



**Citizens' Advisory Committee (CAC)
 MEETING MINUTES - FINAL**

Tuesday, August 28, 2012

5:30 – 7:00 p.m.

525 Golden Gate Ave., 2nd Floor O'Shaughnessy Conference Room

Members:

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

M = Mayoral appointment, B = Board President appointment

Staff Liaison: Teresa Young

ORDER OF BUSINESS

1. Call to Order and Roll Call - Chair Jones called the meeting to order at 05:42 p.m. when the panel achieved quorum.
Present: A.Jensen; T.Jones; D.Cain; D.Pilpel; J.PruittHill; S.Bjorgan; T.Ko; J.Clary; W.Farrell; D.Mokoro; J.Buendia;
Absent: A.Jamdar; A.Lantsberg; D.Carmignani; R.Hansen; D.Romero;
 *skipped to items 9, 8 and 7
2. Approval of the **July 24 meeting minutes**
 A.Jensen: On the top of page 4 t, remove first "moved" action – repeated in following paragraphs.
 T.Jones: In staff report, include A.Lantsberg starting new environmental justice/community benefits subcommittee.
 D.Pilpel moved to approve as amended; J.Clary seconded. Approved with amendments.
 *** skipped to items 5 and 4.
3. Public Comment: Introductions
 Kirk Cowgill – Consulting Firm Representing PG&E
 Kevin Dole – SF Foliage
 Eric Brooks – Member of the Public, SF Green Party
4. Report from the Chair (Terrence Jones)
 J.PruittHill and T.Jones went to Sunnydale completion on Saturday. He felt that SFPUC staff was not personal with the community.
 Question – work with J.Clary – to have formalized questions to go into queue. Asked S.Murray about local hire elements in project. What that actual meant? What dollars went to what areas? With an eye looking into future areas. Questions for follow included on our agenda.
 J.PruittHill applauded SFPUC for having the post project meeting as it was beneficial for the community.

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



J.Clary – as WW chair – follow up – Sunnydale Tunnel – accompany with green infrastructure, but had no measurable goals on what GF was going to accomplish. Be nice to know how they follow up with their neighborhood commitment. Two part project.

T.Jones – in subcommittees to have at the end of the meetings to address upcoming topics.

At the last water subcommittee (July 2012), there was a presentation on construction outreach. We will probably see more of that going forward with examples of outreach materials and strategies.

J.PruittHill will work on provisions about attendance and reporting back to appointing folks.

5. Subcommittee Chair Reports:

a. Power Subcommittee (Doug Cain)

A BOS resolution was passed to make San Francisco a non-greenhouse gas city. We had a presentation from the Power Enterprise about the Green Test Bed and how it fits into technology efforts of SFPUC. A team of staffers are collecting program proposals that would reach the goal of San Francisco becoming a non-greenhouse gas emitting city. They are looking at steps to reach that goal.

We also worked on the resolution concerning the support for CCA. J.Buendia crafted the resolution.

b. Water Subcommittee (Terrence Jones – Interim Chair)

There was interest from a local group that wanted to do some hunting of feral pigs in one of the SFPUC watersheds. As a subcommittee, we were trying to make a point that we are not trying to solve their problem, but offer guidance on how the local group can solve that issue.

J.Clary: At the last commission meeting Juliet Ellis discussed how SFPUC is redoing rehab on Southeast Community Facility (SECF).

c. Wastewater Subcommittee (Javieree PruittHill)

At the next meeting, we will have a brief presentation from SF Foliage. We are trying to make sure we keep SF Foliage relevant in D10 to make sure they continue creating jobs in the community.

Kevin Doyle from SF Foliage has a partnership with Five Keys Charter School. As tenants at SECF, he is interested in seeing SECF on the CAC's radar. SF Foliage runs a job training partnership with Five Keys to target D10 youth and have 5 key staff on site. Kids get school credit while getting job training skills. SF Foliage is looking to expand upon creating more job opportunities. Given the tentative state of things at SECF greenhouse, everything is up in the air.

