



San Francisco  
**Water Power Sewer**  
Services of the San Francisco Public Utilities Commission

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
City and County of San Francisco

**Edwin M. Lee**  
MAYOR

**MINUTES**

(Approved September 27, 2011)

**Special Meeting**

**Tuesday, August 9, 2011**

9:30 A.M.

South Beach Harbor Community Room  
Pier 40-The Embarcadero  
San Francisco, CA 94107

**Note Different Meeting Location and Time**

**Commissioners**

Francesca Vietor, President  
Anson B. Moran, Vice President  
Ann Moller Caen, Commissioner  
Art Torres, Commissioner  
Vince Courtney, Commissioner

**Departments and Enterprises**

Water Enterprise  
Wastewater Enterprise  
Power Enterprise  
Infrastructure  
Business Services  
External Affairs

**Ed Harrington**  
General Manager

**Michael Housh**  
Secretary



For information, contact the Commission Secretary at 554-3165.

Minutes and other information are available on the SFPUC web site: [www.sfwater.org](http://www.sfwater.org)

## **ORDER OF BUSINESS:**

### 1. Call to Order

President Vietor called the meeting to order at 9:51AM.

### 2. Roll Call

Present were: President Francesca Vietor, Vice President Anson B. Moran, Commissioner Vice Courtney, Commissioner Art Torres joined the meeting at 10:05AM. Commissioner Ann Moller Caen was unable to attend but participated in the meeting via phone teleconference.

### 3. Public comment

The Commission heard comments from Mr. Francisco Da Costa, an environmental activist, and Mr. David Pilpel.

### 4. Commission Retreat

(Clark)

#### (a) Introductions, retreat purpose and ground rules

Strategic Planning Retreat Facilitator Carmen Clark began by observing that the purpose of these discussions was to highlight key topics from a high level view, to look across the various activities that the SFPUC was engaged in from a broad perspective, but with a purpose to develop a strategic view of what were needs, what were challenges, and how these could be broadly addressed without getting detoured too deeply into the details of each.

#### (b) Water Enterprise

(Ritchie)

#### *Water Supply and Demand – Planning for the Future*

AGM for Water Steve Ritchie began the retreat topics by presenting a detailed overview of the water supply outline for the SFPUC going forward. Mr. Ritchie outlined the existing supplies and discussed the 2009 Water Supply Agreement and how this related to what would be needed to meet current and future demands. Mr. Ritchie then addressed the known supply shortfall as well as potential supply shortfall. Mr. Ritchie then reported on future supply risks and demand uncertainty and outlined some supply options, noting these choices would require the Commissioners to answer significant policy questions.

There followed an extensive discussion among the Commissioners regarding how best to prioritize among the water supply issues before us as well as better understand what the implications of each set of choices were likely to be.

#### Public comment

The Commission heard comments from Mr. Francesco Da Costa, an environmental advocate, Ms. Jennifer Clary, SFPUC CAC & Clean Water Action, and Mr. Art Jensen, BAWSCA General Manager.

#### Commission Discussion

Following public comment and after some additional discussion it was the consensus of the Commissioners that efforts be made to address the water supply requirements of our wholesale customers in non-drought and drought periods through 2018 and beyond. There was recognition that the relationship with the wholesale customers is contractual and that long term water supply issues would have to be dealt with under the terms of the Water Supply Agreement. It was suggested that there should be discussions between the SFPUC and the wholesale customers, represented by the Bay Area Water Supply and Conservation Agency, seeking agreement as to how their short and long term water supply needs should be met.

#### (c) Lunch

The Commission recessed for lunch at 12:04PM  
The Commission returned to session at 12:40PM

#### (d) Power Enterprise *Power Priorities and Financial Realities*

(Hale)

*Commissioner Courtney rejoined the meeting in progress at 12:55PM.*

#### Power Priorities and Financial Realities August 9, 2011

Barbara Hale, Assistant General Manager for Power began by providing a brief overview and review of the 10-year Capital and Financial Plans, FY2012-21 and the adopted Hetch Hetchy Capital Plan and how this was broken down. Ms. Hale next addressed programs and issues not included in the 10-year capital plan.

#### Public comment

The Commission heard comments from Mr. Jason Fried, SF LAFCo, and Mr. David Pilpel, SFPUC CAC.

#### Commission Discussion

Following public comment and additional discussion among the Commissioners it was the consensus of the Commission that it would be unwise if not irresponsible to make major commitments of funds for the Power Enterprise without having previously figured out how to make its operations sustainable over time.

The Commission took a brief recess at 2:15PM  
The Commission returned to session at 2:25PM

(e) Wastewater Enterprise

(Moala)

*Prioritizing Values and Evaluation Criteria for the SSIP Capital Projects*

Tommy T. Moala, Assistant General Manager – Wastewater Enterprise presented an overview prioritizing Values and Evaluation Criteria for the SSIP Capital Projects.

Public comment

The Commission heard comments from Ms. Jennifer Clary, SFPUC CAC & Clean Water Action, and Mr. David Pilpel, SFPUC CAC.

Commission Discussion

Following these comments and further discussion among the Commissioners it was agreed that there was a good deal of challenging work ahead in considering and proposing options for the Wastewater Enterprise.

(f) Summary and Next Steps

(Clark)

Facilitator Carmen Clark thanked and commended all of the retreat participants noting that this had indeed been a very productive day. President Vietor expressed the Commission and staff's appreciation to Ms. Clark for her skillful path finding in moving this very ambitious agenda forward throughout the day. Mr. Harrington noted that staff was already working to refine the approaches discussed and gather the needed additional information in preparing to move forward with all of these matters.

General Manager Harrington also thanked the Assistant General Managers for developing these detailed presentations and called particular attention to the outstanding and skillful work done by Executive Assistant to the General Manager Donna Hood in bringing all of these complex and extensive presentations and supporting materials together providing an accessible and user friendly format to present all of this necessary information for this meeting.

5. Public Comment

No additional comments were offered.

President Vietor closed the meeting by thanking everyone for their collaborative and engaged participation in making this important planning meeting such a success.

There being no further business the special meeting was adjourned at 3:31PM.

ADJOURNMENT