San Francisco Public Utilities Rate Fairness Board

Minutes Friday, March 14, 2014, 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 2:10 p.m.
Present: Kevin Cheng, Howard Ash, Anthony Ababon, Patricia Breslin, Mirian Saez, and Theresa Kao substituting for Risa Sandler

2. Public Comment: Members of the public may address the Rate Fairness Board (RFB) on matters that are within the RFB’s jurisdiction and are not on today’s agenda
Public Comment:
None

3. Chair’s Report
- Water/Sewer FYE15-FYE18 Proposed Rates – Finance Update
- Water/Sewer FYE15-FYE18 Proposed Rates – Communications Update
- Water/Sewer FYE15-FYE18 Proposed Rates – Rate Fairness Board Recommendations

Director of Financial Planning Crispin Hollings introduced Jennifer Keene of Carollo Engineers who gave a presentation regarding the proposed rates for private fire service.

Member Ash made the following comments and/or requests for information:
  a. Determine whether or not fire service connections are pressurized at the same level as potable service connections.
  b. For customers with both potable water and fire service accounts, consider a single bill instead of two separate bills currently sent to such customers.

Director of Customer Service Marge Vizcarra presented an update on Advanced Metering Infrastructure (AMI) and its impact on Customer Service costs.

Director of Financial Planning Crispin Hollings gave a presentation regarding seasonal variations in water usage by customer class as well as an overview of low-income discount programs.

Member Saez made the following comments and/or requests for information:
  a. Provide the legislative history for current low-income programs.
  b. Quantify the gap between the customers who qualify for low-income discount programs and those who are currently receiving discounts through existing programs.

Chair Cheng made the following comments and/or requests for information:
  a. By how much would low-income program funding need to be increased to support projected unmet demand?
Deputy Director of Communications Deborah Chilvers presented an update on the SFPUC's Proposition 218 notice and related feedback as well as outreach efforts being coordinated by the SFPUC Communications group.

Chair Cheng presented a draft of the RFB presentation for the April 22 meeting of the Commission.

Member Ababon made the following comments and/or requests for information:
  a. Provide the minimum rate increases that would still meet debt service coverage requirements.

Member Kao made the following comments and/or requests for information:
  a. Show separate modeling scenarios that follow consultant recommended rate increases and staff proposed rate increases.

Member Ash made the following comments and/or requests for information:
  a. Include a section on private fire service rates in the RFB recommendations.

Chair Cheng requested that RFB members provide input to the draft presentation prior to the next meeting of the RFB.

Public Comment:
Ms. Joan Girardot, Coalition for San Francisco Neighborhoods, made the following comments and/or requests for information:
  a. Provide the true cost to deliver one unit of water.
  b. Provide the true cost to treat one unit of residential wastewater.
  c. Provide information regarding the cost basis for tiered rates for water.

Member Ash noted that the day noted on the minutes for February 11, 2014 was incorrect and proposed that the minutes be approved as amended.

Public Comment:
None

On the motion to approve:
Ayes: Cheng, Ash, Ababon, Breslin, Kao, Saez

5. Announcements, Comments, Questions, and Future Agenda Items
Chair Cheng scheduled RFB meetings for March 28, 2014 and April 4, 2014.

Public Comment:
Ms. Joan Girardot, Coalition for San Francisco Neighborhoods, made the following comments and/or requests for information:
  a. Regarding capacity fees, how much has been collected and how much is projected to be collected?
  b. Regarding the requirement to provide funding for the Arts Commission, how much money has the SFPUC provided and for which projects?

6. The meeting adjourned at 4:05 PM.