

**Citizens' Advisory Committee (CAC)
DRAFT MINUTES**

Tuesday, June 26, 2012
5:30 – 7:00 p.m.

1155 Market Street, 4th Floor

Members:

Stephen Bjorgan (M-Engineering/Financial)	Jessica Buendia (D6)	Doug Cain (D3)
Donald Carmignani (D2)	Jennifer Clary (D11)	Walt Farrell (D7)
Richard T. Hansen (D1)	Art Jensen (M-Regional Water Customers)	Terrence Jones CAC Chair (D10)
Alex Lantsberg (B-Environmental Justice)	Diane Mokoro (D5)	David Pilpel (D4)
Javieree PruittHill (D8)	Dairo Romero (D9)	Vacant (M-Lg Water User)
Avni Jamdar (M-Environmental Group)	Ted Ko (B-S. Business)	

M = Mayoral appointment, B = Board President appointment

Staff Liaisons: Jean Walsh and Teresa Young

ORDER OF BUSINESS

1. **Call to Order and Roll Call** - Chair Jones called the meeting to order at 05:32 p.m. when the panel achieved quorum.
Present: A.Jensen; T.Jones; D.Pilpel; D.Cain; D.Mokoro; J.Buendia; A.Jamdar; T.Ko; A.Lantsberg; D.Romero; J.Clary; R.Hansen; W.Farrell
Absent: D.Carmignani; J.PruittHill; S.Bjorgan
2. **Introduction to new CAC member: Diane Mokoro – D5**
3. **Approval of the May 22 meeting minutes**
A.Lantsberg moved; J.Clary seconded. Minutes approved by acclamation.
4. **Public Comment:** none.
5. **Presentation: Sewer System Improvement Program (SSIP) Validation. Karen Kubick, SSIP Program Director** (combined discussion with item 6 – see below)
6. **Wastewater Subcommittee Chair Report and Possible Action: Resolution Regarding SSIP Validation** (attachment/handout) – A.Lantsberg
Rewrote resolution passed at Wastewater Subcommittee based on feedback from staff and committee members and is presenting the “substitute” resolution for consideration by the Full CAC, dated 6/26/12.

Combined Q&A for items 5 and 6.

D.Pilpel: Suggestion to include minor changes on first and second resolves to “PUC CAC”. On the second resolve, would the CAC also gather public input?

Edwin M. Lee
Mayor

Anson Moran
President

Art Torres
Vice President

Ann Moller Caen
Commissioner

Francesca Vietor
Commissioner

Vince Courtney
Commissioner

Ed Harrington
General Manager



A.Lantsberg: The intent was to insist the SFPUC staff to have an ongoing dialogue with CAC.

D.Pilpel: Suggestion to rework second resolve, so that CAC continues dialogue with staff and staff continues to gather input.

J.Clary: Now understanding what the validation process is, it is the process of presenting the program to the Commission for their endorsement.

K.Kubick: Parsons and AECOM have been revisiting and reevaluating each project component and what staff has been doing to meet the different levels of service.

J.Clary: A part of the evaluation of SSIP projects was whether green infrastructure was going to be able to eliminate or minimize the size of the gray infrastructure. Has that been presented at wastewater subcommittee?

K.Kubick: That has not yet been presented. That content will be in workshop 2, when we talk about the urban watershed approach. We're looking at the west side and size of the problems, grey and green, and doing the same with the bay side.

J.Clary: (directed at A.Lantsberg) You are asking us to approve the SSIP, which does not include the urban watershed plan, but grey infrastructure only. The framework that came out last week was simply a set of policies.

A.Lantsberg: The program validation effort was going to look at the process comprehensively, and green infrastructure is part of the evaluation process. I was looking to endorse the evaluation process, not the SSIP in itself.

K.Kubick: We do have specific green projects in the program. This was not in the larger presentation. We're now finalizing the treatment presentation that will go forward to commission on 7/24.

J.Clary: Have you made any decisions to eliminate or minimize grey infrastructure due to green infrastructure analysis?

K.Kubick: It looks like we will be, depending how the commission weighs in on it. On the west side, we lifted out of the early grey projects and we're looking at flooding differently. We had a charrette with the AGMs, DGM and GM and spent several hours looking at what the problems are and the green infrastructure project list from 2007. We selected projects robust enough to go through final modeling. That's how the process will be: representing grey, green, and how we view performance.

A.Lantsberg: My intent is not to endorse whole program but to highlight aspects of it, to move the urban watershed framework forward.

J.Clary: Is the watershed framework specifically part of the SSIP?

K.Kubick: Yes.

J.Clary: Suggest resolution should say what we want as part of the validation process – dialogue with staff, cost and benefits, rate impacts and nothing about CSD reduction.

K.Kubick: We are going to propose several levels of improvement to the commission. Some watersheds don't have as many problems. We will propose that to the commission and they will settle on projects tied to levels of improvement.

J.Clary: One of my concerns with SSIP was that none of the levels of service mentioned environmental impacts or benefits. Whatever we approve, we're still on the hook that all we get is whatever mitigation is required in the environmental review. I'm not comfortable with that since it puts the wastewater enterprise at a lesser level than the WSIP.

J.Buendia: I have commentary around the process of learning from the previous WSIP program. That we engage residents and staff, that lessons learned from that process that could be incorporated into this process. Was there a document? If so, then allude to it in a resolution.

