

FILE NO. 150803

Petitions and Communications received from July 13, 2015, through July 20, 2015, for reference by the President to Committee considering related matters, or to be ordered filed by the Clerk on July 28, 2015.

Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information will not be redacted.

From Department of Elections, submitting certification of the "Mission District Housing Moratorium" initiative measure. Copy: Each Supervisor. (1)

From Department of Elections, submitting certification of the "Short-Term Residential Rentals" initiative measure. Copy: Each Supervisor. (2)

From Civil Grand Jury, submitting copies of the following 2014-2015 reports: (3)

CleanPowerSF: At Long Last

San Francisco's City Construction Program: It Needs Work

San Francisco Fire Department: What Does the Future Hold?

Unfinished Business: A Continuity Report on the 2011-12 Report, Déjà Vu All Over Again

From Mayor Lee, regarding Sheriff's Department communication policy with Federal Immigration authorities, pertaining to the Sanctuary Ordinance. Copy: Each Supervisor. (4)

From Mayor Lee, designating Supervisor Farrell as Acting-Mayor from July 18, 2015, to July 25, 2015. Copy: Each Supervisor. (5)

From Mayor Lee, regarding appointment to the Commission on the Status of Women: (6)
Breanna Zwart - Term ending January 22, 2019

From Sunshine Ordinance Task Force, reporting notice of members excessive absences. Copy: Each Supervisor. (7)

From Department of Public Health, submitting proposal for City Option Modernization and creation of an Employee Wellness Fund. Copy: Each Supervisor. (8)

From Clerk of the Board, reporting that the following departments have submitted their reports regarding Sole Source Contracts for FY2014-2015: (9)

311

Adult Probation

Arts Commission

Assessor-Recorder

Building Inspection

Children and Families Commission
City Administrator
City Attorney
Controller
Department of Elections
Office of Economic and Workplace Development
Port of San Francisco
Municipal Transportation Agency
War Memorial and Performing Arts Center

From Clerk of the Board, reporting that the following individual has submitted a Form 700 Statement as of July 16, 2015: (10)

Yadegar, Daniel - Legislative Aide - Assuming Office

From Treasurer and Tax Collector, submitting Monthly Pooled Investment Report for June 2015. Copy: Each Supervisor. (11)

From Planning Department, submitting notification of the Advanced Rainfall Prediction Project receiving environmental review. (12)

From California Highway Patrol, submitting recent activities during May through June 2015. Copy: Each Supervisor. (13)

From Pacific Gas and Electric Company, submitting Order Instituting Rulemaking of Public Utilities Code Sections 364 and 768.6. (14)

From Office of Economic and Workplace Development, regarding proposed establishment of Greater Rincon Hill Community Benefit District. File Nos. 150592, 150686, 150761, and 150770. Copy: Each Supervisor. (15)

From SirkinLaw APC, regarding 158-162 Linda Street; Block No. 3597, Lot No. 49; 6-Unit ECP Conversion. Copy: Each Supervisor. (16)

From Judith Robinson, regarding rent-control proposal. File No. 150646. Copy: Each Supervisor. (17)

From Sierra Club, regarding municipal solid waste disposal. File Nos. 150715 and 150765. Copy: Each Supervisor. (18)

From Pelosi Law Group, regarding 645 Texas Street appeal. File Nos. 150723, 150724, and 150726. (19)

From various associations, regarding memorial for "comfort women." File No. 150764. 4 letters. Copy: Each Supervisor. (20)

From Edward Naritomi, regarding limiting rentals. File No. 150363. Copy: Each Supervisor. (21)

From concerned citizens, regarding homelessness. 2 letters. Copy: Each Supervisor. (22)

From concerned citizens, regarding San Francisco as a sanctuary city. 59 letters. Copy: Each Supervisor. (23)



City and County of San Francisco
Department of Elections

John Arntz, Director

CERTIFIED MAIL: 7014 0510 0001 3535 3884

July 14, 2015

J. Scott Weaver
315 28th St.
San Francisco, CA 94131-2308

Re: CERTIFICATION FOR THE "**MISSION DISTRICT HOUSING MORATORIUM**" INITIATIVE MEASURE

Dear J. Scott Weaver,

As provided in *California Elections Code, Chapter 2, Article 1, Section 9115 (a)*, a random sample of 500 signatures (of the total 15,006 submitted) for the **Mission District Housing Moratorium** petition established that the number of valid signatures of registered San Francisco voters was sufficient for the initiative to qualify for the next regularly scheduled election.

Based on this statistical sampling, the total number of valid signatures submitted on this petition was determined to be greater than the 9,711 signatures required for qualification.

I hereby certify that the **Mission District Housing Moratorium** qualifies for the next general, municipal, or statewide election in the City and County of San Francisco occurring at any time after 90 days from the date of this certification of sufficiency.

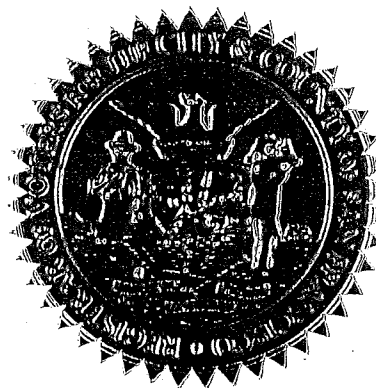
If you should have any questions, please contact Erlisa Chung at (415) 554-4374.

Sincerely,

John Arntz
Director of Elections

By: 
Erlisa Chung
Voter Services Division Supervisor

cc: Honorable Edwin Lee, Mayor
John Arntz, Director of Elections
Angela Calvillo, Clerk of the Board
Dennis Herrera, City Attorney





City and County of San Francisco
Department of Elections

John Arntz, Director

HAND DELIVERED

July 13, 2015

ANGELA CALVILLO, CLERK OF THE BOARD

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 13 PM 12:33

RE: CERTIFICATION OF THE "**SHORT-TERM RESIDENTIAL RENTALS**" INITIATIVE MEASURE

Enclosed is a copy of the letter sent to the proponent of the above named petition, certifying that the petition did contain sufficient valid signatures to qualify for the next general, municipal, or statewide election occurring in the City and County of San Francisco at any time after 90 days from the date of this certificate of sufficiency.

If you should have any questions or need additional information, please contact Erlisa Chung, Voter Services Division, at (415) 554-4374.

Sincerely,

John Arntz
Director of Elections

By: 
Erlisa Chung
Voter Services Division Supervisor

Encl. Copy of certified letter to proponent

Cc: Honorable Edwin Lee, Mayor
Dennis Herrera, City Attorney
John Arntz, Director of Elections

2



City and County of San Francisco
Department of Elections

John Arntz, Director

CERTIFIED MAIL: 7014 0510 0001 3535 3907

July 13, 2015

Dale Carlson
8 7th Ave.
San Francisco, CA 94118-1205

RE: CERTIFICATION FOR THE "**SHORT-TERM RESIDENTIAL RENTALS**" INITIATIVE MEASURE

Dear Dale Carlson,

As provided in *California Elections Code, Chapter 2, Article 1, Section 9115 (a)*, a random sample of 500 signatures (of the total 15,934 submitted) for the **Short-Term Residential Rentals** petition established that the number of valid signatures of registered San Francisco voters was sufficient for the initiative to qualify for the next regularly scheduled election.


Based on this statistical sampling, the total number of valid signatures submitted on this petition was determined to be greater than the 9,711 signatures required for qualification.

I hereby certify that the **Short-Term Residential Rentals** petition qualifies for the next general, municipal, or statewide election in the City and County of San Francisco occurring at any time after 90 days from the date of this certification of sufficiency.

If you should have any questions, please contact Erlisa Chung at (415) 554-4374.

Sincerely,

John Arntz
Director of Elections

By: 
Erlisa Chung
Voter Services Division Supervisor

cc: Honorable Edwin Lee, Mayor
John Arntz, Director of Elections
Angela Calvillo, Clerk of the Board
Dennis Herrera, City Attorney



CITY AND COUNTY OF SAN FRANCISCO
 CIVIL GRAND JURY

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO

2015 JUL 13 AM 11:32

BT



July 13, 2015

San Francisco Board of Supervisors
 Angela Calvillo, Clerk of the Board
 1 Dr. Carlton B. Goodlett Place
 City Hall, Room 244
 San Francisco, CA 94102-4689

Dear Ms. Calvillo,

The 2014 – 2015 Civil Grand Jury will release its report entitled, "CleanPowerSF At Long Last" to the public on Thursday, July 16, 2015. Enclosed is an advance copy of this report. Please note that by order of the Presiding Judge of the Superior Court, Hon. John K. Stewart, this report **is to be kept confidential until the date of release (July 16th)**.

California Penal Code §933 (c) requires a response to be submitted to the Presiding Judge within 90 days. California Penal Code §933.5 states that for each finding in the report, the responding person or entity shall indicate one of the following: (1) agree with the finding; or (2) disagree with it, wholly or partially, and explain why.

Further, as to each recommendation, the Board's response must either indicate:

- 1) That the recommendation has been implemented, with a summary of how it was implemented;
- 2) That the recommendation has not been, but will be, implemented in the future, with a timeframe for implementation;
- 3) That the recommendation requires further analysis, with an explanation of the scope of that analysis and a timeframe for discussion, not more than six months from the release of the report; or
- 4) That the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

Please provide the Board's response to Presiding Judge Stewart at the following address:

400 McAllister Street, Room 008
 San Francisco, CA 94102-4512

Respectfully,


 Philip Reed, Foreperson Pro Tem
 San Francisco Civil Grand Jury, 2014 – 2015

City Hall, Room 482
 1 Dr Carlton B Goodlett Pl, San Francisco, CA 94102
 Phone: 415-554-6630

CleanPowerSF

At Long Last

June 2015



City and County of San Francisco
Civil Grand Jury, 2014-2015

Members of the Civil Grand Jury

Janice Pettey, Foreperson

Philip Reed, Foreperson Pro Tem

Anne M. Turner, Recording Secretary

Morris Bobrow

Leonard Brawn

Daniel Chesir

Matthew Cohen

Jerry Dratler

Herbert Felsenfeld

Allegra Fortunati

Mildred Lee

Marion McGovern

Fred A. Rodríguez

Gary Thackeray

Jack Twomey

Ellen Zhou

THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name.

Disclosure of information about individuals interviewed by the jury is prohibited.

California Penal Code, section 929

STATE LAW REQUIREMENT

California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days, as specified.

A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding the response must:

- 1) agree with the finding, or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation the responding party must report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

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Summary

San Francisco has spent more than a decade trying to implement a Community Choice Aggregation (CCA) program known locally as “CleanPowerSF” that would sell renewable or “green” power to residents and businesses. Implementation, however, has moved forward at a glacial pace.

The Civil Grand Jury has studied the challenges that led to the delay and finds that they are primarily political. Stakeholders disagreed over how to define “green” power and where to acquire it, whether it could be provided at rates that all could afford, and the extent to which the program would provide jobs in the local community.

While we are glad to report that rollout of CleanPowerSF is scheduled to occur within the next twelve months, some of those disagreements still exist and could cause further delay. In this report we identify these challenges and suggest ways to overcome them.

We first compare CleanPowerSF with CCAs in two neighboring counties, and find that CleanPowerSF will be a much smaller program than those others at rollout, which will reduce its risk and provide much potential for growth. By the same token CleanPowerSF will need to grow quickly to keep pace with the City’s ambitious goals for reduction of greenhouse gas emissions, which have been established by law.

As a cost-cutting measure both neighboring CCAs use an accounting mechanism known as “unbundled” Renewable Energy Credits (RECs) to provide some of their green power. Critics oppose this on the ground that such power is not really “green.” We look at this controversy, and conclude that there is no compelling reason why CleanPowerSF should not use unbundled RECs, if necessary, to support the growth of its enterprise.

With regard to job creation, we find that this was not a core element of the program as originally constituted, and while it is a laudable goal, CleanPowerSF will have a relatively small impact on local employment for reasons both legal and practical. By law, a CCA takes no part in distributing the power that it sells, which is the most labor-intensive part of the business. That task is retained by the preexisting electric utility – in this case, Pacific Gas and Electric Company. And as a practical matter, based on the City’s geography, most of its energy needs must be satisfied from out-of-town sources. While green sources are plentiful and their numbers are growing, most are located far outside the City limits, and so, therefore, will be most of the jobs that they create.

That is not to say that CleanPowerSF cannot create local jobs. It can, particularly those associated with installing and maintaining rooftop solar generation systems. For that reason, we consider another City program known as GoSolarSF, which provides financial assistance to property owners who install such systems, and find

that CleanPowerSF and GoSolarSF are complementary in nature and can help each other.

Finally, we make several recommendations – most notably, that CleanPowerSF be designed, first and foremost, to be financially viable and to grow quickly without undue risk; that its other policy goals be subordinated to those needs; and that local officials, including the Mayor, put the full weight of their offices behind the success of the program.

Background

Community Choice Aggregation (CCA) is an idea adopted by a number of states that allows local governments to aggregate (i.e. gather) the buying power of local customers to secure alternative energy supply contracts and/or a better price for power. In power-industry parlance, “aggregation” means combining the “loads” (i.e. demand for electric power) of multiple customers.

California first adopted the CCA system in 2002, under a law popularly known as AB 117.¹ In 2004 the Board of Supervisors passed an ordinance establishing such a program in San Francisco.² For the next three years various city agencies and outside advocacy groups debated the program design. In June 2007 the Board of Supervisors adopted a draft implementation plan and assigned SFPUC to manage the program.³ More than two years later, in November 2009 SFPUC issued its first Request for Proposals (RFP) seeking an outside contractor to provide power and other services for the system.⁴ A potential contractor was selected and negotiations ensued, but were unsuccessful.

In August 2010 SFPUC issued a second RFP, again seeking an electricity supplier for the program. No bidders met the minimum qualifications and further delays ensued. After two more years a draft contract was negotiated with Shell Energy North America (SENA), and in September 2012, the Board of Supervisors authorized the General Manager of SFPUC to sign it provided certain conditions were met.⁵ In August 2013 SFPUC declined to approve a rate structure for the program, which effectively nullified the contract and sent the CCA process “back to the drawing board.”⁶ Mayor Edwin M. Lee concurred in this decision.

Another two years of work ensued both at SFPUC and the Local Agency Formation Commission (LAFCO). Consultants were hired and reports issued, and in early 2015 – nearly 11 years after a CCA was first authorized – yet another type of program was suggested. At a joint meeting of SFPUC and LAFCO on January 30, 2015, SFPUC instructed its staff to design a new program along the lines suggested by the consultant. Mayor Lee supported this action, provided the new design met certain criteria that he set out. On February 24, 2015, SFPUC approved a timeline to complete the design and implement the new program, which is projected to begin serving customers in 2016.

Methodology

Members of the Jury conducted legal research using materials from the Government Information Center of the San Francisco Public Library and the online compilation of local ordinances provided by the Board of Supervisors. We also relied on reports and other materials provided online by various sources including the San Francisco Public Utilities Commission (SFPUC), the San Francisco Department of the Environment (DOE), San Francisco's Local Agency Formation Commission (LAFCO), Marin Clean Energy (MCE), Sonoma Clean Power (SCP), International Brotherhood of Electrical Workers (IBEW) Local 1245, and Pacific Gas and Electric Company (PG&E). We interviewed members and staff of these same entities, others with expertise in the power industry, and past and current City officers and employees. We also attended SFPUC and LAFCO public meetings. Additionally, we reviewed the documents and statistics provided to us by those entities and interviewees.

Discussion

The Civil Grand Jury decided to investigate San Francisco's CleanPowerSF for two reasons:

- because we wondered why the program has taken an extremely long time to develop, and
- because even though by February 2015 CleanPowerSF seemed to be on its way to rollout, we questioned whether some of the issues that had caused delay might reassert themselves and further delay implementation.

We discovered that political pressures were interfering with SFPUC's ability to stick to its first priority—development of a financially viable program serving as many San Franciscans as possible with affordable clean power. Members of the Board of Supervisors and the Mayor publicly expressed disapproval of contracting with SENA, a large fossil fuel company, to provide green energy. Mayor Lee also criticized the program for lacking specific job creation plans, and questioned whether it would be an economic burden on lower-income San Franciscans. The International Brotherhood of Electrical Workers (IBEW) Local 1245, which represents many PG&E workers, shared the worry about job creation. Environmentalists such as the Sierra Club, the San Francisco Green Party, 350.org and others were outspoken in their support for CleanPowerSF, but many saw the program as simply a stepping-stone to an eventual takeover of PG&E's electric utility in San Francisco by a municipally owned utility. There was also controversy about the definition of "green" energy, where it would be obtained, and how much of it CleanPowerSF could afford to provide to its customers and still offer competitive rates.

The purpose of our report is to examine these controversies and suggest a resolution for each one.

Will CleanPowerSF Be Financially Viable?

CCAs represent a legislative innovation. They balance the desire of cities for local independence from investor-owned utilities (IOUs), hoping to find cheaper power for their residents, with the IOUs' desire to continue to make money. The local CCA agency is only allowed to *purchase* power. *Distribution* of that power must remain in the hands of the local IOU if there is one. So it is that San Francisco's CCA program will buy power on the open market, and the local IOU, PG&E, will continue to distribute it. CleanPowerSF is basically an energy procurement program, not a distribution one.

One key feature of CCAs, as implemented in California, is that when a CCA is launched all electric customers within its service area automatically become customers of the CCA unless they "opt out" of the program. If a customer opts out, that customer has the right to continue to be served by the existing IOU.⁷ This feature virtually guarantees the CCA a substantial customer base at launch, which contributes greatly to the program's financial stability. However it also provides an incentive for the CCA to keep its rates competitive with those of the existing IOU, to avoid "opt outs."

San Francisco has established ambitious goals for reducing its greenhouse gas emissionsⁱ that cannot be met unless local residents and businesses shift from using power generated by conventional sources to so-called "clean" power.⁸ Accordingly, the purpose of CleanPowerSF is not only to sell power cheaply, but also to sell power that is "cleaner" or "greener" than the power provided by PG&E.⁹

"Clean power," "green power," or "renewable power" (the terms are interchangeable in this report) means electricity that is generated in a way that does not pollute the atmosphere or increase the emission of greenhouse gases. Clean power is renewable: the sources, such as the sun, wind, or water, are constantly replenished and for all practical purposes, will never run out. Energy generated by fossil fuels pollutes, contributes to climate change, and is non-renewable: oil pumped up from underground or coal dug from a mine, are finite. Their sources will eventually expire. See the Appendix to this report, and the documents cited therein, for a fuller description of renewable energy sources.

San Francisco will be buying clean power on the open market for its CCA program. The sellers can be producers, such as a water district that has more power than it

ⁱ Pursuant to the San Francisco Environment Code, Chapter 9 ("Greenhouse Gas Goals and Departmental Climate Action Plans") the City is committed to reducing greenhouse gas emissions: 20% below 1990 levels by the end of 2012, 25% below 1990 levels by the end of 2017, 40% below 1990 levels by the end of 2025, and 80% below 1990 levels by the end of 2050.

needs, and therefore elects to sell the excess. There are also nonprofit and profit-oriented vendors, who have jumped into the renewable energy market to meet growing demand and are hoping to make money doing so.

At present, clean power from these sources costs more than conventional power. While a CCA enjoys various tax and other financial advantages that make it somewhat cheaper to run than an IOU,¹⁰ CleanPowerSF still faces a challenge, in that it seeks to provide an inherently costlier product – green energy – at rates that are competitive with those charged by PG&E for a less “green” product.ⁱⁱ

As recently as 2013, CleanPowerSF planned to provide 100% renewable energy to all San Franciscans. Due to the cost differential just noted, this would have required CleanPowerSF to charge its customers more than the rates charged by PG&E. This led to an outcry. Mayor Lee and others expressed concern that under the “opt out” provision of CCA law some low-income customers would be automatically enrolled in the program, inadvertently fail to “opt out”, and find themselves paying more for electricity than they had been paying to PG&E.

For that reason and others, SFPUC rejected the 2013 program design and has since adopted an approach modeled on successful CCA programs in Marin and Sonoma Counties, that provides a mix of renewables and conventional power at rates that are expected to be lower than, or equal to those charged by PG&E for comparable products. These programs will be discussed below, comparing and contrasting them with the current plan for CleanPowerSF.

First, however, we must address a threshold issue. Also in 2013, CleanPowerSF proposed to use an accounting mechanism known as “unbundled” renewable energy credits (“RECs”) to reduce its cost of acquiring green energy. Mayor Lee, the City’s Commission on the Environment and members of the labor movement objected that unbundled RECs are not green energy, and using them in this way was misleading. Insofar as unbundled RECs figure in the program designs discussed below, we will begin by addressing this question.

Is an Unbundled REC Really Green?

Electricity is the same whatever its source. Whether created by wind, sun, fossil fuel or nuclear fission, the product is the same: a flow of electrons. The only way that a user of electricity can be sure of its origin is to connect directly to the source.

ⁱⁱ PG&E is required by law to include some green power in its product mix. Under California’s Renewables Portfolio Standard (“RPS”) program, all IOUs, electric service providers, and CCAs must increase procurement from eligible renewable energy resources to 33% of total procurement by 2020. For 2015, PG&E’s RPS target is 23.3% of retail sales. See <http://www.cpuc.ca.gov/PUC/energy/Renewables/hot/33RPSProcurementRules.htm>

Few have this luxury. Most of us receive our electricity through the “grid” — that is, a shared transmission system that gathers electrons from many sources, mixes and transmits them over major trunk lines, then distributes this mixture to individual users. There is no way to know that electrons transmitted in this way come from any particular source. When power enters the grid from a green source it mixes with power derived from all other sources, many of which are not green. What reaches the user is this mixture. Thus, until all sources are green, there is no way to receive power over the grid that is identifiable as coming from a green source.

Yet some customers need to do just that. California requires electrical utilities to provide their customers with a certain percentage of power from green sources.¹¹ If utilities cannot connect directly to a green source, then they must buy green power that is transmitted over the grid. To allow these transactions to occur, government and the power industry have devised an accounting process that tracks green power at the point of production.

In its purest form the process is rather simple. When one unit of green power is produced, it is assigned one Renewable Energy Credit, or REC. The green producer sells that power and its associated REC to the buyer – we’ll call him “Smith”. The producer places one unit of power on the grid, and Smith withdraws one unit of power from the grid. It is mixed power at that point, because of the transmission system described above. However, Smith may count it as entirely green because he owns the associated REC. In this transaction, the REC is said to be “bundled” because it is sold with the underlying power.¹²

California also recognizes “unbundled” REC transactions, which take place as follows. One unit of green power is produced, and is assigned one REC. However, in this instance Smith buys only the power; Smith does not buy the associated REC. The green producer places one unit of power on the grid, and Smith withdraws one unit of mixed power at the destination, just as before. However, Smith may not count it as green because he doesn’t own the associated REC. Meanwhile, the producer has sold that REC — but no power — to Smith’s neighbor, whom we’ll call “Jones”. Jones may then buy one unit of conventional power from any source; have that unit placed on the grid; withdraw one unit of mixed power at the destination, and she may count that unit as green because she owns one REC.¹³

In both examples, one REC certifies that:

- one unit of power was generated by a green source; and
- someone, somewhere, bought and consumed that power, instead of one unit of power from a conventional source.

When a customer buys a REC — bundled or unbundled — he/she buys the assurance that one such substitution occurred; that one unit of green power replaced one of conventional power. It may be someone else, somewhere else, that

bought that green power, but the system as a whole is one unit greener for each REC.¹⁴

Critics in the environmental movement and organized labor argue that unbundled RECs are deceptive. One writes that they “paper over the fact that the [retail energy provider] is not delivering truly green power... just conventional power they call green by buying the credits.”¹⁵

As explained above, no retailer that uses the transmission grid is “delivering truly green power” to its customers. The power received is a mix from all sources. The question remains: should a retail energy provider be allowed to buy power from conventional sources, and count it as green by buying unbundled RECs? The answer to this question varies according to the goals of the provider.

If the goal is to reduce greenhouse gas in the Earth’s atmosphere as a whole, then unbundled RECs are an appropriate tool. As long as green power is replacing conventional power the system as a whole is greener, even though the power and its associated RECs are bought by different entities. For the same reason, if the goal is to reduce air pollution nationwide, or worldwide, then unbundled RECs are appropriate.

If the provider is in California, and the goal is to reduce *local* air pollution, then the benefits of using unbundled RECs are less clear. This is because at present most unbundled RECs originate outside California. For example, Marin Clean Energy (MCE) buys unbundled RECs from a cooperative of family farms near Mount Hood, Oregon that generates power from a small hydroelectric project and uses it to irrigate their orchards.¹⁶ This replaces conventional power these farms would otherwise buy elsewhere, and since they have no need to count it as green, the cooperative sells the associated RECs to MCE. MCE then buys conventional power and uses these unbundled RECs to count it as green. Green power has replaced conventional power in Oregon, but this does little or nothing to reduce air pollution in Marin County, California — at least in the short term.

In the long term, however, it may do just that. Ultimately air pollution is not a local problem. Pollutants travel long distances and degrade air quality far from their source. Coal-fired power plants in China cause increased ozone levels in California.¹⁷ Contributing to a global solution of this problem will eventually yield local benefits in Marin County and elsewhere.

In short, the use of unbundled RECs results in environmental benefit to the planet as a whole, and also to the local community.

Some of the most strident objections to the use of unbundled RECs have come from labor unions and others concerned about their impact on the local economy, or lack thereof. They argue that if the goal of a clean energy program is to create local jobs, or to stimulate the local economy, then unbundled RECs may be less appropriate than bundled power — again, because unbundled RECs usually represent power

generated at a distance that may not have any economic impact on the area where the retailer is located. Critics also argue that the sale of unbundled RECs does little to stimulate development of new sources of green power, because their price is too low to encourage development of new green sources.¹⁸

Others argue that while all of this is true, it is somewhat shortsighted. Using unbundled RECs to provide green power is indeed much cheaper than using bundled renewables. As Marin Clean Energy has demonstrated, this can help a newly formed CCA keep its rates competitive with those of the incumbent electric utility at the outset, when high start-up costs might otherwise put the CCA at a disadvantage. This, in turn, helps the CCA retain customers who would opt out if its rates were too high.

Unbundled RECs also allow clean power CCAs to begin operation before local sources of green power exist. This creates demand for green power, which acts as an incentive for private investment in new local sources. In some cases the new CCA itself may wish to build or buy these new sources, but will have difficulty borrowing money for this purpose until its customer base and revenue stream are established. Unbundled RECs offer an inexpensive way to deliver some of the environmental advantages of green power, while waiting for this to occur.

In this way, unbundled RECs can serve as a bridge to development of new local sources of green power, and the jobs and other economic benefits that such sources produce.

How Does CleanPowerSF Compare with Other Bay Area CCAs?

While it has spent over eleven years debating a design for CleanPowerSF, San Francisco watched two neighboring communities plan and launch successful CCAs that are now far larger than CleanPowerSF as currently proposed. A comparison of these three programs is instructive.ⁱⁱⁱ

Program Launch, Coverage

Marin Clean Energy (MCE) was the first CCA in California. Founded in 2008, it began serving customers in 2010. At first it served just 8,000 accounts, all in Marin County. By late 2014 it served approximately 125,000 customers, with an additional 25,000 expected from an expansion of its service area that is now underway. It now serves

ⁱⁱⁱ Unless otherwise noted, the statistics and data in this section are taken from three sources: "MCE Integrated Resource Plan Annual Update," November 2014; "Sonoma Clean Power 2014-2018 Resource Plan, Draft Version VO.4"; and the program design for CleanPowerSF that was presented to SFPUC at its meetings on April 14, 2015 and May 12, 2015.

customers in four different counties including Marin, Napa, Solano and Contra Costa. Its total retail sales for 2015 are projected to be 1,595 gigawatt-hours (GWh).^{iv}

Sonoma Clean Power (SCP) is a relative newcomer. Serious planning got underway in 2011, and in May 2014 it began a phased rollout of its service. By mid-2015 that rollout will be complete, and it will offer service to all electric customers in Sonoma County except those in Healdsburg, which has its own municipal utility. Its average annual sales at that point are projected to be approximately 2,300 GWh.

When CleanPowerSF is launched in early 2016 it plans to serve an average customer load of no more than 30 MW. Over the course of a year, this would result in annual sales of just over 260 GWh. If the program is successful and its governing bodies allow it to expand, that figure will grow. However, at the outset CleanPowerSF will be roughly 1/8 the size of MCE and 1/10 the size of SCP, based on annual sales.

Product Offerings

Like CleanPowerSF, MCE and SCP provide a “default” product to all who do not opt-out of the CCA, and a “premium” product to those who wish to “opt up” to a higher percentage of renewables at higher cost. MCE’s default product at first contained 25% renewable energy, and has since increased to 50%. SCP’s default product consists of 33% renewable energy. CleanPowerSF’s default product is targeted to provide from 33% to 50% renewable energy, depending on the cost of these resources, the exact percentage to be determined later this year.

All three systems offer a premium product that is 100% renewable energy. However, in the case of MCE, fewer than 2% of its customers have “opted up” to this product. While it is hoped that this percentage will rise to 5% over the next few years due to increased marketing, the premium product remains a very small part of MCE’s product mix.

