami thanked staff for their work.

Commissioner Paulson stated that there needs to be a connection with Project Labor Agreements and apprentice programs. President Maxwell noted the importance of apprenticeship programs as they make people trained and ready for union jobs.

Mr. Robinson responded to a question from Vice President (VP) Moran as to why only three of the multiple focus areas listed were discussed and how those three were determined, indicating that the leadership team felt as a starting point those had the highest impact to staff. AGM How answered a follow-up question as to whether there was outreach to employees to see what they identified as important impact areas, stating there was informal outreach but that a more formal process is in the works.

Commissioner Paulson provided comment on the need for parallel programs and training.

Public Comment

- Francisco DaCosta stated that he has been involved with career jobs for a long time and that he secured the money to start City Build. He questioned how many of the apprentices who have been placed with the SFPUC have career jobs.
- Ali Altaha stated it was a “circus” presentation. He disused hiring by AGM How, discrimination, and stated that LBE’s are using unlicensed people. He discussed the SFPUC contractor open house and indicated he was unaware of the event. He stated that bigotry is being presented as policy.

b) Quarterly Audit and Performance Review Report

Charles Perl, Deputy Chief Financial Officer (CFO), indicated that year-to-date there have been 37 audits and assessments with 46% completed, 19% in progress, 32% upcoming and 3% cancelled. Deputy CFO Perl briefly reviewed (1) nine audits completed and reports issued; (2) Public Integrity Assessment Update, noting the audit work is underway and a briefing group formed; (3) FY 2020-21 Fourth Quarter outlook of audits that are completing and those that are upcoming; and (4) that there are no open audits recommendations and all 248 have been completed.

Mr. Perl responded to a question from President Maxwell as to what might be included in the upcoming Citywide audit and assessment of emergency contracting and no bid sole source contracts.

In response to a question from Commissioner Harrington as to whether the SFPUC still has an internal audit group, and if so, are they conducting audits, Deputy CFO Perl stated there is an audit and compliance function that works with the City Services Auditor (CSA). He noted the SFPUC audit group reaches out to the agency for audit recommendations. AGM Sandler provided additional response and indicated that the SFPUC does have auditors, but that the audit workflow has been reduced due to staff being deployed to assist with citywide COVID Command Center. He stated that the budget included additional positions and enhanced audit work.

Commissioner Harrington requested a report that shows the different SFPUC lessees that have a percentage of income (quarries, golf courses, etc.) and the last time they were audited.

Deputy CFO Perl responded to Commissioner Ajami's request for clarification as to how the audit reports and recommendations are implemented, tracked, and closed.

Commissioner Moran stated the SFPUC audit program is thinner than in prior years and noted the importance of a robust audit program. He stated the CSA audits are citywide in scope and don't necessarily reach the SFPUC. He questioned how the SFPUC can ensure that audits reach necessary parts of the organization. AGM Sandler stated that there is a public integrity work effort being developed by CSA over the next several years, and will be focused on the SFPUC, will be extensive, and will be focused on risk assessment. He noted this is an opportunity for the Commission to provide feedback on additional audit work they are interested in. Commissioner Moran discussed the need for an audit to look at the citywide contracting process. AGM Sandler indicated he would relay that request to the CSA.

Public Comment

- *Francisco DaCosta questioned why the Contracts Monitoring Division (CMD) doesn't have a commission. He asked that the Commission hold people accountable.*
- *Ali Altaha applauded Commissioners for publicly addressing public integrity issues. He stated that HRC and CMD are the problem and that discrimination and corruption exists.*
- *Brian Browne indicated in 2002 he was on the Mayor's task force which looked at infrastructure of the SFPUC and that they put the proposition on the ballot which created the Revenue Bond Oversight Committee. He discussed their work and problems encountered.*
- *Unidentified speaker discussed the biosolids project and stated that it is overbudget. He stated there is not compliance with the City's 12B requirement. He asked that the Commission needs to visit external sites.*

- c) Hetch Hetchy Capital Improvement Program (HCIP) Quarterly Report
Katie Miller, Director, Water Capital Programs, noted that as of March 2021,