K.Kubick: We have been having more meetings focused on watershed work and currently wrapping up focus groups. We did a phone survey and focus group of work 4-5 years ago and we're updating that. Internally, over the last 2 years, we held workshops on Wednesdays to get groups to understand green issues, treatment issues, etc. We have held workshops over the last six months about validation.

System performance by basin, alternatives, treatment, etc. sequence, how many contractors we can sustain at once, must haves, want to haves. Sat down with individual commissioner and gave tours. We are walking through presentation with them again. We have daily interaction with the GM and AGMs and are making use of as many WSIP tools as possible, but only within San Francisco. We have a digester task force that will pick up again, involving neighbors and locals that worked with staff often.

A.Jensen: Suggestion on resolution – two above the last resolve (last resolve will go away) – validation isn't done yet. Instead, it could be reworded as “should address” the cost and benefits and reword “should be accompanied” by a comprehensive communications plan. Validation and SSIP aren't complete.

T.Ko: For Karen, is there any coordination with program with Mayor's cleantech efforts? Any suggestions on how to partner with these cleantech hubs and companies?

K.Kubick: Yes, we're starting a market assessment right now. For example, food waste. We bring in something to bring up the amount of gas and produce fuel for city fleet. Looking at cost, life cycle cost, supply, quality, and market. On the urban watershed side, this is a longer process, about 13-14 months, where we look at each watershed. That means pulling together all of the City's general and project plans, neighborhood plans, any work that is cemented down and the Mayor's objectives, standards and policies (along with other City agencies). On the public side, we have a stormwater ordinance that we may make more stringent in the future. Partnerships may be where private developers are putting in something that meets our stormwater guidelines.

T.Ko: How about technology partnerships with companies?

K.Kubick: There is a R&D group and we recently finished a partnership with NASA. We have a group of PhDs to test new technologies. We're looking at LEED efficient energy to offset natural gas and green technologies. We generally do projects on a small scale pilot, and then enlarge it.

A.Jamdar: Is there an overall cost estimate of the SSIP? How about any sense of increase for rates? How many jobs will appear?

K.Kubick: The original was \$7B. \$4B first ten years, then \$3B the second. When we go through the validation workshops with the Commission, we will land somewhere. The total combined bill has a trajectory. We are unsure about the number of jobs. We need to have that for the commission, a rough idea.

A.Lantsberg read revised resolution.

J.Clary: Suggested adding a resolve to include quantifiable goals and levels of service to ensure environmental protection. Reference the June 12th letter from Blue Green Way to the commission.

J.Clary moved; D.Pilpel seconded.

A.Jensen: Clarification in the letter on point 4 – assume that that means no change or less important.

J.Clary: That's correct.

D.Mokoro: Does this mean that we must agree with the statements within the referenced letter as well?

A.Jensen: Suggestion to add this in a later resolution or ask them to consider rather than adopt.

Public comment: none.

No objections. Resolution adopted by acclamation.

Staff comment: R.Fox: If CAC members are unable to participate in the July 10 and 24 workshops, we could identify another opportunity for members to learn about topics covered in the workshops. After 7/24 where urban watershed and pilot projects, request CAC to adopt a resolution to support the actual program that commission will endorse or not endorse.

7. **Water Subcommittee Chair Report, Presentation and Possible Action: Introduction from J.Clary on Russian Hill Neighborhood Group and Karen Donovan.** Resolution Regarding Long-term Use and Management of Francisco Reservoir. Bruce Keane delivered the presentation.
- J.Clary moved; D.Romero seconded to move forward on discussion.
- K.Donovan: This is designated as open space in the City’s general plan – land use. It is very much in the city’s interest to continue this as open space use. The resolution is urging SFPUC to work with local communities to maintain in its current open space designation.
- Questions/comments:
- D.Cain: The precedent was made at 17th/Folsom (SFPUC land) when the neighborhood wanted to make this a park and arrangements were made with Rec & Park (R&P) and SFPUC. The intent here is for SFPUC to turn over the land for no compensation. The issue here is that a “poor” neighborhood had to pay for their park and a “rich” neighborhood doesn’t.
- K.Donovan: This parcel itself is different from 17th/Folsom because this is designated as public open space. The 17th/Folsom parcel was operating as a parking lot. This resolution isn’t seeking to address cost issues; they should be addressed later after some consensus is formed with regard to the process.
- D.Pilpel: I read this as it being a comprehensive and thoughtful process. I’m also concerned about money, but that would be part of the comprehensive and thoughtful process. Does anyone have a sense of the fair market value for the parcel? Is there great debate over market cost of the parcel?
- K.Donovan: I assume when we get to that, there will be debate.
- Bruce: SFPUC will discuss the fair market value, knowing that there will not be development value and it will be used for open space.
- D.Cain: There is clear development value at this property and SFPUC has put a price on this. This discussion has been left out of this issue.
- D.Romero: I was part of the 17th/Folsom project. We wanted a neighborhood park. The reason the commission gave it to us is because it was a property owned by SFPUC. They couldn’t give it for free. That project was more difficult to get money to do the park, and programming and maintenance of it. I agree that it should be the same situation. If the Russian Hill parcel belongs to SFPUC, they have to do the same thing as 17th/Folsom.
- A.Jensen: While I respect this issue of who pays for what, the conversation would be absurd in other cities. It all belongs to the City and County of San Francisco.
- J.Clary: The issue is if the water committee should bifurcate the discussion and agree this should be a park. The next discussion should be a process to take place between the community and SFPUC.
- D.Cain: The CAC is voting on that the land can be used only as a park and for no other purposes, correct?
- K.Donovan: Correct, we are urging SFPUC to have discussions with the neighborhoods and stakeholders.
- D.Mokoro: I read it as supporting it only as a park.
- D.Pilpel requested a copy of the presentation from Bruce.
- J.Clary: The real issue is if we want to support the community’s efforts. Money is another thing to figure out. Are we okay with moving this forward?
- D.Cain: The question is if we have a park, who will operate and maintain it?
- K.Donovan: The text as J.Clary was noting does not to state this will be a park forevermore, but for SFPUC to work with the community. It was developed with senior management on specific language.
- D.Romero: We should support the community. Connect the neighborhood with district supervisor and get money from the state to build the park. The general idea is to have more open space for the community and that resonates with me to support this resolution.
- Public comment: none.

