



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

MEETING MINUTES

**Tuesday, November 23, 2021
5:30 p.m. – 7:00 p.m.**

PARTICIPATE VIA ZOOM VIRTUAL CONFERENCE SOFTWARE

Meeting URL

<https://sfwater.zoom.us/j/83859446858?pwd=NVUydnhPMk43bTg4MXpoU1h1SHJNdz09>

Phone Dial-in

669 219 2599

Meeting ID/Passcode

838 5944 6858 # / 197 497

Mission: The Water Subcommittee reviews water supply system reliability, water conservation, recycling, regional cooperation efforts and other relevant plans and policies. ([Admin Code 5.140-142](#))

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. Comments submitted no later than 12 PM 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.

Members:

Jennifer Clary (Chair) (D11) Suki Kott (D2) Amy Nagengast (D8)
Nicole Sandkulla (M-Reg'l Eliahu Perszyk (M-Large
Water Customers) Water User)

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

Staff Liaisons: Mayara Ruski Augusto Sa and Jobanjot Aulakh
Staff Email for Public Comment: cac@sfwater.org

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.

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Tim Paulson
Commissioner

Ed Harrington
Commissioner

Newsha Ajami
Commissioner

Michael Carlin
Acting
General Manager



ORDER OF BUSINESS

1. Call to Order and Roll Call at 5:33pm

Members present at roll call: (4) Clary, Perszyk, Nagengast, and Sandkulla

Members Absent: (1) Kott*

Staff/Consultant presenters: Steve Ritchie, Ellen Levin, and Betsy Rhodes

Members of the Public: None

*Member Kott joined at 5:34pm. Quorum maintained.

2. Approval of the [September 28, 2021](#) Minutes

Motion was made (Nagengast) and seconded (Sandkulla) to approve the September 28, 2021 Minutes.

AYES: (4) Clary, Perszyk, Nagengast, and Sandkulla

NOES: (0)

ABSENT: (1) Kott

Public Comment: None.

3. Report from the Chair

- Chair welcomes committee members, staff, and the public
- The Resolution adopted at the Full CAC about water resilience was delivered to the Commission

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. Issue: Water Enterprise Budget, Steve Ritchie, Assistant General Manager, Water Enterprise

Action: Understand the Water Enterprise's Budget and how it addresses the CAC's priorities

Presentation

AGM Ritchie began his presentation by stating that from a budgetary perspective, it is going to be a lean cycle. A report showed that both Water and Wastewater have had shortfalls in their budget due to lesser demand. As an ancillary piece of information on that, BART had recently reported out on their station usage. Downtown Oakland and downtown San Francisco were seeing limited growth rates in usage of people coming back to work. At 525 Golden

Gate, the process to transition back to onsite work started November 1st and it will increase incrementally every month. Businesses are still slow in San Francisco, which is why they are seeing revenue shortfalls both from Water and Wastewater.

For the next fiscal year beginning July 1st, there is going to be a 0% rate increase for both Water and Wastewater. However, there are cost increases, such as the 3% increase in salary. A 0% rate increase does not mean there is not any more money, it means there is less money to spread around.

The budget news, in terms of changes, is a little bit bleak. The new proposals are not exciting, but they are necessary. The Water Enterprise has a staffing short fall for a water quality lab up at Hetch Hetchy, so they are proposing to add a staff person on the water quality side. Due to new laboratory regulations, they are adding new positions to the laboratory services group here in San Francisco both at the Wastewater and Water side. AGM Ritchie highlighted that these are proposals and they may or may not be adopted given the budget picture. It is possible that the final decisions will not include what is being proposed.

The Water Enterprise is seeking more funding in three areas. One is for the Racial Equity Action Plan (REAP), where the proposals ask for funding for consultants and staff. The staffing dollars are to improve recruitment efforts at Moccasin. Diversity at Moccasin is a big challenge.

They have been working on the Upper Tuolumne River Ecosystem Project for a long time. It is a mitigation measure out of the Water Improvement Program, which the SFPUC has been working on for 12 years. The effort there was to restructure the releases from O'Shaughnessy Dam to mimic the natural hydrology. They have been working that way for quite some time, and they felt they had done enough work to make it a clear cut proposal on how to change from a steady flow environment to something that is much more variable depending on the season. They have had a hard time getting Yosemite National Park to agree to take responsibility for that. For various reasons, they have claimed over the last years that they have NEPA exhaustion mostly for their wild scenic river plans because they have been sued so many times. They finally said yes. The Water Enterprise is putting money into the budget so that they can get the NEPA and CEQA work done so they can officially put it in place as opposed to pilot testing new flow regimes in the releases below O'Shaughnessy Dam.