Dependence on unbundled RECs varies. In 2010 almost all of MCE’s renewable energy derived from unbundled RECs generated outside California. Today unbundled RECs represent about half of its renewable energy. SCP’s default product uses unbundled RECs for approximately 10% of its renewable energy (3% of total power), while its premium product uses no unbundled RECs. CleanPowerSF plans

^{iv} In this context, the *watt* (W) is a unit of measurement that describes the rate at which power is produced. One kilowatt (kW) means one thousand watts; a megawatt (MW) one million watts; a gigawatt (GW) one billion watts. All are used to describe the capacity of a power source: how much power it can produce in a given instant. A *watt-hour* (Wh) describes the volume of power that is produced over time. One watt-hour (Wh) means the amount of power produced by a one-watt source over a period of one hour. A gigawatt-hour (GWh) means the amount of power produced by a billion-watt source over a period of one hour. All are used to describe the cumulative output of a system: how much power it has produced over time.

to use only bundled renewables produced in California for both its products. It does not plan to use unbundled RECs.

Rates

At launch in 2010, MCE charged rates comparable to those charged by PG&E for its standard product. Since then its rates have sometimes been slightly higher, and sometimes lower than those of PG&E. Today it charges approximately 3% less than PG&E.

SCP's default product is designed to sell below the rate charged by PG&E to similar customers. The premium product sells at a rate that is about 20% more than the default product. As of March 2015, this resulted in total monthly bills for default customers that were 5% to 15% lower than those received by comparable customers of PG&E, while the premium product produced a bill that was 1% to 17% higher than PG&E.¹⁹

Under CleanPowerSF the default product is intended to sell at rates comparable to those charged by PG&E for its basic product. The premium product's price will be equivalent to PG&E's 100% renewable product that is expected to be available in late 2015 through the company's Green Tariff Shared Renewables Program.²⁰

Power Acquisition

At launch MCE obtained its energy exclusively through SENA, the same private concern that CleanPowerSF once contemplated hiring for the same purpose. MCE has since signed contracts with other suppliers, and SENA'S contribution has diminished, although SENA still supplies 69% of MCE energy. Its contract with SENA expires in 2017, and thereafter MCE intends to buy energy directly rather than through an intermediary. Likewise, SCP has contracted with an energy provider known as Constellation Energy Group (a subsidiary of Exelon Corporation) to provide a majority of its energy. It also buys some energy directly from producers.

By contrast, CleanPowerSF plans to forego using an outside provider and buy all of its power directly, either from SFPUC or on the open market. It can do so because SFPUC, which administers the program, has long performed this function as part of its municipal power enterprise, and can do so for CleanPowerSF as well.

Power Sources

Sonoma's default product currently uses approximately 15% geothermal energy, 9% biomass and biowaste energy, and 9% wind energy, for a total of 33% renewable energy. Its premium product uses 100% geothermal energy. Marin's overall product mix currently includes approximately 32% wind, 12% biomass/landfill gas, 5% solar, 3% geothermal and 1% small hydro energy, for a total of 51% renewable energy. Both CCAs obtain renewable energy from a variety

of sources, most of which are located outside their service areas. Even SCP, which buys 15% of its energy from geothermal facilities in Sonoma and Lake Counties, obtains most of its renewable energy from other parts of the state, and a few from outside California.

CleanPowerSF's sources of renewable energy have yet to be determined. Its sales at the default rate are projected to generate almost no surplus over the cost of providing power. Sales of the premium product are projected to produce a surplus, which will be used to fund new local or regional sources of renewable power. These would include public projects built on City-owned and controlled property, and private projects built by CleanPowerSF customers and others, who would receive financial incentives from CleanPowerSF through "net metering," "feed-in tariffs"^v and GoSolarSF. Also included would be energy efficiency and demand response programs,^{vi} to be funded by charges collected from ratepayers statewide and administered by the California PUC.

Community Outreach

As MCE expands to include portions of Contra Costa and Napa counties, it has launched CCA service in several large communities with diverse demographics, and a variety of income levels similar to those found in San Francisco. The MCE program has demonstrated that a well-organized and professionally administered community outreach program at all sorts of venues—farmers markets, Kiwanis Clubs, public libraries – makes a positive impact on the community's understanding of Community Choice Aggregation, and helps customers make timely and informed decisions about whether they wish to remain with the program or opt out.²¹ The Sonoma County program used a similar outreach approach, and has experienced the same positive outcome.

Financial Viability: Conclusions

Based on the foregoing comparison, we conclude that when CleanPowerSF rolls out it will be a very modest program that serves a relatively small number of customers.

^v In California a "feed-in-tariff" is a program that promotes investment in small-scale renewable generation projects by offering producers long-term contracts to sell energy to investor-owned utilities. See Cal. Pub. Utilities Code Section 399.20. "Net metering" is a service that allows customers of an electric utility who install a small-scale, renewable generation system on-site to receive a financial credit for power generated by their own system and fed back to the utility. The credit is used to offset the customer's electricity bill. See <http://www.cpuc.ca.gov/PUC/energy/DistGen/netmetering.htm>

^{vi} "Demand response" programs create incentives — usually financial ones — that encourage end-use electric customers to reduce their electricity usage during periods of peak demand. See <http://www.cpuc.ca.gov/PUC/energy/Demand+Response/>

For that reason alone, it appears to be a low-risk enterprise compared with SCP, which has nearly ten times its projected annual sales, and also with MCE, which is intent on growing outside its original service area.

By the same token, CleanPowerSF has a great deal of up-side potential. It is projected that after just one year SCP will sell nearly ten times as much energy in Sonoma County (population 500,000) as CleanPowerSF plans to sell initially in San Francisco (population 850,000).²² This points to the possibility of strong growth for CleanPowerSF.

The product mix and pricing strategy of all three CCAs are quite similar. All three acquire most of their renewables outside their local service area, mainly from elsewhere in California. Only CleanPowerSF plans to operate entirely without unbundled RECs — a benefit, perhaps, of its diminutive size. By contrast, MCE uses unbundled RECs in large numbers and will continue to do so for the foreseeable future, evidently as a way to control costs during a period of rapid growth. Even SCP, which has been a champion of using bundled resources, continues to use unbundled RECS as part of its mix. All of this suggests that there is no compelling reason why CleanPowerSF should not use unbundled RECs, if necessary, to support the growth of its enterprise.

And growth should be a priority. Like MCE and SCP, CleanPowerSF aims to increase the percentage of renewables in its product mix over time. However, if this impedes the growth of the program, by increasing its rates to a point where they are less competitive, this could have a negative effect on the environment. A 100% renewable program that serves 30 MW peak load is less "green" than a 50% renewable program that serves 200 MW. This is because the former "retires" only 30 MW of conventional generation, whereas the latter retires 100 MW.

% of renewable power	Peak load in MW	Amount of conventional power retired in MW
50%	200	100
<u>100%</u>	<u>30</u>	<u>30</u>
Additional MWs of conventional power retired		70

Moreover, the transition to green power is a key component of the City's plan to eliminate most of its greenhouse gas emissions by mid-century.²³ A small CleanPowerSF program that grows slowly, or not at all, will do little to achieve this goal.

Finally, the benefits of community outreach are clear. Particularly in light of the "opt out" provision of CCA law, customers deserve a well-designed and well-funded

marketing effort that explains the benefits of CleanPowerSF, and allows each one of them to make an informed choice as to whether to remain in the program.

Is CleanPowerSF A Jobs Program?

As recently as January 2015, Mayor Lee reaffirmed his insistence on local job creation as an essential element in a redesigned CleanPowerSF program, stating, "I call on the SFPUC to develop a program that is affordable for customers, greener for our planet, takes advantage of renewable technology being developed right here in our City and has a real plan for creating jobs for our residents."²⁴

At a recent joint meeting of SFPUC and LAFCO considerable time was spent discussing this issue. It was noted favorably that, according to a report by the energy consulting firm EnerNex,²⁵ implementation of CleanPowerSF would result in the creation of new jobs. The estimates in the report are debatable and were criticized at the meeting as being too optimistic.²⁶

CleanPowerSF was not originally intended as a jobs program. Job creation was not mentioned in the 2004 ordinance that first authorized a CCA. The program goals at that time were twofold: to provide clean, reasonably priced and reliable electricity to retail customers in San Francisco, and to exercise local control over electricity prices. The emphasis was on developing renewable energy resources, conservation programs and energy efficiency.²⁷

Likewise, job creation was not mentioned in the Draft Implementation Plan for a CCA that was adopted by the Board of Supervisors in 2007.²⁸ The concept first appears in an RFP authorized by the Board in November 2009, which cites job creation as an example of additional benefits that could come from the program but are not required by the program.²⁹

The first mention of job creation as a program goal appears in a revised RFP issued in 2010, which states, "The City seeks to encourage local job creation through CleanPowerSF."³⁰

By 2013 the labor movement and others were treating job creation as a non-negotiable core element in the CCA. The San Francisco Labor Council adopted a formal resolution stating that it would withhold its support for CleanPowerSF unless SFPUC and the Board of Supervisors formally adopted a set of principals dictated by the Council, designed "to ensure that CleanPowerSF program will create high wage, union jobs with benefits . . ."³¹ Mayor Lee also opposed the program as then proposed, in part because it "doesn't produce direct local jobs."³²

Be that as it may, the Civil Grand Jury concludes that "job creation" in relationship to clean power is a red herring, not helped by the EnerNex report. Job creation was not a core element of the program as originally constituted. It is a laudable goal but it does not bear a substantive relationship to the CleanPowerSF program. Why?

Because just as the majority of new clean energy projects are geographically far away from San Francisco, so are the jobs associated with building them. See the section on Green Power Resources below for more on this issue.

More than one interviewee suggested that the real opportunity to create local jobs lies not in generating renewable energy, but rather in energy efficiency: in auditing, assessing, electrical contracting, and accounting. Other interviewees suggested that SFPUC should use the contracting process to ensure that clean energy developers, in and outside the City, comply with basic labor standards in contracting, procurement and hiring used by the City of San Francisco.

A further jobs issue related to CleanPowerSF is whether implementation will result in a substantial *loss* of current jobs. Based on our interviews and other research the Civil Grand Jury has found no evidence that creation of CleanPowerSF would result in substantial job loss. This is because by law PG&E will continue to provide distribution, metering, and billing to CleanPowerSF customers, and virtually all local employees of PG&E's regulated electric utility work in these areas. As a result, none of the many people interviewed nor any of the many documents reviewed have indicated that there would be job loss as a result of the implementation of CleanPowerSF.

Green Power Resources: Are There Enough?

Mayor Lee has stated his desire to see that “San Francisco remains the Greenest City in North America.”³³ One hallmark of a “Green City” is the creation and implementation of new and diverse sources of green power or renewable energy. Where will this energy come from? How much is available?

Geography limits the amount of renewable energy that can be developed in San Francisco proper. Ours is an urban county: We don't have vast tracts of land available for wind farms or large solar arrays within the City limits. Nevertheless, the City has done an admirable job of developing clean energy resources in the City and on property it owns or controls elsewhere. Based on a 2013 study that is still accurate today, hydroelectric generation at powerhouses associated with the Hetch Hetchy system have a capacity of 380.5 MW.^{vii} Small hydroelectric generation projects add 4 MW; solar photovoltaic projects, 7.5 MW; and renewable Biogas energy projects 3.1 MW, for a total installed capacity of 395.1 MW. Another 52 MW is estimated to be available.³⁴

^{vii} Although the Hetch Hetchy system is not considered a renewable power source, for RPS purposes, the power that it generates is effectively exempt from RPS requirements. Under California Public Utilities Code Section 399.30(j), SFPUC is required to procure RPS-eligible electricity resources, including renewable energy credits, to meet only the electricity demands that are not met by Hetch Hetchy, so long as Hetch Hetchy provides more than 67% of its electricity resources.

The issue, however, is whether sufficient clean energy is available statewide to meet San Francisco's needs and those of other communities. In light of the state's 2020 deadline for reducing carbon emissions to 1990 levels, and 40% below that by 2030,³⁵ it is reasonable to ask whether increased demand will cause the cost of clean energy to skyrocket, and the resources to be significantly diminished or tapped dry.

The California Energy Commission estimates that the state's total annual consumption of electricity will approach 290,000 GWH in 2015, and 300,000 GWH or more in 2020. Its peak demand is forecast to be approximately 64,000 MW in 2016, and as high as 69,000 MW in 2020.³⁶ Under current law, California utilities are required to serve 33 percent of retail electricity sales with renewable resources by 2020.³⁷ Based on the forecasts just cited, this means that by 2020 something like 100,000 GWH of total consumption, and 23,000 MW of peak demand will need to be served by renewable sources of energy statewide. See the Appendix to this report for information on where that energy might come from.

It is important to remember that renewable energy is exactly that: it can be renewed almost indefinitely, because it does not run out. So the concern is not whether there is enough, but rather how fast we can develop what we need.

SFPUC has three green energy programs: Municipal solar, which installs solar panels on schools and other city facilities, Energy Efficiency, which undertakes projects that help reduce energy consumption, and GoSolarSF (GSSF), which funds the installation of solar panels at private residences. Unfortunately, their funding has been cut in recent years due to the significant capital needs of replacing the aging infrastructure of the Hetch Hetchy Power System. Cuts to GSSF have been much smaller, among other reasons because the GSSF program has been so successful. See the Appendix to this report, and documents cited therein, for more information.

GSSF is a program that benefits private property owners but is funded by public money. It has been the subject of debate between policymakers and SFPUC staff regarding the appropriateness and legality of this funding arrangement.

A possible solution would be to integrate GSSF into the proposed CleanPowerSF program. CleanPowerSF could fund a portion, or all, of GSSF, as part of its overall local resource build-out plan. In this way CleanPowerSF could market GSSF to its own customers, help those that wish to install rooftop solar, and then purchase their excess power as a local clean energy source.³⁸ This complementary relationship would enhance both programs.

As to the question of whether the City government and the staff of SFPUC have the necessary competence and expertise to operate efficiently in the clean power market, the Jury finds good reason to believe that they do. SFPUC staff has purchased electricity for years to meet the needs of San Francisco civic facilities, which are not always satisfied by Hetch Hetchy production. They will be able to use

this experience in buying clean power for the rest of the city on behalf of CleanPowerSF.

Findings

Based on the foregoing discussion, we make the following findings:

- F1 CleanPowerSF will be a relatively small, low-risk program at startup, but must grow quickly to meet the City's timeline for reducing greenhouse gas emissions.
- F2 CleanPowerSF's rates will be lower and more affordable to all San Franciscans, if it is free to use unbundled RECs as needed, and to provide less than 100% green power.
- F3 Local job creation, while desirable, is not the chief purpose of CleanPowerSF, and should not cause further delay in implementing the program.
- F4 There are ample affordable resources of renewable power to support CleanPowerSF, including local rooftop solar installations such as those funded through the GoSolarSF program.
- F5 Political discord has at times delayed implementation of CleanPowerSF.

Recommendations

Based on the foregoing findings, we make the following recommendations:

- R1 That CleanPowerSF be designed, first and foremost, to be financially viable and to grow quickly without undue risk.
- R2 That CleanPowerSF be free to use unbundled RECs, and to provide less than 100% green power, as needed to meet its goals of financial viability and early expansion.
- R3 That CleanPowerSF be designed to provide as many local jobs as it can, without compromising its financial viability and potential for early expansion.
- R4 That SFPUC integrate the GoSolarSF program into CleanPowerSF to take advantage of their complementary relationship.
- R5 That local officials, including the Mayor, put the full weight of their offices behind the success of the CleanPowerSF program.

Request for Responses

Pursuant to Penal Code Sections 933(c) and 933.05, the civil grand jury requests responses to all of the above findings and recommendations from each of the following:

Honorable Edwin M. Lee, Mayor

San Francisco Board of Supervisors

San Francisco Public Utilities Commission

Response Matrix

<i>Findings</i>	<i>Recommendations</i>	<i>Responses Required</i>
F1 CleanPowerSF will be a relatively small, low-risk program at startup, but must grow quickly to meet the City's timeline for reducing greenhouse gas emissions.	R1 That CleanPowerSF be designed, first and foremost, to be financially viable and to grow quickly without undue risk.	SF Public Utilities Commission, Board of Supervisors, Mayor
F2 CleanPowerSF's rates will be lower and more affordable to all San Franciscans, if it is free to use unbundled RECs as needed, and to provide less than 100% green power.	R2 That CleanPowerSF be free to use unbundled RECs, and to provide less than 100% green power, as needed to meet its goals of financial viability and early expansion.	SF Public Utilities Commission, Board of Supervisors, Mayor
F3 Local job creation, while desirable, is not the chief purpose of CleanPowerSF, and should not cause further delay in implementing the program.	R3 That CleanPowerSF be designed to provide as many local jobs as it can, without compromising its financial viability and potential for early expansion.	SF Public Utilities Commission, Board of Supervisors, Mayor
F4 There are ample affordable resources of renewable power to support CleanPowerSF, including local rooftop solar installations such as those funded through the GoSolarSF program.	R4 That SFPUC integrate the GoSolarSF program into CleanPowerSF to take advantage of their complementary relationship.	SF Public Utilities Commission, Board of Supervisors, Mayor
F5 Political discord has at times delayed implementation of CleanPowerSF.	R5 That local officials, including the Mayor, put the full weight of their offices behind the success of the CleanPowerSF program.	SF Public Utilities Commission, Board of Supervisors, Mayor

Glossary of Abbreviations and Definitions

ABBREVIATIONS

CCA:	Community Choice Aggregation
CPSF:	CleanPowerSF
GSSF:	GoSolarSF
GW:	Gigawatts of power. A gigawatt is equivalent to 1,000 megawatts.
IBEW:	International Brotherhood of Electrical Workers
IOU:	Investor-owned utility, e.g. Pacific Gas & Electric Company
IP	Implementation Plan
KW:	Kilowatts of power. A kilowatt is equivalent to 1,000 watts.
LAFCO:	Local Agency Formation Commission
MCE:	Marin Clean Energy
MW:	Megawatts of power. A megawatt is equivalent to 1,000 kilowatts.
PG&E:	Pacific Gas and Electric Company
PV:	Photovoltaic, as solar PV
REC:	Renewable Energy Credit. A certificate of proof showing that one megawatt-hour of electricity was generated by a green source. When one megawatt-hour of green power is produced it is assigned one REC. The power and the REC can be sold separately or together. If the REC and the power are sold together, the REC is called a "bundled REC." If a customer buys only the power and not the REC, and the REC is sold elsewhere, it is called an "unbundled REC."
RFI:	Request for Information: a formal query from a government agency requesting vendors to suggest how they might implement a program idea, estimating details such as staffing and costs.
RFP:	Request for Proposals: a formal query from a government agency requesting vendors to propose how they would implement a program, including methodologies and costs.

SCP: Sonoma Clean Power
SENA: Shell Energy North America
SFPUC: San Francisco Public Utilities Commission

DEFINITIONS

BIOENERGY: Power generated from biomass, or plants

“DARK GREEN” OR “DEEP GREEN”: An electricity product comprised of 100% renewable energy.

GEOTHERMAL ENERGY: Power generated from heat energy derived from hot rock, hot water, or steam below the earth’s surface.

GRID (POWER): A system of power lines and associated equipment used to transmit and distribute electricity over a geographic area.

HYDROELECTRIC ENERGY: Power generated by the flow of water. For example, O’Shaughnessy Dam, which creates Hetch Hetchy Reservoir, is a large hydro project. Raising the height of an existing dam is one example of a small hydro project.

“LIGHT GREEN”: An electricity product comprised of less than 100% renewable power.

OPT OUT: To choose not to join a program, e.g., CleanPowerSF

OPT UP: To choose to buy an optional, more expensive electricity product such as MCE’s “Deep Green” product

PHOTOVOLTAICS: A solar power technology that uses solar cells or solar photovoltaic arrays to convert light from the sun directly to electricity.

RENEWABLE ENERGY: Energy for which the sources (sun, wind, water) are constantly replenished and for all practical purposes will never run out. Renewable energy is also called clean or green energy.

SOLAR ENERGY PROJECTS: A field of solar panels meant to provide a stream of power to a group of users is a large solar project. Solar panels on the rooftop of a residence, meant to heat the house’s water, is a small solar project.

TARIFF: (As used in the the electric power industry) The price of electricity.

WATT: A unit of measurement that describes the rate at which power is produced.

WATT-HOUR: A unit of measurement that describes the volume of power produced over time.

Appendix

SOURCES OF RENEWABLE ENERGY

There are at least seven types of renewable energy.³⁹

Solar energy projects can be small (panels installed on a rooftop to heat the water in an individual residence) or large (fields of panels meant to provide a stream of power for a group of users).

Hydroelectric power is energy generated by the flow of water. Large hydroelectric projects, such as O'Shaughnessy Dam at Hetch Hetchy, generate clean power but are not eligible for inclusion in the Renewable Portfolio Standard (RPS) program. A small hydroelectric power project might be raising the height of a dam, or generating power from water running downhill through a pipe. One report shows that, provided there is no negative impact on water delivery, small hydro projects can be a viable renewable generation technology. The report further states that it should be considered along with solar, wind, and geothermal projects. Some preliminary studies indicate that small hydro projects have some of the lowest costs of all renewable sources.⁴⁰

Wind power projects capture the wind in turbines that create energy. Although California's high wind areas are growing more and more limited, there are still opportunities for development available. Wind has the advantage of being a mature technology with requirements that are well understood. The primary challenges are environmental and permitting: the projects are highly visible and thus not necessarily welcome in some communities. Also, it has been difficult to accommodate the needs of birds occupying wind power sites.

The sun causes plants to grow, and the result is a biomass. Biomass can be turned into electricity, which is called bioenergy. Although it does not offer large opportunities for expansion, this form of green power does generate 3.1 MW of power for San Francisco.

Hydrogen gas can be burned to generate power if it is separated from the other elements with which it is usually combined – to form water, for example.

Sonoma County uses geothermal energy for 15% of its overall energy mix. Treated wastewater is pumped into deep cracks in the ground, where hot rocks heat the water, creating steam, which runs turbines.⁴¹ In other areas of the state, extremely hot water is "flashed" into steam within the power plant, and that steam turns the turbine.⁴² New or operating geothermal projects are limited, and they too have challenging siting and permitting issues. Among the difficulties is access to transmission lines.

Ocean energy in various forms—tidal movement, temperature differences based on depth, wave power—can all be used to create power. But this opportunity is too

limited and too expensive to meet a major portion of the renewable requirements of San Francisco.

As of December 31, 2014 the total wholesale renewable energy capacity in the State was 18,800 MW.⁴³ The breakdown of these sources is as follows:⁴⁴

SOLAR PHOTOVOLTAIC	4,800 MW
SOLAR THERMAL	1,100 MW
SMALL HYDRO	1,700 MW
WIND	7,100 MW
BIOMASS	1,300 MW
GEO THERMAL	2,800 MW
TOTAL	18,800 MW

The state also has additional 2,200 MW of self-generation capacity (e.g. rooftop solar) for a total operating capacity of 21,000 MW.⁴⁵

Wind, solar photovoltaic (PV), and geothermal projects are the primary sources for renewable energy available to the SFPUC,⁴⁶ although geothermal projects present problems as noted above.

Solar thermal and solar PV have shown the most growth. Commercial in-state generation from these sources has increased more than 250% since 2013.⁴⁷ This trend is expected to continue throughout the State of California. The cost of solar installation is also going down.

New rooftop solar units seem to be the least problematic of the green energy programs.⁴⁸ SFPUC currently funds GoSolarSF (GSSF). The program subsidizes the installation of solar panels on the roofs of private residences, and has been lauded as beneficial for local citizens because it reduces carbon-based fuel use and greenhouse gas emissions.

Data provided to the Jury by SFPUC show that residential and business solar installations are growing as well. SFPUC estimates there is a total achievable solar potential of 60 MW if every available roof were covered. The City has a laudable goal of installing 50 MW by 2020. Currently there are 28 MW of solar installed, so SFPUC is over halfway towards reaching that goal. The breakdown is as follows:

- Owned or under contract by SFPUC – 8 MW
- Projects owned by residents or businesses that received a GSSF incentive – 10 MW
- Projects owned by residents or businesses that did not receive a GSSF incentive – 10 MW (either installed before the program started in 2008 or the owner opted not to receive an incentive and worked with a private company.)

SFPUC's statistics on solar activity as of December 2014 are impressive:

- SFPUC has completed 3106 solar installations
- These installations generate 10 MW
- 132 jobs were created since 2008 for disadvantaged San Franciscans; 29 are currently employed, 10 in this Fiscal Year alone, and they are paid on average \$17.00 an hour.

The GSSF program was funded at \$5 million in 2014-15; \$5 million is expected to be spent in 2015-2016.

Solar PV is a growth program at SFPUC. Projects are in development and design stage at: Downtown High School, Cesar Chavez and Marina Middle School, and at the SF Police Academy. SFPUC also has plans to install additional solar projects on municipal sites as their 10-year capital plan funding allows.

Endnotes

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- ¹ California Assembly Bill 117 (Migden), Chapter 838, Statutes of 2002 – “An act to amend Sections 218.3, 366, 394, and 394.25 of, and to add Sections 331.1, 366.2, and 381.1 to, the Public Utilities Code, relating to public utilities”
- ² San Francisco Ordinance (hereafter “Ordinance”) 86-04
- ³ Ordinances 146-07, 147-07
- ⁴ Ordinance 232-09
- ⁵ See San Francisco Board of Supervisors Resolutions (hereafter “Resolutions”) 348-12, 331-13; SFPUC Resolution 11-0194.
- ⁶ See Resolution 331-13.
- ⁷ See Cal. Public Utilities Code Section 366.2(a)
- ⁸ See “San Francisco Climate Action Strategy” (SF Department of the Environment, 2013), Table 2.
- ⁹ See Ordinances 86-04, 147-07.
- ¹⁰ See, “The Economics of Community Choice Aggregation” (Bay Area Economic Forum, 2007), at pp. 7-8.
- ¹¹ See footnote ii at page 9 of the text.
- ¹² See information provided by the California Public Utilities Commission at <http://www.cpuc.ca.gov/PUC/energy/Renewables/FAQs/05REcertificates.htm>
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ Stern, Hunter, “Mixed report on Clean Power in San Francisco”, an opinion piece published in the *San Francisco Chronicle* on December 30, 2014.
- ¹⁶ See MCE Integrated Resource Plan Annual Update, November 2013, p. 11.
- ¹⁷ See <http://www.universityofcalifornia.edu/news/ten-percent-san-joaquin-valleys-ozone-pollution-comes-outside-california>
- ¹⁸ See, e.g., Stern, op. cit.; Press, Daniel, “Opinion: ‘Renewable energy certificates’ are a feel-good scam” (*San Jose Mercury News*, April 9, 2009), at http://www.mercurynews.com/opinion/ci_12049267
- ¹⁹ “PG&E – SCP Comparison, at http://www.pge.com/includes/docs/pdfs/myhome/customerservice/energychoice/communitychoicceaggregation/scp_rateclasscomparison.pdf
- ²⁰ See <http://www.pge.com/en/about/environment/pge/greenoption/faq/index.page>
- ²¹ See MCE Clean Energy, “MCE Benicia Community Outreach Plan”, February 2015.
- ²² See U.S. Census Bureau, “State & County Quick Facts”, <http://quickfacts.census.gov/qfd/states/06/06075.html>
- ²³ See San Francisco Environment Code, Chapter 9, Sec. 902.
- ²⁴ News Release, January 26, 2015, “Mayor Lee & Board President Breed Announce San Francisco Exceeds Greenhouse Gas Emissions Reduction Goal”
- ²⁵ EnerNex, “Local Build-Out of Energy Resources of the Community Choice Aggregation Program” (LAFCO, 1-30-15) (hereafter “EnerNex Report”)
- ²⁶ “Minutes, Special Joint Meeting of the San Francisco Public Utilities Commission with the Local Agency Formation Commission, Friday, January 30, 2015” (as approved February 10, 2015)
- ²⁷ Ordinance 84-04
- ²⁸ See Ordinance 147-07 and “Community Choice Aggregation Program Description and Revenue Bond Action Plan and Draft Implementation Plan” dated June 2, 2007, attached thereto and adopted therein.
- ²⁹ Request for Proposals, Agreement No. CS-978R, SF PUC Power Enterprise, November 5, 2009, at p. 32; and see Ordinance 232-09.
- ³⁰ Revised Request for Proposals, Agreement No. CS-160, “Electricity Supply Services for Community Choice Aggregation Program” (SF PUC Power Enterprise, September 30, 2010), at p.8

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- ³¹ “Resolution Supporting A Labor Friendly Community Choice Aggregation Proposal For San Francisco” adopted by the Delegates of the San Francisco Labor Council on May 13, 2013.
- ³² Mayor’s Appearance before the Board of Supervisors, 9/10/13; see video at sfgovtv.org
- ³³ News Release, May 1, 2014, “Mayor Appoints Deborah Raphael as SF Environment Director”
- ³⁴ SFPUC, “Generating Clean Energy for San Francisco” (July 2013).
- ³⁵ See Executive Order B-30-15, issued by Governor Edmund G. Brown, Jr. on 04/29/2015, at <http://gov.ca.gov/news.php?id=18938>
- ³⁶ California Energy Commission, “California Energy Demand Updated Forecast” (February 2015), pp. 2-4, see <http://www.energy.ca.gov/2014publications/CEC-200-2014-009/CEC-200-2014-009-CMF.pdf>
- ³⁷ Senate Bill X1-2, signed by Governor Edmund G. Brown, Jr., in April 2011; see also <http://www.energy.ca.gov/portfolio/>
- ³⁸ See EnerNex Report, pp. 82, 154-158.
- ³⁹ These definitions are based on material contained in RenewableEnergyWorld.Com, “Types of Renewable Energy”, see <http://www.renewableenergyworld.com/index.html>
- ⁴⁰ EnerNex Report, p. 139; see also Olson, Scott and Jon Pietruskiewicz et al, “Renewable Energy Assessment—Final Report” (Black and Veatch for SFPUC, 2014)
- ⁴¹ See <https://sonomacleanpower.org/about-scp/power-sources/>
- ⁴² See <http://energyalmanac.ca.gov/renewables/geothermal/types.html>
- ⁴³ See http://www.energy.ca.gov/renewables/tracking_progress/documents/renewable.pdf
- ⁴⁴ Ibid., figure 1
- ⁴⁵ Ibid., p. 2
- ⁴⁶ See Olson and Pietruskiewicz, op. cit., p. 1-1.
- ⁴⁷ See http://energyalmanac.ca.gov/electricity/electricity_generation.html
- ⁴⁸ See Olson and Pietruskiewicz, op. cit., pp. 4-4 to 4-28.