J.Clary: Motion before us is the resolution with a minor amendment in the second to the last resolve.

D.Cain: Suggested on the second to last whereas on first page to take out private development, because that's what happened on 17th/Folsom and the source of funding.

In favor: D.Romero, D.Pilpel, J.Clary, A.Jamdar, A.Lantsberg, A.Jensen, D.Mokoro, T.Ko, T.Jones; R.Hansen

Not in favor: D.Cain, W.Farrell, J.Buendia

Resolution passes.

8. **Possible Action:** Discussion and vote on permanently moving Full CAC meetings from the 4th Tuesday of the month to the 3rd Tuesday or Wednesday so they occur in advance of the SFPUC Commission meetings on the 2nd and 4th Tuesday of the month. Vote postponed.

J.Clary: In favor of moving to third Wednesday

T.Ko: In favor of not having meetings on the third Tuesday.

A.Jamdar: In favor of keeping current date.

D.Pilpel: It's difficult to move to a different date and time for 17 people. Because it's on the same day as the commission meeting, it may be good to work our schedule to commission items we're discussing on the second and fourth Tuesday ahead of time. In favor of keeping current date.

T.Jones: In favor to keep current date. People who aren't here need to weigh in.

R.Fox: We will try to work on queuing things up with CAC to keep this date.

9. **Possible Action:** Discussion and vote on moving all CAC meetings from 1155 Market, 4th Floor to a new location at 525 Golden Gate Avenue, 2nd Floor, starting July 24, 2012

D.Pilpel moved; J.Clary seconded.

10. **Report from the Chair:** Update on June 26 CAC Quarterly Report to Commission
T.Jones passed out document – new members, two resolutions passed first of the year, nine points that were collected from subcommittee chairs (A.Lantsberg, J.Clary, D.Cain), rates.

T.Jones thanked J.Walsh for CAC calendar as it helps setting future agenda items. CAC can put items on the calendar to go through subcommittee chairs.

11. **Staff Updates:** (Jean Walsh)

J.Walsh: Asked if anyone had problems viewing attachments with the agenda. Staff is trying a new system to attach meeting materials. We hope to have a system with links on the website.

A.Jensen: Some of the commission agenda links don't work.

J.Walsh: We'll do some testing to make sure links work. Agendas will now have links in the documents. 525GG opening events occurred last week. We are moving in July and the next meeting will be in the new building.

12. **Future CAC Agenda Items:** Next regularly scheduled Full CAC meeting Tuesday, July 24.

Looking at calendar – Validation workshops.

J.Clary: July 10 – not just SSIP validation meeting- annual retreat. Each enterprise took a specific policy question. Won't be televised.

J.Clary: Would like to present two resolutions next CAC meeting: non-potable and drink tap ordinances.

J.Walsh: finance team can come and talk about the RFP going out for the five year rate study.

J.Clary – fifteen minutes for both resolutions.

T.Jones – two main agenda items per meeting.

Clary's resolution and finance team on rates.

D.Pilpel – in-city construction and how we address it – outreach and neighborhood concerns, trees, digging up street. August or a future meeting. If no quorum, move to September.

13. Adjournment at 06:57 p.m. T.Jones moved; A.Lantsberg seconded.



Services of the San Francisco Public Utilities Commission

SFPUC Water/Sewer 5-Year Rate Study Overview

SFPUC Finance
Citizens' Advisory Committee
July 24, 2012



Charter Required 5-Year Rate Study

Services of the San Francisco Public Utilities Commission

Required by Article 8B of the Charter of the City and County of San Francisco

- *In setting retail rates, fees and charges the Commission shall retain an independent rate consultant to conduct rate and cost of service studies for each utility at least every five years.*

Previous Water / Sewer study in 2009 informed rate setting through FY 2013-14



Charter Required Rate Fairness Board

Services of the San Francisco Public Utilities Commission

The Rate Fairness Board may:

1. Review the five-year rate forecast
2. Hold public hearings on rate recommendations before SFPUC adopts rates
3. Provide a report and recommendations to the SFPUC on the rate proposals
4. Submit rate policy recommendations for the Commission's consideration

Rate Fairness Board consists of seven members:

1. City Administrator or designee
2. Controller or designee
3. Director of the Mayor's Office of Public Finance or designee
4. One residential customers appointed by the Mayor
5. One residential customers appointed by the BOS
6. One large business customer appointed by the Mayor
7. One small business customer appointed by the BOS



Water / Sewer Rate Study Timeline

Services of the San Francisco Public Utilities Commission

Request for Proposal	September 2012
Independent Consultant Selection	December 2012
Public Outreach	Fall 2013
Consultant Report Completed	September 2013
Staff Report to Rate Fairness Board	November 2013
Staff Report to Commission	December 2013
Commission Rate Adoption	February 2014
Rates Become Effective	July 2014



5-Year Rate Study Scope

Services of the San Francisco Public Utilities Commission

Analysis of annual revenue requirements, costs of service, demand and usage characteristics of water and wastewater services, and design of equitable water and wastewater rates.

Proposed areas of review include:

- Customer class differentiated rates
- Lifeline rate
- Conservation rate
- Stormwater component to Wastewater rate
- Recycled water rate
- Non-potable water rate
- Fixed and variable rate components for retail and wholesale customers
- Low income program compliance with Proposition 26
- Wholesale sewer rate

Resolution regarding: **RATE INCREASES AND CAPITAL IMPROVEMENTS**

For consideration by the Full CAC at the July 24, 2012 meeting

Whereas the SFPUC CAC's mandate is to provide recommendations to the San Francisco PUC, General Manager and the Board of Supervisors regarding the agency's long-term strategic, financial and capital improvement plans.

Whereas the SFPUC has substantial infrastructure for Water and Sewer that needs Capital Improvement to maintain it;

Whereas the Capital Improvements are not noticed by the public until the roads are torn up to complete a project.

Whereas, the expected cost of the current WSIP and proposed SSIP is expected to exceed \$7B;

Whereas, the expected rates for consumers for Water are expected to double in the next 5 years;

Whereas, the expected rates for consumers of Sewer are expected to double in the next 10 years;

Whereas, the CAC has seen little outreach to the ratepaying public about the WSIP, SSIP and Upcoming Rate Increases.

Therefore be it resolved, the Citizens Advisory Committee supports the need to maintain the infrastructure and recommends that the Commission increase its efforts to inform the public of the coming rate increases and the need to maintain the infrastructure.

Resolution in Support of Drink Tap ordinance
Approved at July 16th 2012 SFPUC CAC Water subcommittee

Whereas, the promotion of water rather than soda for consumption can help reduce obesity and its related health problems;

Whereas, use of reusable water bottles reduces the consumption of single-use bottles, which use significant natural resources in production, transport, and disposal;

Whereas, an ordinance has been introduced at the Board of Supervisors that will require new and remodeled buildings that have drinking fountains to provide bottle filling stations;

Therefore, be it Resolved that the PUC Citizens' Advisory Committee supports the proposed legislation and urges the Mayor and Supervisors to support it.

1 [Environment Code - Bottle Filling Stations]

2

3 **Ordinance amending the San Francisco Environment Code by adding Chapter 23 to**
4 **require new and remodeled buildings that have drinking fountains to provide bottle**
5 **filling stations, setting an operative date, and making environmental and other findings.**

6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are ~~*strike-through italics Times New Roman*~~.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough normal~~.

9 Be it ordained by the People of the City and County of San Francisco:

10 Section 1. Environmental Findings. The Planning Department has determined that the
11 actions contemplated in this Ordinance comply with the California Environmental Quality Act
12 (California Public Resources Code Section 21000 et seq.). Said determination is on file with
13 the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by reference.

14

15 Section 2. The San Francisco Environment Code is hereby amended by adding
16 Chapter 23, Sections 2301 through 2306, to read as follows:

17 **CHAPTER 23**

18 **DRINK TAP ORDINANCE**

19

20 **SEC. 2301. FINDINGS.**

21 The Board of Supervisors finds that:

22 (a) The City and County of San Francisco has a longstanding commitment to environmental
23 sustainability through the prohibition of bottled water purchases by the San Francisco City and County
24 Government, as instructed by Executive Directive 07-07.

25

1 (b) The Hetch Hetchy Regional Water System operated by the San Francisco Public Utilities
2 Commission delivers pristine drinking water, which is stored in the Hetch Hetchy Reservoir, meets or
3 exceeds all federal and state criteria for drinking water quality, and is tested over 100,000 times per
4 year.

5 (c) Plastic water bottles are bad for the environment. More than one billion plastic water
6 bottles end up in California's trash each year -- taking up valuable landfill space, leaking toxic
7 chemicals such as phalates into the ground water, and taking 1,000 years to degrade. It takes an
8 estimated 2,000 times more energy to produce plastic bottled water than it does to produce an
9 equivalent amount of tap water. Plastic water bottles add to greenhouse gas emissions because high
10 amounts of oil are used to manufacture the plastic bottles, in addition to the emissions resulting from
11 the transportation of the bottles to stores.

12 (d) Plastic water bottles are expensive. Americans spent \$10.6 billion on bottled water in 2009
13 and paid up to 1,000 times the cost of tap water.

