



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

**London N. Breed**  
Mayor

**MEETING MINUTES**  
**Tuesday, October 10, 2023**  
**1:30 PM**  
**(Approved October 24, 2023)**

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 400

**Commissioners**

Newsha Ajami, President  
Sophie Maxwell, Vice President  
Tim Paulson  
Anthony Rivera  
Kate H. Stacy

Dennis J. Herrera  
General Manager

Donna Hood  
Commission Secretary

1. Call to Order

*President Ajami called the meeting to order at 1:30 pm.*

2. Roll Call

*Present: Ajami, Maxwell, Paulson, Rivera, and Stacy*

3. Annual Election of Officers: Discussion and possible action to elect a President and Vice President of the Commission, each to serve a one-year term, as per the San Francisco Public Utilities Commission Rules of Order, Rule No. 6.

*President Ajami outlined the process for the election of officers and asked for public comment.*

*No public comment on the election of Commission President.*

*Commissioner Maxwell nominated Commissioner Paulson for the position of Commission President. Commissioner Stacy seconded. Nomination accepted.*

*On Motion to approve the nomination of Commissioner Paulson as Commission President  
Ayes: Ajami, Maxwell, Paulson, Rivera, and Stacy*

*President Paulson stated the process for the election of Vice President (VP) will be the same as that for President and asked for public comment.*

*No public comment on election of VP.*

*Commissioner Ajami nominated Commissioner Rivera for the position of Commission VP. Commissioner Maxwell seconded. Nomination accepted.*

*On Motion to approve the nomination of Commissioner Rivera as Commission VP:  
Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

4. Approval of the Minutes of the September 20, 2023 Special Meeting and the September 26, 2023 Regular Meeting

*No public comment.*

*On motion to approve the Minutes of September 20, 2023 and September 26, 2023:  
Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

*President Ajami was excused from the meeting at 1:45 pm.*

5. General Public Comment

- *Eileen Boken announced the passing of Nancy Wuerfel. She noted their discussions about the desire of Santa Clara and San Jose to become permanent customers and expressed opposition.*
- *Mary Butterwick discussed flow management on the Tuolumne and requested that the Design Drought be reduced by one year, and reasonable demand projections be applied.*
- *(Inaudible) concurred with comments made by Mary Butterwick.*

- *Shannon McEntee, Palo Alto, thanked the Commission for moving public comment to the beginning of the meeting.*
- *Cynthia (inaudible), Menlo Park, discussed the Long-Term Voluntary Agreement (LTVA) and the Design Drought.*
- *Marilyn Jackson stated 1800 Oakdale should be made as a remembrance to Dr. Espanola Jackson and requested that 1550 Evans be used for community and senior events and educational programs.*
- *Gwen Jackson Fagan requested an update on issues she previously discussed.*
- *Dave Warner, Palo Alto, discussed the responsibility for Commission oversight and the need for transparency between staff and the Commission. He stated that staff presentations are one-sided. He discussed the LTVA and adaptive management.*
- *John Rosapepe discussed declining salmon levels on the Tuolumne. He asked that the Bay Delta lawsuit be dropped.*
- *Pamela Cotton, Tuolumne County, discussed the Design Drought and salmon levels.*

## 6. Report of the General Manager

### a) FY 2023-24 Capital Financing Plan Update

*Nikolai Skarloff, Capital Finance Director began with an overview of debt management and stated that there is a large outstanding debt portfolio and significant projected future debt issuance and credit needs. He noted that activities are guided by Commission policies, the Revenue Bond Oversight Committee, and the annual Capital Financing Plan.*

*Director Skarloff stated the SFPUC has \$8.5 billion of outstanding borrowing that excludes \$3.6 billion of undrawn Commercial Paper, Water Infrastructure Finance and Innovation Act, and State Revolving Fund borrowing. He indicated the 10-Year Financial Plan includes \$6.338 billion of additional borrowing. He provided a summary of Enterprise debt and Enterprise Capital Ratings.*

*Director Skarloff reviewed new money/credit needs, administration of existing debt portfolio, and market opportunities. He provided current market conditions and stated (1) Federal Reserve has significantly raised rates and is forecasted to pursue rate hikes for the remainder of 2023, with a decrease anticipated in 2024; (2) Yield inversion persists in the municipal market; and (3) Volatility in both the taxable and tax-exempt markets remain and create potential for new refunding opportunities.*

*Director Skarloff briefly reviewed the FY2023-24 Capital Financing Plan and described other initiatives including the Alternative Water Supply, managing risk in a rising rate environment. Power Enterprise financing needs – CleanPowerSF, and Green Bond Program.*

*Commissioner Maxwell thanked Director Skarloff for his clear and concise presentation.*

*In response to a question from President Paulson regarding risk, Director Skarloff discussed recent actions by the FED and fluctuating markets, and addressed the impact of higher interest rates, noting the advantage of some lower rates that are available to the agency.*

*Commissioner Stacy thanked Director Skarloff and staff for their work.*

Public Comment

- *Dave Warner stated the presentation is one-sided and presented his thoughts on key risks and debt. He questioned the effects of water decline trends, population changes, and affordability on the ability to pay back debt.*