**San Francisco's City Construction Program:
It Needs Work**

June 2015



City and County of San Francisco
Civil Grand Jury, 2014-2015

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THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name. Disclosure of information about individuals interviewed by the jury is prohibited. California Penal Code, section 929

STATE LAW REQUIREMENT California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days as specified.

A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding, the response must:

- 1) agree with the finding, or
- 2) disagree with it, wholly or partially, and explain why

As to each recommendation the responding party must report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

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EXECUTIVE SUMMARY

How can San Francisco manage a construction portfolio of over \$25 billion with inconsistent controls, insufficient systems, and an inability to consolidate citywide financial and management information?

Why does San Francisco continue to operate a contracting environment that is out of step with best practices?

Should the City be spending so much on construction without the oversight of the Board of Supervisors?

The Civil Grand Jury (CGJ) wanted answers to these questions. In this report the CGJ examines these three critical problems that have been called out in numerous City audit reports over the last few years but remain unaddressed.

In our research we discovered that the City's construction project portfolio is diverse, that some projects are very complex, and that neighborhood projects inflame the passions of San Francisco citizens. Six departments have public works contracting authority. The CGJ chose to focus primarily on the work of one of those, the Department of Public Works (DPW).

Although efforts are underway to address some of the problem areas, much work still needs to be done. Our recommendations include:

- The City needs to revise Chapter 6 of the Administrative Code to enable contractor selection on past performance in addition to the low cost bid.
- Common construction management processes addressing change orders, project closeout and compliance need to be instituted, monitored and measured.
- Construction management information must be standardized to produce citywide reports. Once consolidated information is available, citywide reports should be published for public review.
- The City's out of date technology and weak Construction Management Systems infrastructure must be addressed.
- The Board of Supervisors (BOS) must take a more active role in the oversight of construction projects.

BACKGROUND

San Francisco’s 2014 – 2023 ten-year capital plan is \$25 billion, a staggering sum by any measure. The plan principally funds infrastructure like roads and power systems, but there are also a large number of building projects. The city differentiates between “vertical” projects, e.g. buildings, and “horizontal” projects, like roads. The vertical projects can range from the highly complex and massive rebuilding of San Francisco General Hospital to a relatively small project, like the renovation of a community center at Mission Playground.

2014-2023 Capital Plan Summary	
(Dollars in Millions)	
By Service Category	Plan Total
Public Safety	\$1,376
Health and Human Services	\$1,306
Infrastructure & Streets	\$8,678
Recreation, Culture, and Education	\$1,241
Economic & Neighborhood Development	\$4,151
Transportation	\$8,228
General Government	\$91
Total	\$25,072

Six City departments have public works contracting authority. These departments are:

- The Port Commission (the Port)
- The Airport Commission (the Airport)
- The San Francisco Public Utilities Commission (PUC)
- Recreation and Park Department (R&P)
- The Municipal Transportation Agency (MTA)
- The Department of Public Works (DPW)

Going forward, these six areas will be referred to jointly as the “six City departments”.

In addition to DPW's own department projects, DPW manages construction projects for all non-Chapter 6 departments such as the Library, Fire Department (SFFD) and Department of Public Health.

Construction projects are funded in many ways including bond measures that taxpayers approve, federal or state funding, city general funds, private sources, or a combination of all available sources. When general obligation bond funds are used, the Citizens' General Obligation Bond Oversight Committee (CGOBOC) has the responsibility of ensuring that general obligation bond proceeds are spent properly. At recent CGOBOC meetings, the Director of Audits presented performance audits of construction practices in the City. The audits identified control weaknesses in the areas of contract change order management and the process of closing out construction contracts. After reviewing additional construction management audits, the San Francisco CGJ felt the topic warranted study, given the dollar magnitude and large number of building construction projects in process.

As the CGJ began its investigation we found that there have been 25 audits over the last seven years, which have examined various aspects of the construction management process. Some of these were citywide performance audits, while others focused on specific projects. These audits were done by employees and outside firms with specialized expertise in such assessments. Several themes emerged from these various rigorous audits.

- Construction projects always involve change orders, which authorize work to be added to or deleted from the original contract. In many instances, the change order management process was weak which could expose the City to increased cost and/or delays.
- Construction contract close out procedures are also an area of concern; a strong close out process ensures that all contractual terms are met, so deficiencies in that process could mean a risk to the city,
- In the projects that DPW manages and designs, there have been design errors that have led to avoidable cost increases.
- City construction projects lack transparency for several reasons. The systems that track projects across departments vary and do not share common data elements, preventing the consolidation or comparison of key performance metrics. Similarly, no final report is published on each project summarizing the financial, functional and operational project outcomes.
- Accountability for both large and small city construction projects resides in the department, its commission or the City Administrator, but not with the BOS. With the exception of DPW, all six City departments have commission oversight.

- The information systems infrastructure in DPW is not sufficient to handle the 535 active horizontal and vertical projects that DPW currently manages that are valued at \$5.7 billion.²
- An April 2014 audit performed by the City Services Auditor examined the City's current practice of awarding construction contracts using a single criterion, the low cost bid, a practice that ignores current best practices used by other large cities and government agencies.

Many of these factors alone suggested the need for future study, but taken together, an investigation of City construction management was clearly warranted. To make the topic manageable, we chose to focus on the building construction management process of DPW. We are confident that many of our recommendations will be applicable to other city departments and their construction projects as well.

METHODOLOGY

We reviewed many city-published sources of information in preparing this report including department websites and the San Francisco Administrative Code (the Code). The City Services Auditor (CSA) has a construction audit group that audits City construction projects and issued several audits in the last seven years. We reviewed these audits in depth, focusing on those that deal with vertical projects, management controls, and the City's current lowest cost bidder criterion for awarding construction contracts.

We also reviewed the 2007 Management Audit of DPW prepared by the San Francisco Budget and Legislative Analyst (BLA). A section of that management audit addressed DPW's program for reporting and preventing construction design error and omission change orders. Additionally, we reviewed the 2011 BLA report on the cost of change orders and the lack of citywide change order reporting.

The CGJ interviewed representatives of the six City departments and City departments that lack contracting authority in order to understand their different perspectives on the effectiveness of the prevailing practices of managing the City's construction workload. We interviewed construction contractors including those who do both public and private construction projects, and contractors who have chosen not to bid on City work. We interviewed senior managers at the Public Works departments in other large cities to understand the practices in place in their communities, and thereby discern what issues may apply to all cities and what may be uniquely pertinent to San Francisco. As a result of these interviews we were provided with additional management reports, and data extracts from the departments.

DISCUSSION

Our investigation revealed several areas for improvement in City management of vertical construction projects. These issue areas are diverse, so we will address each separately. They are:

- The Contracting Environment
- Construction Project Management
- Department Interactions
- Information Technology
- Transparency in Reporting
- Independent Oversight
-

The Current Contracting Environment and its Complexity

1. Overview

The number of cranes seen in the San Francisco skyline is a clear indication of the scale of construction projects in our city. Although most projects are private developments, many are city projects that must compete for the same design and construction resources.

The manner in which the City secures design and contractor resources for construction projects is via a contracting process outlined in Chapter 6 of the Code . The Code specifies that the City must take the lowest cost “responsible bidder.” Additionally, bidders are required to include Local Business Enterprises (LBEs) as part of their construction team. This is a “hard bid” process, where specifications are provided to bidders with no negotiation of project scope, timing or deliverables.

Some major construction firms will not participate in a hard bid process. They see the hard bid process as structurally flawed; a process where the client does not choose a contractor based on past performance or the quality of the contractor’s work. The low cost bid process can create a perverse incentive for contractors to scrutinize project bid specifications to determine the existence of flaws or omissions in the bid specifications that would need to be addressed through lucrative contract change orders. The president of a major construction firm that had historically avoided municipal contracting via hard bids said in 2007, “The process as it has been followed is a failure every time. Why in God's name is this process still repeated?”³

2. The Construction Management General Contractor (CMGC) Approach

The construction industry moved to alternative contracting structures to counter the “old school,” hard bid environment. Private developers and contractors, realizing there was a need for greater collaboration in designing and building complex construction projects, developed contractual agreements that support specialization and collaboration.

In a “Design-Build “ contract one firm provides project design and construction services. This approach is used for routine construction projects, like parking lots or correctional facilities, where specific firms specialize in a given type of structure and offer a turnkey solution, providing both the project design and construction management services. In this process, written design criteria are provided along with project requirements. The bidding firm comes back with the project design and the construction cost. The City of San Francisco has done several Design-Build projects. For example, the \$255 million Rehabilitation Detention Facility is a design-build project. Other municipalities have adopted this turnkey option as well.

In a Construction Management General Contractor (CMGC) relationship, the contractor provides input in the pre-construction phase of the project to simplify the construction process, reducing construction cost. The construction manager is paid for pre-construction planning, which includes validating the budget, and identifying construction savings that could be achieved from the redesign of certain elements of the project. The goal is to create a more efficient and cost effective construction project. The private sector contracting community also refers to this as integrated project design.

CMGC practices were adopted in San Francisco in 2007, when then Mayor Gavin Newsom, recognized the need for more collaboration in the planning of the new Academy of Sciences. Senior leadership of DPW assisted in passing an ordinance to enable CMGC practices.⁴ The City addressed these new contracting structures in its Code: Chapter 6.61 for design-build, and 6.68 for CMGC projects. Subject to two conditions, these provisions grant the flexibility to solicit either design-build or CMGC proposals to department heads authorized to execute contracts for public works projects. The project must be suitable to either process; and, most significantly, approval must be obtained by the client’s department commission. If a department has no commission, the City Administrator must approve the arrangement.

DPW has completed five construction projects using CMGC with another five projects in the active construction phase. The five active projects are the Public Safety Building, San Francisco General Hospital, the Office of the Chief Medical Examiner Building, the Moscone Center Expansion and the Veterans Building. The benefits of using the CMGC process have been demonstrated in the early results of these projects.

The Academy of Sciences rebuild was a big “win” for the City, coming in both on time and under budget. The rebuilding of San Francisco General Hospital is being coordinated by a specialist hospital contracting firm. Change orders on the largest phase of the \$882 million project, the \$673 million of new construction, were approximately 3% of total cost, a great result for a project of its size and complexity.

Some states, including Oregon and Washington, have moved to a mandatory use of CMGC practices for large-scale projects. Federal projects also use this method of contracting. A qualifications-based criteria is established for the award of the CMGC pre-construction project. Price is not a selection criterion. San Francisco, like many jurisdictions, includes

social policy goals like the use of disadvantaged business enterprises as a ratable element in the scoring process. After the highest scoring bidder has been selected, price is then negotiated.

The CGJ commends the City on its use of CMGC and design-build, processes that are being adopted as a “Best Practices” in the construction industry. The increased use of these techniques for large and/or complex construction projects will only yield benefits to the City.

3. The Lowest Cost Bid Problem

Although some city construction projects utilize CMGC and design-build techniques, most projects are still subject to the lowest cost bid approach. For projects equal to or more than \$400,000, the Code requires the City to accept “a responsible bidder offering the lowest responsive bid.” For projects under \$400,000 the Code requires “a responsible bidder offering the lowest quotation.”⁵

Those terms are defined as follows:

- **Responsible.** A responsible bidder or contractor is one who (1) meets the qualifying criteria required for a particular project, including without limitation the expertise, experience, record of prior timely performance, license, resources, bonding and insurance capability necessary to perform the work under the contract and (2) at all times deals in good faith with the City and County and shall submit bids, estimates, invoices claims, requests for equitable adjustments, requests for change orders, requests for contract modifications or requests of any kind seeking compensation on a City contract only upon a good faith honest evaluation of the underlying circumstances and a good faith, honest calculation of the amount sought.
- **Responsive.** A responsive bid is one that complies with the requirements of the subject advertisement for bids without condition or qualification.⁶

While it would appear that the San Francisco city requirement to accept a responsible bidder offering the lowest cost responsive bid would incorporate evaluating contractor past performance in the bid selection process for fixed bid contracts, this is not the case. An April 2014 CSA citywide construction audit evaluated whether the six City departments effectively evaluate contractor past performance and utilize contractor past performance in awarding construction contracts. The audit found that “city departments do not adequately assess contractor performance and do not consider past performance in the construction award process.” The report goes on to say, “because the City does not require evaluations of contractors’ performance and, hence, there is no formal record of or method by which to judge contractor responsibility, poor-performing contractors—even contractors incapable of performing the work on which they bid—can secure additional city contracts.”⁷ Similarly, 70% of those sampled by the CSA reported that a contractor had performed poorly on a City project.⁸

Other cities have developed extensive vetting criteria for public works contractors. Five of the leading practices are summarized in the table below. Three of the six San Francisco City departments have a contractor evaluation process. However, the three departments use different contractor assessment criteria and the contractor evaluations are not used in the contract award process.

EXHIBIT 2 Summary of Leading Practices in Contractor Performance Evaluation					
	City of Los Angeles	City of New York	City and County of Philadelphia	City of Seattle	Various Federal Agencies
1. Require completion of performance evaluations	✓	✓	✓	✓	✓
2. Consider evaluations in the contract award process	✓	✓	✓	✓	✓
3. Use a standardized performance evaluation form	✓	✓		✓	✓
4. Allow contractor feedback on evaluation results	✓	✓	✓		✓
5. Maintain a centralized database/location for evaluation results.	✓	✓	✓	✓	✓

Source: Auditor's analysis of leading practices.

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Adoption of leading practices in contractor performance evaluation discourages the following contractor practices that increase construction project costs:

- Contractors purposely submitting a bid that does not provide enough money to complete a construction project knowing that the City will need to issue project change orders to fund the project to completion. Project change orders are not subject to competitive bidding and have a much greater profit margin for contractors.
- Contractors evaluating construction projects from the perspective of the project's change order potential. Contractors who use this process evaluate the City's bid packages from the perspective of what design elements are missing from the bid package that will necessitate future change orders.
- Contractors not completing a project when they have received the bulk of the project construction contract payments, thereby leaving the City to find a new contractor to complete the open items on the project punch list.

The use of past performance criteria also eliminates the revolving door of bad contractors securing city work by virtue of a lowest cost bid. The City of Los Angeles goes even further with its "Contractor Responsibility Ordinance":

Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.¹⁰

In all there are 18 different categories that are evaluated in the Los Angeles final report. Poor results will preclude a firm from further work as will falsification of any of the survey answers.

4. The Role of “LBEs”

The City has specific social policy goals incorporated into its contracting requirements. It provides preference points in awarding contracts to those contractors who use subcontractors who may be new, small, or from disadvantaged backgrounds or neighborhoods. These diversity goals and the comprehensive statutory regulations that govern them, alter existing prime contractor and subcontractor working relationships. Many contractors are required to use subcontractors, with whom they may never have worked, to win City contracts. The contractors cannot depend on the competency of these subcontractors. All of this makes contracting with the City a very difficult process.

In particular Chapter 14 of the Code identifies the following categories of businesses that are given preference in the public building process:

LBE- Local Business Enterprise	Small LBE
MBE-Minority Business Enterprise	Micro MBE
WBE-Womens Business Enterprise	SBA-LBE
OBE- Other Business Enterprise	Non-profit LBE

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Numerous preference categories and the unique requirements of each city department create extra work and management challenges for both contractors and subcontractors. The Contract Monitoring Division (CMD) of the General Services Agency (GSA) is charged with enforcement of the requirements of Chapter 14 (B) through two separate units: a certification unit that qualifies firms for certification meeting certain prescribed criteria, and a compliance unit that “sets goals” for hiring Chapter 14 businesses in most City contracts. For example, the compliance unit will determine the preference content of each element of the construction project. There are approximately 1,700 firms that have been certified for some 270 different categories of business types for each specific project. The CGJ did not determine if the certification process included certification of contractor performance.

Additionally, there is Chapter 12, which enforces non-discrimination practices in the certification process and under the Code is enforced by the Human Rights Commission (HRC). Although the Code still places this obligation on the HRC, this function has been transferred to the CMD. Finally, there is the Office of Economic & Workforce Development, which, under Chapter 6.22(g) of the Code, administers and monitors local hiring policy for construction in the City.

Contractors doing work with the City have described the process as “byzantine.” No one questions the merit of the social goal; rather it is the complexity of meeting it that creates frustration. Some contractors are daunted by the City’s LBE requirement, since some LBE

firms possess good construction skills but lack construction management and administrative skills. When a subcontractor fails to deliver acceptable work on time, it can cause significant project delays, which can lead to a significant increase in total project cost and jeopardize the prime contractor's reputation. This has led to a reduction in the number of contractors willing to bid on City business. R&P at present has only four contractors who will bid on most of their construction projects.

5. Revisions to Chapter 6

At present, a city work group has been formed to identify administrative and substantive changes that should be made in Chapter 6 of the Code. In phase I the work group proposed 43 technical changes to the BOS this spring. In phase II of the project, the work group will be proposing that Chapter 6 of the Code be modified to include contractor performance as an additional criterion in awarding fixed bid construction contracts. In the current lowest bid environment, it is possible for a contractor with a track record of poor quality work and failure to meet delivery schedules to win new construction contracts merely because it was the lowest bidder. It is often difficult for DPW supervisory personnel to collaborate with low bid contractors under these circumstances.

Even though performance is not a criterion in the lowest bid environment in San Francisco, the City has a process for excluding contractors from bidding on new construction. The process is called debarment. A contractor can be debarred due to "willful" misconduct in any aspect of the bidding process, from submitting false information in the proposal to failure to comply with the terms of the contract.¹² The City debarment process is difficult, and currently no City contractors are debarred or prevented from bidding on new construction projects, regardless of how many notices of non-compliance they have received from the City.

The CSA issued a Citywide Construction audit report in May of 2014 that provides anecdotal examples of City projects where construction contractors performed poorly. The report found that poor-performing contractors have more non-compliance notices, higher project soft cost (non-construction costs) and more change orders than high performing contractors. One example cited in the audit report is an Airport contractor who received 59 non-compliance notices for improper work on a \$14 million contract to construct a bridge at the Airport.¹³ It is not clear why such a contractor was not considered for debarment, a process that does not appear to be used to protect the City from poorly performing contractors.

We encourage the BOS to amend Chapter 6 of the Code to include consideration of contractor past performance in awarding fixed bid construction contracts and to implement the change swiftly.

Construction Project Management

Project management controls are very important for ensuring project quality and for managing construction project costs. We reviewed two important areas of construction

project control: change order management and project construction contract close-out procedures. Additionally, we looked at the consequences of non-compliance with these and other policies.

1. Change Order Management

Large construction projects will have many hundreds of change orders. An illustrative list appears below.¹⁴

Project	Total Cost	# Of Change Orders
San Francisco General Hospital	\$ 887 million	607
Public Safety Building	\$ 243 million	389
North Beach Branch Library	\$ 14 million	116
Bayview Branch Library	\$ 14 million	102
Palega Recreation Center	\$ 14.4 million	175
Mission Dolores Park	\$ 18million	103

The change order process generates many documents that need to be managed and routed for approval and signoff. It starts with a contractor preparing a proposed change order which leads to a negotiation process and an independent cost analysis for change orders over \$20,000. Once a change order has been approved, it requires a contract modification. These require authorizing signatures as well as, in some cases, revised architectural plans or engineering specifications. All of the change order documents need to be managed, so that approvals can be tracked, contract revisions can be noted, and key documents can be retrieved as needed.

The following examples taken from many CSA audit reports demonstrate that management processes for change orders are department specific, not citywide, and are frequently ignored in practice.

The April 2014 CSA audit of change orders on the \$243 million Public Safety Building project found:¹⁵

- DPW documented proposed change orders, but, contrary to departmental procedures, did not document the negotiations for those exceeding \$20,000.
- DPW did not prepare the required independent cost estimates for proposed change orders exceeding \$20,000, so had no negotiating leverage when the contractor submitted revised costs.
- Proposed change orders requesting time extensions did not contain sufficient supporting documentation, increasing the risk of possible approval of unwarranted time extensions.

The CSA issued about 20 change order audit reports over the last four years. The audits highlighted significant procedural problems that can be improved with all city departments

using the same change order procedures, greater adherence to existing change order policies and the implementation of citywide change order management reports. The audits found control weaknesses in large and midsize construction projects.

The CSA April 2013 Audit of the PUC \$39.2 million Alameda Siphon #4 found that 40% of project change orders were issued and 47 % were approved after substantial completion of the construction project. Approving change orders after the contractor has completed the work is contrary to the intent of the change order management process.

Change orders are a fact of life in construction; some are due to unforeseen building conditions and regulatory requirements, while other change orders are avoidable

Two types of avoidable change orders are design errors and omissions and client requested changes during construction. It is important to report all types of change orders and to ensure that avoidable change orders receive a higher level of management scrutiny. DPW has a stated goal of limiting error and omission change orders to 3% of total project cost. The extent to which they are achieving that 3% standard is not clear. The CGJ believes this should be a citywide standard that should be reported and enforced for all construction projects.

The Alameda Siphon project had 196 change orders totaling \$6.8 million or 21 percent of the original contract value. A sample of 40 of the 196 change orders found that modifications were required because of: 6 design error, 6 design omission, 12 differing site conditions, 8 owner-requested, 3 regulatory requirement and five other category change orders.¹⁶

A CSA April 2013 audit of two midsize construction projects, the \$10.8 million Chinese Recreation Center and the \$4.6 million Mission Clubhouse and Playground renovation, found significant department policy violations. Change orders for the Mission Clubhouse and Playground renovation amounted to \$642,103 or 14 percent of the original contract value. Change orders for the Chinese Recreation Center amounted to \$1,587,540 or 15 percent of the original contract value.¹⁷ The audit found the following departmental policy violations:

- R&P has no published change order processes or procedures.
- DPW did not adequately record pertinent information on all change orders.
- DPW did not obtain independent estimates for change orders of more than \$20,000 as required by written procedures.
- Both R&P and DPW each allowed an increase to contractor markups without a contract modification as called for by the contract.
- A majority of contractor change order requests that included a project time extension did not meet contract requirements, and some change order requests were submitted late.
- In some instances, contractors did not adhere to change order pricing requirements.

An October 2011 BLA report to the BOS evaluated the frequency and cost to the City of contract change orders for large construction and professional service contracts. The report surveyed ten City departments and reviewed 218 construction and professional service contracts over \$5 million entered into between Fiscal Year 2006-07 and September 2011. The report findings were that 107 or 49.1% of the large construction and professional service contracts had change orders with a total cost of \$295.2 million, a staggering sum. One of the recommendations in the report was to have the BOS request that all City departments maintain contract information in a uniform manner and that the information be summarized and regularly reported to the BOS. We concur with this recommendation.

2. Contract Close Outs

CSA audit reports examined a second important construction management process, the process used to closeout contractor construction contracts. The construction contract closeout formally ends the construction phase of a capital project and ensures that all contractual and legal obligations have been fulfilled before final payment is released to the contractor. Ensuring compliance with all closeout procedures assures the City that the contractor used city resources appropriately and completed the work in accordance with contract terms. There were a number of DPW and non-DPW contract closeout audits where City departments were found to have skipped some of the contract closeout procedures. In the closeout audits, two recurring findings were that the departments failed to use a contract closeout check list, a construction industry best practice, and the departments were unable to provide adequate documentation that specific aspects of the construction contract had been fulfilled.

The July 2013 closeout audit of the contract for the \$583 million Laguna Honda Hospital Replacement Program found that DPW was unable to verify its compliance with eight of 34 applicable closeout procedures. Similarly, the July 2012 closeout audit of the \$332,000 contract for Chinatown Public Health Center ADA Improvements Phase II found that DPW did not require the contractor to comply with the following six closeout procedures:¹⁸

- Submit all change orders before work was 95 percent complete.
- Advise the City of pending insurance changeover requirements.
- Notify the City in writing that the work was substantially complete and ready for inspection.
- Submit consent of surety to final payment.
- Submit a certified copy of the punch list of remedial items to be completed or corrected, stating that each item has been otherwise resolved for acceptance by the City.
- Notify the City in writing that all punch list items of remedial work were completed and the work was ready for final inspection.

That said, contract close outs can be problematic, because departments rely on the contractor to fulfill all contract requirements. In the current construction-boom

environment in San Francisco, some contractors just walk away from the final payment and move on to another project, rather than deal with the final paperwork. Other jurisdictions have experienced this same problem. Portland, Oregon is evaluating a larger hold back provision in the contract to reduce this behavior.

Department Interactions

1. The DPW Architecture and Engineering staff

As mentioned earlier, DPW, has one of the most diverse construction portfolio in the City. Not only does it manage its own projects, it also works with other City departments as needed. The Port, MTA and R&P rely on DPW for general construction. DPW has expertise in remodels, seismic retrofitting, hydraulics and new construction. R&P, SFFD and the Police Department have hundreds of buildings that need to be remodeled or replaced. These include 220 city parks, 82 recreation centers, 51 fire stations and 12 police stations. The PUC relies on DPW for specific expertise around hydraulics.

DPW manages both building (vertical) and road and sewer (horizontal) construction projects with a FY2014-2015 budgeted architecture and engineering staff of 531 full time equivalent (FTE) employees . Most of the salaries and benefits of these employees are charged to the individual construction projects (capitalized) and not to DPW's operating budget. DPW manages about 41% of the budgeted citywide 1,286 FTEs.

	Annual	Annual
	Salary	Salary
	Ordinance	Ordinance
	F2014-2015	F2015-2016
	Budgeted	Budgeted
	<u>FTEs</u>	<u>FTEs</u>
DPW- Architecture Bureau	252.0	258.9
DPW- Engineering Bureau	278.7	287.6
DPW- Total Arch+ Engineers FTEs	530.7	546.5
	41%	41%
Airport- Bureau of Design and Construction	167.3	181.7
MTA-Capital Programs & Construction	156.4	158.9
Port - Engineering and Environmental	26.5	26.5
PUC- Engineering	389.0	394.0
Recreation and Parks- General Fund work order fund	16.0	16.0
Citywide total	1,285.9	1,323.7
F2015-2016 % increase in FTEs		37.8
F2015-2016 increase in FTEs		2.9%

There may be an opportunity for San Francisco to better utilize the 1,286 budgeted FTEs who are currently spread among the six City Departments. We recommend the City have the CSA benchmark San Francisco's citywide construction management staff organizational structure against comparable cities.

DPW's staffing structure contrasts with the staffing of large construction firms. Historically, construction firms maintained a deep staff of trades people and specialists. Large contracting firms along with cities like Portland observed that the variety of construction projects creates a mismatch between the skills required for current projects and the skills of their staff. The result is duplicate labor costs when outside firms are retained. As competitive conditions demanded more cost effective approaches and nimble operations, construction firms and cities like Portland eliminated internal specialist departments and developed relationships with subcontracting firms. Interviewees shared that few major cities maintain a large public works staff of specialty design and engineering employees.

2. Disparate Policies and Systems

Since the six City Departments manages its own construction projects, it is not surprising they have developed their own department-specific construction processes and systems. When more than one city department works on a construction project, it is impossible to combine department construction information, because data is captured and/or defined differently. For that reason it is difficult to produce citywide construction project reports. CSA audits found that DPW and R&P project change orders were difficult to coordinate, because individual departmental systems and departmental operating procedures were not aligned. R&P lacks a written change order policy and DPW's systems are incompatible with R&P's workflow for processing change orders.

3. Errors and Omissions

City departments that utilize DPW for architecture and design work assume a risk that they would not otherwise have if the city department retained an outside firm. City departments cannot sue DPW for design and omission errors. A DPW design error or omission forces its City clients to reduce the scope of a project or find additional funding for completion. DPW acknowledges that there have been issues on some projects, but maintains that all clients are made whole; some client departments interviewed by the CGJ would disagree.

4. Recreation and Park

One of the six City Departments, R&P, warrants highlighting, because DPW manages all R&P vertical projects and because R&P projects elicit a lot of citizen input. Although R&P has expertise in the landscape aspects of construction, it often needs to rely on DPW for structural projects, from playground centers to tennis courts to bathrooms.