14 (e) Plastic water bottles are potentially a health hazard. A growing number of scientific studies
15 are pointing to the harmful effects of chemicals in the plastic that can leach into the water and be
16 consumed. Further, most branded plastic bottled water companies do not disclose their water sources,
17 treatment methods or contaminants found in the water.

18 (f) The City and County of San Francisco is dedicated to being a good environmental steward
19 by promoting water conservation efforts and educating residents about the environmental, economic,
20 and health benefits of drinking tap water.

21
22 **SEC. 2302. SHORT TITLE AND PURPOSE.**

23 (a) This Chapter shall be entitled "the Drink Tap Ordinance."

24 (b) The purpose of this Chapter is to improve access to clean, free drinking water for residents
25 and visitors of the City and County of San Francisco by providing bottle filling stations.

1
2 **SEC. 2303. DEFINITIONS.**

3 *For the purposes of this Chapter, the following words shall have the following meanings:*

4 *(a) "Drink Tap Station" means a bottle filling unit that:*

5 *(1) Supplies potable water;*

6 *(2) Delivers a minimum of 8.0 gallons per hour (gph) of ambient water;*

7 *(3) Is wall or floor mounted and is a separate unit or a combination unit including a*
8 *drinking fountain; and,*

9 *(4) Complies with the standards of the Americans with Disabilities Act, is listed by the*
10 *Underwriters Laboratory, and is certified to be lead-free compliant, including NSF/ANSI. 61-Annex G,*
11 *AB1953.*

12 *(b) "Drinking fountain" means a fixture within the meaning of Chapter 4 of the California*
13 *Plumbing Code (Title 24, Part 5, of the California Code of Regulations).*

14 *(c) "New construction" means a building that has never before been used or occupied for any*
15 *purpose and does not include additions, alterations, or repairs.*

16
17 **SEC. 2304. MANDATORY PROVISION OF CLEAN, FREE DRINKING WATER.**

18 *For new construction and changes in occupancy that are required by Chapter 29 of the San*
19 *Francisco Building Code to provide one or more drinking fountains, the project sponsor shall provide*
20 *a Drink Tap Station for each drinking fountain. This requirement shall also apply to a major plumbing*
21 *alteration that will affect the plumbing system that supplies any existing drinking fountain(s).*

22
23 **SEC. 2305. IMPLEMENTATION.**

24 *(a) Implementation of this Chapter shall be the responsibility of the Public Utilities*
25 *Commission, the Department of Building Inspection, and the Department of the Environment.*

1 **(b) The Director of the Department of the Environment shall be responsible for conducting**
2 **outreach to building owners, developers, contractors, and others to make them aware of the**
3 **requirements of this Chapter, and for providing them with a list of vendors who sell Drink Tap Stations,**
4 **which list shall be developed by the General Manager of the Public Utilities Commission.**

5 **(c) The Director of the Department of Building Inspection shall be responsible for notifying**
6 **developers, contractors, and others of the requirements of this Chapter when such persons request a**
7 **building permit. The Director of the Department of Building Inspection shall also keep a log of all**
8 **Drink Tap Stations installed during the first three years of this Chapter and provide to the Board of**
9 **Supervisors an annual report on total installations under this Chapter for the same three years.**

10
11 **SEC. 2306. OPERATIVE DATE.**

12 **All of the requirements set forth in this Chapter shall become operative on January 1, 2013.**

13
14 Section 3. Additional Provisions.

15 (a) Effective Date. This Ordinance shall become effective 30 days from the date of
16 passage.

17 (b) Severability. If any section, subsection, sentence, clause, or phrase of this
18 Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of
19 competent jurisdiction, such decision shall not affect the validity of the remaining portions of
20 the Ordinance. The Board of Supervisors hereby declares that it would have passed this
21 Ordinance and each and every section, subsection, sentence, clause, or phrase not declared
22 invalid or unconstitutional without regard to whether any other portion of this Ordinance would
23 be subsequently declared invalid or unconstitutional.

24 (c) Undertaking for the General Welfare. In undertaking the implementation of this
25 Ordinance, the City is assuming an undertaking only to promote the general welfare. It is not

1 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it
2 is liable in money damages to any person who claims that such breach proximately caused
3 injury.

4 (d) No Conflict with Federal or State Law. Nothing in this Ordinance shall be
5 interpreted or applied so as to create any requirement, power or duty in conflict with any
6 federal or state law.

7 (e) Effect of Amendments. In enacting this Ordinance, the Board intends to amend
8 only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation,
9 charts, diagrams, or any other constituent part of the Environment Code that are explicitly
10 shown in this legislation as additions, deletions, Board amendment additions, and Board
11 amendment deletions in accordance with the "Note" that appears under the official title of the
12 legislation.