- b) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements  
*General Manager (GM) Herrera provided a brief update regarding milestones for the Voluntary Agreement.*

*No public comment.*

7. CONSENT CALENDAR

- a) Issue three no-fee, eight-year revocable licenses to Greenaction for Health and Environmental Justice, a California non-profit public benefit corporation; Manylabs, a California non-profit public benefit corporation; and The Regents of the University of California, a public university, to install three separate air quality monitoring devices on the roof of the Southeast Community Center, located at 1550 Evans Avenue, Building No. 1, in San Francisco, each occupying approximately 4 square feet of the roof. ([Resolution 23-0184](#))
- b) Amend Contract No. 525GG-001, Licensed Software Upgrade, and Software and Equipment Maintenance with Alameda Electrical Distributors, Inc. to increase the contract duration by four years and six months for a new total contract duration of 10 years to maintain and support proprietary software at the San Francisco Public Utilities Commission headquarters building. ([Resolution 23-0185](#))
- c) Approve Amendment No. 1 to Contract No. CS-1405, United States Geologic Survey Joint Funding Agreement, with the United States Geological Survey (USGS), to increase the contract by \$95,910, for a new total not-to-exceed contract amount of \$2,933,680, with no change to the contract duration, to allow the San Francisco Public Utilities Commission and the USGS to continue a cooperative Water Resource Investigations Program for hydrologic monitoring and stream and reservoir gauge maintenance in the Alameda and Peninsula Watersheds in order to construct and provide monitoring at five new monitoring stations. ([Resolution 23-0186](#))
- d) Award Contract Nos. PRO.0262 A, B, and C, Comprehensive Technical Services for Renewable & Advanced Energy Generation Services, to AECOM Technical Services Inc. (PRO.0262.A), Sage Renewable Energy Consulting Inc. DBA NV5 (PRO.0262.B), and EnerVue LLC (PRO.0262.C) for an amount not to exceed \$12,000,000 (\$4,000,000 each agreement) and with a duration of five years. ([Resolution 23-0187](#))
- e) Approve an increase of 800 consecutive calendar days to the contract duration contingency for Contract No. WD-2776, San Francisco Westside Recycled Water Treatment Facility at Oceanside Plant, with S.J. Amoroso Construction Co., Inc., resulting in a new contract duration limit of up to 2,980 consecutive calendar days to allow for the replacement of critical equipment for the facility, with no change to the contract amount. ([Resolution 23-](#)

[0188](#))

- f) Accept work performed by Precision Engineering, Inc. under Contract No. WW-677, Various Locations Sewer Replacement No. 6, for a total contract amount of \$4,401,284 and a total contract duration of 564 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 23-0189](#))

*Commissioner Stacy addressed item 7a and expressed thanks that the data gathered from the air quality monitors will be made available to the public.*

*In response to a question from Commissioner Stacy regarding item 7e as to why there is no increase in funding being requested, Barbara Palacios, Project Manager stated that staff are waiting for a quote for replacement of the equipment and have not started negotiations with the contractor for a contract extension, and at the appropriate time staff will return to the Commission to request funding for a contract extension.*

*Project Manager Palacios and Assistant General Manager Robinson responded to a follow-up question regarding corrosion and equipment maintenance. Commissioner Maxwell requested periodic updates as appropriate. Brief discussion ensued.*

*No public comment.*

*On motion to approve the Consent Calendar  
Ayes: Paulson, Rivera, Maxwell, and Stacy*

8. Approve the Ocean Beach Climate Change Adaptation Project, Long-Term Improvements, a multi-city-department project led by the San Francisco Public Utilities Commission; authorize staff to proceed with actions necessary to implement the Project; approve a letter of agreement describing the terms of an anticipated Memorandum of Understanding with the San Francisco Recreation and Parks Department regarding construction and operation of the Project improvements and authorize the General Manager to negotiate and execute the same; urge the San Francisco Recreation and Parks Commission and the Board of Supervisors to restrict vehicular traffic on the Great Highway Extension and take any other actions necessary to facilitate the Project; and adopt findings and a Mitigation Monitoring and Reporting Program pursuant to the California Environmental Quality Act. ([Resolution 23-0190](#))

*Anna Roche, Project Manager reviewed the historic approach to coastal erosion and temporary protection measures and reviewed the Ocean Beach major project components. She continued with discussion of the protection of the Lake Merced Tunnel at Ocean Beach. She provided images of Ocean Beach now and with anticipated work completed.*

*Project Manager Roche discussed the San Francisco Municipal Transportation Agency's Westside Traffic Flow Strategy. She concluded with a summary of the requested Commission approval action and noted future approvals that will be brought to the Commission for the project.*

*Project Manager Roche responded to questions from Commissioner Maxwell regarding new parking and the distances to the beach and noted there will be a parking lot and street parking available.*

*Commissioner Stacy commended staff for their work on the project and for the coordination with multiple agencies and organizations. She discussed traffic patterns in the area and noted the need to address traffic issues; cost-sharing concerns and that costs do not fall on SFPUC ratepayers; climate resilience efforts; and the need to protect SFPUC assets.*