HCIP programs are 37% complete with \$514M expended and \$187M remaining. She reviewed the HCIP Program cost summary, indicating the overall HCIP cost variance is (\$34M). She discussed the HCIP active project schedule and stated that Water Conveyance (water) is on schedule, Mountain Tunnel exceeds schedule by two-to-six months, and that eight projects exceed schedule by greater than six months. Director Miller discussed the budget, progress, and status for the following projects: O’Shaughnessy Dam Access and Drainage Improvements, Mountain Tunnel Improvements, Moccasin Penstock, Moccasin Powerhouse and Generator Set-Up Rehabilitation, San Joaquin Pipeline and Safety Entry Improvement, and San Joaquin Pipeline Tesla Valves Replacement.

Director Miller responded to President Maxwell’s request to describe what “fall protection” looks like at the Dam’s stairs, stating it includes a secure harnesses and cable. President Maxwell requested additional information be provided on fall protection and safety requirements.

Commissioner Harrington expressed general frustration with projects being delayed. He stated that re-baselining makes delays disappear and that a comprehensive view of projects is difficult to track as a result. He noted the need to evaluate if a job is being done well and stated that jobs that are overbudget or behind schedule are so due to a specific reason. He asks that the SFPUC think about how projects are tracked to determine if there is something bigger going on and to have better evaluation.

Commissioner Ajami concurred with the need for a more compressive project view.

Michael Carlin, Acting General Manager, stated the issue will be addressed across all capital projects.

Commissioner Moran discussed history tracking of WSIP and the loss of that history when projects are re-baselined or when projects were removed from the WSIP and included in the capital program. He indicated there is a need to develop a better method of tracking for accountability.

Commissioner Paulson noted that there are routinely delays and unknown variables in infrastructure construction projects and stated there is a need for perspective when reviewing project status.

President Maxwell noted the “red dot” for the Penstock addressing cost, status, and time, and suggested there is a better way to explain construction delays. Brief discussion ensued.

Public Comment

- *Francisco DaCosta discussed Mountain Tunnel and Calaveras Dam, noting the assessments conducted by Jacobs and multiple cost increases. He discussed the need for a historical documentation of projects and expressed the need for a*

need's assessment.

- *Ali Altaha addressed cost overruns and the need for accountability, ethics, and law and order. He stated that Community Benefits and hiring of family contribute to cost overruns.*
- *David Pilpel expressed appreciation for the staff report and the discussion.*

d) Water Workshops Follow-Up

Steve Ritchie, AGM Water, noted that three Water Workshops were held, each covering different topics: November 30, 2020 (Bay Delta Water Quality Control Plan), February 5, 2021 (Tuolumne River Voluntary Agreement (TRVA)), and March 26, 2021 (Water Supply Planning).

AGM Ritchie reviewed issues needing further consideration (1) Alternative Water Supplies: Priorities of (a) meeting Level-of-Service for Water Supply and all of our environmental obligations, (b) making San Jose and Santa Clara permanent customers at 4 MGD each, and (c) meeting additional future demands of wholesale and retail customers); Informal monthly updates for BAWSCA staff; and quarterly reports to the Commission; Goal is to have Water Supply Planning ready for CEQA review by July 1, 2023; and upcoming briefings to be scheduled on individual projects or as a workshop covering multiple projects; (2) Voluntary Agreement: Negotiations have been sporadic over a period of five years from January 2017 to May 2021; Periods of limited activity with sporadic bursts of energy; TRVA issues (early implementation, habitat improvement projects and strategic flow releases, predator control, adaptive management and working with the Irrigation Districts on water supply options); and monthly updates to the Commission; (3) Demand Projections and Demand Management: Retail and wholesale customers. Potential workshop first half of July; (4) Design Drought and effects of Climate Change: Rather than a prediction, the design drought is a stress test of our Regional Water System and water rights; Effects of climate change are being evaluated in the Long Term Vulnerability Assessment (LTVA); LTVA should be ready for release late this summer; and workshop on the issue in late September or early October; and (5) Working with the Irrigation Districts: Because of the Raker Act and the four agreements, these relationships are critical; Relationships on both Water and Power issues with both Districts; and follow-up on initial meeting among Commissioners and District Board members.