13

14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16

17 By: _____
18 THOMAS J. OWEN
19 Deputy City Attorney

20

21

22

23

24

25

**Alternative Water Supply resolution
Adopted by Water subcommittee July 16, 2012**

Whereas, the San Francisco Public Utilities Commission currently obtains 85% of its water supply from the Tuolumne River,

Whereas, the SFPUC's Tuolumne River supply is threatened by climate change as well as potential state and federal regulations that may require additional releases of water for the protection and restoration of endangered species;

Whereas, the SFPUC and its wholesale customers are actively pursuing alternative water supply options, including conservation and recycling;

Whereas, in April of this year, the SFPUC published its "Potable Offset Investigation Summary" which identifies up to 3.4 million gallons per day of new water supply by 2035 through reuse of gray water, blackwater, stormwater and sump water for nonpotable purposes such as toilet flushing and irrigation;

Whereas, an ordinance has been introduced at the Board of Supervisors to establish regulations for the use of alternative water sources for nonpotable uses;

Whereas, the SFPUC has established a pilot grant program to incentivize the development of nonpotable supplies in large developments;

Therefore be it resolved, that the PUC Citizens' Advisory Committee supports the actions of the SFPUC to diversify its water supply, including the aforementioned pilot program;

Be it further resolved that the PUC Citizens' Advisory Committee supports the Alternative Water Supply ordinance being considered by the Board of Supervisors and urges the Mayor and Supervisor to support it.

1 [Health Code, Business and Tax Regulations Code - On-site Water Reuse for Commercial,
2 Multi-Family, and Mixed-Use Developments]

3 **Ordinance amending the San Francisco Health Code by adding Article 12C and**
4 **amending the Business and Tax Regulations Code by adding Section 249.24 to: 1)**
5 **establish permitting requirements for the use of alternate water sources for nonpotable**
6 **applications; 2) setting permit and annual fees; and 3) making environmental findings.**

7 NOTE: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strike-through italics Times New Roman*~~.
9 Board amendment additions are double-underlined;
10 Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Environmental Findings. The Planning Department has determined that the
13 actions contemplated in this ordinance comply with the California Environmental Quality Act
14 (California Public Resources Code Section 21000 et seq.). Said determination is on file with
15 the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by
16 reference.

17
18 Section 2. The San Francisco Health Code is hereby amended by adding Article 12C,
19 Sections 850 - 861, to read as follows:

20
21 **SEC 850. PURPOSE AND FINDINGS.**

22 *The Board of Supervisors finds that:*

23 *(a) All California water users are responsible for making effective use of the available water*
24 *resources.*

25

1 **(b) The development of alternate water source systems will assist in meeting future water**
2 **requirements of the City and lessen the impacts of new developments on the City's sewer system.**

3 **(c) Establishing a regulatory structure for designing, installing, operating, and maintaining**
4 **alternate water source systems will provide administrative efficiency and streamline the project**
5 **approval process.**

6 **(d) Adoption of this ordinance by the Board of Supervisors and adoption of rules and**
7 **regulations by the Department of Public Health will help achieve the City's goals for water supply use**
8 **and preservation by:**

9 **(1) Promoting the values and benefits of non-potable water use while recognizing the**
10 **need to invest water and other resources as efficiently as possible;**

11 **(2) Encouraging the use of non-potable water for non-potable applications.**

12
13 **SEC. 851. DEFINITIONS.**

14 **The terms used in this Article have the meaning set forth below:**

15 **(a) Alternate Water Source: a source of nonpotable water that includes graywater, on-site**
16 **treated nonpotable water, rainwater, and any other source approved by the Director.**

17 **(b) Black water: wastewater containing bodily or other biological wastes, as from toilets,**
18 **dishwashers, kitchen sinks and utility sinks.**

19 **(c) City: the City and County of San Francisco.**

20 **(d) Director: the Director of Public Health or any individual designated by the Director to act**
21 **on his or her behalf.**

22 **(e) First certificate of occupancy: either a temporary certificate of occupancy or a Certificate**
23 **of Final Completion and Occupancy as defined in San Francisco Building Code Section 109A,**
24 **whichever is issued first.**

1 (f) Foundation Drainage: nuisance groundwater that is extracted to maintain a building's or
2 facility's structural integrity and would otherwise be discharged to the City's sewer system. Foundation
3 drainage does not include non-potable groundwater extracted for a beneficial use that is subject to City
4 groundwater well regulations.

5 (g) General Manager: the General Manager of the San Francisco Public Utilities Commission,
6 or any individual designated by the General Manager to act on his or her behalf.

7 (h) Graywater: untreated wastewater that has not been contaminated by any toilet discharge,
8 has not been affected by infectious, contaminated, or unhealthy bodily wastes, and does not present a
9 threat from contamination by unhealthful processing, manufacturing, or operating wastes.

10 "Graywater" includes, but is not limited to, wastewater from bathtubs, showers, bathroom sinks,
11 lavatories, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen
12 sinks or dishwashers.

13 (i) Multi-Family Residential Building: A building that contains three or more dwelling units.

14 (j) Non-potable Water Engineering Report: Report submitted by project applicant to the
15 Director describing the alternate water source system in accordance with the rules and regulations
16 adopted by the Department of Public Health.

17 (k) Non-residential: A building that contains occupancies other than dwelling units.

18 (l) On-Site Treated Non-Potable Water: Non-potable water collected from alternate water
19 sources, treated, and intended to be used on the Project Applicant's site and is suitable for direct
20 beneficial use.

21 (m) NSF 350 System: Any treatment system certified by NSF International to meet NSF/ANSI
22 Standard 350 for Onsite Residential and Commercial Reuse Treatment Systems, as amended from time
23 to time.

24 (n) Permittee: owner or operator of an on-site treated non-potable water system.

1 (o) Project Applicant: the person or entity applying for authorization to install and use an
2 alternate water source project.

3 (p) Rainwater: precipitation collected from roof surfaces or other manmade, aboveground
4 collection surfaces.