R&P has a team of nine specialists including project managers, senior planners, architects and landscape architects. Some are specialists in areas like irrigation or ADA²⁰ access. They work with DPW on a Memorandum of Understanding where the R&P project manager is the point person on the job, responsible for maintenance of the project budget and schedule. Of their 70 active projects, 20% are vertical projects and 80% of all projects are under \$1million. These small projects require extensive public meetings because the community is more likely to become involved with a neighborhood park remodel than a pumping station. Indeed a recent *San Francisco Chronicle* article detailed the renovation of the 760 square foot restroom in Washington Square Park that had an extensive community review process and ultimately cost \$1.2 million, which was 20% over budget.²¹

DPW provides the design services for R&P, however the cost is often higher than what an outside designer would charge. For small projects, this higher design fee represents a significant portion of the project budget. Once designed, DPW manages the construction using its resident engineer team. They handle contractor selection, from the small universe of contractors willing to do R&P projects. The DPW engineer and R&P project manager coordinate the completion of the project. Lack of clarity in this shared role structure leads to problems of accountability for various aspects of the project.

Information Technology

DPW's current systems environment is complicated and obsolete. More than 20 years ago, DPW developed an AS 400 system to manage construction project data at a level that was more granular than what was available from the City's financial system FAMIS. DPW uses the Electronic Job Order Accounting System (EJOA) to manage budgets and adherence to timelines and interfaces with FAMIS in a rudimentary way. EJOA cannot handle on-line change order management or project updates. These limitations led one manager to say that they "need to keep really good email trails of decisions." That said, it should be noted that several contractors commented on the strong attention to detail of the DPW staff, despite their lack of adequate information systems.

Things are no better in other areas of the City. The Department of Public Health, for example, reports that it does not maintain electronic records of originally approved construction contract amounts at all, thus preventing comparison with amended or modified amounts, unless a manual review of individual contract document files is made.

FAMIS, the citywide financial system, is targeted for replacement in FY 2018.²² DPW recognizes the need for common construction project data architecture and improved project reporting and is developing DPW construction management system specifications as part of the FAMIS project team. We commend DPW for recognizing the problem and developing a department plan to address the problem. Individual City departments recognize the need for new systems to better control an ever increasing project workload. If the City does not provide leadership, departments will be required to act independently which will perpetuate the existing lack of integrated citywide construction project reporting.

²⁰ San Francisco's City Construction Program

The problem is a citywide problem that should be addressed through the development of a citywide information technology plan that addresses (i) the coordinated replacement of the citywide financial system (FAMIS), and (ii) the adoption of citywide construction procedures, including the implementation of a citywide construction management system. Replacing FAMIS may improve some reporting, but it is a financial system, not a construction management application.

As described earlier, DPW lacks an electronic document management system to catalog, store and retrieve the requisite documentation for change orders. As a result, the engineering and architecture bureaus within DPW have their own document management processes. Similarly, there is no centralized database in the City that provides for monitoring contract change orders. Instead, the information must be obtained from individual departments, each of which records and reports the information differently, making a consolidated roll-up of citywide construction information impossible.

We recommend that the Department of Technology (DT) retain a consulting firm with extensive construction management system expertise to develop citywide systems requirements for the implementation of a flexible system that thousands of city construction project employees will be able to use to better manage construction efforts. However, the need for a construction management system is not addressed in the 2016 Information and Communication Technology (ICT) plan for Fiscal Years 2016-2020. It is unacceptable for the City to propose to spend in excess of \$25 billion dollars over the next ten years when the City lacks both citywide construction procedures and a citywide construction management system.

Transparency and Reporting

Understandably, the lack of integrated management systems and failure to follow common policies and procedures in managing construction projects makes it impossible to get an up-to-date snapshot of the current status of all active construction projects in the City. In the current environment, the BLA and the CSA must use a labor-intensive sampling process to get citywide information instead of using citywide reports.

We found it difficult to work with individual DPW construction project reports when more than one City department was involved in a construction project. For projects where DPW is providing specific project services like engineering but not managing the entire project, DPW project reports only have engineering project cost information. DPW reports that summarize multiple construction projects are difficult to use because DPW often is not providing the same client services for all construction projects.

The lack of citywide policies and the inconsistent application of existing policies make it impossible to create citywide reports that summarize key construction performance metrics like notices of non-compliance, change orders, actual construction soft costs

(design, architecture, engineering, etc.) and a comparison of actual project cost to budgeted project cost. It is impossible to prepare a citywide report of actual construction expenses for all six City departments, as evidenced by the inability of the CSA to include actual citywide construction costs in their May 2014 construction audit report. The current situation where there are no citywide construction reports that compare actual project spending to original budget for completed projects violates both common sense and basic good management practice. Allowing the current situation to continue when the majority of the \$25 billion ten-year Capital Plan spending is for construction is unacceptable.

Government construction projects are different from private construction projects, because they are public projects and subject to many levels of oversight that do not exist in the private world. Public projects should be subject to citizen oversight and the oversight of many City Departments. For example, the CMD, (as mentioned earlier) reviews the LBE component of construction projects. Construction project managers need to deal with reporting requirements that are unique to each City department that oversees a specific aspect of a construction project. Government construction projects also have more stringent project documentation and approval requirements. The City has allowed each of the six City departments to define and implement departmental solutions rather than establishing a citywide standard. This silo problem mirrors the city's information technology problem that was addressed in the 2011-2012 Civil Grand Jury report, *Déjà vu All Over Again*. The solution for both problems requires the city to develop a citywide plan and give one city department the responsibility for designing and implementing citywide solutions.

Developing a citywide construction reporting solution is a difficult task, because departments like the PUC and the Airport have a few very large construction projects that span many years. The Port, MTA, R&P, and DPW have many small construction projects. 376 or 70% of the 535 active DPW projects have a budget of less than \$3 million dollars. Identifying and implementing an enterprise construction management system that fits departments with large and small projects is difficult. Nonetheless, the current lack of citywide construction policies and procedures and the inability to generate accurate citywide construction reports needs to be addressed.

DPW active construction projects - November 2014		
	# of projects	% of total
Cost of individual projects		
Over ten million dollars	46	9%
Three million to ten million dollars	113	21%
Under three million dollars	376	70%
	535	100%

This the problem needs to be addressed to enable citizen oversight of individual construction projects. Access to information on individual construction projects is not currently possible, because there are no final reports issued for each completed

construction project which report original, budgeted project cost and actual project cost as well as key performance indicators like the actual number, type and cost of project change orders. According to interviewees, other cities produce reports and/or maintain websites that provide detailed information on construction projects. The people of San Francisco deserve the tools to monitor construction spending that is funded by bonds the voters were asked to approve. Until the City implements citywide construction polices and reporting standards supported by a citywide construction management system, meaningful information about construction projects will not be available to the citizens of San Francisco.

Lack of Independent Oversight

Five of the six City departments report to an independent commission. For example, the PUC Commission and the R&P Capital Committee are required under Chapter 6 of the Code to review project change orders when the cumulative cost of change orders for an individual project exceeds 10% of budgeted project cost. DPW client department projects, like those for SFFD and SFPD, are subject to the same commission change order oversight. DPW's own projects are not subject to the same independent oversight; there is no DPW Commission.

The BOS plays no role in the approval, ongoing reporting or oversight of any construction project. The jury was told that the BOS was not given a role in approving construction contracts to prevent politicizing the process. However, the failure of the BOS to exercise regular oversight over citywide construction spending needs to be examined. The CGJ cannot find any reason why the BOS should not exercise oversight authority after a contract has been awarded. A BLA audit noted the lack of scrutiny:²³

- Construction contracts are not subject to BOS approval, whereas professional services contracts over \$10 million do require BOS approval. The BOS must approve non-construction change orders greater than \$500,000.
- By comparison, in three other large jurisdictions in California, the threshold amount for a governing body approval was from \$25,000 to \$250,000, with some variances for construction and certain other contracts. Therefore, there is significantly less scrutiny of contracts required by the BOS for contracts with a value of less than \$10 million.

Several BLA recommendations addressed the oversight issue, including (i) lowering the contract approval threshold to a number consistent with other cities, and (ii) changing the change order approval threshold to a cumulative amount as opposed to the current single change order threshold of \$500,000.

Perhaps the most important recommendation, and the one with which the CGJ is in total agreement is this:

The Board of Supervisors should request that all City departments maintain contract

information in a uniform manner, recording original contract amounts, each change order and change in contract value, and final contract amounts, to be summarized and regularly reported to the Board of Supervisors.²⁴

We interviewed employees in other large cities and found that all of the cities had independent oversight of public works construction projects. All of the cities we researched required that construction project change orders that exceeded a specific threshold require city council approval. Other large U. S. cities have implemented independent oversight of construction projects through the creation of an independent department of contract management in their DPW department. This unit monitors DPW construction project adherence to city policies. In these cities, the contract management department is independent and does not report to DPW architects, engineers or project managers.

The lack of BOS oversight of all City construction contracts and the lack of independent oversight of DPW department construction projects should be remedied.

FINDINGS

Based on the discussion above, we have the following findings:

- F1. DPW should be commended for its adoption of the CMGC and design-build structures in large-scale projects and the Chapter 6 workgroup should be commended for working to streamline the construction contracting process in the City.
- F2. The current lowest bid-contracting environment is not optimal for the City, since it increases costs due to additional project change orders, and it reduces the number of quality contractors willing to bid on City projects.
- F3. The complexity of the contracting environment, especially as it relates to LBEs, reduces the pool of contractors willing to do business with the City, thereby limiting vendor selection.
- F4. Change orders are not managed uniformly across departments, which exposes the City to increased project costs.
- F5. Construction contract close out procedures are not followed, which can result in the City not receiving the services it contracted to receive.
- F6. The variety of construction projects in the City creates a mismatch between the design and engineering skills required for current projects and the skills of the staff, resulting in duplicate labor costs when outside firms are retained and excess capacity when there is a decline in construction activity.
- F7. The lack of integrated construction management systems and the failure to follow centralized construction management policies and procedures prevents the City from generating citywide construction reports.
- F8. The City does not have an independent management group reviewing citywide construction performance reports and monitoring adherence to change orders and construction contract close out policies and procedures.
- F9. San Francisco City departments do not issue final reports on construction projects that are readily available to its citizens.

RECOMMENDATIONS

- R1. None
- R2. The BOS should amend Chapter 6 of the Administrative Code to require contractor performance as an additional criterion for awarding construction contracts.

- R3. The CGJ recommends that the proposed Chapter 6 amendment make past performance a construction award criterion for all future City construction contracts including LBE subcontracts.
- R4. The Office of the Controller should implement a standardized change order management policy and require all City departments to adhere to the new change order policy.
- R5. The Office of the Controller should implement a standardized construction contract closeout policy and require all City departments to adhere to any new policy.
- R6. The BOS should request BLA or CSA to benchmark the City's design and engineering workforce organizational structure against comparable cities and issue a report within a reasonable timeframe.
- R7. The Mayor should allocate financial resources in the current City budget to fund the Department of Technology hiring a consulting firm with extensive construction management expertise to develop citywide system requirements for the implementation of a construction management system.
- R8. Within a reasonable timeframe, the BOS should either request the CSA or BLA, or retain an outside firm, to benchmark the independent construction management structure of other cities and develop recommendations applicable to San Francisco.
- R9. The BOS should require each City department to issue final project construction reports within nine months of project completion for all construction projects and for the reports to be posted on each department's website.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

Findings	Recommendations	Response Required
F1. DPW should be commended for its adoption of the CMGC and design-build structures in large-scale projects and the Chapter 6 workgroup should be commended for working to streamline the construction contracting process in the City.	None	
F2. The current lowest bid-contracting environment is not optimal for the City, since it increases costs due	R2. The BOS should amend Chapter 6 of the Administrative Code to require contractor performance as an additional	BOS

to additional project change orders, and it reduces the number of quality contractors willing to bid on City projects.	criterion for construction contracts.	
F3. The complexity of the contracting environment, especially as it relates to LBEs, reduces the pool of contractors willing to do business with the City, thereby limiting vendor selection.	R3. The CGJ recommends that the proposed Chapter 6 amendment make past performance a construction award criterion for all future City construction contracts including LBE subcontracts.	BOS Mayor
F4. Change orders are not managed uniformly across departments, which exposes the City to increased project costs.	R4. The Office of the Controller should implement a standardized change order management policy and require all City departments to adhere to any new change order policy.	BOS Mayor Office of the Controller
F5. Construction contract close out procedures are not followed, which can result in the City not receiving the services it contracted to receive.	R5. The Office of the Controller should implement a standardized construction contract closeout policy and require all City departments to adhere to any new policy.	BOS Mayor Office of the Controller
F6. The variety of construction projects in the City creates a mismatch between the design and engineering skills required for current projects and the skills of the staff, resulting in duplicate labor costs when outside firms are retained and excess capacity when there is a decline in construction activity.	R6. The BOS should request the BLA or CSA to benchmark the City's design and engineering workforce organizational structure against comparable cities and issue a report.	BOS Mayor Office of the Controller DPW
F7. The lack of integrated construction management systems and the failure to follow centralized construction	R7. The Mayor should allocate financial resources in the current City budget to fund the Department of Technology hiring a consulting firm	BOS

<p>management policies and procedures prevents the City from generating citywide construction reports</p>	<p>with extensive construction management expertise to develop citywide system requirements for the implementation of a construction management system.</p>	<p>Mayor Office of the Controller DPW</p>
<p>F8. The City does not have an independent management group reviewing citywide construction performance reports and monitoring adherence to change orders and construction contract close out policies and procedures.</p>	<p>R8. The BOS should either request the CSA or BLA, or retain an outside firm, to benchmark the independent construction management structure of other cities and develop recommendations applicable to San Francisco.</p>	<p>BOS Mayor Office of the Controller</p>
<p>F9. San Francisco City departments do not issue final reports on construction projects that are readily available to its citizens.</p>	<p>R9. The BOS should require all City departments to issue final project construction reports within nine month of project completion for all construction projects and for the reports to be posted on each department's website.</p>	<p>BOS Mayor Office of the Controller</p>

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

GLOSSARY

Change Orders – Work that is added or deleted from the original scope of work for a contract

Close Out Procedure – The process by which an awarding agency ensures that all provisions of the contract have been fulfilled

Construction Management General Contractor - A process whereby an owner engages a contractor during the design process to provide input into the constructability of the design

Design-Build - A method to deliver a construction project where the design and construction are delivered by the same entity

Punch list - A list of tasks to be completed at the end of a construction project

Turnkey Solution - An approach that can be immediately implemented in a given business process

ACRONYMS

BLA – Budget and Legislative Analyst

BOS – Board of Supervisors

CGJ – Civil Grand Jury

CGOBOC – Citizens' General Obligation Bond Oversight Committee

CMD – Contract Monitoring Division

CSA – City Services Auditor

DT – Department of Technology

DPW – Department of Public Works

FTE – Full-Time Equivalent

HRC – Human Rights Commission

LBE – Local Business Enterprise

MTA - Municipal Transportation Agency

PUC – San Francisco Public Utilities Commission

R&P – Recreation and Park Department

SFFD – San Francisco Fire Department

ENDNOTES

¹ One SF – Building Our Future: The City and County of San Francisco Proposed Capital Plan, FY2016 – 2025.

² Department of Public Works, Project/Client Table, November 2015.

³ J.K. Dineen, “Reinvention as Usual,” *The San Francisco Business Times*, April 27, 2008.

⁴ Ibid.

⁵ San Francisco Administrative Code, Chapter 6, Section 20 (A) & (B).

⁶ San Francisco Administrative Code, Chapter 6, Section 6.1 (K) & (L).

⁷ City and County of San Francisco, Office of the Controller - City Services Auditor, *Citywide Construction: Adopting Leading Practices Could Improve the City’s Construction Contractor Bid Pool*, May 20, 2014, 3.

⁸ Ibid., D-2.

⁹ Ibid., 4.

¹⁰ City of Los Angeles, Ordinance #173677, Article 14, Contractor Responsibility Program, Sec 10.40.2.

¹¹ The San Francisco Administrative Code, Section 14B.

¹² Grounds for Debarment, Section 28.3, administrative.sanfranciscocode.org.

¹³ Office of the Controller - City Services, Auditor, May 20, 2014, op.cit. 11.

¹⁴ City and County of San Francisco, Budget and Legislative Analyst Report, *Evaluation of Contract Change Orders for Large Construction and Professional Services Contracts*, Oct. 17, 2011.

¹⁵ Office of the Controller - City Services Auditor, May 20, 2014, P3.

¹⁶ San Francisco Public Utilities Commission: Alameda Siphon Number 4 Construction Management, April 2014, P 10.

¹⁷ City and County of San Francisco, Office of the Controller – City Services Auditor, *Recreation and Park Department: Chinese Recreation Center and Mission Clubhouse and Playground Construction Management- The Change Management Process Requires Some Improvements*, April 3, 2013. P 6.

¹⁸ Ibid.

¹⁹ City and County of San Francisco, Office of the Controller, Annual Salary Ordinance.

²⁰ Americans with Disabilities Act

²¹ John King, “In Washington Square, no ordinary Restroom”, *San Francisco Chronicle*, 5/27/2015.

²² City and County of San Francisco, Proposed Information and Communication Technology (ICT) Plan Fiscal Years 2016-2020. 59.

²³ City and County of San Francisco, Budget and Legislative Analyst Report, *Evaluation of Contract Change Orders*, Oct. 17, 2011. P 3.

²⁴ Ibid.

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San Francisco Fire Department

What Does the Future Hold?

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June 2015



City and County of San Francisco

Civil Grand Jury, 2014-2015

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Philip Reed, Foreperson Pro Tem

Anne M. Turner, Recording Secretary

Morris Bobrow

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Matthew Cohen

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THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name. Disclosure of information about individuals interviewed by the jury is prohibited. California Penal Code, section 929

STATE LAW REQUIREMENT

California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days, specified.

A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding the response must:

- 1) agree with the finding, or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation the responding party must report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set time frame as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

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Summary

In mid-2014, local media published articles on the San Francisco Fire Department (SFFD) that focused on the fact that SFFD ambulances were not responding to dispatches often enough and fast enough. The Civil Grand Jury was moved to investigate these allegations. We found out that “often enough” means that SFFD was not fulfilling the mandate of its Exclusive Operating Area (EOA) agreement with the State of California in which SFFD agreed that it would respond to 80% of all emergency medical dispatches issued by the Department of Emergency Services (DEM). The remaining 20% would be handled by private ambulance providers. And “fast enough” meant that SFFD was not answering life threatening (Code 3) dispatches in 10 minutes or less 90% of the time. It was also not answering non-life-threatening (Code 2) dispatches in 20 minutes or less 90% of the time.

In the course of our inquiries about SFFD we discovered that the SFFD training facility at Treasure Island (TI) is living on borrowed time because the current agreement with Treasure Island Development Authority (TIDA) calls for the facility to be demolished to make room for public parkland. The Department has no plan to replace the facility.

Both issues demonstrate the importance of strategic planning for SFFD. The Department has no multi-year approved strategic plan for replacement of fire suppression or emergency response equipment, or for the replacement of the TI training facility. Nor does it have adequate plans for comprehensive training for rank and file in response to a natural or human-caused disaster.

As a result of our investigation, we recommend that SFFD:

- Develop a strategic plan that addresses achieving EOA requirements, maintains a working fleet of response vehicles and plans for infrastructure improvements;
- Modify the Emergency Medical Technician deployment system to ensure comprehensive City coverage; and
- Quickly develop a plan to either continue the use of the training facility on Treasure Island or acquire land for a new training facility for its replacement.

We make these recommendations realizing that SFFD must protect a rapidly growing City with increased public safety needs.

This Civil Grand Jury recognizes the great history of SFFD. We are aware that firefighters put themselves in peril every day, and some have made the supreme sacrifice. The people of San Francisco have shown their gratitude in many ways. The Civil Grand Jury wants to express its gratitude for the service the SFFD provides to San Franciscans. In this report we make recommendations intended to improve SFFD operations.

Methodology

The Civil Grand Jury conducted 33 interviews with SFFD leadership, rank and file firefighters and paramedics plus various City department heads. We present an investigative report that considers two main concerns: emergency response issues and the future of the SFFD training facility on Treasure Island.

Our research included a review of reports of prior Civil Grand Juries as well as the Budget and Legislative Analyst's 2014 Performance Audits. We requested and analyzed a cross section of data from SFFD. We used information from reports generated by SFFD on staffing and equipment inventory as well as the San Francisco's 10 Year Capital Plan and reviewed the TIDA plans for Treasure Island. The Civil Grand Jurors also toured the 911 Dispatch Center, Treasure Island Training Center, Station 1, Station 35, Station 49, the Fire Boat and SFFD headquarters. Finally, we used reference material garnered from the websites of SFFD, San Francisco Firefighters Local 798, TIDA, the City and County of San Francisco, and comparable metropolitan fire departments.

A: Emergency Response Issues

Discussion

The San Francisco Fire Department (SFFD) is the third largest in California after Los Angeles and San Diego with an operating budget of \$356 million. 91% of the budget is spent on salary and benefits. There are 43 stations (referred to as firehouses) throughout the City, three stations at San Francisco International Airport, and Station 49 which houses emergency vehicles and supplies. (See Appendix 1 for locations of firehouses.)

For most of its history, SFFD did not respond to purely medical emergencies. Prior to 1997, a separate agency known as Emergency Medical Services (EMS) performed this function. In that year, the two agencies merged and EMS has become a large part of what SFFD does.

The 1997 merger was the topic of a 2003-2004 Civil Grand Jury report, "*The Merger of Emergency Medical Services and the San Francisco Fire Department: A Match Made in Heaven or Shotgun Wedding?*" The report described the merger as a way to get better and faster deployment of emergency medical services and to better utilize the rich resources of the SFFD. The report exposed unforeseen complications arising from the "culture clash that occurred between the two services...and...the extreme reluctance to change that is characteristic of SFFD." The report also noted that no criteria were established to measure the merger's success or failure.

In response to the merger, the Department developed what it called a "static" deployment of paramedic-staffed firehouses. Paramedics were assigned to each firehouse. But the model resulted in the following operational deficiencies and work force concerns:

- Inability to meet fluctuating demand for ambulance service and work force concerns,
- 24 hour shifts resulting in fatigue issues for paramedics,¹
- Fair Labor Standards Act overtime and compensation issues resulting in litigation and increased costs.

¹ SF Fire Commission meeting December 3, 2007.

In 2009 the Department completed conversion to a “dynamic” deployment model designed to enhance scheduling, increase efficiency, and improve response times by stationing ambulances at locations throughout the City rather than at “static” fixed locations.³

The dynamic model has worked better than the static model, but there remain problems that the Civil Grand Jury investigated. We compared applicable performance standards to actual performance, looked at training for both fire fighters and emergency services staff, and, based on complaints from interviewees, investigated data on the equipment SFFD is using.

Applicable Performance Standards

Several performance standards provide benchmarks for response times and call volume. Response times are quantifiable determinants assigned by the State Emergency Medical Services Agency (EMSA) through the Local Emergency Medical Services Agency (LEMSA). SFFD is required to respond to a medical dispatch within 2 minutes of notification 90% of the time for Code 3 life-threatening emergencies. It must respond within 4 minutes 30 seconds for Code 2 non-life-threatening emergencies 90% of the time. These standards are measured by tracking the time between “Dispatch” the time from receipt of call to sending a response vehicle, and “Response” the time from receipt of dispatch order to arrival on scene.

The volume of emergency calls SFFD responds to is set in the Exclusive Operating Area (EOA) agreement between EMSA and SFFD granting SFFD the right to respond to 80% of emergency calls, leaving response to the remaining 20% to contracted private ambulance providers. The EOA agreement enables the City to be paid for emergency transport services provided².

Even though response time can be measured, it is extremely difficult to generalize from it, as many extraneous factors influence how fast an ambulance can get across town. (For more information on performance standards, see Appendix 4).

A LEMSA standard states that the Rescue Captain staffing ratio “shall be one on-duty Rescue Captain for every 10 Advanced Life Support (ALS) ambulances in order to maintain a reasonable span of control and availability for field response.” In 2014, there were only 3 Rescue Captains each supervising 20 ambulances.

Lastly, San Francisco voters passed Proposition F in 2005 requiring SFFD to maintain and operate firehouses and equipment 24 hours a day, 7 days a week. (See Appendix 5 on Proposition F).

² Per the City’s Health Code, (<http://www.dhcs.ca.gov/provgovpart/Pages/GEMT.aspx>) specifically Article 3 Section 128.1(a)1, the Board of Supervisors has authorized the Department to charge for these services. Rates can be adjusted annually by Medical CPI, and are currently set at \$1,869 for transport, \$416 for treatment with no transport, and \$35 per mile.

Actual Performance

In 2014, 76.9% of all emergency calls were for medical emergencies. Fire suppression calls represented 23.1% of the emergency calls³. Medical calls have increased 5.5% between 2007 and 2013. Engines and trucks as well as ambulances respond to emergency medical calls. These numbers do not exclude false alarms.

The Civil Grand Jury learned that SFFD is not meeting the performance standards established by the State, set out in the EOA, and overseen locally by LEMSA. In 2014, the Mayor, concerned about reports that emergency vehicles were responding too slowly, called for the formation of an Ambulance Working Group⁴ to investigate those reports. That group's final report, dated February 2015, found a greater than 6% decrease in overall medical response times since August 2014. In January 2015, the average response time represented a 10% decrease. Reports generated by SFFD staff show response time progress, but the Department is still not achieving the EMSA mandates for Code 3 response time³.

	Average (Min)	90th percentile (Min)	On-Time Performance
2015/01	7.29	12.07	82.96
2015/02	7.19	12.11	82.85
2015/03	6.84	10.98	86.46
2015/04	6.93	11.13	86.22
2015/05	6.89	11.35	85.69
2015/06	6.72	10.82	87.08

Source: SFFD

Instances in which first responders arrive at a scene and subsequently request an ambulance with a paramedic on-board be sent are termed "medic to follow." The Ambulance Working Group reviewed the frequency and response times for "medic to follow" requests. A Department analysis shows that 25% of "medic to follow" calls took longer than ten minutes in the outlying parts of the City, particularly those furthest away from a hospital where ambulances tend to congregate between calls. (See Heat Map below)

The Budget and Legislative Analyst conducted a Performance Audit of Emergency Medical Service Resources in 2014. Since the SFFD must improve its response time

³ Per SFFD staff report, June 2015

⁴ The Ambulance Working Group was formed at the request of the Mayor in 2014 to review ambulance response times and call volume.

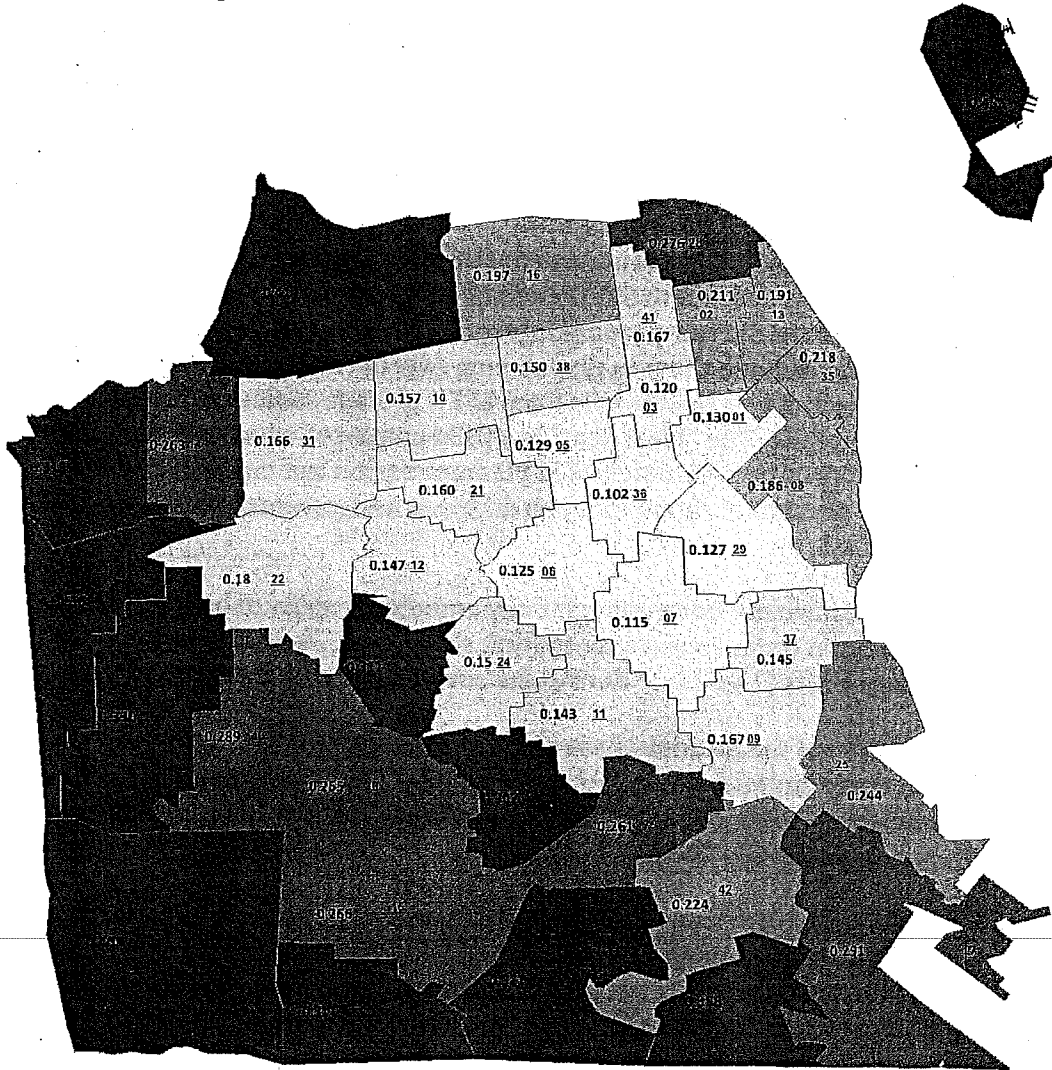
to emergency medical calls in order to maintain its EOA, it recommended the following operational efficiencies to achieve the EOA mandate:

1. Additional ambulance shifts,
2. Additional staffing,
3. Replace aging ambulance fleet, and
4. Cross-training of new uniformed employees (entry level firefighters).⁵
Cross trained firefighters are able to handle both fire suppression and emergency medical responses but few stations have firefighters who are cross-trained as paramedics.