6. Staff Update – *Shared with members* **Emergency Firefighting Water System Upgrade Factsheet**

7. Presentation and Discussion: **Technology Policy**. Todd Rydstrom, Assistant General Manager Business Services, SFPUC; Ken Salmon, IT Director, SFPUC Discussion and Q&A:

D.Cain: Last week at the Power committee, staff presented on the Green Test Bed program, how SFPUC is exploring new emerging technologies, and how the agency would like to use proven technologies. How can you move innovation into proven technologies that will be worth really institutionalizing in these policies? What is the validation in the investments of technologies you're making?

T.Rydstrom: It depends on the technology. Examples we are looking at are ocean and wave technologies. Those examples are where we concluded some analytical writing for budget to ask for studies and how we are doing the partnership work and exploratory work. This is same for the solar work. Whether it is the transmission or generation technologies, M.Hannaford's team has a condition assessment. To the degree whether it is upcountry, downstream, in-city generation, or energy efficiency projects, we would want to have a private pilot study. Partnerships are mentioned under the economic piece. Private and public partnerships are both important.

J.Clary: It is good to understand the policy being distributing to employees. For example, do employees get iPads? How do you determine how technology is used? What about security issues? What's the budget component in this?

T.Rydstrom: We have a set of procedures and a one device per person computing policy as well as a tablet policy. Security procedures are in place for network accessibility and device control.

K.Salmon: We have 14 security policies currently in place.

T.Rydstrom: In terms of budget, we want this to be as expansive in information for the operating and capital budget. For Karen Kubick's Sewer System Improvement Program area, as they're coming forward to Commission in technology for digesters, they include what the differences of cost would be to show alternatives in consideration. So their materials show different alternatives and underlying technologies in those budget proposals. There's not always going to be a separate line, but as Commission has a decision to make between two technologies, this is part of the information they will look at.

A.Jensen: Some of your comments speak about IT, but you're also talking about other technologies, correct?

T.Rydstrom: That's correct. This is inclusive of all technologies going before the Commission.

A.Jensen: How does this policy get implemented? Does Karen Kubick or operation managers have this as a form of a punch list?

T.Rydstrom: It is a similar to the triple bottom line (TBL) criteria to the degree that they are specified and worked out over time. Each level of service has a strategy and fits into one of the three TBL methods. For K.Kubick's case, she has level of service requirement and the task at hand as well as and this document that whatever goes before the Commission lists out the costs and addresses whether it is a leading technology, emerging technology, etc. That is why we are proposing a phasing of the sewer system improvement program instead of 20 year endorsement at once. We need proven low impact design technologies in order to report back results.

T.Ko: If there are 80 unique systems in IT, is there a principle around cutting down that number? For example, choose technologies to help become more fully integrated and narrow down that number as well as evaluate whether to reduce complexity.

K.Salmon: We are reducing that. An example is migrating to Sharepoint as it eliminates five separate systems. Maximo is also getting more adopted across enterprises as a work order management system. We are integrating conservation systems into customer care billing systems. It's actually something we are doing and continue to pursue.

T.Rydstrom: On end points 3 and 4, we talk about compatibility across existing and new technologies as well as partnerships. This includes being a part of an active city-wide group in exploring technologies.

D.Pilpel: In the economic section, it talks about federal and state grant funding. I suggest eliminating that, so that we explore demand funding opportunities. In the environmental section, I suggest adding another bullet about when we retire systems we also minimize waste involved.

Public comment:

Eric Brooks: Our City and Sustainability Chair of SF Green Party. With the arctic melting faster, the west burning, and rapid heat waves, and off the shelf technologies ready to go at large scale, we can't always wait for test pilots. There should be an emergency climate crisis water/energy system to address these crises. The SFPUC should also consider exploring broadband internet access as a public utility.

** skipped back item 2

8. Possible Action to Support the **Revised Resolution** for the **Drink Tap Ordinance**
J.Clary moved the resolution. A.Jensen seconded.

Discussion:

D.Pilpel: Thank P.Kehoe for her work on this.