Commissioner Harrington thanked AGM Ritchie for the comprehensive list of discussion items and stated that the question is how to move from “talking” to “doing”, stating these are long-term issues. He asked what is being done during this critical drought year to make a difference; what is being done to keep the rivers as healthy as possible; and how it would work this year versus under the Voluntary Agreement (VA). AGM Ritchie responded by discussing work being done regarding river flows; coordination of work with hydropower generation out of Holm and rafting flows; what could be done if the VA was in place now; and the State Water Board’s workshop on curtailments.

In response to a request by Commissioner Harrington, AGM Ritchie discussed

the first priority he noted for alternative water supplies “meeting levels-of-service for water supply and all of our environmental obligations” and reviewed the goal of that priority.

Commissioner Ajami thanked AGM Ritchie for the presentation. She questioned why demand projections should come first before a focus on alternative water supply. She stated the environmental issues are becoming more serious with Climate Change and that it needs to be looked at bottom-up. She asked if alternative water supplies are being looked at by individual utilities, campuses, neighborhoods, etc. AGM Ritchie indicated the July workshop will focus on demand projections and demand management, which will help to form discussions to take place at the August workshop on alternative water supplies. Brief discussion ensued on obligations, including environmental obligations.

President Maxwell asked that staff be collaborative with stakeholders during the upcoming workshops.

Public Comment

- *Barry Nelson, Golden State Salmon Association, thanked the Commission for the workshops and discussed follow-up issues: (1) science workshop and additional models for predation management; (2) requested SFPUC response to National Marine Fisheries Service August peer review, and to provide a side-by-side comparison of the Tuolumne River Voluntary Agreement; and (3) request to put the Irrigation Districts Agreement on the agenda to see how it limits SFPUC policy. He thanked Commissioners Harrington and Ajami for their comments on supply demand and projections.*
- *Sherry Norris, California Indian Environmental Alliance, thanked AGM Ritchie for the presentation and expressed appreciation for the discussion about the Bay Delta Plan, possibility for alternative water supply and demand, and the workshops. She commented on the balance between the Bay Delta Plan and the conveyance system and expressed concern that it could cause harmful algae bloom and the collapse of the Salmon and Steelhead populations. She offered to assist with outreach for the upcoming workshops.*
- *Ali Altaha stated the Commission is asking the right questions. He stated that efficiency is not an option at the SFPUC, and that engineers and managers have been molded into a specific way of doing business. He stated that outside engagement is needed.*
- *Carol Steinfeld, Sierra Club Loma Prieta Chapter, stated the greater public is under-informed and disengaged on the challenges. She stated the public needs to be informed and that discussions should happen regularly.*
- *Peter Drekmeier, Tuolumne River Trust, expressed frustration with the slow movement of issues and acknowledged that two Commissioners have been on the Commission for just two years and two for less than a year, and that the history is not necessarily known. He discussed their efforts for collaboration with the SFPUC and noted suggestions for the Urban Watershed Management Plan appendix.*
- *Francisco DaCosta stated that the First People need to be invited to discussions.*

- *Gail Sredanovic urged the Commission to read a report titled “Water Heist”, which she discussed.*
- *Doug Obegi, Natural Resources Defense Council, thanked the Commission for the follow-up and expressed agreement that the workshops were productive and informative with shared information and understanding, although there was not agreement on all issues. He expressed the desire to assist with making the upcoming workshops productive.*

e) Update on December 2018 Bay Delta Plan Amendment and Voluntary Agreement Negotiations with the State

Acting GM Carlin stated that there have been no recent conversations as the State is focused on the drought and the Sacramento River. He noted the State Water Board’s “Decision 1641” and stated that requirements for Delta inflow is not being met.

In response to a question from Commissioner Ajami as to whether the drought will impact conversations on a larger scale, acting GM Carlin stated that petitions are being filed with the State Water Board to change water flows in different areas and that could have an impact.