In our research, we were struck by the following:

- In spite of the dynamic model, ambulances cluster around the hospitals, which are located in the Mission, Western Addition, Parnassus Heights and downtown areas; no such clustering exists in the outlying western neighborhoods (Battalions 7, 8, 9 and 10).
- For ambulances dynamically stationed in the western neighborhoods and requiring replenishment of supplies during their normal shift, an inordinate amount of time is consumed in traveling to and from Station 49 (located in the southeastern part of San Francisco at 1415 Evans Street).
- Response times for ambulances to the outlying western neighborhoods suffer as fewer ambulances are available. (See the red sections of the map below)

⁵ Performance Audit, June 2014.



Source: SFFD

Challenges

The primary reasons for failing to meet EMS response time standards are: EMS staffing and ambulance deployment, aging equipment, working conditions, population trends, and the absence of strategic planning.

1. Staffing and Ambulance Deployment

The Budget and Legislative Analyst's 2014 Performance Audit found the Department's inventory management and controls to be inefficient. Paramedics and emergency medical technicians (EMT's) are responsible for restocking and cleaning ambulances at the beginning and end of their shifts, thereby reducing the time EMTs are available to respond to emergencies. The audit observed that civilians could be assigned those tasks.

During the Civil Grand Jury's tour of Station 49, we were also told that SFFD could use civilian personnel to take over the tasks of restocking and cleaning ambulances at a cost saving to the City; such personnel would cost less than the paramedics and EMTs who currently do the job. We learned that the Department has hired a few "storekeepers" for restocking and cleaning, but not enough to relieve paramedics from these tasks.

The Department of Emergency Management (DEM) is responsible for receiving 911 calls and dispatching resources to SFFD and SFPD. With few exceptions, DEM dispatchers do not have EMT or paramedic experience but are trained to adhere to a set of protocols which guide them in dispatching appropriate emergency resources. One rescue captain and two lieutenants from SFFD provide subject matter expertise for the SFFD dispatches. The "Fleet Seat" is a DEM employee who is responsible for supervising the appropriate dispatch of SFFD suppression and emergency vehicles. All DEM dispatch personnel rotate through different assignments, taking calls for police, fire, and EMS.

Historically, there have not been enough daily ambulance shifts to meet the EOA 80% requirement. In order to increase market share, the City would need to add three ambulance shifts (16 FTEs)⁶ during the peak hours from 6:30 AM to 6:30 PM.

SFFD is in violation of the Administrative Code⁷ that requires the Department to maintain four static ambulances based at firehouses. The Department transitioned all of its ambulance fleet to dynamic deployment in September 2009, and thus is currently in violation of the Code.

When a private ambulance and an SFFD ambulance are equidistant to an incident, the private ambulance is more likely dispatched because all private ambulances have paramedics on board while not all SFFD engines have assigned paramedics; this can lead to a "medic to follow" request. Partly because of this, SFFD continues to struggle to meet its 80% market share requirement.

2. Aging Equipment

Another reason for slow response times is a chronic lack of serviceable ambulances. The ambulance fleet is aging; more than a few need to be permanently retired. As time is of the essence in responding to medical calls, dependable ambulances are a must.

The useful life span for a SFFD ambulance is 10 years. In 2014 almost 50% of the fleet exceeded the 10-year life span. As of February 2014 the average mileage for

⁶ Performance Audit, pg. 14, June 2014.

⁷ San Francisco Admin Code Section 2A.97.

these older ambulances was 158,299 and the average repair cost per vehicle over its lifetime could be as much as \$162,554. (See Appendix 3: Rig Inventory). The Department does not track the number of ambulances out of service on a daily basis⁸ but Department officials note that as many as one-third of the ambulance fleet may require servicing at any given time. 19 new ambulances were placed into service in spring 2015. However, the Department ambulance fleet of 54 vehicles requires regular replacement of aged equipment as well as upgrading technology on all SFFD vehicles. (See Appendix 6 Technology Needs).

3. Working Conditions

The Civil Grand Jury observed less than optimum working conditions for paramedics at Station 49. Some key issues for this facility include:

- More than 100 paramedics and other Department personnel use Station 49 on a daily basis. This facility was not originally designed for ambulance storage and does not adequately accommodate this number of people and equipment. For example, there are only three bathrooms, two for men and one for women.
- Station 49 lacks essentials for the staff who work out of there. There is no water fountain, no kitchen or break room, unsafe street parking for employee vehicles, a deteriorating interior and exterior, and an inadequate security system.

The Ambulance Working Group noted in its final report that Station 49 is to be replaced with a new, state of the art facility. Plans for this \$40 million facility will be incorporated into the City's upcoming 10 Year Capital Plan and into the anticipated 2016 Health Bond.

4. Population Trends

Growth in the City's population is one of the reasons for increased demand in emergency medical services. Between 2000 and 2013, the population of San Francisco grew by 7.8%. The Association of Bay Area Government projects the population of San Francisco will increase by another 35% in three decades.⁹ San Francisco also has a high daytime commuter population. According to the 2006-2010 American Community Survey, the resident population during that period averaged 798,172 but the daytime population during the same period was 951,627, which is 21% higher than the resident population.¹⁰

At the same time that the Bay Area population is growing, it is also growing older. In 2014, residents over 65 constituted 22% of the total City population, thus increasing the number of emergency medical calls from elderly residents.

⁸ Ibid.

⁹ 2014 Performance Audit of Emergency Medical Services Resources at the San Francisco Fire Department. June 2014, p.24.

¹⁰ See www.onesanfrancisco.org.

The effects of rapid population growth are apparent to anyone who lives in, works in or visits San Francisco. Traffic is a growing problem along with available street parking. It takes longer to travel in many parts of the City, not just downtown. The City is growing vertically with the development of many high-rise offices and housing. Each of these issues affects the SFFD and their ability to respond in a timely manner to fire and medical emergencies. For example, ladders on SFFD fire trucks can only extend to the 6th story of a high rise. These problems will continue to intensify as more people occupy San Francisco.

5. Lack of Strategic Planning

Strategic development is vital to SFFD in order for it to provide the City with a safety net. Without it, plans cannot be made to meet future needs created by changing demographics, catastrophic events, aging obsolete equipment, and staffing needs resulting from attrition. Population growth will impact SFFD's ability to keep San Francisco safe.

SFFD is remiss in not planning adequately to provide service in the event of a great natural disaster. It cannot ignore the reality that San Francisco is a City that sits near the San Andreas earthquake fault and has already suffered major natural disasters. Living in a time when a terrorist strike on San Francisco could be a reality rather than a movie, we asked SFFD personnel about the training they receive to respond to a disaster. Their responses indicated that such training is not provided, particularly for rank and file.

Strategic planning would provide SFFD with necessary tools such as performance analysis, research, continuous quality improvement, risk management, and grant writing functions. Since at least 2002, the Budget and Legislative Analyst has recommended that the Department formally conduct strategic and organizational planning.

The SF Fire Commission meets regularly with SFFD leadership to consider budget, personnel and other Department business. The Fire Commission should oversee the development and monitor the implementation of a strategic plan, including receiving regular performance reports from the Chief of Department with detailed action plans, including dates.

Findings

- F_1.1 SFFD continues to fail to meet EOA response time standards, resulting in lost revenue for the City.
- F_1.2 The current dynamic dispatch model fails to meet EMSA response times in the western neighborhoods of the City (Battalions 7, 8, 9 and 10) for several reasons, chief among them the long distance from Station 49 for re-stocking an ambulance during a working shift and the long distance from hospitals, where ambulances tend to congregate in the natural course of their duty.
- F_1.3 A number of firehouses are without paramedic-level service due to a shortage of firefighter/paramedics. The shortage is caused by insufficient cross training of personnel and insufficient training for paramedics.
- F_1.4 SFFD has reduced the mandatory minimum of four Rescue Captains to three, resulting in an increase in span of control from a recommended 10 ambulances per Rescue Captain to 20.
- F_1.5 SFFD has no formal strategic plan and is not creating such a plan in the near future; the Fire Commission seems a natural group to assist the Chief in this very important venture.
-

Recommendations

- R_1.1 That by December 2015 the Chief develop a plan and the methodology for bringing response times for both Code 2 and Code 3 calls to required levels, and that the Department achieve compliance with EOA standards by December 2016.
- R_1.1.1 The Fire Commission should require the Chief to prepare a monthly report on ambulance performance versus the EOA and the average number of ambulances capable of responding to a service call.
- R_1.2 That by July 2016, the Chief institute a modified static/dynamic model of ambulance deployment to include ambulances based at stations in Battalions 7, 8, 9, and 10, with the remaining ambulance fleet operating out of Station 49.

R_1.2.1 The Civil Grand Jury recommends the number of supply trips from Station 49 be reduced through implementation of a secure inventory reserve at some stations or by contracting with a medical supply company to restock supplies at fire houses.

R_1.3 That by July 2017, the Chief schedule sufficient training so that all engines will have a paramedic on every crew.

R_1.4 That the span of control for Rescue Captains be reduced in the next fiscal year, bringing the Department into compliance with Admin Code 2A.97.

R_1.5 That by December 2015 the Chief, using funds allocated in the next budget year, contract with an experienced consultant to initiate a strategic plan covering: full funding for equipment renewal; facilities maintenance and updates; communication technology; and training for both normal operations and disasters.

B. Treasure Island Training Facility

Discussion

SFFD's Treasure Island Training Center (TITC), which occupies 4.82 acres on Treasure Island and was originally used by the Navy as its firefighting training center, serves as the primary facility for training recruits. The Department has a year-to-year lease with the Treasure Island Development Authority (TIDA) for use of the property. There is an additional limited training center at Station 7 at 19th and Folsom Streets, which concentrates on fire suppression training in a multi-story building.

TIDA is a non-profit, public benefit agency dedicated to the economic development of former Naval Station Treasure Island. It is vested with the right to administer the Tidelands Trust property. TIDA is also responsible for administering vital municipal services to Treasure and Yerba Buena Islands during interim use of the property.¹¹

Hands-on training is essential and critical for firefighters and paramedics. TITC has multiple on-site training facilities including a burn house that can be ignited with propane lines without actually burning the house down. Pipes carry propane in such a way that, when ignited, the propane flames do not actually touch the wood in the house. There is also part of a BART car and Muni tracks, a high-rise prop, and an elevator prop where personnel can practice techniques to extricate people from elevators. These props also have propane lines that ignite during a training exercise. Personnel train on a large area of broken concrete shards, developing the expertise to safely cross such an area in full gear. TIDA development plans calls for a shared fire/police station on Treasure Island, but there is no provision in the plan for retaining the SFFD training center.

Those Command Staff, civilian staff, and Commissioners who were interviewed have the highest praise for the current training center. A sample of comments follows:

"[The] TI training center absolutely is a need."

¹¹ The Treasure Island Conversion Act of 1997 was written to avoid dual-agency administration of the redevelopment of TI. The Act became effective in 1998, and provided the authority to make TIDA the sole redevelopment agency for TI, giving it redevelopment taxing power and amending the Burton Act to make TIDA a Tidelands Trust Trustee for TI. The significance of this act for the SFFD training facility on TI is that requests for amendments to the agreement on the use of the land the facility sits on, reside with the trustee, which is TIDA.

“...Losing the TI training center is going to be one of the greatest losses to the Department.”

“TI [training center] is a very impressive training facility.”

“If we lose [TI], that will be really stupid.”

“This is a huge issue for the Department.”

“TI [training center] is of great value to the Department. It is immeasurable.”

“Training is the backbone of who we are.”

We have learned that a plan for a replacement training facility is on the deferred list of the City’s Capital Budget at an estimated cost of \$160 million. Meanwhile, TIDA estimates development on TI can begin as early as 2023. The intended new use of the land currently used by the Department for the training facility is to convert it to public parklands.

TITC is used by other City departments and regional organizations on a cost recovery basis. Many other agencies including SFPD, City College of San Francisco, Fire Rescue Service, CAL Fire, SF Sheriff’s Department, BART, and other regional fire and rescue organizations use the training center. In our talks with TITC personnel, the idea was expressed that additional fees be charged beyond cost recovery.

The TITC personnel also discussed the possibility of TITC moving to another location on TI.

Findings

- F_2.1 The City could save a significant amount of the \$160 million currently earmarked for a new training facility by keeping the current training center on TI, even if improvements were required.
- F_2.2 Wherever located, SFFD training center requires a significant amount of property as well as special safety considerations, since it must have propane storage tanks plus other facilities and props that can simulate a variety of fires.
- F_2.3 Most fire departments in the region do not have training facilities comparable to the TI training center (or the new SFFD training center that would replace it). Some of these agencies use the TITC for training and would likely continue use if it remains available, even if the fee structure was converted to include revenue for SFFD and the City.

Recommendations

The Civil Grand Jury recommends:

R_2.1 That the Chief review the current agreement with TIDA to determine whether it is possible to amend the agreement so as to retain the existing location of the training facility.

R_2.2 That TIDA review its current agreement with SFFD to determine whether it is possible to amend the agreement so as to retain the existing location of the training facility.

R_2.3 That, while Recommendations 2.1 and 2.2 are being explored, the Chief and the Fire Commission determine an alternate site for the training center since, if an already City-owned site is not adequate to serve as a training center, the purchase of a new site will be more than difficult in the current real estate market.

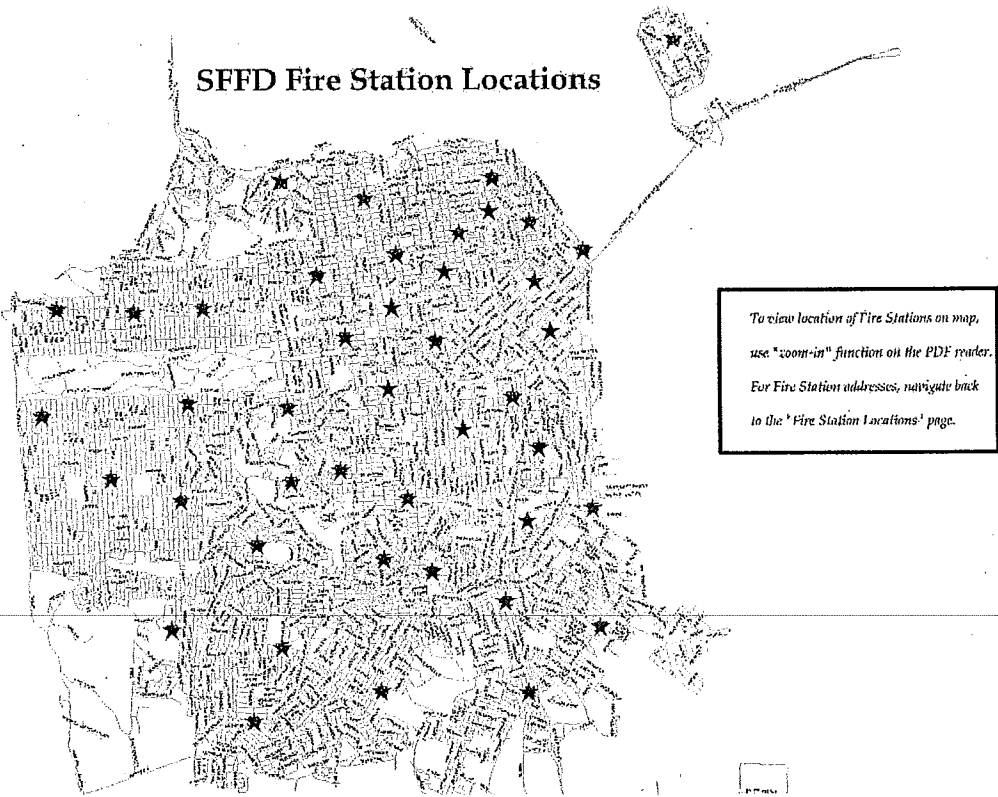
Response Matrix

<i>Finding</i>	<i>Recommendation</i>	<i>Respondent</i>
<p>F_1.1 SFFD continues to fail to meet EOA response time standards, resulting in lost revenue for the City.</p>	<p>R_1.1 That by December 2015 the Chief develop a plan and the methodology for bringing response times for both Code 2 and Code 3 calls to required levels, and that the Department achieve compliance with EOA standards by December 2016.</p> <p>R_1.1.1 The Fire Commission should require the Chief to prepare a monthly report on ambulance performance versus the EOA and the average number of ambulances capable of responding to a service call.</p>	<p>Chief of Department, Commission</p>
<p>F_1.2 The current dynamic dispatch model fails to meet EMSA response times in the western neighborhoods of the City (Battalions 7, 8, 9 and 10) for several reasons, chief among them the long distance from Station 49 for re-stocking an ambulance during a working shift and the long distance from hospitals, where ambulances tend to congregate in the natural course of their duty.</p>	<p>R_1.2 That by July 2016, the Chief institute a modified static/dynamic model of ambulance deployment to include ambulances based at stations in Battalions 7, 8, 9, and 10 with the remaining ambulance fleet operating out of</p>	<p>Chief of Department</p>

	<p>Station 49.</p> <p>R_1.2.1 The Civil Grand Jury recommends the number of supply trips from Station 49 be reduced through the implementation of a secure inventory reserve at some stations or by contracting with a medical supply company to restock supplies at firehouses.</p>	
<p>F_1.3 A number of firehouses are without paramedic-level service due to a shortage of firefighter/paramedics. The shortage is caused by insufficient cross training of personnel and insufficient training for paramedics.</p>	<p>R_1.3 That by July 2017, the Chief schedule sufficient new training academies so that all engines will have a paramedic on every crew.</p>	<p>Chief of Department</p>
<p>F_1.4 SFFD has reduced the mandatory minimum of four Rescue Captains to three, resulting in an increase in span of control from a recommended 10 ambulances per Rescue Captain to 20.</p>	<p>R_1.4 That the span of control for Rescue Captains be reduced in the next fiscal year, bringing the Department into compliance with Admin Code 2A.97.</p>	<p>Chief of Department</p>
<p>F_1.5 SFFD has no formal strategic plan and is not creating such a plan in the near future; the Fire Commission seems a natural group to assist the Chief in this very important venture.</p>	<p>R_1.5 That by December 2015 the Chief, using funds allocated in the next budget year, contract with an experienced consultant to initiate a strategic plan covering: full funding for equipment renewal;</p>	<p>Chief of Department, Commission</p>

	<p>facilities maintenance and updates; communication technology; and training for both normal operations and disasters.</p>	
<p>F_2.1 The City could save a significant amount of the \$160 million currently earmarked for a new training facility by keeping the current training center on TI, even if improvements were required</p>	<p>R_2.1 That the Chief review the current agreement with TIDA to determine whether it is possible to amend the agreement so as to retain the existing location of the training facility.</p>	<p>Chief of Department</p>
<p>F_2.2 Wherever located, SFFD training center requires a significant amount of property as well as special safety considerations, since it must have propane storage tanks plus other facilities and props that can simulate a variety of fires.</p>	<p>R_2.2 That TIDA review its current agreement with SFFD to determine whether it is possible to amend the agreement so as to retain the existing location of the training facility.</p>	<p>TIDA Treasure Island Director</p>
<p>F_2.3 Most fire departments in the region do not have training facilities comparable to the TI training center (or the new SFFD training center that would replace it). Some of these agencies use the TITC for training and would likely continue use if it remains available, even if the fee structure was converted to include revenue for SFFD and the City.</p>	<p>R_2.3 That while Recommendations 2.1 and 2.2 are being explored, the Chief and the Fire Commission determine an alternate site for the training center since, if an already City-owned site is not adequate to serve as a training center, purchase of a new site will be more than difficult in the current real estate market.</p>	<p>Chief of Department, Commission</p>

Appendix 1: Map of Stations



Note: Does not included Station 49, Station 4, or Airport Firehouses

Appendix 1A: Station Locations

Fire Station Locations

Station 1	935 Folsom at 5th Street
Station 2	1340 Powell Street at Broadway
Station 3	1067 Post Street at Polk Street
Station 4	449 Mission Rock at 3rd Street
Station 5	1301 Turk Street at Webster Street
Station 6	135 Sanchez Street at Henry Street
Station 7	2300 Folsom Street at 19th Street
Station 8	36 Bluxome Street at 4th Street
Station 9	2245 Jerrold Avenue at Upton Street
Station 10	655 Presidio Avenue at Bush Street
Station 11	3880 26th Street at Church Street
Station 12	1145 Stanyan Street at Grattan Street
Station 13	530 Sansome Street at Washington Street
Station 14	551 26th Avenue at Geary Boulevard
Station 15	1000 Ocean Avenue at Phelan Avenue
Station 16	2251 Greenwich Street at Fillmore Street
Station 17	1295 Shafter Avenue at Ingalls Street
Station 18	1935 32nd Avenue at Ortega Street
Station 19	390 Buckingham Way at Winston Street
Station 20	285 Olympia Way at Clarendon Avenue

Station 21	1443 Grove Street at Broderick Street
Station 22	1290 16th Avenue at Irving Street
Station 23	1348 45th Avenue at Judah Street
Station 24	100 Hoffman Avenue at Alvarado Street
Station 25	3305 3rd Street at Cargo Way
Station 26	80 Digby Street at Addison Street
Station 28	1814 Stockton Street at Greenwich Street
Station 29	299 Vermont Street at 16th Street
Station 31	441 12th Avenue at Geary Boulevard
Station 32	194 Park Street at Holly Park Circle
Station 33	8 Capital Street at Broad Street
Station 34	499 41st Avenue at Geary Boulevard
Station 35	Pier 22½, The Embarcadero at Harrison Street
Station 36	109 Oak Street at Franklin Street
<hr/>	
Station 37	798 Wisconsin Street at 22nd Street
Station 38	2150 California Street at Laguna Street
Station 39	1091 Portola Drive at Miraloma Drive
Station 40	2155 18th Avenue at Rivera Street
Station 41	1325 Leavenworth Street at Jackson Street
Station 42	2430 San Bruno Avenue at Silver Avenue
Station 43	720 Moscow Street at France Avenue
Station 44	1298 Girard Street at Wilde Avenue
Station 48	800 Avenue I at 10th Street, Treasure Island
Station 49	1415 Evans Avenue at Mendell Street

Station 51

218 Lincoln Blvd at Keyes Avenue

Division and Battalion Stations

Division 2:

Battalion 1

Station 2
Station 13
Station 28
Station 41

Battalion 4

Station 5
Station 10
Station 16
Station 38
Station 51

Battalion 7

Station 12
Station 14
Station 22
Station 31
Station 34

Battalion 8

Station 18
Station 19
Station 20
Station 23
Station 40

Division 3:

Battalion 2

Station 3
Station 6
Station 21
Station 29
Station 36

Battalion 3

Station 1
Station 4
Station 8
Station 35
Station 48

Battalion 6

Station 7
Station 11
Station 24
Station 26
Station 32

Battalion 9

Station 15
Station 33
Station 39
Station 43

Battalion 10

Station 9
Station 17
Station 25
Station 37
Station 42
Station 44

Airport Division Station Locations

Station 1

Building #650, West Field Road
San Francisco International Airport

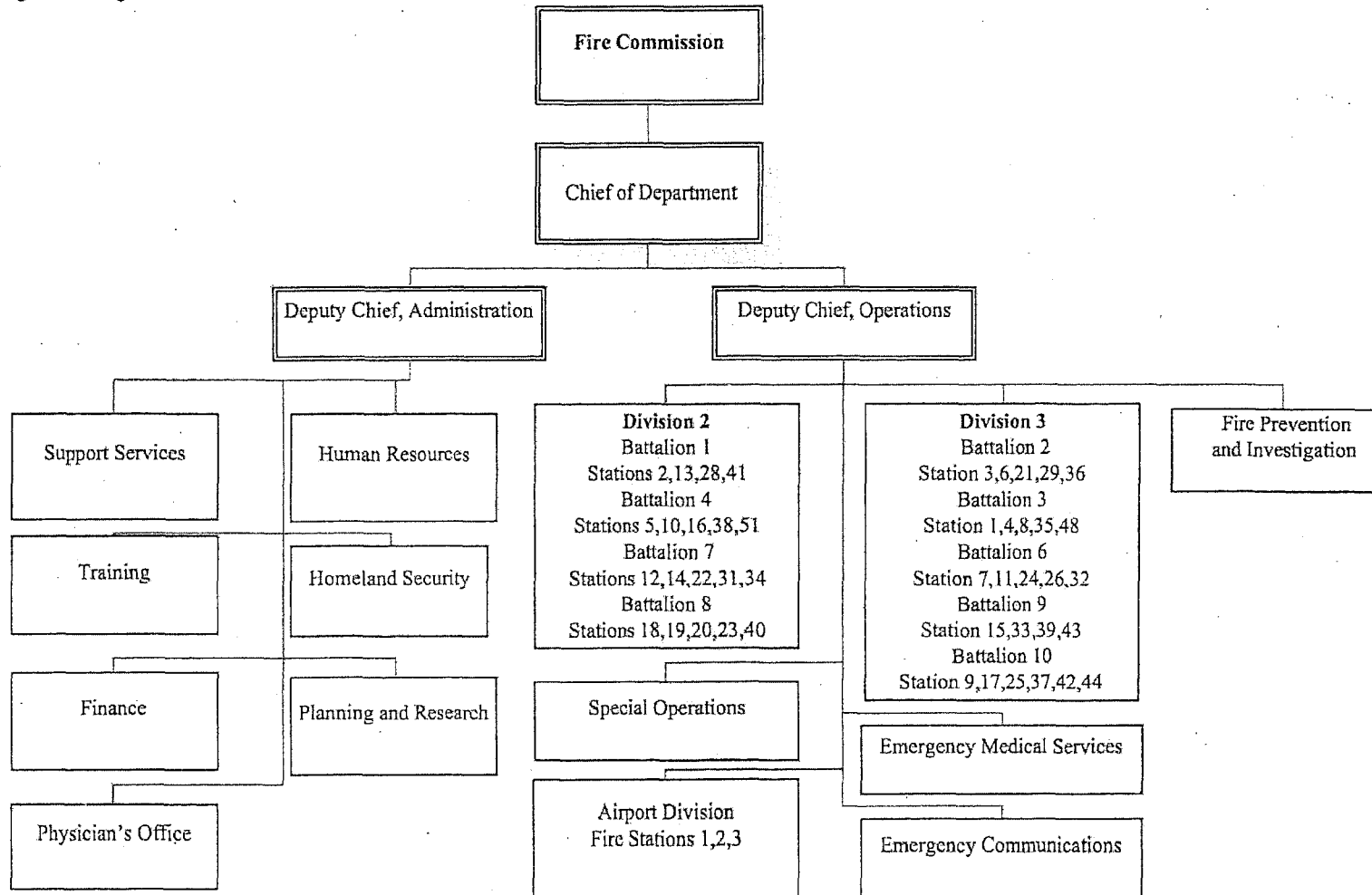
Station 2

Building #1064, North Access Road
San Francisco International Airport

Station 3
Building #12, South Area Drive
San Francisco International Airport

San Francisco Fire Department
High Level Organization Chart

Appendix 2: Table of Organization for SFFD – High Level



Appendix 3: Rig Inventory

Trucks

Vehicle	Company			
Year	Number	Asset#	EQP#	Make
1990	73	145687	14501124	SPARTAN/LTI
1991	74	145688	14501127	SPARTAN/LTI
1992	81	145689	14501128	SPARTAN/LTI
1992	82	145690	14501129	SPARTAN/LTI
1992	83	145691	14501130	SPARTAN/LTI
1994	84	145692	14501131	SPARTAN/LTI
1992	85	145693	14501132	SPARTAN/LTI
1995	86	145694	14501133	SPARTAN/LTI
1997	87	145695	14501134	SPARTAN/LTI
1997	88	145696	14501135	SPARTAN/LTI
1998	89	145697	14501136	SPARTAN/LTI
1998	90	145698	14501137	SPARTAN/LTI
1998	91	145699	14501138	SPARTAN/LTI
1998	92	145700	14501139	SPARTAN/LTI
1998	93	145701	14501140	SPARTAN/LTI
1998	94	145702	14501141	SPARTAN/LTI
1998	95	145703	14501142	SPARTAN/LTI
1998	96	145704	14501143	SPARTAN/LTI
1998	97	145705	14501144	SPARTAN/LTI
1998	98	145706	14501145	SPARTAN/LTI
1998	99	145707	14501146	SPARTAN/LTI
1998	100	145708	14501147	SPARTAN/LTI
1998	101	145709	14501148	SPARTAN/LTI
1999	8	145623	14501149	SPARTAN/LTI
1999	12	145624	14501150	SPARTAN/LTI
2000	5	145625	14501151	SPARTAN/LTI