5 (q) Small Residential Building: A building that contains no more than two dwelling units.

6 (r) Stormwater: Precipitation collected from at-grade or below grade surfaces.

7 (s) Water Budget Documentation: An in-depth assessment of the permittee's nonpotable water
8 use, including survey information, water meter readings, water service billing information, and any
9 other information deemed necessary by the General Manager.

10
11 **SEC. 852. APPLICABILITY.**

12 *This Article shall apply to the installation and operation of the alternate water source systems*
13 *at sites containing multi-family and non-residential buildings. This Article does not apply to:*

14 (a) Systems at small residential occupancies.

15 (b) Graywater systems where graywater is collected solely for subsurface irrigation and does
16 not require disinfection, as determined by the Director.

17 (c) Rainwater systems where rainwater is collected solely for subsurface irrigation, drip
18 irrigation, or non-sprinkled surface applications and does not require disinfection, as determined by
19 the Director.

20 **SEC. 853. REGULATION OF ALTERNATE WATER SOURCES.**

21 (a) Any person or entity who installs and operates an alternate water source system shall
22 comply with this Article, the rules and regulations adopted by the Department of Public Health, and all
23 applicable local, state, and federal laws.

24 (b) Within 90 days after passage of this ordinance, the Director shall issue rules and
25 regulations regarding the operation of alternate water source systems necessary to effectuate the

1 purposes of the Article and to protect public health and safety. These regulations shall address, at a
2 minimum:

3 (1) Water quality criteria;

4 (2) Monitoring and reporting content and frequencies; and

5 (3) Operation and maintenance requirements.

6 (c) The Director shall review applications for alternative water sources systems and may issue
7 or deny such applications, in accordance with applicable laws and regulations.

8 (d) The Department of Building Inspection shall review plans and issue or deny plumbing
9 permits for the construction, installation, or modification of alternate water source systems, in
10 accordance with applicable laws and regulations.

11
12 **SEC 854. PROJECT APPLICANT AND/OR PERMITTEE DESIGN AND CONSTRUCTION**
13 **REQUIREMENTS.**

14 (a) Prior to initiating installation of any alternate water source project, project applicants shall
15 submit to the Director an application for permits to operate alternate water source systems. Such
16 applications shall comply with the requirements of this Article and any regulations the Director has
17 issued. Project applicants shall pay a non-refundable permit application fee to cover the costs of
18 investigation and processing the application and issuing the permit. Each project application
19 submitted to the Director shall include a Non-Potable Engineering Report that provides project
20 information the Director determines to be necessary for complete review of the proposed project. City
21 departments may not approve or issue permits for any site installing an alternate water source system
22 unless and until the Director has approved the Non-Potable Engineering Report.

23 (b) System Design. All alternate water source systems shall include:

24 (1) A flow meter on the alternate water source system to account for nonpotable water
25 use;

1 (2) A reduced pressure backflow assembly (RP) within 25 feet of the downstream side of
2 the point of connection or meter to protect the City's public water and/or recycled water system;

3 (3) Signage that state law and the Department of Public Health's rules and regulations
4 require;

5 (4) Cross connection control in accordance with California Code of Regulations Titles
6 17 and 22 and the San Francisco Public Utilities Commission's Cross Connection Control Program;
7 and

8 (5) Any other requirements the Director determines is necessary to protect public
9 health.

10 (c) **Water budget documentation.** Upon submitting a project application to the Director, a
11 project applicant shall also submit Water Budget Documentation to the General Manager for review.
12 Water Budget Documentation shall include a description of the proposed alternate water source
13 system, the project's water budget, and other applicable information as determined by the General
14 Manager. City departments may not issue a site permit or plumbing permit, or approve an alternate
15 water source project application unless and until the General Manager has reviewed the Water Budget
16 Documentation.

17 (d) **Plumbing Permit.** A project applicant shall obtain from the Department of Building
18 Inspection an appropriate plumbing permit and any other building or installation permit required to
19 construct, install, alter, an alternate water source system.

20 (e) **Construction Certification Letter.** Project applicants shall certify to the Director that
21 alternate water source system construction is complete and consistent with the approved Non-Potable
22 Engineering Report in accordance with the provisions of this Article 12C and any implementing rules
23 and regulations. City departments may not approve or issue a first certificate of occupancy or
24 approval for any alternate water source system until the Director has reviewed and verified the
25 Construction Certification Letter.

1 **SEC. 855. FEES.**

2 *(a) The non-refundable application fees for alternative source water system permits are:*

3 *(1) Rainwater \$1,544.00*

4 *(2) NSF 350 systems \$2,688.00*

5 *(3) Foundation Drainage \$5,032.00*

6 *(4) Graywater \$5,032.00*

7 *(5) Black water \$9,034.00*

8 *(6) Transfer of any permit \$ 229.00*

9 *(b) The fees set forth in this Section may be adjusted each year, without further action by the*
10 *Board of Supervisors.*

11 *Not later than April 1, the Director shall report to the Controller the revenues generated by the*
12 *fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other*
13 *information that the Controller determines appropriate to the performance of the duties set forth in this*
14 *Section.*