In response to a question from Commissioner Harrington as to whether the drought and other issues, such as the 401 Certification and recent lawsuit may influence the timeframe, acting GM Carlin stated that the lawsuit was a procedural issue. He stated the global settlement conversations may continue but he believes the Tuolumne River VA should be taken to the State Water Board to allow for public input.

Acting GM Carlin responded to a question from Commissioner Moran as to whom is responsible for submitting the Tuolumne River VA to the State Water Board, and that he would return to the Commission for discussion.

Public Comment

- *Barry Nelson, Golden State Salmon Association, disagreed with acting GM Carlin’s comments that a VA package is close. He stated there are no comprehensive proposals and he discussed missed deadlines. He said there will be no credible VA package in 2021 and asked that the advocacy for the current VA be suspended.*
- *Peter Drekmeier, Tuolumne River Trust, discussed the Sacramento River and stated the San Joaquin basin is worse off and the Tuolumne River is the worse for the Salmon. He stated that Phase II of Bay Delta Plan is supposed to focus on the Sacramento Basin, but it has been sidelined due to VA negotiations.*
- *Cedric (inaudible) urged the SFPUC to drop the push for the VA and accept mandatory minimum flows proposed in the Bay Delta Plan. He said that the VA is not sufficient to prevent the extinction of Salmon or that it is based on science. He suggested that public comment occur before the Commission’s initial discussion.*
- *Ali Altaha discussed acting GM Carlin’s comment regarding the lawsuit and*

- suggested that a phone call be made to negotiate rather than filing suit.*
- *Chris Shutes, California Sport Fishing Protection Alliance, indicated that it was not necessary to file lawsuit which directly attacked the authority of the State Water Board to set flow conditions, to preserve negotiation position, or contest the water quality certification. He requested that rather than continuing with VA that the Commission consider working within the framework of the Bay Delta Plan and drought rules.*
 - *Nicole Sandkulla, BAWSCA, thanked the Commission for the conversation. She stated that BAWSCA supports the TRVA as an alternative to the Bay Delta Plan. She expressed support for Secretary Crowfoot's suggestion for a third-party blind review of a Voluntary Agreement.*
 - *Jon Rosenfield stated the workshops have opened questions and that staff have not replied to the National Marine Fisheries Service regarding the peer review.*
 - *Regina Chichizola, Save California Salmon, stated the Commission doesn't seem to listen and that Phase I of the Bay Delta Plan was based on decades of best available science and the plan has been watered down. She noted the fish are quickly headed toward extinction. She stated there needs to be standards and planning. She indicated she does not support the lawsuit and asked that Phase II of the Bay Delta go forward.*
 - *Sheri Norris, California Indian Environmental Alliance, asked for additional information on the VA and how that it will provide more water in the river systems. She stated there is a gap in public outreach. She noted the importance of keeping the Bay Delta plan intact and to rely on science.*
 - *(inaudible), Save California Salmon, concurred with comments made by previous speakers in support of the Bay Delta Plan and expressed opposition to Dennis Herrera as General Manager. She noted difficulty with making public comment.*
 - *Dick Allen stated that the Tuolumne River habitat is being killed off and discussed the decline in the Salmon population.*

President Maxwell indicated that at the end of public comment she calls for "further discussion" on items if the Commission so desires.

Commissioner Harrington noted that there were "other suggestions" made by public comment and asked acting GM Carlin at his next update to talk about (1) moving forward directly, (2) suspending and negotiating, (3) implementing early, and (4) third party blind review. President Maxwell noted the need to know what it would take to make each happen.

Commissioner Ajami suggested having national academies or reputable independent bodies review the work, and indicated she wasn't sure about what is meant by a blind review. Acting GM Carlin discussed.

- f) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
None.

8. New Commission Business

None.

The Commission Secretary indicated that Mr. Altaha requested that Consent Calendar items 9a and 9b be removed for discussion.