2000	6	145626	14501152	SPARTAN/LTI
2001	18	145631	14501153	SPARTAN/LTI
2002	16	145632	14501154	SPARTAN/LTI
2003	11	145633	14501155	SPARTAN/LTI
2010	1	145634	14500022	SPARTAN/LTI
2010	3	145635	14500023	SPARTAN/LTI
2010	7	145636	14500024	SPARTAN/LTI
2011	17	145637	14500015	SPARTAN/LTI

Engines

Vehicle Year	Company Number	Asset#	Make
1997	RP 36	145398	SPARTAN/BJ
1997	RP 36	145399	SPARTAN/BJ
1997	RP 37	145301	SPARTAN/BJ
1997	RP 30E	145302	SPARTAN/BJ
1997	RP 30N	145304	SPARTAN/BJ
1998	RP 30S	145305	3 BY SPARTAN
1998	RP 30T	145308	SPARTAN/BJ
1998	RP 30	145304	SPARTAN/BJ
1998	RP 30E	145308	SPARTAN/BJ
1998	RP 30T	145309	SPARTAN/BJ

1997	RP BOE	145516	SPARTAN/3D
1997	RP BOE	145517	SPARTAN/3D
1997	RP BOE	145518	SPARTAN/3D
1997	RP BOE	145519	SPARTAN/3D
1997	RP BOE	145520	SPARTAN/3D
1997	RP BOE	145521	SPARTAN/3D
1997	RP BOE	145522	SPARTAN/3D
1997	RP BOE	145523	SPARTAN/3D
1997	RP BOE	145524	SPARTAN/3D
1997	RP BOE	145525	SPARTAN/3D
1997	RP BOE	145526	SPARTAN/3D
1997	RP BOE	145527	SPARTAN/3D
1997	RP BOE	145528	SPARTAN/3D
1997	RP BOE	145529	SPARTAN/3D
1999	RP BOE	145530	SPARTAN/3D
1999	RP BOE	145531	SPARTAN/3D
1999	12	145532	SPARTAN/3D
1999	16	145533	SPARTAN/3D
1999	34	145534	SPARTAN
1999	37	145535	SPARTAN
2000	40	145536	SPARTAN
2001	25	145537	SPARTAN
2001	38	145538	SPARTAN
2001	29	145539	SPARTAN
2002	28	145540	HME
2002	32	145541	HME
2002	35	145542	HME

2003	42	145543	SPARTAN / LA FRANCE
2003	20	145544	SPARTAN / LA FRANCE
2005	51	145P521	PIERGE
2006	48	145545	LA FRANCE
2006	31	145546	LA FRANCE
2006	44	145547	LA FRANCE
2006	18	145549	LA FRANCE
2006	19	145552	LA FRANCE
2006	43	145554	LA FRANCE
2006	24	145555	LA FRANCE
2006	10	145556	LA FRANCE
2006	22	145557	LA FRANCE
2006	14	145558	LA FRANCE
2009	21	145559	SPARTAN
2009	15	145560	SPARTAN
2009	41	145563	SPARTAN
2009	9	145567	SPARTAN
2009	17	145568	SPARTAN
2013	1	145576	SPARTAN
2013	2	145573	SPARTAN
2013	3	145577	SPARTAN
2013	4	145572	SPARTAN
2013	5	145579	SPARTAN

2013	6	145575	SPARTAN
2013	7	145578	SPARTAN
2013	8	145570	SPARTAN
2013	11	145574	SPARTAN
2013	36	145569	SPARTAN

Rescue Squad

Year	Type	Company/ Medic Number	Un/ manned	Asset#	Make	Model
2004	Rescue Squad	1	m	145861	AMERICAN LA FRANCE	EAGLE
2004	Rescue Squad	7	m	145862	AMERICAN LA FRANCE	EAGLE

Ambulances

Year	Company/ Medic Number	Asset#	Make
2008	1	145733	FORD
2008	2	145734	FORD
2008	3	145735	FORD
2008	4	145736	FORD
2008	5	145737	FORD
2008	6	145738	FORD
2008	7	145739	FORD
2008	8	145740	FORD
2008	9	145741	FORD
2008	10	145742	FORD

2000	Relief	145-724	FORD
2003	Relief	145-756	FORD
2003	Relief	145-755	FORD
2003	Relief	145-754	FORD
2003	Relief	145-753	FORD
2003	Relief	145-751	FORD
2003	Relief	145-750	FORD
2003	Relief	145-749	FORD
2003	Relief	145-748	FORD
2003	Relief	145-747	FORD
2003	Relief	145-746	FORD
2003	Relief	145-745	FORD
2005	87	145-763	FORD
2005	86	145-762	FORD
2005	84	145-760	FORD
2005	81	145-757	FORD
2005	Relief	145-759	FORD
2006	67	145-767	FORD
2006	66	145-766	FORD
2006	73	145-765	FORD
2006	Relief	145-768	FORD
2007	74	145-772	FORD

2007	77	145-770	FORD
2007	54	145-769	FORD
2007	Bariatric	145-771	FORD
2012	72	145-00087	FORD
2012	78	145-00086	FORD
2012	68	145-00085	FORD
2012	58	145-00084	FORD
2012	76	145-00083	FORD
2014	55	145-00182	FORD
2014	85	145-00181	FORD
2014	89	145-00180	FORD
2014	82	145-00143	FORD
2014	57	145-00142	FORD
2014	56	145-00141	FORD
2014	88	145-00140	FORD
2014	63	145-00139	FORD
2014	62	145-00138	FORD
2014	61	145-00137	FORD
2014	60	145-00136	FORD
2014	70	145-00135	FORD
2014	64	145-00134	FORD
2015	65	145-00190	FORD
2015	53	145-00189	FORD

2015	52	145-00188	FORD
2015	75	145-00187	FORD
2015	79	145-00186	FORD
2015	71	145-00183	FORD

Specialty

Year	Company/ Medic Number	Asset#	Make
1998	Relief	145-733	FORD
1998	7448	145-731	FORD
1998	Relief	145-730	FORD
2000	Relief	145-724	FORD
2000	Relief	145-720	FORD
2000	Relief	145-717	FORD
2003	Relief	145-756	FORD
2003	Relief	145-755	FORD
2003	Relief	145-754	FORD
2003	Relief	145-753	FORD
2003	Relief	145-751	FORD
2003	Relief	145-750	FORD
2003	Relief	145-749	FORD
2003	Relief	145-748	FORD

2003	Relief	145-747	FORD
2003	Relief	145-746	FORD
2003	Relief	145-745	FORD
2005	87	145-763	FORD
2005	86	145-762	FORD
2005	84	145-760	FORD
2005	81	145-757	FORD
2005	Relief	145-759	FORD
2006	67	145-767	FORD
2006	66	145-766	FORD
2006	73	145-765	FORD
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2007	77	145-770	FORD
2007	54	145-769	FORD
2007	Bariatric	145-771	FORD
2012	72	145-00087	FORD
2012	78	145-00086	FORD
2012	68	145-00085	FORD
2012	58	145-00084	FORD
2012	76	145-00083	FORD
2014	55	145-00182	FORD
2014	85	145-00181	FORD

2014	89	145-00180	FORD
2014	82	145-00143	FORD
2014	57	145-00142	FORD
2014	56	145-00141	FORD
2014	88	145-00140	FORD
2014	63	145-00139	FORD
2014	62	145-00138	FORD
2014	61	145-00137	FORD
2014	60	145-00136	FORD
2014	70	145-00135	FORD
2014	64	145-00134	FORD
2015	65	145-00190	FORD
2015	53	145-00189	FORD
2015	52	145-00188	FORD
2015	75	145-00187	FORD
2015	79	145-00186	FORD
2015	71	145-00183	FORD

Source: SFFD

Key:
Frontline (Green)
Relief (Yellow)
Retire (Red)

Appendix 4: Performance Standards

Exclusive Operating Area

The State of California grants to the City the right to an Exclusive Operating Area (EOA) to respond to 80% of emergency calls, leaving the remaining 20% to contracted private ambulance providers. EOAs are a tool by which the State Emergency Medical Services Authority (EMSA) ensures the effectiveness and success of a medical transportation system. An EOA is an EMS area which restricts operations to designated provider(s) of emergency ground ambulance service. Although the EOA agreement authorizes SFFD to respond to a minimum of 80% of all emergency medical calls, the Department has not achieved this minimum requirement since the EOA was reinstated in 2012.

In 2014 the Budget and Legislative Analyst conducted a Performance Audit of Emergency Medical Services and the San Francisco Fire Department at the request of the Board of Supervisors.¹² The audit found the Department's failure to meet the EOA market share threshold of 80% resulted from insufficient ambulance shifts. The audit recommended that the Department add three ambulance shifts during peak times.

The Performance Audit further recommended improved logistics at Station 49 where ambulances are housed, stocked and cleaned by paramedics and EMTs before and after shifts. Due to continued budget constraints the Department has been unable to hire civilian staff to perform these duties. Doing so would increase the amount of shift time that ambulances are actually in service and responding to calls.

The Department reduced the number of management positions in the EMS division despite an increase in the number of EMS calls. The reduction in the number of field rescue captains in particular, is a direct violation of the City's Administrative Code 2A.97 as adopted by the Board of Supervisors which requires:

“...In addition to the apparatus housed within each neighborhood firehouse as of January 1, 2004...the Fire Department shall maintain and operate 24 hours per day the following: an arson/fire investigation unit; no fewer than four ambulances; and four Rescue Captains.”¹³

In response to this Performance Audit finding, the Chief noted, “the necessary changes to shift to cover a 24-hour operation would trigger labor relations issues that may not have a favorable outcome for the Department...rather, the Department is exploring technological improvements to inventory tracking.”¹⁴

¹² 2014 Performance Audit of Emergency Medical Services Resources at the San Francisco Fire Department. Budget and Legislative Analyst, June 2014.

¹³ City and County of San Francisco Adm. Code 2A.97.

¹⁴ Performance Audit, pg. 37.

National Fire Protection Association Standard 1710

The National Fire Protection Association (NFPA) has established time standards for fire and medical responses. Standard 1710 define response time goals for various stages of response to an emergency incident. While NFPA 1710 is not a legal requirement, it provides a standardized guideline followed by many cities across the country, including, San Francisco, Los Angeles, Chicago, Houston, Dallas, and Boston. The NFPA standards for turnout time (from notification to beginning of travel) and travel time range from 80 seconds turnout time for fire incidents, 4 minutes or less travel time for fires, 60 seconds turnout time for EMS incidents, 4 minutes or less for basic life support, 8 minutes of less travel time for advanced life support.

San Francisco EMSA Pre-Hospital Provider Response Time Standards

The EMSA sets emergency response time standards, provides leadership in developing and implementing EMS systems throughout California, and sets standards for the training and scope of practice of EMS personnel. Day-to-day EMS system management is the responsibility of the local and regional EMS agencies. It is principally through these agencies that the EMS Authority works to promote quality EMS services statewide.

The following goals for emergency response time as defined in Policy 4000, Section 4 of the San Francisco EMSA Agency Policy Manual state:

“Emergency Dispatch Centers shall ensure that an appropriate Advanced Medical Priority Dispatch System response determinant is assigned and the approved response vehicles for that determinant are notified of the assignment within 2 minutes, 0 seconds 90% of the time for all presumptively defined life-threatening emergencies.”¹⁵

“The SFFD shall ensure that responders capable of performing Basic Life Support (BLS) and defibrillation are on scene of all presumptively defined life-threatening emergencies within 4 minutes and 30 seconds, 90% of the time.

Providers shall ensure that responders capable of performing Advanced Life Support (ALS) are on the scene of all presumptively defined life-threatening emergencies with 7 minutes and 0 seconds, 90% of the time.

Providers shall ensure that a Patient Transport Capable Vehicle, staffed by at least 2 people including one paramedic and permitted as an ALS ambulance by the EMS agency, is on the scene of all Code 2 (non-life-threatening emergencies) within 20 minutes, 0 seconds 90% of the time.”¹⁶

¹⁵ San Francisco EMSA Agency Policy Manual, Policy 4000, Section 4.

¹⁶ Ibid.

Appendix 5: Proposition F

San Francisco voters passed Proposition F (also known as the Neighborhood Firehouse Protection Act) in 2005, which established new baseline service level requirements for the operation of San Francisco firehouses. These service levels require SFFD to “maintain and operate firehouses and emergency apparatus at the same location to the same extent as existed on January 1, 2004”¹⁷ and requiring all fire stations to remain open 24 hours a day, seven days a week. The Department’s budget for fire suppression increased by 44.0% from FY 2007-2008 to FY 2012-2014, which is significantly higher than the 17.6% increase in emergency calls during the same period. In order to meet minimum staffing levels required by Proposition F, the Department increased the use of suppression overtime by nearly 100% from FY 2009-2010 to FY 2012-2013.¹⁸ Section 2A.97 of the City Administrative Code outlines the mandate created in Proposition F.

A memorandum of understanding with San Francisco Firefighters Local 798 sets minimum staffing requirements for engines of one officer and 3 firefighters, and for trucks of one officer and 4 firefighters. Local EMSA policy requires all ALS units to have at least one paramedic on board. Thus, the SFFD engines designated as ALS must have one cross-trained firefighter/paramedic and 2 regular firefighters in addition to an officer. The Department must also maintain a minimum of 4 static ambulances based at firehouses.¹⁹

¹⁷ See City and County of San Francisco Administrative Code 2A.97.

¹⁸ See 2014 Performance Audit of Emergency Medical Responses at SFFD

¹⁹ San Francisco Fire Commission, Resolution 2007-06.

Appendix 6: Technology Challenges

Critical to effective communication in SFFD is the availability of current technology. SFFD is working with the Department of Technology to upgrade existing T1 lines in some firehouses, but the Civil Grand Jury was surprised to learn that many stations still do not have a fiber connection to the City's infrastructure and most of the 33 stations are not Wi-Fi equipped. Keeping the Department current with basic hardware, software and new technology are absolutely necessary in today's IT environment. These efforts will also bring SFFD in line with current IT standards and practices, increasing reliability, timely service response, enable data integration and foster collaborations with command staff and other City agencies. The sharing of critical information can help firefighters and emergency responders handle situations and limit risk to the public. Keeping technology current will improve recovery time if the event of a disaster or outages.

SFFD should have access in the field to mobile equipment, hand-held devices and services for remote installation and updates to current applications; this will help improve access to real time information. According to the Department of Technology timeline, all T1 lines will be replaced with fiber by March 2016. In addition to the SFFD base budget proposal, is a request for \$823,407 for additional IT support.

Glossary

- ALS – Advanced Life Support:** Persons trained in ALS can provide high-level emergency medical service
- ALS engine:** An engine staffed with an officer, a driver (firefighter) and a firefighter-EMT and firefighter-Paramedic
- Ambulance:** A vehicle equipped to assess, treat and transport medical patients. Also known as Medic Units
- Ambulance Working Group:** a task force created by the Mayor in the fall of 2014 and led by the Mayor's Director of Budget, to tackle the issues of response times and ambulance inventory
- BLS – Basic Life Support:** Persons trained in BLS can provide Cardio-Pulmonary Resuscitation (CPR), basic first aid and patient transport.
- Code 2:** non-life-threatening injuries
- Code 3:** life-threatening injuries
- Command Staff:** Executive members of the SFFD, responsible for the day-to-day operation and long range planning
- DEM - Department of Emergency Management:** Is divided into two groups, Division of Emergency Communications and Division of Emergency Services
- Department;** in this report, refers to the San Francisco Fire Department
- DPH – San Francisco Department of Public Health**
- DPW – San Francisco Department of Public Works**
- EOA - Exclusive Operating Area:** the San Francisco EMS Agency asked the California EMS Authority to review and reconsider their 2008 decision which rescinded the Exclusive Operating Area (EOA) that San Francisco operated under since 1981 pursuant to Section 1797.224. In 2012, the Exclusive Operating Area in San Francisco was reestablished for the purposes of 911 responses.
- EMS – Emergency Medical Services**
- EMT – Emergency Medical Technician:** A person trained and certified in BLS. SFFD requires that all firefighters must have EMT- 1 licensures
- Emergency Medical Response times:** The SFFD responds to two types of calls, Code 2 and Code 3. Code 2 calls are non-life-threatening; Code 3 calls are those that are life threatening.
- EMSA - Emergency Medical Services Authority**
- Engine:** A fire suppression apparatus staffed by an officer and three firefighters and equipped with a pump, hose and water supply
- Firefighter:** A person trained in fire suppression.
- Firefighter-EMT:** a person trained in fire suppression and BLS.
- Firefighter-Paramedic:** A person trained in fire suppression who is also a licensed paramedic capable of delivering ALS emergency medical care as well as BLS.
- H3 Level 3:** Firefighter/Paramedic who completed SF County Paramedic training
- LEMSA - Local Emergency Medical Services Authority**

Medic to follow: refers to situations where an engine or truck is at a scene and an ambulance has been dispatched but is not already at the scene

Medic Unit – A staff of either two firefighters/paramedics or one firefighter/paramedic and one firefighter-EMT: Medic Units provide ALS treatment and transport of ALS and BLS patients suffering in medical emergencies. The term “ambulance” is used in this report for medic unit.

MOU – Memorandum of Understanding: a document that specifies a certain agreement between parties, in this case, between the City and County of San Francisco and San Francisco firefighters Union, Local 798, IAFF and AFL-CIO.

NFPA – National Fire Protection Agency: is a United States trade association that creates and maintains private, copyrighted, standards and codes for usage and adoption by local governments. This includes publications from model buildings codes to the many on equipment utilized by firefighters while engaging in hazardous material (hazmat) response, rescue response, and some firefighting. NFPA is responsible for 380 codes and standards.

Paramedic: A person with ALS training. He/she must have a State of California Paramedic license, ALS card, EMT-P accreditation card and valid California driver’s license.

Rescue Captain: Supervisory personnel responding to suppression calls from fire stations .

Rig: term used to describe vehicles used by the Fire Department

SFFD – San Francisco Fire Department

SFPD – San Francisco Police Department

Suppression: The purpose of fire suppression is to either put out a fire or stop it from propagating.

TIDA – Treasure Island Development Authority: responsible for the plans and development of Treasure Island. A Board of seven Directors rules TIDA, all of whom are appointed by the Mayor.

TITC - Treasure Island Training Center

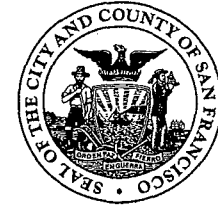
Truck – called “hook and ladder”: Trucks are staffed with an officer (lieutenant or captain), a driver (firefighter), a tiller (firefighter), one firefighter-EMT and one firefighter. Trucks carry ladders and fire equipment. Trucks are used to provide height access, rescue and ventilation.

CITY AND COUNTY OF SAN FRANCISCO
CIVIL GRAND JURY

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COB

July 15, 2015

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Ms. Calvillo,

The 2014 – 2015 Civil Grand Jury will release its report entitled, "Unfinished Business: A Continuity Report on the 2011-12 Report, Déjà Vu All Over Again" to the public on Monday, **July 20, 2015**. Enclosed is an advance copy of this report. Please note that by order of the Presiding Judge of the Superior Court, Hon. John K. Stewart, this report is to be **kept confidential until the date of release (July 20th)**.

California Penal Code §933 (c) requires the responding departments to comment within 60 days to the Presiding Judge of the superior court, with an informational copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that department, county officer or agency head.

California Penal Code §933.5 states that for each finding in the report, the responding person or entity shall indicate one of the following: (1) agree with the finding; or (2) disagree with it, wholly or partially, and explain why.

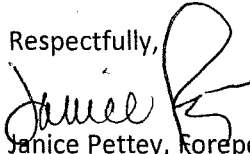
Further, as to each recommendation, your response must either indicate:

- 1) That the recommendation has been implemented, with a summary of how it was implemented;
- 2) That the recommendation has not been, but will be, implemented in the future, with a timeframe for implementation;
- 3) That the recommendation requires further analysis, with an explanation of the scope of that analysis and a timeframe for discussion, not more than six months from the release of the report; or
- 4) That the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

Please provide your response to Presiding Judge Stewart at the following address:

400 McAllister Street, Room 008
San Francisco, CA 94102-4512

Respectfully,


Janice Pettey, Foreperson
2014 – 2015 Civil Grand Jury

City Hall, Room 482
1 Dr. Carlton B Goodlett Pl, San Francisco, CA 94102
Phone: 415-554-6630

Members of the Civil Grand Jury

Janice Pettey, Foreperson

Philip Reed, Foreperson Pro Tem

Anne M. Turner, Recording Secretary

Morris Bobrow

Leonard Brawn

Daniel Chesir

Matthew Cohen

Jerry Dratler

Herbert Felsenfeld

Allegra Fortunati

Mildred Lee

Marion McGovern

Fred A. Rodriguez

Gary Thackeray

Jack Twomey

Ellen Zhou

THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name.
Disclosure of information about individuals interviewed by the jury is prohibited.
California Penal Code, section 929

STATE LAW REQUIREMENT California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days, as specified.

A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding the response must:

- 1) agree with the finding, or
- 2) disagree with it, wholly or partially, and explain why.

As to each recommendation the responding party must report that:

- 1) the recommendation has been implemented, with a summary explanation; or
- 2) the recommendation has not been implemented but will be within a set timeframe as provided; or
- 3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
- 4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

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Executive Summary

In 2012, the San Francisco Civil Grand Jury (CGJ) issued a report on the technological environment and culture of the City's government. Called *Déjà Vu All Over Again: San Francisco's City Technology Needs A Culture Shock*, it covered the governing structure and management of technology citywide and focused on its key players including the Mayor, the Committee on Information Technology (COIT), the Department of Technology (DT), the City Chief Information Officer (City CIO), and departmental Information Technology (IT) units. This 2015 Continuity Report examines what has happened, and not happened, since 2012, to the management of City technology, looking particularly at five of the nineteen recommendations from the original report.

Although specific recommendations were rejected, much has changed including:

- the structure and reporting relationship of COIT;
- changes in the senior leadership of DT, the creation of new offices, and streamlining the CIO Review process;
- more communication among departments through CIO forums and informational sessions;
- a much improved Five-Year plan and funding for technology;
- near-completion of the email and data center consolidations; and
- development of an IT asset management system.

While these changes have led to improvements in city technology, some of the problems identified in the 2012 report continue to exist. The City has not prioritized the funding of much-needed network infrastructure investments. The DT does not serve departments well and has proposed a planned reorganization as a remedy. With a 20% DT vacancy rate, understaffing, particularly in its business analyst positions, has hampered new DT and other departmental initiatives. A skills inventory capability within the new eMerge PeopleSoft system has not been developed to enable City employees with skill sets in demand to be identified. The Department of Human Resources' (DHR) new IT recruitment and hiring efforts are not expected to make a significant enough change to fill all vacant IT positions. More drastic measures need to be taken, including consideration of Charter change to make selected IT positions "at will."

This report recommends that:

- (i) the Mayor and Board of Supervisors (BOS) prioritize the creation of an upgraded and consolidated network infrastructure and monitor, through reporting and evaluation, the reorganization of DT;
- (ii) the Office of the Controller give greater priority to development of a skills inventory capability in the eMerge PeopleSoft system;
- (iii) DHR present the results of their new recruitment and hiring initiatives and report monthly on IT hiring; and
- (iv) DT hire more business analysts and launch a taskforce to consider more options for IT recruitment, hiring, job classifications, and other alternatives to the current system.

Background

The technology environment of the City and County of San Francisco has been the study of several audits, consulting studies, and CGJ reports over the years. One of the more recent efforts was the 2011-12 San Francisco CGJ Report, *Déjà Vu All Over Again*¹: *San Francisco's City Technology Needs A Culture Shock*. This report was the 2014 winner of the Robert Geiss Excellence in Reporting Award sponsored by the California Grand Jurors' Association.

The *Déjà Vu* report focused on San Francisco's governing structure and management of technology citywide. The 2011-12 Jury reviewed the workings of DT, COIT (the citywide technology policy and planning body), the City CIO, and departmental IT units, some of which have their own CIOs. The report presented a comprehensive picture of dysfunction and waste, caused by a stifling culture, a lack of leadership, as well as competing decision-making and operational processes at the departmental level. It pointed out the inefficient architecture of different departments using multiple email platforms and data centers and the corresponding failure of the City to optimize its scale opportunities and savings through consolidation. *Deja Vu* also described an environment with software systems and hardware platforms that had been outmoded for decades, managed by an organization without sufficient expertise, and an administration without the political will, to modernize the IT environment. In addition, the report noted that the City was not in compliance with an Administrative Code requirement mandating two public members be appointed to COIT.

The report found that there was a lack of basic information, particularly regarding the equipment and software licenses owned by the city, and the need for a citywide IT asset management database which would enable DT: "to identify duplication in,

and opportunities to share, equipment and licenses”²; set schedules for equipment upgrades and replacements; and consolidate future purchasing.

The 2011-12 Jury also evaluated the human resources constraints in the technology arena. It asked the City to build a database of IT skill sets possessed by its staff to better match those skills to department needs, identify skill resources and voids, and develop appropriate training opportunities. This was seen as a first step toward the establishment of a more creative and dynamic IT work environment.

It also emphasized the need for a formal and substantial evaluation of DT. This evaluation would first set a baseline level for DT performance against which annual measures of client satisfaction and system performance could be compared.

Finally, the report dealt with a need for a citywide staffing plan which would include a Charter change to classify IT personnel as “at will”³ and therefore exempt from Civil Service requirements, including formal testing to establish eligibility. This would facilitate hiring in the highly competitive IT environment of the City. In lieu of such an exemption, the Jury asked for the development of a plan to accelerate IT hiring in order to keep pace with changing technologies and technical demands.

The 2011-12 Jury made nineteen recommendations to remedy these problems, including:

- changes in IT governing and reporting structures;
- increased staffing of COIT;
- appointment of two public members to COIT;
- improvements to, and departments’ compliance with, the Information and Communication Technology (ICT) Five-Year Plan;
- periodic evaluations of DT;
- the creation of an asset management system;
- the creation of a skills database;
- revisions to the Charter to allow for the hiring of IT personnel on an “at will” basis or at least a speed-up of the hiring process; and
- stronger and more consistent leadership from the Mayor.

The 2014-15 CGJ chose to review changes in citywide IT governance that had occurred since the 2011-12 report and five of its nineteen recommendations. Our intent was to evaluate the progress the City had made in implementing programs, as a result of the report, and to understand what factors may have impeded progress.

In so doing, it was clear that many changes had occurred in the City's IT environment in the intervening years. Many of the positive changes, we believe, were due to the focus the 2011-12 report had put on key issues. However, in the course of our research, we became aware of some flaws in the original report and discovered new concerns. The goal of this continuity report is to note the prior report's impact and to draw attention to the continuing problems we found. Our hope is that, as a result of this report, the City will be motivated to adequately fund its IT citywide network infrastructure and related personnel needs. Directing attention to these critical areas should move a future jury to once again do a full investigation of this vital citywide function.

Methodology

The Jury interviewed staff and managers from the Office of the Mayor, members of the Board of Supervisors, the Office of the Controller, DT, COIT, City Attorney, Municipal Transportation Agency, DHR, Department of Recreation and Park, and the Department of Building Inspection. We also reviewed the 2011-12 CGJ report, some of the responses to that report from the Mayor and individual departments, documents supplied by various departmental staff and the COIT website, including the most recent Five-Year ICT Plan.

Discussion

Changes to SF City Technology Management Since 2011-12

Déjà Vu was a highly controversial report that found few areas of agreement about its findings and recommendations among the Mayor, the Board of Supervisors, and the individual departments. The Mayor denied that significant technology problems existed citywide and rejected more than half of the report's recommendations. Some of the recommendations in the report, which were rejected and remain as issues today, include:

- The Mayor does not issue Directives around IT projects, to clearly establish his priority in this area, and feels no need to do so;
- The Five-Year ICT Plan is still the standard for developing budget and staffing plans for citywide IT and measuring adherence to those plans, although the 2011-12 CGJ wanted the plan to be more comprehensive and strategic;

- The City CIO position was not elevated in authority or separated from DT; no dotted line relationships with departmental CIOs were thought necessary to foster more cooperation in consolidation projects; and
- No audit of DT management practice has occurred, although many inside and outside of DT want an audit. DT would welcome an audit, but only after significant progress is made within the department.

Only two recommendations were adopted to improve the structure of SF City Technology: appointment of two non-voting, non-City employee members to sit on COIT and the provision of more support for COIT.