R.Fox: The latest update from Board of Supervisors is that this needs to be heard at the Land Use Subcommittee. It is listed on the BOS calendar for the end of September in defining how it will be addressed at large developments, i.e. BOMA.

Public Comment: none.

Vote in favor to pass resolution: A.Jensen; T.Jones; D.Pilpel; J.Pruitthill; T.Ko;
J.Clary; D.Mokoro; J.Buendia; W.Farrell

Vote not in favor to pass resolution: D.Cain

Resolution approved by majority vote of members present.

9. Possible Action to Support the **Revised Resolution** for the **Alternative Water Supply Ordinance**

R.Fox: clarity from developers on clarifying and establishing a framework for this ordinance. This is a voluntary program.

J.Clary moved amended resolution. A.Jensen seconded.

Discussion:

D.Pilpel: As water and sewer bills triple in next 20 years, more people will move to alternative water sources. There will be more need for these types of systems. This may not be the last time to streamline these processes.

No Public Comment.

Vote in favor to pass resolution: A.Jensen; T.Jones; D.Cain; D.Pilpel; J.Pruitthill;
T.Ko; J.Clary; D.Mokoro; J.Buendia; W.Farrell – no objections.

R.Fox: There is a calendar reading at BOS on 9/4. Friendly amendment: Share it with the entire Board and Mayor.

10. Possible Action to Support the **CleanPowerSF Resolution**

J.Buendia moved for discussion and vote; T.Ko seconded.

Discussion and Q&A:

W.Farrell: I still don't understand the local build out component in the last resolve.

J.Buendia: The shell contract is going to focus bringing in green energy to the City. One of the goals was to build out local generation and as a result, build out job creation and local economic development. This is a component that goes with the legislation.

D.Cain: For example, this could be a solar farm on reservoirs.

J.Clary: I would have liked a presentation about this program and to support it, but I don't understand the timeline of implementation or costs, whether price is going to be comparable, and the financial impact to SFPUC. Who bears the fiscal risk?

T.Jones: Is there an opt-out piece by state law where you're in the program until you opt out?

J.Clary: If you don't opt out, then you get higher rates.

C.Sheehan: There are four chances over four months to opt out. After that opt-out period, there is a fee to opt out.

J.Clary: Is the energy comparable to PG&E's product?

C.Sheehan: The energy is 100% California RPS compliant. The program is still a year away from being passed. Tier 1 averages a \$9 increase. Other tiers average increase.

J.Clary: What is SFPUC's fiscal risk?

C.Sheehan: There is a \$9.5M appropriation and \$13.5M reserves with collateral for Shell, which includes operating and startup costs and money for customer service. \$6M will go to GoSolarSF energy efficiency and more studies for the development of a local build out. I believe this is Hetch Hetchy power reserves fund, but need to check on that and get back to the group.

D.Cain: Are the reserves are going down?

C.Sheehan: The rate increases that power enacted last year taking in effect now is half cent. Moving forward with CleanPowerSF program – two combined was above water.

D.Cain: CCA is deducted out of that.

W.Farrell: Are we voting on the CCA today?

J.Clary: CCA is CleanPowerSF. Shell is the energy provider.

W.Farrell: Did they expect a 49% customer opt in?

C.Sheehan: We forecasted after much research that 2/3 would opt out and 1/3 would stay in the program.

W.Farrell: What would be the minimum participation? For example, would 10% participation in it be harmful to the program?

C.Sheehan: Yes, that would be harmful with the program. To get back to the reserves, I'd need to check on that. The upfront appropriation is 19.5M.

D.Mokoro: There's been a promise that has been established, but not concrete. I don't read this as a promise to actual action.

J.Clary: Does integrate really say what you want?

J.Buendia: There has been a study about local build out that was completed in January. Some delays along the way pushed the study back so that the actual study has not come out in advance of this boat that has come in. The legislation is moving without body of work, but the body of work will come out. Community groups have been at the table working with staff to integrate this as a two part method. We want to bring green energy into the City, but our end goal is to have the jobs and local economic components as priorities.