9. Consent Calendar:

- a) Accept work performed by Big Valley Electric for Contract No. HH-989, Holm Powerhouse Rehabilitation and Kirkwood Powerhouse Oil Containment; approve Modification No. 12 (Final), increasing the contract amount by \$20,779, and increasing the contract duration by 201 calendar days, for a total contract amount of \$11,842,186, and a total contract duration of 1,034 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 21-0081](#))
- b) Accept work performed by Yerba Buena Engineering for Contract No. WW-607, Ocean Beach Immediate Action Plan As-Needed; approve Modification No. 1 (Final), decreasing the contract amount by \$759,973, for a total contract amount of \$1,222,277, with no change to the agreement duration of 1,826 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 21-0082](#))
- c) Approve an increase of \$631,000 to the contract cost contingency for Contract No. WW-687, Force Main Rehabilitation at Embarcadero and Jackson, with Anvil Builders, Inc; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$7,215,844, with no change to the contract duration. ([Resolution 21-0080](#))

Public Comment 9c

- *Ali Altaha asked where CMD is. He stated the reports received are deceiving and asked if the difference of percentages is understood. He discussed LBE certification.*

On motion to approve Consent Calendar item 9c:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

Public Comment 9a

- *Ali Altaha stated there is more than LBE certifications and that there are issues between SFPUC procurement staff and CMD.*

On motion to approve Consent Calendar item 9a:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

Public Comment 9b

None.

On motion to approve Consent Calendar item 9b:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

10. Discussion of the status and options regarding the selection process for the SFPUC General Manager (GM) position, possible position qualifications, and possible direction by the Commission regarding the selection process.
President Maxwell discussed the importance of continuing with the stakeholder and staff interview process.

Kate Howard, Deputy Director, City and County of San Francisco Department of Human Resources, introduced Brett Byers of The Hawkins Company, who provided an update on stakeholder engagement process and stated that interviews have been scheduled with the executive leadership team as to expectations and priorities of the GM. She stated that a total employee survey was launched and that 300 responses have been received thus far and that the survey will close on June 1st. She noted that there has been outreach with external stakeholders as to their expectation and priorities for the GM. She reviewed some of the questions to be asked of the stakeholders and noted how the employee survey was developed.

Ms. Howard discussed next steps and stated that The Hawkins Company staff will return to the Commission at the June 8th meeting to assist the Commission with the development of interview questions during closed session.

Public Comment

- *Barry Nelson welcomed the search and indicated they would be happy to be involved in the process. He noted a coalition letter was sent in opposition to the appointment of Mr. Herrera.*
- *Iris (inaudible), Santa Clara University, expressed concern with the nomination of Mr. Herrera and about the process of the appointment. She discussed his track record and noted his inexperience leading a utility. She stated a collaborative leader is needed.*
- *Cedric (inaudible) express dismay with Mr. Herrera's appointment and asked that he remove himself from consideration and asked that the Commission continue the search for a GM who will lead on environmental issues and responsible management of rivers. He asked that the lawsuit be dropped.*
- *Sherry North, California Indian Environmental Alliance, submitted a letter to Mayor Breed and the Commission in opposition to the appointment of Mr. Herrera. She stated he is not a believer in sound scientific evidence and is not able to protect the environment. She asked that the Commission continue the search.*
- *Gail Sredanovic expressed opposition to the appointment of Mr. Herrera stating he has disqualified himself as per his comments made regarding instream flows. She stated he is out of step with San Francisco on water use and sustainable water supply. She asked that the search continue.*
- *Arnold Thompson, District 7, encouraged the Commission to get a candidate that is experienced working with a large water district and who has experience working in stakeholder engagement. He disused the lawsuit.*
- *John Rosepeppie stated that no candidate from within the SFPUC should be selected and that the culture needs to change. He stated Mr. Herrera is disqualified and that there is pressure by the Mayor to appoint Mr. Herrera.*
- *Peter Drekmeier, Tuolumne River Trust, expressed disappointment with comments*

made by Mr. Herrera and discussed information in the lawsuit. He stated that Mr. Herrera needs to withdraw his name from consideration and the Commission needs continue the search.