15 *Not later than May 15, the Controller shall determine whether the current fees produce, or are*
16 *projected to produce, revenues sufficient to support the costs of providing the services for which the*
17 *fees are assessed and that the fees will not produce revenue significantly exceed more than the costs of*
18 *providing the services for which the fees are assessed.*

19 *The Controller shall if necessary, adjust the fees upward or downward for the upcoming fiscal*
20 *year as appropriate to ensure that the program recovers the costs of operation without producing*
21 *revenue which is significantly more than such costs. The adjusted rates shall become operative on*
22 *July 1.*

23 *(c) Every permit holder shall also pay an annual license fee as provided in the Business and*
24 *Taxation Code Section 249.24.*

1 **SEC. 856. OPERATING REQUIREMENTS.**

2 When the Director determines the applicant has satisfied all the requirements of this Article, the
3 Director may issue an operations permit for an alternative water source system. Permittees shall
4 timely submit all water quality monitoring information required by the provisions of this Article 12C
5 and the Department of Public Health's rules and regulations. Permittees shall conduct ongoing
6 backflow prevention and cross connection testing in accordance with this Article, the rules and
7 regulations of the Department of Public Health, and all applicable local, state, and federal laws.

8
9 **SEC. 857. NON-POTABLE WATER USE AUDITS.**

10 When required by General Manager, the permittee or property owner, shall conduct a non-
11 potable water use audit describing the extent of non-potable water use in accordance with
12 requirements provided by the General Manager.

13
14 **SEC. 858. SALE OR TRANSFER OF PERMITS.**

15 (a) Permittees shall notify the Director of any intent to sell or transfer the building or facility
16 containing an alternate water source system 30 days prior to the sale or transfer of property, in
17 accordance with regulations adopted by the Director.

18 (b) Any subsequent owner shall submit documentation to the Director establishing their ability
19 to own, operate and maintain the alternate water source system in accordance with this Article, the
20 rules and regulations adopted by the Department of Public Health, and all applicable local, state, and
21 federal laws, within 90 days of transfer of the property and prior to commencement of operations of the
22 alternate water supply system.

23 (c) The Director may approve or deny the transfer of the permit to operate to any subsequent
24 owner, in accordance with the requirements of the Article and applicable regulations.

1 **SEC. 859. INSPECTION AND NOTICES OF VIOLATION.**

2 *The Director may inspect any alternate water source system subject to the requirements of*
3 *this Article to determine compliance with the provisions of this Article and applicable regulations.*

4
5 **SEC. 860. VIOLATION AND PENALTIES.**

6 *The Director may impose administrative penalties on any permittee, or person otherwise subject*
7 *to the requirements of this Article, who violates any provision of this Article or any applicable rule or*
8 *regulation shall be subject to enforcement in accordance with Chapter 100 of the San Francisco*
9 *Administrative Code with respect to administrative penalties, and may pursue any other available legal*
10 *remedies for such violations.*

11
12 **SEC. 861. REVOCATION AND SUSPENSION OF PERMIT.**

13 *The Director may order a permittee to cease operation of an alternate water source system, or*
14 *may revoke or suspend the permit to operate if the Director determines that:*

15 *(a) The manager, operator or any employee has violated any provision of the Article or any*
16 *regulation issued pursuant to this Article;*

17 *(b) The alternate water source system is being operated or maintained in a manner threatening*
18 *the public health or health of patrons and/or residents; or*

19 *(c) The owner or operator has refused to allow any duly authorized City official to inspect the*
20 *premises or the operations of the alternate water source system.*

21
22 Section 3. The San Francisco Business and Taxation Code is hereby amended by
23 adding Section 249.24, to read as follows:
24
25

1 **SEC 249.24. NON-POTABLE WATER SYSTEMS.**

2 Every person, firm or corporation engaged in operating an alternate water source system that
3 requires a permit from the San Francisco Department of Public Health shall pay an annual license fee
4 to the Tax Collector in the amount listed below. For the purpose of this Section, the term " alternate
5 water source systems" shall have the same meaning as that in Article 12C of the San Francisco Health
6 Code.

7	<u>a) Rainwater</u>	<u>\$ 472.00</u>
8	<u>b) NSF 350 systems</u>	<u>\$ 929.00</u>
9	<u>c) Foundation Drainage</u>	<u>\$1,387.00</u>
10	<u>d) Graywater</u>	<u>\$1,387.00</u>
11	<u>e) Black water</u>	<u>\$1,844.00</u>

12 The license fee set forth above shall be paid annually on or before March 31, in accordance
13 with the provisions of Section 76.1 of the Business and Tax Regulations Code.

14
15 Section 4. This ordinance shall become effective 30 days from the date of passage.

16
17 Section 5. This section is uncodified. In enacting this Ordinance, the Board intends to
18 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,
19 punctuation, charts, diagrams, or any other constituent part of the Health Code or Business
20 and Taxation Code that are explicitly shown in this legislation as additions, deletions, Board
21 amendment additions, and Board amendment deletions in accordance with the "Note" that
22 appears under the official title of the legislation.

23
24 Section 6. By adopting this Article, the City and County of San Francisco is assuming
25 an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on

1 its officers and employees, an obligation or duty for breach of which it is liable in money
2 damages or any other relief to any person who claims that such a breach proximately caused
3 injury or damages.

4

5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: _____
8 VIRGINIA DARIO ELIZONDO
9 Deputy City Attorney

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