San Francisco Public Utilities Rate Fairness Board

Minutes Friday, February 17, 2017
2:00 p.m.
525 Golden Gate Avenue 2nd Floor
O’Shaughnessy Conference Room
San Francisco, CA 94102

1. Call to Order and Roll Call
Chair Kevin Cheng called the meeting to order at 2:00 p.m.

Present: Kevin Cheng, Howard Ash, Theresa Kao, Adam Nguyen, Jamie Querubin, Scott Ungermann

Mr. Scott Ungermann introduced himself to the Board members as it was his first meeting. The members also exchanged introductions.

2. Public Comment: Members of the public may address RFB on matters that are within the RFB’s jurisdiction and are not on today’s agenda

There were no members of the public.

Public Comment: None

3. Chair’s Report
Deputy Chief Financial Officer Charles Perl welcomed Member Ungermann.

Mr. Perl reported on the general update of the rate study over the next few months. He reviewed the items: Fund Balance Reserve policy and Memorandum prepared by the Montague DeRose consultants on Financial and Debt Management Policies Peer Group Study Report. He presented on the fund balance reserve policy. There was discussion:

- Member Ash suggested a solution for “too much reserves” – a one-time rebate such as what PG&E does with the climate credit. This wouldn’t require ongoing funding.
- Member Kao was skeptical of the concept of a reserve being the same as fund balance. She seemed to want either a separate reserve, or some restrictions on when you could use reserves.
- A couple members asked why we decided against a dedicated Rate Stabilization fund.
- Member Nguyen suggested a clause allowing for automatic appropriation of fund balance in an emergency, though Charles said that already exists to a certain extent.

Rates Analyst Erin Franks presented on the 2018 Water and Sewer Rate Study Update. There was discussion on stormwater charges:
• Member Nguyen wants to know about bill impacts – what % of customers will see rate increases? What $ amount or % of our total revenue would shift?

• Member Nguyen also wanted to know about low income customers and how this would impact them.

• Member Nguyen suggested that we need to quantify the benefits of this change on policy grounds – make the case clearly for why we should do this.

• Member Nguyen and Chair Cheng were both interested in trying to only apply this narrowly – hitting the larger people who aren’t paying only instead of having to roll out a complicated charge to everyone. General reasoning seemed to be that we should keep it simpler for customers and easier for us to implement and that that was a priority.

• Member Ash suggested that this is a good way to drive green infrastructure/mitigations such as ripping up paved lawns in the Sunset.

• Member Ash feels strongly that the ROW should be paid by the city, and that not doing so was akin to giveaways like interruptible rates.

Deputy Communications Manager Deborah Chilvers presented on the Water and Sewer Rates Outreach Goals to the community.

Member Ash appreciated the neighborhood meetings. Mr. Perl stated that Members will be invited to future scheduled neighborhood meetings or if Members know of other meetings to inform the Rate Fairness Board.

Rates Manager Amy Javelosa-Rio reviewed the Rate Study timeline.

Public Comment: None

4. Approval of RFB Minutes of September 30, 2017 minutes.
Member Querubin approved and Chair Cheng seconded the minutes.

Ayes: Cheng, Kao, Nguyen and Querubin
Member Ash was excused.

Public Comment: None

5. Announcements, Comments, Questions, and Future Agenda Items
Member Ash requested the behested payment email be sent to him.
Chair Cheng requested the follow up on the focus groups by Communication.

• Ms. Javelosa-Rio announced that there will be a presentation on the FY 2017-18 CleanPowerSF Rates at the next Rate Fairness Board meeting.

• Mr. Perl announced there will also be a presentation on the 10-year Financial Plan.

• Member Ash mentioned the election of officers.

• Mr. Perl stated there is one vacancy on the Board of Supervisors appointed seat representing small businesses.

6. The meeting adjourned at 3:49 p.m.