*VP Rivera expressed thoughts on traffic flow and congestion and the need for safeguards to ensure public safety. He questioned maintenance costs and the plan to keep infrastructure maintained given coastal conditions. Project Manager Roche indicated the coastal development permit has a requirement for monitoring.*

*Commissioner Maxwell concurred with Commissioner Stacy's comments regarding cost-sharing and the need for others to contribute financially to the project.*

*GM Herrera expressed and understanding as to the Commissioners' concerns regarding finances and cost-sharing. He stated the project is designed to protect the SFPUC's assets and that there are citywide climate resiliency efforts and community capital planning underway. He indicated that SFPUC ratepayer funds and projects are appropriately funded and that fiscal responsibly is taken seriously. He stated that departmental responsibility for assets is outlined in the MOU.*

*Brief additional discussion ensued regarding efforts to protect the environment, traffic plan, and emergency access to the Great Highway, if needed.*

*Project Manager Roche recapped the action being requested to approve the project.*

#### Public Comment

- *Tanya Peterson, Executive Director, San Francisco Zoo discussed the need for the Great Highway to remain open in the event of a Zoo emergency and discussed traffic congestion and the potential impact of closing the Great Highway on the Zoo's attendance and revenue. She stated she would consider requesting revocation of the Zoo's short-term lease with the SFPUC for an area once used for Zoo parking. [She provided written comment.](#)*
- *Zach Lipton, Friends with Great Highway Park, stated the project is intended to protect SFPUC's Wastewater infrastructure and noted there is public support for project.*
- *(Inaudible) speaker stated this project is based on lies and that conflicts of interests need to be declared.*
- *Eileen Boken expressed opposition to the item and discussed the Planning Commission meeting and their action taken on this item.*
- *[San Francisco Planning and Urban Research Association provided written comment](#)*

*On motion to approve Item 8:*

*Ayes: Paulson, Rivera, Maxwell, and Stacy*

9. Approve the expansion of California Water Service Company's (Cal Water) Bear Gulch District service area due to the acquisition of Skylonda Mutual Water Company; and approve the Second Amendment of the Individual Water Sales Contract between the City and County of San Francisco and Cal Water, in accordance with section 3.03.B of the 2021 Amended and Restated Water Supply Agreement. ([Resolution 23-0191](#))

*Alison Kastama, Water Enterprise BAWSCA and Water Supply Customer Liaison introduced the item and requested approval.*

Public Comment

- *Unidentified speaker stated that conflict of interests must be declared.*
- *Nicole Sandkulla, BAWSWCA CEO expressed support for the item.*

*On motion to approve Item 9:*

*Ayes: Paulson, Rivera, Maxwell, and Stacy*

10. Communications (information only)

- Advance Calendar
- Contract Advertisement Report
- Correspondence Log
- Water Supply Conditions Update

11. Items initiated by Commissioners

*None.*

12. Public Comment on the matters to be addressed during Closed Session

- *Unidentified speaker stated transparency is needed.*

13. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

*On motion to assert the attorney client privilege regarding the matters listed as Conference with Legal Counsel:*

*Ayes: Paulson, Rivera, Maxwell, and Stacy*

*The Commission entered Closed Session at 3:25 pm.*

*Present in Closed Session: Commissioners Maxwell, Paulson, Rivera, and Stacy; Dennis Herrera, General Manager; Ron Flynn, Deputy General Manager; Deputy City Attorney Sheryl Bregman; Alison Kastama Water Enterprise BAWSCA and Water Supply Customer Liaison, and Donna Hood, Commission Secretary.*

14. CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation (Government Code §54956.9, San Francisco Administrative Code §67.10(d)(1)):

*Deven Gadula v. City and County of San Francisco*

*Unlitigated Claim File No.: 23-01038*

*Date Filed: January 9, 2023*

*Proposed settlement of unlitigated claim for damage to property resulting from a ruptured water main with the City and County of San Francisco to pay Deven Gadula \$175,000.00 in exchange for a full and final release, subject to final approval by the Board of Supervisors. (Resolution 23-0192)*

15. CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation (Government Code §54956.9, San Francisco Administrative Code §67.10(d)(1)):

*Joan Assereto v. City and County of San Francisco*

Unlitigated File No.: 23-01644

Date Filed: March 10, 2023

Proposed settlement of unlitigated claim for damage to property resulting from a ruptured water main with the City and County of San Francisco to pay Joan Assereto \$44,000.00 in exchange for a full and final release subject to final approval by the Board of Supervisors. (Resolution 23-0193)

*The Commission exited Closed Session at 3:36 pm.*

16. Announcement following Closed Session

*President Paulson announced that the Commission recommended that the Board of Supervisors approve the settlements referenced in the agenda.*

17. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a).

*On motion not to disclose the discussions during Closed Session:*

*Ayes: Paulson, Rivera, Maxwell, and Stacy*

18. Adjournment

*President Paulson adjourned the meeting at 3:36 pm*