For the other area, they have growth requirements both with the National Park Service and the US Forest Service for funding to help support activities in the upcountry area. Those are additional funding proposals on the Hetchy side that will hopefully come through.

Their problems at the SFPUC, both on the Water and Wastewater side, are echoes of what they are seeing with water and wastewater utilities across the country. Utilities are having a difficult time getting essential chemicals in a reliable way and getting them at a price that is not constantly increasing. They have added \$2 million to the budget just for chemical costs not knowing for sure if that is enough or not to cover the increased chemical costs from unreliable deliveries.

On the capital side, the emphasis has been on deliverability and affordability. Affordability is to ensure that bills will not become unaffordable with capital programs. Deliverability is an issue that they have been working on for many years. There is a push now to make sure that they are going to spend all the existing money that has already been appropriated before they get new appropriations. Deliverability and affordability issues have been discussed in the past several months with need in mind.

The Capital program has some projects that are in construction now, some that are about to start construction, and some that are in planning but are very essential. A few of those are the Mountain Tunnel improvements, which are currently going forward and are funded over the next several years. This is

an important project upcountry. Another important project is the Moccasin Powerhouse Rehabilitation, which is about rewinding the generators at the Moccasin Powerhouse, replacing the step-up transformers, and doing other work there. That work is currently in progress, and because those are being funded over multiple years, the funding flow for those cannot be disrupted.

Locally, the property at 2000 Marin was acquired by the SFPUC and will be the new City Distribution Division Yard. The current City Distribution Division Yard at 1990 Newcomb is overcrowded and undersized, and there have been many problems there. 2000 Marin is going to be a big investment that is probably going to be good for the next 50 years. The property was an old chronicle printing plant site and was acquired by the SFUC last year. They are trying to get the proposal out now for a contract. First, they did one for some architectural work but now they also need a CMGC (Construction Management General Contractor). This project is going to have a high price tag but one the SFPUC believes is essential for the health, safety, and wellbeing of the workers, as well as efficiency overall. This presentation reflects the budget from the Water Enterprise as currently proposed. There are many things in motion and things may change.

Discussion

- **Chair Clary** asked if the SFPUC will receive any money from the Federal Build Back Better Bill that just passed, as well as if the SFPUC has any projects that might qualify for that funding.

AGM Ritchie responded that they are looking at projects that might qualify. AGM Ritchie did not have an up to date list because the bill passed last week. The SFPUC is pursuing State funding as well.

- **Member Sandkulla** commented that the CAC provided feedback on Asset Management Policy a while back. She asked AGM Ritchie if that has been reflected on the Capital work.

AGM Ritchie responded that some Capital improvement projects cannot be maintained further, such as Mountain Tunnel and Moccasin generators. Currently, the Water Enterprise is working among the divisions to make sure they are on the same page in terms of structure, terminology, and overall approach on how they make the asset management program work. Margaret Hannaford and Angela Chung are the big champions in making sure that the projects are moving forward constructively. He is quite happy with the progress that has been made.

- **Member Nagengast** commented that the Board of Supervisors voted to approve a new water reuse and recycling ordinance which would double the amount of water that new large buildings were required to collect and reuse. The SFPUC was coming up with a plan for expanding the City's supply and use of recycled water. Member Nagengast asked if that has made it into the budget.

AGM Ritchie responded that it was already in the budget because they put a large amount of money over the last two years for expanding their water supply options on all fronts. In their program, they have an additional East side satellite project which is something that could provide recycled water to a variety of buildings that are not already covered by the non-potable ordinance. That project is currently getting started, but there is plenty of planning money to get moving on all these fronts.

Member Nagengast commented that it would be interesting to see what the plan is to expand the City's supply while complying with the ordinance. The CAC will follow up with the SFPUC staff to see how this new ordinance does or does not impact the rest of the operations.

AGM Ritchie responded that ordinances are tricky things.

- **Member Nagengast** asked about succession planning because there are so many vacancies and upcoming retirements.