Even though specific recommendations were rejected, according to interviewees many changes have taken place because of the 2011-12 Report, including:

- Hiring a new City CIO and senior leadership team within DT. The leadership team now includes positions that were not previously staffed, including a Director of Service Delivery and Director of the Project Management Office;
- Moving COIT from DT to the Mayor's Office, and in July 2014 to the City Administrator's Office for higher-level control and leadership, restructuring its committees (allowing more focus and accountability on budgeting and performance) and adding more full-time-equivalency (FTE) staff positions;
- Improving the ICT Plan, though still not a fully strategic document, and ensuring compliance by instituting performance reporting;
- Establishing a Project Management Office and supporting training with the Center for Project Management for DT staff and selected personnel in other departments;
- Convening regular CIO Forums and information sessions organized by DT and COIT and attended by representatives of DT and departmental IT units, with the goal of improving communication across departments; and
- Streamlining, with near-term plans to digitize, the CIO Review process to meet the needs of the departments.

These changes in management structure, according to interviewees, have led to greater potential savings and set the City and County on the road to more cooperative relationships among departments. The consolidations of the citywide email systems and data centers are prime examples. Only 10% of City employees were under the consolidated email system at the time the 2011-12 report was issued, now 90% are. The nine data centers have been consolidated into four.

There is also greater funding (a proposed \$91 million over the next five years) coming from the Mayor for major IT projects, centered on the Financial Systems Replacement Project, Public Safety & Public Service Radio Replacement, and the

Property Tax Database, but not for the network infrastructure on which these projects will rest.

Without a proper network, the \$91 million is at risk. Over the years DT has requested \$20 to \$15 million for their "Fix the Network" project, but the City has only been willing to allocate \$8 million over the next five years. The City needs to prioritize the creation of a shared services strategy and network infrastructure upgrades and consolidation to ensure the success of their upcoming major IT projects.

While many are optimistic about the future,⁴ in our interviews with several departments, we continued to hear complaints of DT's lackluster service performance. Some see DT as focusing on high-level projects, while neglecting day-to-day services. For others, dealing with DT is a headache because of siloes within the department. Departments with varied needs or requests must interact with different people within DT to have all their needs met. One DT unit does not necessarily know where to refer departments for other project, computer, or telephony issues, for example. Few departments are lucky enough to have a single point of contact for their many needs. Perhaps even more damning, though, is the lack of credibility DT has with its clients; clients do not want to entrust their technical needs to DT, because they believe DT does not have the competence or staff to deliver results in a timely way. This was the case three years ago, and it seems it still is.

To address these concerns, DT recently instituted a reorganization of their technical operations that includes the consolidation of their data center, network and applications teams under a single service delivery director. It has also begun to establish a new customer service division. Within this group are the service desk, network operations center, project management, and the client engagement unit which will identify a designated resource for each major department/client within the City. DT needs to build credibility and trust, to actually deliver on promises, and the CGJ hopes that this reorganization effort will begin that process. Some clients recognize that service failures are due to DT's severe understaffing in key areas. These staffing voids need to be addressed not just with funding but with new recruiting and hiring structures, which we will discuss below. Business analysts are a particular need and are lacking in several DT units.

The Office of the Controller or the Budget and Legislative Analyst should consider the management and organizational issues within DT (as recommended by the 2011-12 CGJ) to evaluate the current process of flows and identify changes that could improve service delivery. Additionally, a future CGJ should fully investigate the Department of Technology, so it does not remain a weak link.

Status of Selected 2011-12 CGJ Recommendations

1. Recommendation 4: COIT appoint 2 non-voting, non-City employee members to sit on COIT without further delay.

According to the San Francisco Administrative Code Chapter 22A.4(a)(2):

There will be two additional non voting [sic] members of COIT selected by the voting members of COIT. These individuals cannot be employees of the City and County of San Francisco and shall have expertise in fields of ICT innovation and advances, emerging ICT applications, and public policy issues related to ICT.

At the time of the CGJ investigation, no public members had ever been appointed to sit on COIT. As of June 2015, these positions are held by Charles Belle and Alex Polvi.

2. Recommendation 13: The City CIO and the Controller create a citywide asset management system for ICT equipment.

The City embraced this recommendation. DT's Citywide IT Asset Management system will pilot launch within the next six months, focusing first on DT's internal assets, because it has the highest concentration of equipment with the top associated dollar value. The expectation is that DT will create an inventory of hardware and software, identify duplicate licenses and maintenance contracts, highlight underutilized and redundant machinery, and provide quantifiable scale opportunities when negotiating with vendors.

Currently, there are about five asset management systems in the city. Eventually, the new system will pave the way for subsequent department rollouts and more consolidation through 2017.

3. Recommendation 14: The City CIO and DHR create a citywide skills database for personnel, to catalog such skills as programming languages, web development, database, networking, and operating systems.

The 2011-12 CGJ envisioned a separate skills database for IT personnel with the hope that such an inventory would ensure continuing congruence between IT skills and the business needs of departments. Similarly, the intent was that appropriate training would be offered to reconcile the difference. Access to the database would be granted to department heads who could then draw on the talents of all IT employees, no matter their work locations, creating a more fluid and creative work environment for the resolution of IT problems. This approach was strongly supported by Local 21, but viewed by some interviewees as "utopian."

The City responded that, as part of the development of its new centralized human resources management system, eMerge PeopleSoft will have the capacity to allow IT personnel to update their profiles, including skills and training records, on the system. It can be done either through employee self-service or via DHR. However, this essential update capability has not been fully defined and is not expected for a number of years.

As planned and for privacy reasons, so far only individual employees and their Department Heads are to have access to such information. That said, it is possible for a CIO in one department to ask a departmental CIO, if she has any people with, for example, Sequel server skills. Department employees could be borrowed by other departments to advise or work on a particular project, similar to the work order system that is now in place. However, interviewees said, given the current level of communication among departmental CIOs, it is unclear whether they would use this referral function.

4. Recommendation 15: Revise the Charter so that all vacant and new technology positions be classified as Group II exempt positions.

One of the chronic problems throughout the City and County is the hiring process. As part of its mandate to periodically review employment practices, the City Services Auditor in the Controller's Office issued a report titled *How Long Does It Take to Hire in the City and County of San Francisco?* in April 2015. One of the motivations for the report is the fear that "lengthy hiring processes may discourage highly qualified applicants from applying for City jobs and if they do apply, they may accept other offers while waiting to hear from the City."⁵ This was a problem recognized by the 2011-12 CGJ that led to Recommendation 15.

This point is underscored in the hiring of IT personnel; the glacial pace of hiring greatly impacts the service that IT units and DT can provide. According to figures supplied by the Office of the Controller for April and May 2015, the overall comparative position vacancy rates for the City and County are:

Entity	Vacancy Rate (%)
Citywide (all positions)	10%
Citywide (IT positions)	14%
Department of Technology positions	20%

The excruciatingly long time to hire is partly due to the procedures required by the Civil Service System (CSS). Several interviewees commented that for many new technology workers, being part of the CSS is not an advantage; new tech workers often look at their jobs as two- to three-year commitments, and want the flexibility of "at will" employment. The current City IT hiring policies preclude this. Moreover, the overwhelming demand for technical talent puts the City's slow hiring process at

a distinct disadvantage. As one interviewee described it, Salesforce can make an offer to a star candidate on the spot. Even if San Francisco can get its timing down to three months, that candidate will be gone.

Déjà Vu called for all future IT positions to be classified as “at will” and therefore exempt from the CSS. This change was, for the reasons identified below, clearly too far-reaching. However, there are other potential options. For example, those senior staff who are exempt from overtime, those designated as “Z” under DHR’s system, could be considered exempt from Civil Service on a going-forward basis. Alternatively, greater flexibility could be given, under new DHR rules, to the CIO and/or his designates to identify highly-rated temporary project-based personnel for transfer to civil service positions, bypassing the need for eligibility exams.

Exempting any staff member from the CSS, be it one classification or many, requires a change in the City Charter. In addition, it requires negotiation with Local 21. Most importantly, it requires the political will to make the change, one that is overdue for the City.

5. Recommendation 18: Pending revision of the Charter, the Mayor develop methods for speeding up the hiring process for ICT personnel.

The City’s commitment to the CSS is deep. When the 2011-12 report was issued, many in the City rejected the idea of a Charter revision to enable “at will” hiring until alternatives could be explored. In response to the 2011-12 CGJ Report and recommendation, an IT Hiring Group was formed by DHR to make improvements in the recruitment and hiring for IT positions. It included representatives from the Mayor’s Office, the Office of the Controller, DT, larger City departments, and the unions.

The IT Hiring Group has developed new techniques including recruitment on social media sites, such as LinkedIn, Facebook, and Twitter; partnering with CareersInGovernment; posting jobs on job boards and aggregators such as Dice, GitHub, Stack Overflow, Coroflot, Behance, and Indeed.com; and the development of marketing videos for YouTube.⁶ The focus of the marketing strategy is on “... solving complex and interesting public service challenges, doing service to the community [..., and] the opportunity to have a work/life balance.”⁷ Work/Life balance appeals to tech workers who may be burned out by long hours in the corporate sector.

A recruiter was hired for these initiatives. However, the recruiter does not exclusively work on IT job recruitment. Also, the focus in terms of job fairs seems to be local only. The City and County does not send recruiters outside the local area. Given the demand for technology talent in our local area, this failure to recruit elsewhere is short-sighted.

For the hiring process, DHR instituted an expedited IT hiring pilot project. Its goal was to reduce the time for establishing an eligibility list for two IT positions, 1053: IS Business Analyst - Senior and 1054: IS Business Analyst - Principal. This would then decrease the hire time from the current interval of six to eight months to 30-50 days. This goal would be accomplished by delivering a new pilot examination on-line, un-proctored, but still utilizing position-based testing. After passing the core examination, candidates would be sent a link to an on-line oral test designed to measure narrower skill sets, by responding to situational questions regarding special conditions associated with these positions. Departmental subject-matter experts are given access to these videos to rate candidates and establish the eligibility list. Departments can also conduct candidate interviews on-line to make the final selection. This means that candidates do not have to be in San Francisco for testing on a set day and time. This was a problem with the prior system. The new process can widen the pool of applicants. If the pilot is successful, it will be rolled out to other positions.

Interviewees from departments did not expect much impact or benefit from the new process. Some IT units within departments have few vacancies or no need for 1053 and 1054 positions. Client departments seemed skeptical that a dent could be made in the problem. The CGJ was told that preliminary results of the pilot would be available in late March. No results have yet been shared.

To date, the DHR pilot project has not gone far enough to assist IT units and DT in their staffing needs. A new taskforce needs to be established to consider other ways to improve IT hiring including:

- the development of more IT internship opportunities (paid and unpaid);
- increased compensation, benefits, training, and better working conditions to make City IT positions more competitive with the private sector;
- a plan for recruiting IT staff using videos to focus on innovative projects and testimonies by existing IT personnel of what they like about their jobs; and
- an IT recruiter who would travel to job fairs at colleges and universities that are known for their computer science programs and general job fairs in regions with high concentrations of tech firms.

Conclusions

The City and County should be commended for the strides it has made in creating a more effective and cooperative technology environment in order to solve common problems. Significant progress has been made on its consolidation projects,

including email and data centers, and other citywide initiatives. However, continuing problems exist and need to be aggressively addressed. Primary among them is the hiring of IT personnel.

Findings

- F1. The City has not prioritized critical network infrastructure investments, as demonstrated by their failure to fund essential network improvements.
- F2. Significant problems still exist within DT that limit the services it provides to departments, largely due to their inability to fill job positions and funding constraints.
- F3. The planned reorganization of DT to designate a responsible party to each department could be a positive step in building DT's credibility.
- F4. DT lacks business analyst capabilities to launch new initiatives and implement processes to make DT more efficient and effective.
- F5. The skills inventory capability of the eMerge PeopleSoft system, as currently configured, will not enable Department Heads to quickly identify City employees with skill sets in demand.
- F6. DHR's efforts through the IT Hiring Group to stimulate IT recruitment and streamline IT hiring will not sufficiently impact departmental IT units and DT.
- F7. The absence of a way to quickly bring in technology resources, whether on an "at will" or CSS basis, puts the City at a great disadvantage in hiring and potentially at risk in all of its technology initiatives.

Recommendations

- R1. The Mayor should prioritize network infrastructure and fully fund the required investment in this foundational platform.
- R2. The Mayor and Board of Supervisors should require a six-month and twelve-month report on the status of the DT reorganization.
- R3. A user satisfaction survey should be sent to all DT clients, before the end of 2015 and later in six months after the reorganization, to assess whether the new accountability structure is making a difference for clients.

- R4. The Office of the Controller should develop the skills inventory capability in the eMerge PeopleSoft system to update IT employee skills by the end of FY15-16.
- R5. DHR should publicly present the results of its pilot IT hiring process to the Mayor and the Board of Supervisors before the end of CY2015.
- R6. DHR should issue a monthly written report to the Mayor and Board of Supervisors showing the number of open IT positions at the beginning of the month, the number of new IT positions requisitions received in the current month, the number of IT positions filled in the current month, the number of open IT positions at the end of the month, and the average number of days required to fill the IT positions closed in the current month.
- R7. DT should launch a taskforce to recommend options for recruiting and hiring IT staff, particularly on an "at will" basis.
- R8. The Mayor and Board of Supervisors should calendar an interim review of taskforce proposals within six months of its convening.
- R9. The Mayor and Board of Supervisors needs to allocate funds to DT for a recruiter dedicated exclusively to DT and other IT units' staffing needs.
- R10. DT needs to hire business analyst talent for the taskforce, new reorganization, and new initiatives.

Response Matrix

Findings	Recommendations	Responses Required
<i>1. The City has not prioritized critical network infrastructure investments, as demonstrated by their failure to fund essential network improvements.</i>	<i>1. The Mayor should prioritize the network infrastructure and fully fund the required investment in this foundational platform.</i>	<i>Mayor Board of Supervisors</i>
<i>2. Significant problems still exist within DT that limit the services it provides to</i>	<i>2. The Mayor and Board of Supervisors should require a six-month</i>	<i>Mayor Board of Supervisors</i>

<p>departments, largely due to their inability to fill job positions and funding restraints.</p> <p>3. The planned reorganization of DT to designate a responsible party to each department could be a positive step in building DT's credibility.</p> <p>4. DT lacks business analyst capabilities to launch new initiatives and implement processes to make DT more efficient and effective.</p>	<p>and twelve-month report on the status of the DT reorganization.</p> <p>3. A user satisfaction survey should be sent to all DT clients, before the end of 2015 and later in six months after the reorganization, to assess whether the new accountability structure is making a difference for clients.</p>	<p>Department of Technology</p>
<p>5. The skills inventory capability of the eMerge PeopleSoft system, as currently configured, will not enable Department Heads to quickly identify City employees with skill sets in demand.</p>	<p>4. The Office of the Controller should develop the skills inventory capability in the eMerge PeopleSoft system to update IT employee skills by the end of FY15-16.</p>	<p>Mayor</p> <p>Board of Supervisors</p> <p>Office of the Controller</p> <p>Department of Technology</p>
<p>6. DHR's efforts through the IT Hiring Group to stimulate IT recruitment and streamline IT hiring will not sufficiently impact departmental IT units and DT.</p>	<p>5. DHR should publicly present the results of its pilot IT hiring process to the Mayor and the Board of Supervisors before the end of CY2015.</p>	<p>Mayor</p> <p>Board of Supervisors</p> <p>Department of Human Resources</p>

	<p>6. <i>DHR should issue a monthly written report to the Mayor and Board of Supervisors showing the number of open IT positions at the beginning of the month, the number of new IT position requisitions received in the current month, the number of IT positions filled in the current month, the number of open IT positions at the end of the month, and the average number of days required to fill the IT positions closed in the current month.</i></p>	
<p>7. <i>The absence of a way to quickly bring in technology resources, whether on an "at will" or CSS basis, puts the City at a great disadvantage in hiring, and potentially at risk, in all of its technology initiatives.</i></p>	<p>7. <i>DT should launch a taskforce to recommend options for recruiting and hiring IT staff, particularly on an "at will" basis.</i></p> <p>8. <i>The Mayor and Board of Supervisors should calendar an interim review of taskforce proposals within six months of its convening.</i></p> <p>9. <i>DT needs a recruiter dedicated exclusively to DT</i></p>	<p><i>Mayor</i></p> <p><i>Board of Supervisors</i></p> <p><i>Department of Technology</i></p>

	<p><i>and other IT units' staffing needs.</i></p> <p>10. <i>DT needs to hire business analyst talent for the taskforce, new reorganization, and new initiatives.</i></p>	
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Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Bibliography

City and County of San Francisco. *Information & Communication Plan: Fiscal Years 2016-20*. 2015

..... Office of the Controller. City Services Auditor. *How Long Does It Take to Hire in the City and County of San Francisco?*. April 15, 2015.

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Endnotes

¹ According to the 2011-12 jurors, former jurors from other counties were quick to point out that the jury had not attributed the title, as they should have, to Lawrence Peter "Yogi" Berra. We would like to right this terrible wrong. It was, indeed, Yogi Berra who said "déjà vu all over again," when he saw "Mickey Mantle and Roger Maris repeatedly hit back-to-back home runs in the Yankees' seasons in the 1960s." http://en.wikipedia.org/wiki/Yogi_Berra Accessed on February 1, 2015.

² Superior Court of California, County of San Francisco, 2011-12 San Francisco Civil Grand Jury, *Déjà Vu All Over Again: San Francisco's City Technology Needs a Culture Shock*, p. 20.

³ An "at will" employee is one who can be dismissed by an employer at any time and, similarly, can terminate his/her employment at any time without penalty.

⁴ As one interviewee, among others, noted, "[t]he improvements within DT are tangible."

⁵ City and County of San Francisco, Office of the Controller, City Services Auditor, *How Long Does It Take to Hire in the City and County of San Francisco?*, April 2015, p. 9.

⁶ See the one minute twenty-eight second video at:

https://www.youtube.com/watch?v=WXf9E_mAbJw&feature=youtu.be

⁷ From a document supplied by the Department of Human Resources, "Marketing City and County of San Francisco Information Technology (IT) Jobs 2013," p. 1.

Office of the Mayor
City & County of San Francisco



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

Edwin M. Lee

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Reading
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2015 JUL 14 PM 1:58

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July 14, 2015

Sheriff Ross Mirkarimi
1 Dr. Carlton B. Goodlett Place
Room 456
San Francisco, CA 94102

Dear Sheriff Mirkarimi:

It has come to my attention that in March of 2015 you ordered your department to cease all communications with Federal Immigration authorities regarding Requests for Notification pertaining to undocumented, convicted felons. I urge you to rescind this policy immediately, in the interest of public safety.

Our Sanctuary Ordinance allows for this. Local law enforcement may notify federal officials when a particular individual is set for release in certain circumstances (Admin Code 12H.2-1), action not prohibited by our Civil Detainer policy from 2013 (Admin Code 12I.3).

Sincerely,

A handwritten signature in cursive script, appearing to read "Edwin M. Lee".

Edwin M. Lee
Mayor

Attachment:
March 13, 2015 Interoffice Correspondence (Reference: 2015-036)

CC:
President London Breed
Members, San Francisco Board of Supervisors



San Francisco Sheriff's Department

INTER-OFFICE CORRESPONDENCE

March 13, 2015
Reference: 2015-036

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 14 PM 1:58

TO: All Personnel
FROM: Sheriff Ross Mirkarimi *Ross Mirkarimi*
RE: Immigration & Custom Enforcement Procedures (ICE)
Contact and Communication

The San Francisco Sheriff's Department's (SFSD) policy is that there shall be limited contact and communication with ICE representatives absent a court issued warrant, a signed court order, or other legal requirement authorizing ICE access. Consistent with San Francisco Administrative Code Section 12H.2, "no department, agency, commission, officer or employee of the City and County of San Francisco shall use any city funds or resources to assist in the enforcement of federal immigration law or to gather or disseminate information regarding the immigration status of individuals in the City and County of San Francisco unless such assistance is required by federal or state statute, regulation, or court decision."

SFSD staff shall not provide the following information or access to ICE representatives:

- citizenship/immigration status of any inmate;
- access to inmates in jail;
- access to SFSD computers and/or databases;
- SFSD logs;
- booking and arrest documents;
- release dates or times;
- home or work contact information;
- other non-public jail records or information.

SFSD staff are authorized to provide the following public information (pursuant to California Government Code Section 6250, et seq.; San Francisco Administrative Code Chapter 67) regarding an inmate to ICE representatives upon request:

- current charges;
- arrest date and location;
- location in custody;
- next court date;
- bail amount.

No additional assistance or information shall be provided to ICE representatives regarding any current or former inmate unless the following requirements have been met:

- (1) Sheriff's legal has been contacted;
- (2) Sheriff's legal has confirmed that the ICE request is supported by a court issued warrant, a signed court order authorizing the ICE request, or that the access is required by federal or state statute, regulation or court decision; and
- (3) The Sheriff has authorized the access or release of information requested by ICE representatives.

This memorandum supersedes all previous directives regarding ICE contact or communication and is effective immediately. This ICE Contact and Communication memorandum is implemented in addition to the requirements of the ICE Immigration Detainer policy dated March 9, 2015, Reference: 2015-033.

Please contact Sheriff's Legal with any questions:

FREYA HORNE: 415-554-4334
MARK NICCO: 415-554-7212

OFFICE OF THE MAYOR
SAN FRANCISCO



*Bas - II, aides, COB,
Deputies, Dep City Atty,
EDWIN M. LEE Mayor
MAYOR acfiv
CPAGE*

July 17, 2015

Ms. Angela Calvillo
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 17 PM 2:43
ll

Dear Ms. Calvillo,

Pursuant to Charter Section 3.100, I hereby designate Supervisor Mark Farrell as Acting-Mayor from the time I leave the State of California on Saturday, July 18, 2015 at 3:45 p.m., until I return on Saturday, July 25 at 2:15 p.m.

In the event I am delayed, I designate Supervisor Farrell to continue to be the Acting-Mayor until my return to California.

Sincerely,

Edwin M. Lee
Edwin M. Lee
Mayor

cc: Mr. Dennis Herrera, City Attorney
Members, Board of Supervisors

5

OFFICE OF THE MAYOR
SAN FRANCISCO



ORIG: Rates
C: COB, Leg. Dep., City atty
CPA & AC FILE
EDWIN M. LEE
MAYOR

July 15, 2015

Angela Calvillo
Clerk of the Board, Board of Supervisors
San Francisco City Hall
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RECEIVED
CITY CLERK
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AK

Dear Ms. Calvillo,

Pursuant to Section 3.100(18) of the Charter of the City and County of San Francisco, I hereby make the following appointment:

Breanna Zwart to the Commission on the Status of Women, assuming the seat formerly held by Mary Jung, for a four-year term ending January 22, 2019

I am confident that Ms. Zwart, an elector of the City and County, will serve our community well. Attached herein for your reference are her qualifications to serve.

Should you have any questions related to this appointment, please contact my Director of Appointments, Nicole Wheaton, at (415) 554-7940.

Sincerely,

Edwin M. Lee
Mayor

OFFICE OF THE MAYOR
SAN FRANCISCO



ORIG: Rules
c: COB, Leg Dep Dir,
city atty, CP&G, AC
EDWIN M. LEE File
MAYOR

Notice of Appointment

July 15, 2015

San Francisco Board of Supervisors
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, California 94102

Honorable Board of Supervisors:

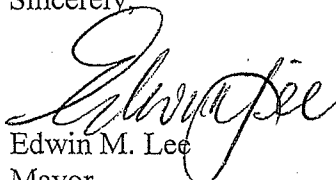
Pursuant to Section 3.100(18) of the Charter of the City and County of San Francisco, I hereby make the following appointment:

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I am confident that Ms. Zwart, an elector of the City and County, will serve our community well. Attached herein for your reference are her qualifications to serve.

Should you have any questions related to this appointment, please contact my Director of Appointments, Nicole Wheaton, at (415) 554-7940.

Sincerely,


Edwin M. Lee
Mayor

RECEIVED
OFFICE OF THE MAYOR
SAN FRANCISCO
JUL 15 PM 4:15
AK

Breanna Zwart

2289 Bryant Street Apt. A San Francisco, CA 94110 • (619)994-3399 • breanna.zwart@gmail.com

EXPERIENCE

Google, Global Communications and Public Affairs— Mountain View, CA (10/13 - Present)

- As Policy Operations Lead, composed and implemented a strategic vision for a Google-World Bank partnership, convening multiple internal stakeholders to support a targeted approach to developing the World Bank as a key partner.
- Published an entrepreneurship white paper with UP Global—a global firm focused on business startups—that included working with agencies to create collateral, event plans, external communications, and localization.
- Streamlined internal communications by coordinating a monthly regulatory intelligence report for product council and legal teams that informs them of impinging regulatory actions by sovereign states in strategic markets.
- Analyzed financial data to provide allocation recommendations and manage a \$10.8 million dollar budget across four teams.

U. S. Department of the Treasury— Washington, DC (06/11 - 09/13)

- As Special Assistant to the Executive Secretary, developed economic and political analyses for the international portfolio including the G-7/8, G-20, IMF, World Bank, ASEAN, U.S.-India, China and U.S. Strategic and Economic Dialogue.
- Provided recommendations and guidelines on best-practices in the measurement and tracking of gender-based outcomes in financial access programs across international institutions such as the World Bank.
- Developed communications for the Secretary including a speech delivered during launch of Equal Futures Partnership multilateral initiative that encourages member countries to empower women politically and economically.

City of San Diego—San Diego, CA (10/09 - 05/11)

- As Budget and Finance Committee consultant, provided policy analysis and strategic advice to the Council President on issues related to fiscal management, clean technology, capital improvement, debt management, and city contracts.
- Liaised with constituents, City Departments, and other government agencies to increase well-being of district residents through projects such as creation of new park-space and the construction of a community library, the first in 25 years.
- Researched, analyzed, and provided recommendations on the \$2 billion annual budget and all fiscal policies to the City Council that resulted in a balanced budget and increase in bond rating for the City of San Diego.
- Managed two staff members who handled committee logistics to ensure compliance with city and state record laws.
- Coordinated public outreach, public meetings, and media relations on the annual budget and all fiscal policies.
- Managed two major fiscal commissions that advised the city on revenue goals, business and economic development.

Children, Health, Education, and Supporting Services— Managua, Nicaragua (06/08 - 09/08)

- As Program Evaluator, collaborated with leading U.S.-based and Nicaraguan agencies to support educational and health programming including water purification, classroom libraries, and teacher training for the town of Villa del Carmen.
- Conducted bilingual interviews and focus groups with community and business stakeholders to gather and analyze qualitative and quantitative data on the program's community impact.

VOLUNTEERISM & BOARD MEMBERSHIP

New Leaders Council— San Diego, CA (01/10 - 06/11)

- As Board Member, managed organization's budget to expand programs, increase training and advocacy, and hold events.
- Coordinated and tailored curriculum focused on campaign management, issue advocacy, and leadership development.

Strong Women, Strong Girls— Pittsburgh, PA (10/06 - 05/08)

- As Chapter Director, managed 30 volunteers annually and oversaw curriculum implementation.
- Coordinated training twice a year for 100 mentors from the Pittsburgh area who mentored over 135 girls.
- Mentored girls grades 3-5 once a week for three years.

Elementary Institute of Science— San Diego, CA (06/06 - 06/11)

- Launched a successful \$6 million dollar capital campaign for a summer and after-school hands-on science program.

EDUCATION

Carnegie Mellon University— Pittsburgh, PA

Master of Science in Public Policy and Management (05/09)

Bachelor of Arts and Humanities in International Relations and Drama, Minor in Hispanic Studies (12/07)

PUBLICATIONS

Borzutzky, S. and Zwart, B. (2009), Another Version of the Same Story: Is the 2009 Constitution Going to Make a Difference? *The Latin Americanist*, 53: 5-27

SUNSHINE ORDINANCE
TASK FORCE



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-7724
Fax No. (415) 554-7854
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: July 15, 2015
To: Honorable Members of the Board of Supervisors
From: Allyson Washburn, Chair *Allyson Washburn*
Sunshine Ordinance Task Force
Subject: Notice of Sunshine Ordinance Task Force Members Excessive Absences

The following notice regarding the attendance of members of the Sunshine Ordinance Task Force (Task Force) is being transmitted pursuant Task Force Bylaw, Article II, regarding "Membership and Attendance". The Task Force members have been reminded of the attendance requirements.

For your information please note that the following Task Force member(s) have exceeded the number of absences, from regular meetings, acceptable in a twelve-month time period under the Task Force Bylaws Article II:

Rishi Chopra, Seat 4

Absent from the following regular Sunshine Ordinance Task Force meetings:

1. January 7, 2015
2. March 4, 2015
3. April 4, 2015
4. May 6, 2015
5. June 3, 2015
6. July 1, 2015

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Proposal to Modernize the City Option and Create a new Employee Wellness Fund
Attachments: Memo to BOS with attachments - 07-17-15.pdf

From: Chawla, Colleen (DPH)
Sent: Friday, July 17, 2015 4:17 PM
To: Breed, London (BOS); Board of Supervisors, (BOS)
Cc: Johnston, Conor (BOS); Garcia, Barbara (DPH); Calvillo, Angela (BOS); Caldeira, Rick (BOS)
Subject: Proposal to Modernize the City Option and Create a new Employee Wellness Fund

Attached please find a memo to the Board of Supervisors from Barbara Garcia, Director of Health, that describes a recently released Department of Public Health proposal that ensures that all low- and moderate-income San Franciscans have access to affordable health care.

