



San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed

Mayor

Minutes
SPECIAL MEETING
Budget Hearing #2
Thursday, January 16, 2020
9:00 A.M.
(Approved January 28, 2020)

NOTE DIFFERENT TIME AND LOCATION

525 Golden Gate Avenue, Second Floor
O'Shaughnessy Conference Room
San Francisco, CA 94102

Commissioners

Ann Moller Caen, President
Francesca Vietor, Vice President
Anson Moran
Sophie Maxwell
Tim Paulson

Harlan L. Kelly, Jr.

General Manager

Donna Hood

Secretary



For information, contact the Commission Secretary at 415-554-3165
Minutes and other information are available on the SFPUC web site:
www.sfwater.org

1. Call to Order
Budget Chair Caen called the Special Budget Hearing to order at 9:09 am.

2. Roll Call
*Present: Caen, Vietor, Moran, and Maxwell
Commissioner Paulson arrived at 9:48 am.*

3. Summary of January 9, 2020 Budget Hearing #1 Questions
Eric Sandler, CFO and Assistant General Manager (AGM), Business Services, distributed summary of Commissioner questions and staff responses from the January 9, 2020 Budget Hearing #1.

CFO Sandler noted a question from Vice President (VP) requesting a summary of positions by program was not included but will be added with the next update.

Chair Caen asked that Commissioners only ask clarifying questions to presenters during the presentation and hold other questions to the end of the presentation.

CFO Sandler reviewed the Wastewater Enterprise binder materials.

Chair Caen continued item 3 to the end of the meeting to allow for review and discussion.

4. Wastewater Enterprise (WWE) Budget and Capital Plan
i. FY 2020-21 and FY 2021-22 WWE Operating Budget
Greg Norby, AGM Wastewater, began with an overview of WWE operations, which is comprised of three wastewater treatment plants, one wet-weather facility, 27 pump stations, 1,900 miles of sewer mains and laterals, and 25,000 catch basins. There are seven division with 544 authorized positions.

AGM Norby reviewed the WWE divisions and introduced Division Managers for Operations, Maintenance, Collection Systems, Engineering, Regulatory Compliance, Urban Watershed Planning and Business Strategy and Performance.

AGM Norby outlined their approach to identify budget efficiencies (process and outcomes). He noted the WWE budget proposal is guided by the SFUPC Strategic Goals. He indicated how the WWE Business Plan Goal Areas fit into three specific SFPUC Strategic Goal areas of Reliable Service and Assets (asset management and capital planning), Organization Excellence (business processes and safety), and Effective Workforce (workforce planning).

AGM Norby reviewed the following budget themes and associated challenges and opportunities:

Theme – People:

Challenge 1: Changing workforce needs.

Challenge 2: Training and assessing a highly skilled workforce. He reviewed new staff training efforts (old vs new model), and WWE efforts to formalize a dedicated training team, which includes a budget request of four new positions created via substitutions.

Theme - Resilience:

Challenge 1: Integrating asset management and capital project delivery.

Proposal 1: Staff support to onboard new Sewer System Improvement Program (SSIP) assets, which includes six new project-funded positions (no operating budget impact).

Proposal 2: Property to mitigate impacts of SSIP on current operations, which includes a new budget request of \$850,000 to pay for lease in year one.

Proposal 3: Digester cleaning to extend useful life, which includes a new budget request of \$1M to pay for cleaning in year one.

Challenge 2: Ensuring safe operations at all facilities.

Proposal: Expanding service contracts and formalizing a safety team, which includes three positions created via substitution and a new budget request of \$1,035M to pay for service contracts in year one.

Commissioner Paulson arrived at 9:48 am.

Theme: Utility of the Future, Now:

Opportunity 1: Scaling of Green Infrastructure across Urban Watershed.

Proposal 1: Stormwater Management Ordinance Administration, which includes three project-funded positions.

Proposal 2: Stormwater Allocation Administration, which includes four new positions with a year-one operating budget impact of \$219,295 and a year-two operating budget impact of \$463,341.

Opportunity 2: Mitigating Risk through Sewer Lateral Asset Management.

Proposal: Formalizing a Lateral Asset Management Program, which includes two project-funded positions with a year-one operating budget impact of \$500,000.

Opportunity 3: Managing Biosolids for Environmental Benefit.

Proposal: Biosolids Management Cost Increase with a year-one operating budget impact of \$1.2M.

AGM Norby reviewed the total proposed budget changes for FY 2020-21 (9% change), and FY 2021-22 request (5% change). He reviewed total proposed position change request for FY 2020-21 (2%) and FY 2021-22 (1% change) and concluded with a review of Operating Budget Use of Funds.

No public comment.

- ii. FY 2020-21 through FY 2029-30 WWE Capital Plan, including the FY 2020-21 and FY 2021-22 WWE Capital Budget
Steven Robinson, Director of Capital Programs, began with a timeline and an overview of the Capital Planning process steps: (1) Level-of-Service Refinement, (2) Needs identification, (3) Improvements prioritization, and (4) Implementation planning.

He outlined the summary of the 10-year (FY 21-30) Capital Improvement Program; Wastewater Capital Plan Summary (-8% change); Capital Appropriations for FY21 (\$179.4) and FY22 (\$399.4); and FY2020-21 to FY2029-30 10-Year Capital Plan. He concluded with a summary of next steps.

No public comment.

Chair Caen indicated that the Commissioner questions and staff answers will be included on the subsequent agendas and discussed at that time.

5. Motion to continue the meeting to a Special Meeting noticed for Thursday, January 23, 2020.

On motion to continue the meeting to a Special Meeting noticed for Thursday, January 23, 2020:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

Meeting continued at 10:52 pm.