AGM Ritchie responded that several retirements occurred in part because of the COVID requirements. More staff from Hetchy and the City Distribution Division has been leaving. On the Hetchy side, they are trying to hire people and the Power houses had the biggest turnover in the senior ranks. They are making opportunities for people to step up and move up a little bit sooner than expected. There are also other people retiring for other reasons. SFPUC's HR (Human Resources) department is well down currently in terms of the number of vacancies they have. The City HR just changed its hiring process system and it is not quite working the way it was supposed to. All of that has substantially slowed hiring.

- **Member Nagengast** asked if there has been funding or training programs intended to aid employees to be promoted and feel supported in next year's budget.

AGM Ritchie responded that he does not know about training programs but there is an effort to create opportunities for younger people to take on more responsibilities. Some divisions, such as CDD (City Distribution Division), has promoted people. Their operations manager is a new acting position who has been in the role for five months now, the head of the gate room has been at the job for about four months, and the head of the construction and maintenance group has retired and the acting will probably be chosen soon. In the Peninsula, SFPUC decided to break one big section into two and that resulted in two roles instead of one. It used to be a one-person job with a very heavy load. This division created new opportunities for people to move up and people are excited about those opportunities.

- **AGM Ritchie** commented that the budget hearings are scheduled for the first and fourth Thursdays of January. The goal is to have things finalized by December 10, 2021.
- **Chair Clary** commented that the CAC passed a Resolution on water supply and she knows that AGM Ritchie has had several workshops for the Commission on diversifying water supply. Chair Clary then asked what the funding outlook is on that for the coming year.

Staff Richie responded that the funding looks fine for the coming year because some of the outstanding appropriations made a couple years ago. There is also additional funding that has come on since then. For now, it is all planned funding. The implementation will make things a bit more challenging. There is no question on the part of the Commission's resolve to go forward with diversification of their supplies.

Public Comment: None

6. **Issue:** [Water Enterprise Racial Equity Action Plan](#), Ellen Levin, Deputy Manager, Water Enterprise

Action: Track implementation of the Racial Equity Plan by the Water Enterprise

Resource:

[SFPUC's Racial Equity Action Plan](#)

Presentation

- Water Enterprise Racial Equity Plan
- Building Water's Reap Priorities
- Survey Top Takeaways
- Water REAP Priorities: Hiring and Recruitment
- Water REAP Priorities: Pathway to Promotion
- Water REAP Priorities: Inclusion and Belonging

Discussion

- **Member Kott** commented that rotation was an amazing idea. She also asked Staff Levin why some SFPUC employees were not interested in the inclusion and racial equity program.

Staff Levin responded that there was a resistance to preferential treatment and a misunderstanding of what racial equity work means and what diversity, inclusion, and belonging mean. To Staff Levin and the consultants, this meant that people were misunderstanding the program itself and its purpose, which is to create level playing fields for everyone. It showed how much educating needs to be done across the agency and across the Water Enterprise in terms of bringing people up to a similar level of understanding around diversity, equity, inclusion, and the meaning of this concepts. There are many wonderful people who work at the SFPUC, but some of them had not put any thought into what it might mean to be a BIPOC (Black, Indigenous, and People of Color) employee working with predominantly Caucasians and not identifying with co-workers until they took the survey. For some of the SFPUC employees, they did not have awareness that it might be a different experience for someone.

- **Member Kott** commented that it seems to be due to a lack of education, misunderstanding, and maybe some fear as well.

Staff Levin responded affirmatively. She also mentioned that the survey was meant to be 40 minutes and some people spent three hours on it. It was a powerful experience for many people. Staff Levin had Caucasian employees calling her crying that going through the survey made them feel guilty, bad, and that they were part of a problem that they had not really reflected on until they went through the survey themselves. There were also BIPOC employees sharing their stories, some of which were incredibly upsetting, regarding how they have been treated and how they have been working in settings that have not treated them equitably at all. They also felt like they did not have a choice or the power to act. It was important to hear that spectrum and to know that they have a great deal of work to do.

- **Member Perszyk** asked if the SFPUC has a metric about diversity and equity in their staff performance evaluations. He further commented that UCSF has metrics about racial equity, and it help in evaluating employees.