- *Ali Altaha asked that the Commission listen to the public. He stated that the SFPUC needs a leader that can take it from its current state. He discussed Mr. Herrera and a letter that was sent to the Board of Supervisors regarding lateral issues.*
- *Dick Allen provide comments that were inaudible.*
- *Francisco DaCosta stated that according to the Charter the SFPUC has some authority regarding the selection, but the Mayor can override. He asked what happened to doing the right thing and that the process should continue.*

11. Authorize the release of \$900,645 in construction funding for the Green Infrastructure Grant awarded on January 28, 2020 by Resolution No. 20-0024 to the Archdiocese of San Francisco Parish and School Juridic Persons Real Property Support Corporation, to construct stormwater management features at St. Thomas More School in San Francisco. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0083](#))

No public comment.

On motion to approve item 11:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

12. Authorize the release of \$384,658 in construction funding for the Green Infrastructure Grant awarded on April 28, 2020, by Resolution No. 20-0082 to the Lycee Francais de San Francisco to construct stormwater management features at their Ortega Campus. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0084](#))

No public comment.

On motion to approve item 12:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

13. Public Hearing: Discussion and possible action to approve the following for customers of the San Francisco Public Utilities Commission's CleanPowerSF (Community Choice Aggregation) Program, (1) a new rate-setting methodology effective July 1, 2021 through June 30, 2022 that sets rates to the lesser of (a) 5% higher than comparable PG&E rates, or (b) rates that recover CleanPowerSF's program costs; (2) making time-of-use ("TOU") rates the default rate for residential customers and implementing a bill protection program that provides a one-time credit to residential customers who pay more under the new default TOU rates than under their prior rate; and (3) re-instatement of termination fees for CPSF customers returning to PG&E in the amount of \$5 for residential and \$25 for non-residential customers. This action constitutes the Approved Action for the project for the purposes of CEQA, pursuant to Section

31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0085](#))

Erin Franks, Rates Administrator, presented: (1) Background: Customer bill comparison (generation charges comprised of PG&E and FFS charges and CPSF generation charges); Power Charge Indifference Adjustment (PCIA), which is set by the California Public Utilities Commissioner and is collected by PG&E on customer's energy bill. It recovers unavoidable cost of power supply acquired by PG&E prior to customer joining CPSF program. CPSF rates set with PCIA changes in mind so total cost is competitive with PG&E generation services; CPSF historic rates: CPSF generation rate has decreased by cumulative 12% since program launch to offset steep rise in PCIA and FFS charges; Rates action under current authority: Current authority allows rate changes +/- 1% of PGE. Two rate changes have occurred under delegated authority. PG&E's PCIA and FFS charges increased significantly, offset by CPSF generation rate reductions; Current rates impact: Current rates authority revisions are necessary due to PCIA increase and PG&E generation rate decreases. Current CPSF rates result in significant losses over the next few years; Rate setting consideration: Rate setting balances competing objectives (enroll customers at program launch; recover program costs; remain competitive so customers don't opt-out; and provide value to customers). A rate study is underway with new rates Spring 2022 for FY 2022-23.

(2) Revised Delegated Authority Proposal: Revise existing authority to allow rate changes to the lesser of 5% above comparable PG&E rates or cost of service. Effective only during FY 2021-22. CPSF rate changes anticipated July 2021, September 2021 and January 2022, based on CPUC filings with rates projected to be 5% above PG&E. Administrator Franks discussed projected rates and financial impact (assumptions: PG&E rates and PCIA follow expected timelines and magnitude from current filings; CPSF increases rates to be 5% above PG&E's rates, inclusive of PCIA & FFS, in July 2021 and September 2022; and does not incorporate small projected January 2022 rate change or July 2022 rate change from rate study). She reviewed the average residential customer bill impact for March 2021 and July 2021; PCIA forecasted to decline (proposal uses rate stabilization reserves to get through peak period).

(3) Time-of-Use (TOU) Transition: Resolution 19-0236 endorsed the plan to transition eligible residential customers to TOU rates as the default rate. Provides "bill protection" in the form of a one-time credit after customer's first full year of service in the TOU rate. This Resolution directed SFPUC staff to return to the Commission with a proposed TOU rate structure and bill protection plan for consideration and possible implementation. Ms. Franks reviewed the TOU transition and bill protection plan and eligibility for bill protection.

