SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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San Francisco Public Utilities Commission
Citizens' Advisory Committee
Water Subcommittee

Minutes
March 21, 2011

5:30 p.m. – 7:00 p.m.
1155 Market Street, 4th Floor Conference Room

Members: Jennifer Clary (Chair), Karen Donovan, Richard Hansen, Lurilla Harris, Art Jensen, Walt Farrell, Doug Cain

Staff: Michele Liapes

Order of Business

1. Call to Order
Meeting was called to order at 5:35 p.m.

2. Roll Call
Present: Clary, Jensen, Cain, Donovan, Farrell, Hansen

3. Approval of Minutes
The February 7, 2011 minutes were approved.

4. Public comment – matters within Subcommittee's scope, not on today's agenda.
None

5. Staff announcements/updates
Assistant General Manager/Water Steve Ritchie reported that a review of the City response system revealed the need to tighten notification procedures.

6. Automated Meter Program—Heather Pohl and Mike Brown
Heather Pohl discussed the status of the automated meter program, which, with 29,077 meters now installed, is expected to be fully deployed by 2012. The program's main benefits are meter accuracy, lower leak amounts, and the avoidance of costs due to diminished staff for meter reading. The 20-year debt service period will begin after full implementation, and the monthly bill impact will be an average 89 cents for a typical 7-unit single-family residential bill.

Staff and Committee members discussed the negative publicity of the PG&E smart meters, and the alleged health hazards. Miss Pohl explained that the concerns are generated by electricity meters, which are different from both natural gas and water meters, and are frequently attached to the house, whereas water meters are outside below the sidewalk. Potential health hazards from the automated water meters are well below FCC standards. Ms. Pohl promised to provide the members with the link to the Department of Public Health

report. The group also discussed potential layoffs of staff meter readers, the customer benefits of the program, and the need to notify members of the public of the 89-cent increase.

7. Moccasin Facility Upgrades
Steve Ritchie reviewed the reliability upgrades that have been made to all three powerhouses—Holm, Kirkwood and Moccasin—with the objective of maintaining power revenues. He then addressed upcoming upgrades to the Moccasin Compound—the primary maintenance yard for the Hetch Hetchy Water and Power System—and the needs for shop modernization, office consolidation, safety improvements, and more efficiency. Currently the old powerhouse is now used only for storage, and staff is exploring the possibility of converting it into the new administration building. The projected cost is $70 million, with notice to proceed scheduled for 2014 and completion for 2016.

In response to Subcommittee member questions, Mr. Ritchie said that the cost fit into the Capital plan, that the Commission had determined that power facility upgrades should not be debt-funded, and that reliability upgrades were the largest concern, rather than efficiency. He will investigate where future efficiency upgrades fit into the queue of tasks to be done. The group also discussed the emotional cost of restoring the old powerhouse, the $5 - $10 million cost to tear it down, and the historic preservation factor. Mr. Ritchie said that another possibility would be to use the restored powerhouse as a central archive facility.

8. Future meeting topics:

- Recreational use update (April)
- Urban Watershed Management Plan (May)
- Input for June annual staff planning retreat
- Changes in budget since February 2011 presentation
- WSIP update
- Greywater manual
- Asset management

9. Next Meeting: Monday, April 18, 2011

10. Adjournment: 7:02 pm.