Staff Levin responded that the current performance planning is focused on awareness of the Racial Equity Action Plan and the SFPUC's priorities. Staff Levin commented that she would be interested in seeing what UCSF is using in its performance planning.

Member Perszyk responded that he would be happy to share this with Staff Levin. It is a University of California performance evaluation and it is just one of the metrics.

- **Member Nagengast** commented that she works at the airport, which is another City department. As part of their performance reviews, they have whole sections that ask how the employee is supporting the airport's core values such as diversity, equity, and inclusion. There is a box that the employee fills out that asks how their duties help to support that. There is also a section that asks the employee what they did in the last year to help support that effort.

Staff Levin commented that she thinks it could be used that way in the standard format that they are using. She believes SFPUC uses the same PPAR (Performance Plan and Appraisal Report) form as the airport.

Member Nagengast responded affirmatively. She also commented that when building a culture of Diversity, Equity, and Inclusion, there are standard metrics to report on every year to the Commission. Nagengast then asked if there had been any discussion on how to elevate DEI metrics as well to be part of that ongoing transparency with the Commission and the broader community.

Staff Levin commented that they do have metrics. When they were building the action plan, they had to develop priorities and implementation action items that could be measured. The Office of Racial Equity has a standard format that the SFPUC had to use for that. The KPIs (Key Performance Indicators) are interesting because most of them are related to how diversity has expanded. For inclusion and belonging, some of the KPIs were around how many programs have been established that invite BIPOC. Some of the challenges she has seen for the SFPUC is the ability to extract data around some of those things. As they develop and expand these programs, new data will be created. This is a task assigned to the HR (Human Resources) department though. The City has moved towards a de-identification process when going through recruitment and hiring. A hiring manager does not learn any personal information about the candidates until they show up at the interview. When using all these new channels of recruitment, it is important to ask how many BIPOC were brought into the process. There could be no BIPOCs at the interview round because they did not make it through the minimum qualifications or other aspects of the hiring process that are not managed by the hiring supervisor but are instead managed by the HRS (Human Resources Services) department. When looking at some of the KPIs that ask whether the number of BIPOC employees has increased in recruitments, they can't answer that because of the de-identification. There are many challenges being faced currently in terms of collecting this data and being able to measure the progress. Some of it is wrapped up in the Office of Racial Equity and DHR (Department of Human Resources).

- **Chair Clary** commented that they heard from AGM Ritchie that there will be new upcountry positions through the Racial Equity Plan. The

Chair also asked if the budget is going to be raised for implementing that plan.

Staff Levin responded that the budget will not be raised. For this fiscal year, they asked for \$300,000 for Racial Equity Action Plan implementation across Water and a position to hire someone with experience in implementing racial equity programs. That was approved for this year's budget. They continue to carry that request forward as part of their baseline budget for \$300,000 in professional services. It will essentially be an annual allocation going forward. They can pay for consulting service support for training programs that help the SFPUC with their KPIs and all the other topics that have been discussed as well. The Hetchy plan, in terms of hiring another employee, that might be a new addition. As AGM Ritchie previously mentioned, they are not raising rates at all and SFPUC is absorbing some of the cost.

- **Chair Clary** asked if Staff Levin could clarify if a new position has been added.

Staff Levin responded that they have the new staff position, it is on the hiring plan, but it has not yet been approved by the Mayor's office.

Chair Clary commented that it will still take several months in that case.

Staff Levin responded that the position will not get posted until the Spring. There is a chance it might get posted by February. The new smart recruiter system has frozen the movement on many of these positions.

- **Member Perszyk** commented that he was looking at the diversity section of the performance evaluation that he put in the chat and how Staff Levin had mentioned the challenge of capacity in hiring. There could be a question about how an individual that is applying to the SFPUC is supporting diversity, equity, and inclusion and how is this individual engaging in this, separate from what their background is.

Chair Clary commented that she includes a question that requires candidates to have a deeper understanding on equity to obtain a diverse candidate pool.

Staff Levin responded that is a great suggestion. Those questions have been added at the manager and supervisor levels, but that point is well made going down into the ranks as opposed to reserving it just for the leadership.

- **Member Kott** commented that it does say something about the organization when that question is part of the hiring process because it shows that the organization is thinking about it and there is a process of thought involved.

Staff Levin agreed with Kott's comment.

- **Chair Clary** asked if the CAC could receive a copy of Water's Racial Equity Plan.