D.Pilpel: Suggest instead of integrate, change to "deliver". Like J.Clary, I don't feel fully briefed about program. I'm interested in hearing the rest of the discussion from others whether we should get into it at this point or not.

D.Cain: Is the program really set up structurally or is there room to make program modifications?

C.Sheehan: It was recently modified when Supervisor Campos reintroduced a slightly revised leg packaged, which included renegotiation with Shell and upfront collateral. Details are set for the program, but we're waiting on local build out component and how that will be integrated.

C.Sheehan: We took a look at what it would take to do more aspects of this program and program procurement. In terms of risks, by going through third party provider, they take on risk. This was one of the variables we weighed when we explored the program. We looked at how Marin County did it. In the long term, you use less energy and obtain less energy from a service provider. To establish a program, you need a service provider until you build out the program to get locally generated energy.

T.Jones: There's a giant subsidy provided by Hetch Hetchy power, about \$20M a year, can that power my house?

C.Sheehan: Some years there's just enough for our municipal uses, other years we may have more. Another issue is that we have customers outside of city limits. In a big rainy year, it's feasible to power more users.

D.Cain: How long is the contract with Shell?

C.Sheehan: Four and a half years.

D.Cain: Stride of market may change some of that and we're not buying into a long term structure. This is a start to a structure that can change after 4.5 years.

A.Jensen: I would like staff to come back to us with a presentation and materials for the committee to consider.

T.Jones: I don't know enough about it to feel comfortable voting on this tonight.

J.Buendia: It would be ideal if there was an additional month, so that we can have more discussion on this, and in future, have stronger language on the resolution. This is an opportunity to use the resolution as a skeleton to bring up the greenhouse gas-free piece, making sure it is connected to the economic development of jobs, etc. The SF Controller's Office hand out doesn't include local build out because the information hasn't been released yet. It may not be a popular program if it doesn't include this as part of the program. We should urge the BOS to sign on and incorporate the local build out.

T.Ko: This resolution doesn't include the Mayor and BOS and this version may not have been voted on at the Power Subcommittee. Why was mayor and BOS removed from the last version? What happened to "urging the SFPUC" as well?

J.Clary: As secretary, I proposed to simplify the language.

T.Ko: This version is changed from telling the mayor and BOS to go directly to SFPUC to do something to directing the SFPUC to do something.

D.Pilpel: I'm troubled by the 2/3 opt out. I don't have enough information at this point.

J.PruittHill: I agree with D.Pilpel. There is a lot of ambiguity and not a lot of certainty. I suggest flushing it out before we bring it in front of anyone.
J.Clary motioned to table discussion for the future. W.Farrell seconded.

Public Comment:

Eric Brooks: Representing local SF Green Party. The legislation before BOS is using Shell as a purchaser to do a startup of only 30MW over 4.5 years to prime the pump for CCA. That is the limit of the risk. Most of the \$20M won't be spent in the long term. The most expensive is the 30MW because you're buying clean energy on the market. In 2004, the heart of program was the local build out. Over the years, it was spelled out in legislation what the contractor's working on – carefully detailed plan for solar, wind, cogeneration, distributed generation, complex mix with storage, demand response, etc. All of the build out language is making sure that they continue to get the build out and implement. If you support this resolution tonight, support kick starting it with Shell until the program has properly evolved.

Kirk Cowgill: From Solem and Associates, consultant for PG&E. About opt out assumptions, was that research done a while ago when you thought the program was going to be about the same costs or was it realized when people who stayed in would have to pay more?

C.Sheehan: We tested residents in City at various price points.

Vote to table resolution for further discussion in the future:

In favor: W.Farrell; T.Jones; J.PruittHill; A.Jensen; D.Pilpel; D.Mokoro; J.Clary;

Not in favor: J.Buendia; D.Cain; T.Ko

A.Jensen: What does the expression "build out" mean here?

T.Ko: It means a build out of local resources, to eventually get to the point where we are serving customers with our own energy.

11. Future CAC Agenda Items

12. Next regularly scheduled Full CAC meeting Tuesday, September 25

13. Adjournment at 07:16 p.m. T.Jones moved; J.PruittHill seconded.