Ms. Franks concluded with (4) Reinstatement Fees: Resolution 18-0056 reduced termination fees to \$0 for Citywide enrollment period. Citywide enrollment completed in June 2020. Reinstate termination fees; customer in CARE and FERA programs are exempted from termination fees.

Mike Hyams, CPSF Director, responded to a question from Commissioner Ajami as to why the PCIA will go down, stating the PCIA is set to recover target revenue requirements and as long-term commitments, such as the closure of the Diablo Canyon

Nuclear Plant and other commitments are expiring, the rate will decline. Brief discussion ensued.

In response to a question from Commissioner Ajami as to how often and why customers drop out of the program, Director Hyams indicated that customer opt-out is tracked and that the program has a 4.1% opt-out rate (96% participation rate). He stated that there has been no material change in the opt-out rate over time. He stated customers are asked why they opt-out and that he would provide a memo as to reasons for opt-out.

Tim Paulson thanked Ms. Franks for the presentation and for the discussion of program cost and valuation.

Commissioner Harrington clarified that the 5% gap between PG&E and SFPUC is only on generation.

President Maxwell discussed TOU and indicated her neighbors have expressed concern. She asked for tips that can be given to people regarding TOU and if there are any programs to assist. Director Hyams noted it is an important issue and suggested that it is an opportunity to experience the future of electric rates “risk free”, due to bill protection. He understands the inconvenience to customers and possible hit to their budget and stated that staff are gathering information to see what more can be done and provide information to public. He noted there are tips for TOU on the CPSF website. President Maxwell noted that not everyone will see the website and that something physical needs to be sent. She expressed the need to incentivize people.

VP Moran noted the importance of messaging and that 2.5% is nicer than 5%, and the focus on total charge. He noted that it will be temporary and eventually customers will save over PG&E, and that the money will be invested into clean power projects.

Public Comment

- *David Pilpel referenced the CEQA exemption in Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273 and stated his review of the third Whereas Clause in the resolution reads that the SFPUC “intends” the rates be set and doesn’t “find” the rates be set. He questioned if the rates are subject to the Rate Fairness Board and if so, what was their recommendation. He asked if the termination fee or ancillary charges cover SFPUC costs.*
- *Alita Dupree expressed support of the item and stated that education is needed. She indicated she has used TOU for the past nine years.*

Deputy City Attorney Gessner responded to a question from Commissioner Harrington as to the amendment suggested by Mr. Pilpel. AGM Sandler indicated the action is for delegated authority.

Commissioner Secretary Hood read the proposed revision to third Whereas Clause, first sentence, to strike the word “intends” and replace with the word “finds”. VP Moran stated in the same sentence the word “be” should be replaced with the word “are”.

On motion to approve item 13, as amended:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

14. Approve the sole source selection of Calgon Carbon UV Technologies (Calgon Carbon); award Agreement No. 1000019799, UV System Maintenance and Repair, to Calgon Carbon to provide monthly preventative maintenance services, emergency repair, and parts to the Calgon Carbon-manufactured Sentinel UV Disinfection Systems located at SFPUC's Tesla Portal; and authorize the General Manager to execute an equipment maintenance agreement with Calgon Carbon with a retroactive start date of December 1, 2020 for an amount not-to-exceed \$1,800,000, and a duration of five years. ([Resolution 21-0086](#))

No public comment.

On motion to approve item 14:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

The Commission Secretary re-announced that Closed Session item #17 would not be heard.

15. Public comment on matters to be addressed during Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel
17. Conference with Legal Counsel – Pursuant to California Government Code, Section 54956.9(a), and San Francisco Administrative Code, Section 67.10(d)(1) Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: In re: PG&E Corporation and Pacific Gas & Electric Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38- 000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18- 1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703- 000, filed December 23, 2014;

Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006, filed January 10, 2019; and California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019.

18. Announcement following Closed Session.
19. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a).

Adjournment

President Maxwell adjourned the meeting at 7:04 PM.

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