Staff Levin responded that the enterprise's priorities are fed to the centralized committee at the SFPUC who incorporated them into the

SFPUC-wide plan. The SFPUC-wide plan is intended to be applied across enterprises.

- **Chair Clary** commented that her recollection was that each enterprise presented their racial equity plan separately to the Commission.

Staff Levin responded that some of them may have written them up separately. The Water Enterprise identified their priorities and packaged them within the SFPUC-wide plan.

- **Chair Clary** commented that the new website has made it challenging to search for documents.

Staff Rhodes commented that it has been brought to their attention that the search tool has been posing some challenges and IT is working on it.

Chair Clary commented that the menu provides a list that does not include the Racial Equity Action Plan. Chair Clary commented that she would like to see some metrics later, such as the number of BIPOC staff in management positions and whether that number is increasing in junior management, middle management, and senior management over time.

Staff Levin responded that unfortunately, as AGM Ritchie had previously mentioned, they have seen some departures and many have been in the BIPOC community, which is upsetting.

- **Member Kott** asked if there is any insight into why that is.

Staff Levin responded that some of the COVID policies drove people out. Some folks moved away during COVID to move to more affordable communities, and the City mandated that all employees be back in California by September 1st. Some folks are concerned with 525 Golden Gate and being in the Civic Center area. Some folks did not want to get vaccinated. Staff Levin said she does not have the data, but she knows BIPOC managers that have left. When they look at the data, they might see that numbers have dropped on the management side.

- **Chair Clary** asked when does that review happen.

Staff Levin responded that she believes that there is an annual review towards the end of the year, and there is supposed to be a progress update. She believes the racial equity lead will be taking something to the Commission at some point to share the SFPUC's progress. Staff Levin is not close enough to the SFPUC-wide implementation and progress reporting to know the details, but that information can be brought back to the CAC.

- **Member Kott** asked Staff Mayara if the CAC could receive access to the implicit bias training.

Staff Mayara responded that she would look into that and reminded members that she sent a link to the ethics training that might overlap with the implicit bias training.

Public Comment: None

7. Staff Report

- The link to the ethics training was sent to all members last week
- Public Meetings/Public Records training with the City Attorney's Office are also available – members need to communicate their date preferences

Public Comment: None

8. Future Agenda Items and Resolutions

Standing Subjects

- Groundwater
- Water Quality

Specific Subjects

- Water Reuse Ordinance – tentatively January
- Drought Outreach – tentatively January
- Drought and Conservation
- Climate Change Report
- Natural Resources and Land Management Division Update
- Integrating Tribal Leaders into SFPUC Land Management Decisions
- State Board Water Rights
- Debate about Bay Delta – Member Sandkulla suggested everyone watch the February 5, 2021 Commission workshop about the Voluntary Agreement
- Affordability
- COVID and Long-term Affordability Program
- Impact of Climate Change on Water Supply
- Hetch Hetchy Water and Power Division Update
- State Policy and Programs on Affordability or Low-Income Rate Assistance (LIRA)
- Bay Delta Plan and voluntary settlement agreement
- Legislative Update
- State of the Regional Water System Report – Bi-annual report
- Drought resilience: 3-year water supply update
- Water Equity and Homelessness
- State of Local Water Report
- Retail Conservation Report
- Harry Tracy Water Treatment Plant tour

Adopted Resolutions for Follow Up

- Resolution in Support of a Resilient Water Supply [adopted August 17, 2021](#)
- Resolution in Support of the Southern Skyline Boulevard Ridge Trail Extension Project [adopted April 20, 2021](#)
- Resolution in Support of Interim Emergency Rate Assistance Program and Revised Community Assistance Program [adopted July 21, 2020](#)
- Resolution in Support of Improved Communications Related to the San Francisco Groundwater Supply Project [adopted August 21, 2018](#)
- Resolution in Supporting Stewardship and Public Access in the Redeveloped Lake Merced West Property [adopted in March 15, 2016](#)
- Resolution on Impacts of Drought on System Maintenance and Improvements [adopted January 19, 2016](#)

Public Comment: None

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

Chair Clary mentioned that even though the SFPUC is implementing a 0% increase, they can still add a drought surcharge because they declared a drought requirement.

10. **Adjournment**

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

Meeting was adjourned at 6:50 pm.