Please feel free to contact me with any questions.

Best,
Colleen

Colleen Chawla
Deputy Director of Health/Director of Policy & Planning
San Francisco Department of Public Health
415.554.2769 | colleen.chawla@sfdph.org



City and County of San Francisco
Edwin M. Lee
Mayor

San Francisco Department of Public Health

Barbara A. Garcia, MPA
Director of Health

Office of Policy and Planning

MEMORANDUM

DATE: July 17, 2015

TO: London Breed, President, San Francisco Board of Supervisors and
Members of the Board of Supervisors

CC: Angela Calvillo, Clerk of the Board

FROM: Barbara A. Garcia, MPA, Director of Health

RE: Proposal to Modernize the City Option and Create a new Employee Wellness Fund

On July 21, 2015, the San Francisco Department of Public Health will present a proposal to the Health Commission to ensure that all low- and moderate-income San Franciscans have access to affordable health care. This proposal, developed in accordance with Ordinance No. 99-14, has two elements: 1) a City Option Modernization, which leverages existing infrastructure created by the Health Care Security Ordinance; and 2) the creation of an Employee Wellness Fund.

The City Option Modernization will increase the affordability of Covered California for 3,000 eligible city residents, and maintain Healthy San Francisco for those who are not eligible for the Affordable Care Act or do not have affordable insurance options. The new Employee Wellness Fund will reimburse employers for expenses made toward workplace wellness programs that enhance employee health and align with the City's health improvement and wellness plans.

Please find attached a memo to the Health Commission, detailing the proposal. The Health Commission will hold its first hearing on July 21, 2015 at 4PM in the Health Commission Chambers at 101 Grove Street, San Francisco. The second hearing and vote on the proposal will be held on August 4, 2015.

The Department of Public Health would be pleased to present the information to the Board at any time should any member wish to request a hearing. Please feel free to contact me or my deputy, Colleen Chawla, should you have any questions.



City and County of San Francisco
Edwin M. Lee
Mayor

San Francisco Department of Public Health

Barbara A. Garcia, MPA
Director of Health

Office of Policy and Planning

MEMORANDUM

DATE: July 17, 2015

TO: Edward Chow, MD, Health Commission President, and Members of the Health Commission

THROUGH: Barbara A. Garcia, MPA, Director of Health

FROM: Colleen Chawla, Deputy Director of Health and Director of Policy & Planning
Aneeka Chaudhry, Senior Health Program Planner, Office of Policy & Planning

RE: Proposal to Modernize the City Option and Create a new Employee Wellness Fund

SUMMARY

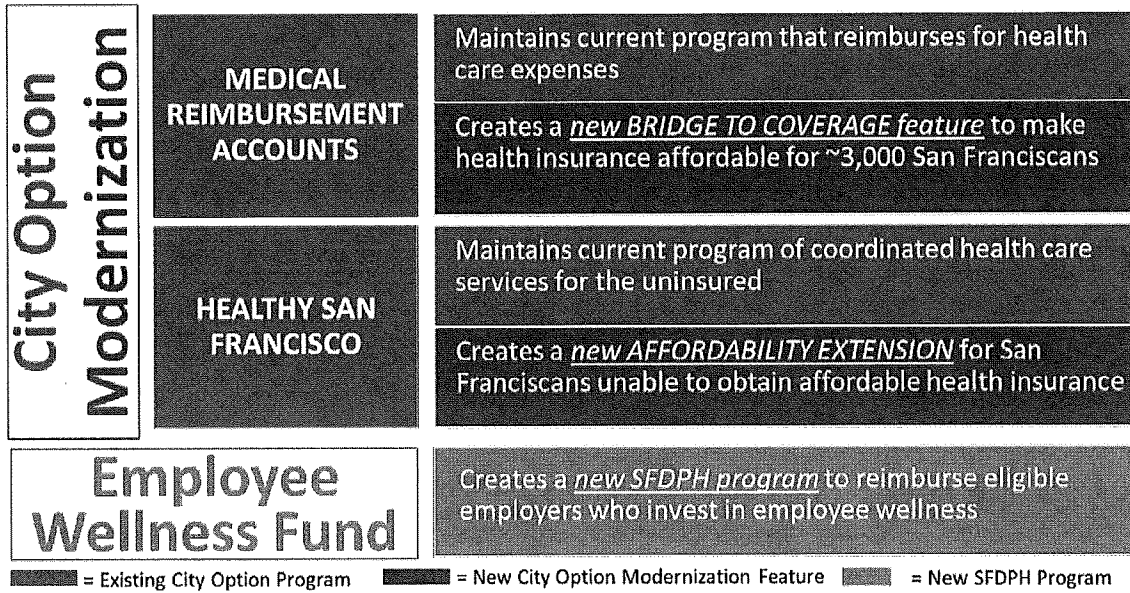
The Health Care Security Ordinance (HCSO) was created in 2007 in the absence of nationwide health reform to provide San Franciscans with accessible and affordable health care services. Pursuant to the HCSO, the San Francisco Department of Public Health created a health access program, called the City Option, comprising medical reimbursement accounts, which reimburse eligible participants for out-of-pocket health care costs, and Healthy San Francisco, which provides coordinated health care services to the City's uninsured. Because of our early adoption of this innovative health care program, San Francisco was ahead of the curve when implementation of the federal Affordable Care Act began in 2014. Now, with the Affordable Care Act well into its second year of implementation, the San Francisco Department of Public Health is looking to modernize the City Option and to create a new Employee Wellness program, consistent with the changing health care environment.

San Francisco has seen great success enrolling individuals into health insurance, exceeding statewide enrollment rates. But, with the high cost of living in the City, barriers to affordable health insurance remain for some San Franciscans. Under the proposal outlined in this memo, the City Option would further facilitate affordable access to health insurance for those who are eligible and retain its current system of coordinated health care services for the uninsured who remain unable to access the Affordable Care Act's expanded health insurance options.

The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.
We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~
~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

101 Grove Street, Room 308, San Francisco, CA 94102 ♦ (415) 554-2610

Specifically, this proposal seeks to update the City Option through new features (in blue) that leverage existing infrastructure (in grey) and also proposes a separate new program (in orange):



These modernizations ensure that all low- and moderate-income San Franciscans have access to affordable health care services, consistent with the founding principles of the HCSO and the intent of the ACA.

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ATTACHMENTS

- DRAFT RESOLUTION
- HMA/UCB FINAL REPORT

BACKGROUND

San Francisco has Seen Success in the Implementation of the Affordable Care Act

Over 97,000 San Franciscans—nearly 56,000 through the expanded Medi-Cal program and more than 41,000 through Covered California—gained health insurance under the Affordable Care Act (ACA) in 2014. San Francisco's insurance enrollment rates exceed those of the State overall, due in large part to the availability and success of Healthy San Francisco. Nearly 70 percent of San Francisco's uninsured were enrolled in Healthy San Francisco prior to the ACA's coverage expansions, enabling the program to contact and transition eligible participants into health insurance.

Some Remain Unable to Take Advantage of New Affordable Care Act Coverage Options

Despite these successes, the ACA does not provide coverage options to all. The San Francisco Department of Public Health (SFDPH) estimates that approximately 35,000 to 40,000 city residents remain uninsured in 2015, compared to over 87,000 in 2013. While San Francisco's uninsured rate has dropped by between 50 and 60 percent over the past 18 months, many San Franciscans are still not able to take advantage of ACA coverage options. Among the remaining uninsured are San Franciscans who are exempt from the ACA due to immigration status, hardship, or because the cost of their employer-sponsored insurance is too high; and those who are eligible but not enrolled in coverage, including those for whom health insurance is unaffordable.

There is Citywide Interest in Addressing the Affordability of Health Care

In 2013, Mayor Lee asked Director Garcia to reconstitute the Universal Healthcare Council to examine San Francisco's implementation of the ACA. The final report of the 2013 Universal Healthcare Council found that in a post-ACA environment, health care affordability challenges remain for some San Franciscans, including part-time employees and low-wage earners. Pursuant to those findings, in 2014 the Board of Supervisors and the Mayor amended San Francisco's Health Care Security Ordinance (HCSO) to require SFDPH to develop a plan to increase the affordability of health insurance for eligible San Franciscans by leveraging the City Option under the HCSO.

Modernizing the City Option Ensures that All Low- and Moderate-Income San Franciscans Have Affordable Access to Health Care Services

Research shows that the high cost of living in San Francisco, coupled with post-ACA insurance trends toward increased cost-sharing for the consumer, leaves low- and moderate-income San Franciscans at risk for being uninsured or underinsured. Against this backdrop and building upon programmatic successes, SFDPH proposes to modernize the City Option to bridge gaps in health care coverage and affordability. Maintaining the City's long-standing commitment to ensuring access to care for all San Franciscans, the proposed City Option modernization would support eligible uninsured and underinsured City residents and promote employee wellness. To maintain program integrity and facilitate implementation, this proposal relies on existing infrastructure and funding streams. This proposal was informed by extensive research by Health Management Associates and the University of California Berkeley Center for Labor Research and Education through a generous grant from the California Health Care Foundation.

SUPPORTING RESEARCH & FINDINGS

Consultant Engagement

Preliminary SFDPH analysis identified an option to increase the affordability of health care by providing premium assistance for San Franciscans receiving employer contributions to the City Option and purchasing insurance on Covered California. Subsequent discussions with insurance experts and Covered California highlighted the need to define affordability in a San Francisco context, and for in-depth data review alongside regulatory, financial, and operational feasibility analyses. SFDPH engaged Health Management Associates (HMA) and the University of California (UC) Berkeley Labor Center as consultants, through a grant from the California Health Care Foundation.

The project scope entailed identification of the potential population covered by the program, estimation of associated program revenues and costs, and recommendations for benefit design and administrative structure. SFDPH sought a program that would provide a meaningful benefit, maximize available federal subsidies, minimize administrative burden, and contain program funding to employer contributions made to the City Option. Over the course of six months, the two teams worked collaboratively to complete tasks consistent with their relative areas of expertise.¹

San Francisco's High Cost of Living Adversely Impacts Health Care Affordability and Access

The UC-Berkeley Labor Center team provided an analysis of the impact of the cost of living in San Francisco on health care affordability, and estimates of potential affordability program participation, costs, and revenues. Using City Option employer expenditure data, the UC-Berkeley team customized the California Simulation of Insurance Markets (CalSIM) to render San Francisco-specific estimates for this project. Key findings include:

- 1) Nearly three-quarters of San Francisco residents receiving contributions to the City Option are likely part-time employees. Nearly 5,000 among these employees are at risk of being uninsured.
- 2) The cost of living in San Francisco is 60 percent higher than the national average; meaning that 100 percent of the federal poverty level (FPL) nationally is the equivalent of 160 percent of FPL in San Francisco.
- 3) Because federal subsidies available on Covered California decline sharply after 250 percent of FPL, people earning between 250 and 500 percent of FPL spend higher proportions of their incomes on health care costs, compared to people of similar ages at lower or higher incomes.
- 4) Insured persons with plan deductibles greater than 5 percent of household income are underinsured, because they may lack the liquid assets to cover the deductible or the out-of-pocket cost sharing may lead them to forgo needed care.
- 5) The high cost of living in San Francisco leaves little room in household budgets to cover health insurance premiums and out-of-pocket costs; for example, a single 40-year old San Franciscan has no room in his/her budget to spend on health insurance at incomes below 305 percent of FPL (~\$35,000).

¹ The consultants' final report, compiled by Health Management Associates, is attached for the Commission's reference and can be accessed here: <https://www.sfdph.org/dph/comupg/knowledge/uhc/default.asp>

Employer Contributions to the City Option can Increase Participation in and the Affordability of Health Insurance

The HMA team provided overall project management; narrowed the potential programming options through regulatory, financial, and operational feasibility analyses; and made recommendations for the program's administrative structure and benefit design. Seeking to minimize regulatory barriers, implementation time, and administrative costs, while maximizing operational feasibility and ease of program participation, HMA made the following recommendations:

- 1) The program should be administered within the existing City Option structure to leverage the administrative and programmatic infrastructure in place.
- 2) The program should provide premium assistance to increase participation in health insurance, and consider cost-sharing assistance to address the issue of underinsurance.
- 3) The value of the benefit should be tethered to the beneficiary's cost of the second-lowest cost Silver plan on Covered California, in order to maximize the amount of federal subsidy available.
- 4) Employer contributions to the City Option for eligible employees should be combined to maximize the utility of the program and to tailor the benefit to the recipient's need.
- 5) Providing the benefit via a reimbursement account would offer the most flexibility for program participants.

Employer and Employee Focus Groups Reinforce Importance of Addressing Affordability

To inform the development of the affordability program with a stakeholder perspective, SFDPH conducted two sets of focus groups with HCSO covered employers and employees. A detailed report of focus group methods and findings is included as an appendix in the HMA report linked above. Key findings incorporated into HMA's recommendations and SFDPH's proposal are included below.

Among employees:

- High cost was cited as the most common reason for declining health insurance among the uninsured. Cost, in the form of high premiums and deductibles, was also the chief concern among the insured.
- Most participants considered health care spending at or below 5 percent of their incomes to be affordable. Participants reported that a combination of premium assistance and cost-sharing assistance would be most helpful in increasing affordability of health insurance,

Among employers:

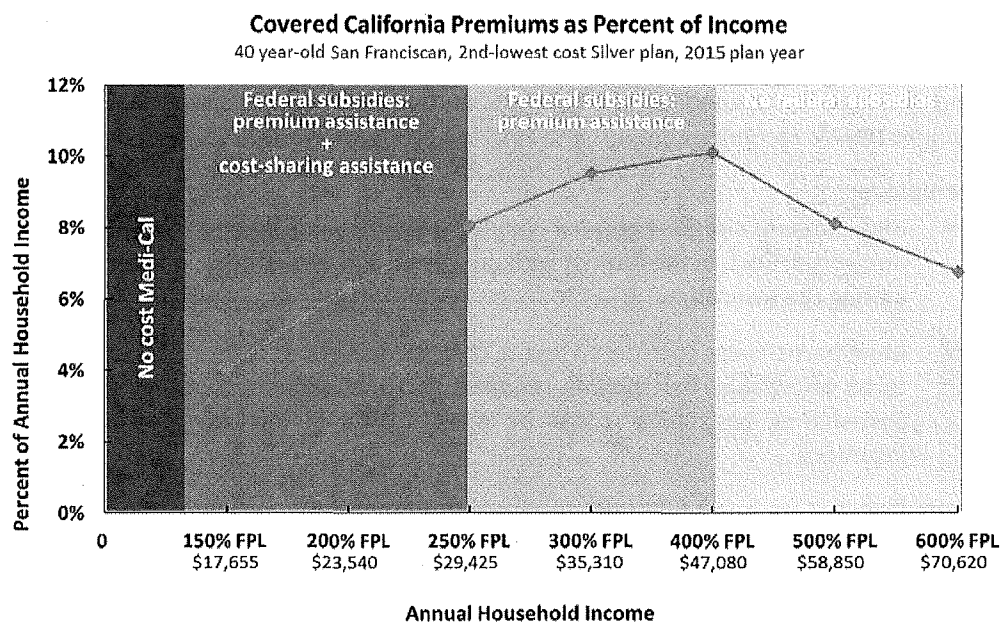
- Offering health insurance was reported as being valuable, but not necessarily a viable option for all employees. Cost was cited as the main reason for not offering insurance. Finding affordable insurance options for part-time employees was reported as particularly challenging. Connecting these employees to Covered California was suggested as a solution.
- Participants reported that hourly HCSO expenditures per employee do not necessarily reflect the cost of insurance for that employee; and that expenditures made on behalf of employees with other sources of coverage may be redundant.

Trends in the Post-ACA Health Insurance Market Present Affordability Challenges for Moderate-Income Individuals

While consumers buying health insurance on Covered California generally report that they are happy with their plans, they also report affordability challenges. According to the results from a Kaiser Family Foundation survey released in May 2015, more than 40 percent of Covered California enrollees struggle to pay their health insurance premiums.² However, insurance premiums are only one part of the affordability calculation, as plans with lower premiums are generally offset by higher deductibles or higher cost-sharing for services. Although the ACA offers protection from catastrophic medical bills by limiting the consumer’s annual out-of-pocket costs, low- and moderate-income persons may not have the necessary liquid assets to cover those costs. Nearly 38 percent of enrollees purchasing plans on the marketplace reported feeling vulnerable to high out-of-pocket health costs, compared to only 28 percent of those insured through their employer.³

Considering that nearly 88 percent of Covered California enrollees in 2014 received federal subsidies toward their plans, the findings above indicate that affordability challenges persist despite the availability of federal assistance. The problem is particularly evident for persons earning above 250 percent of FPL, as the value of federal subsidies drops dramatically beyond this income level. Figure 1, below, depicts how this drop in federal subsidies creates a bell-shaped cost curve, with people between 250 and 500 percent of FPL paying the highest amount of their incomes toward plans on Covered California, compared to people of the same age at lower or higher incomes.

Figure 1: Covered California premiums are most expensive for San Franciscans earning 250-500% FPL



² Garfield R, Majerol M, Young K, Coverage Expansions and the Remaining Uninsured: A Look at California During Year One of ACA Implementation, Kaiser Family Foundation, 2015 (accessed 7/16/15 at <http://kff.org/health-reform/report/coverage-expansions-and-the-remaining-uninsured-a-look-at-california-during-year-one-of-aca-implementation>).

³ Hamel L, Norton M, Levitt L, Claxton G, Brodie M, Survey of Non-Group Health Insurance Enrollees, Wave 2, Kaiser Family Foundation, 2015 (accessed 7/16/15 at <http://kff.org/health-reform/poll-finding/survey-of-non-group-health-insurance-enrollees-wave-2/>).

Ongoing Gaps in Coverage are Expected among San Franciscans

Although San Francisco's uninsured rate has traditionally been lower than that of the state or country, and the ACA has potentially reduced the number of uninsured in the City by 50 to 60 percent, there continues to be a need for a safety net that bridges gaps in coverage. The ACA's individual mandate requires most Americans to carry health insurance or pay a penalty, but the law does not extend coverage to undocumented immigrants and grants hardship or affordability exemptions for many others. Additionally, there may be individuals who, due to changes in income or employment, churn between not having and having insurance.

SFDPH estimates that 35,000 to 40,000 San Franciscans remain uninsured in 2015, approximately 40 percent of whom are currently covered by the Healthy San Francisco program. The reasons for being uninsured include ineligibility for ACA coverage, personal preference, affordability concerns, or not knowing about available options. SFDPH estimates that among this group, more than 35 percent are undocumented, nearly 20 percent are eligible for Medi-Cal, 17 percent potentially qualify for an exemption from the individual mandate, and nearly 28 percent are subject to the individual mandate. The 2015 ACA penalty for remaining uninsured is the higher of \$325 or 2 percent of household income, increasing to \$695 or 2.5 percent of household income in 2016.

San Francisco's Existing City Option Provides the Strongest Foundation for Addressing Affordability

In assessing programming options for an affordability program for San Franciscans receiving contributions to the City Option, Health Management Associates and SFDPH explored several designs. In addition to leveraging the City Option structure, they examined making direct payments to Covered California plans, indirect payments through Covered California, contracting with one or more plans, prospective payments to the plans, providing vouchers to program participants, as well as making grants to a non-profit foundation to administer the program. SFDPH also explored ways to incentivize more businesses to provide health insurance directly to their employees, such as enabling the provision of employer-sponsored health insurance to alone satisfy an employer's entire obligation under the HCSO and leveraging the City's health care service infrastructure to provide an affordable health insurance product to small employers. These alternatives were not pursued further for one or more reasons, including because they faced significant legal or regulatory barriers, failed to maximize federal funds, would be have been unduly cumbersome to administer, or would have delayed the implementation timeline well beyond the 2016 plan year.

Ultimately, HMA recommended that the existing City Option infrastructure for medical reimbursement accounts would be the best approach. Because the foundation is already in place and familiar to the potentially eligible population, SFDPH can reduce administrative costs and implement the benefit in a timely manner. Additionally, the medical reimbursement account offers the efficiency and flexibility of providing both premium assistance and out-of-pocket cost sharing assistance through one mechanism.

HEALTH CARE SECURITY ORDINANCE CONTEXT

City Option Modernization is Consistent with HCSO Framework and 2014 Amendments

Enacted in 2007, the HCSO “seeks to ensure that all San Francisco residents, and all non-San Francisco residents who work in San Francisco, have access to affordable health care.”⁴ Specifically, the HCSO requires San Francisco employers to make expenditures for employee health care and requires SFPDH to operate a health access program.

Called the City Option, the health access program has two components:

- medical reimbursement accounts (MRAs), which reimburse eligible participants for out-of-pocket health care costs; and
- Healthy San Francisco, which provides coordinated health care services to the City’s uninsured.

The City Option was a focal point for the 2014 HCSO amendment requiring SFPDH to develop a plan for increasing the affordability of health insurance. The proposed City Option modernization works within this framework to increase the affordability of health care for all low- and moderate-income San Franciscans.

Employers Make Minimum Health Care Expenditures on behalf of their Employees

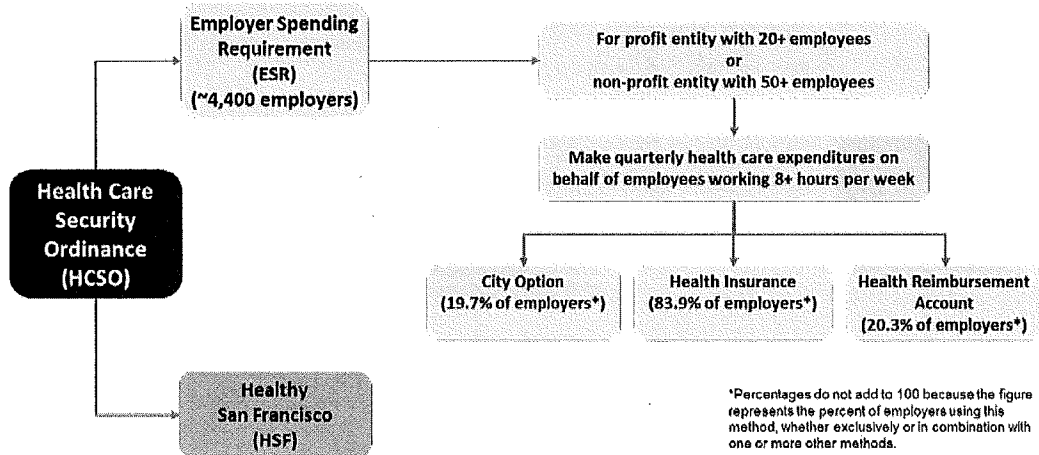
The HCSO obliges San Francisco businesses with 20 or more employees to make hourly health care expenditures on behalf of employees working 8 or more hours per week. The 2015 health care expenditure rates range from \$1.65/hour to \$2.48/hour, depending on employer size and non-profit status.

Employers choose to comply with the HCSO in a number of ways, including providing health insurance, contributing to health reimbursement accounts, making payments to the City Option, or any combination of these methods. Offering health insurance is the most commonly used compliance method, followed by health reimbursement accounts, and payments to the City Option. Figure 2, on the next page, depicts the employer spending requirement and employers’ most common methods of compliance along with the percentage of employers complying using each common compliance method.⁵

⁴ San Francisco Ordinance 69-07, Health Care Security Ordinance Amendments (accessed 7/16/15 at <https://sfgov.legistar.com/View.ashx?M=F&ID=2591145&GUID=1BD66408-0748-4F7D-A53A-D7DDB09A4883>).

⁵ San Francisco Office of Labor Standards Enforcement, Analysis of the 2013 Health Care Security Annual Reporting Forms; issued September 9, 2014 (accessed 7/16/15 at <http://sfgsa.org/modules/showdocument.aspx?documentid=12247>).

Figure 2: Health Care Security Ordinance Employer Spending Requirement and Common Methods of Compliance

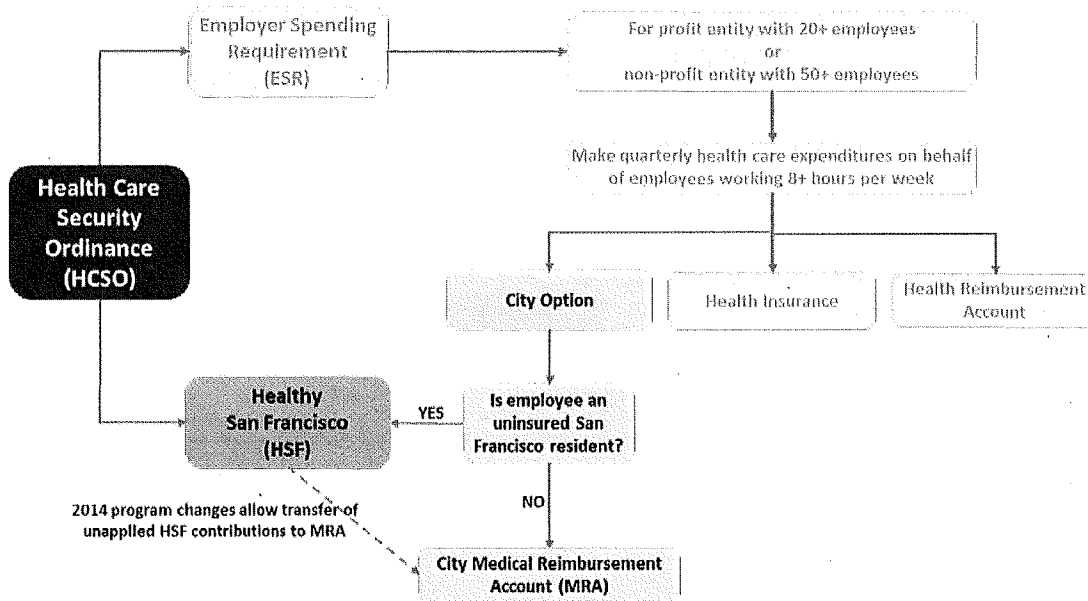


The Health Care Security Ordinance Establishes the City Option as One Method of Compliance

Approximately 20 percent of employers contribute to the City Option to comply with the HCSO for some or all of their covered employees.⁶ Depending upon an employee’s circumstances, employer contributions to the City Option provide employees with either reduced cost Healthy San Francisco participation or access to medical reimbursement accounts, which reimburse for valid health care expenses. Approximately 46 percent of employees receiving City Option contributions reside outside of San Francisco and receive a medical reimbursement account. The remaining 54 percent are San Francisco residents, who may enroll in Healthy San Francisco or receive a medical reimbursement account. The City Option is administered by SFDPH through a third-party administrator. The following figure expands on the figure above to display how employer’s health care expenditures are applied to the City Option and the estimated number of City Option employees.

⁶ San Francisco Office of Labor Standards Enforcement, Analysis of the 2013 Health Care Security Annual Reporting Forms; issued September 9, 2014 (accessed 7/16/15 at <http://sfgsa.org/modules/showdocument.aspx?documentid=12247>).

Figure 3: Application of Employer Health Care Expenditures to the City Option



Medical Reimbursement Accounts Reimburse Employees for Health Care Expenses

City Option medical reimbursement accounts reimburse the employee for a broad range of health care expenses, including co-payments for doctors’ visits, prescriptions, and health insurance premiums. The employee’s account is credited with the amount contributed by his/her employer, within 15-30 days of the employer’s contribution. Per the HCSO, employers are required to make contributions at least quarterly, but some make contributions more or less frequently. Employees receiving contributions from multiple employers have multiple accounts, with each account balance being replenished as new contributions are made.

UC-Berkeley Labor Center’s analysis of City Option contributions made in 2014 indicates that 54 percent of employees receiving contributions are San Francisco residents. Among this group are employees working part-time; those whose employers offer insurance that costs less than the employer’s full monetary obligation under the HCSO; employees who purchase their own insurance; and employees who have public or private coverage through another source. Nearly 68 percent are younger than 40, 16 percent work for small or medium-sized employers, and 73 percent are estimated work fewer than 30 hours per week.

Healthy San Francisco Provides Coordinated Care for Uninsured San Franciscans

Healthy San Francisco is a coordinated health care program for uninsured San Franciscans who meet program eligibility guidelines determined by SFDPH. While eligible employees whose employers contribute to the City Option may participate in the program at a reduced cost, Healthy San Francisco enrollment is available to any uninsured San Franciscan who meets the program’s eligibility guidelines. The program functions under a medical home model, and offers access to comprehensive health care services to participants through a citywide network of providers. The care provided under Healthy San Francisco is not health insurance and does not satisfy the individual mandate to have health insurance under the Affordable Care Act.

PROPOSED CITY OPTION MODERNIZATION

The current health care landscape is one where thousands of previously uninsured San Franciscans are now insured. However, thousands of San Franciscans remain uninsured either because they are ineligible for ACA reforms or because they find it difficult to afford insurance while living in a very high cost city. Supported by extensive planning and consultation, SFDPH proposes a modernization of the City Option to better serve San Franciscans in the post-ACA environment. Building on the program's successes and strong infrastructure, this proposal seeks to ensure that all low- and moderate-income San Franciscans have access to affordable health care.

City Option Modernization	MEDICAL REIMBURSEMENT ACCOUNTS	Maintains current program that reimburses for health care expenses
		Creates a <i>new BRIDGE TO COVERAGE feature</i> to make health insurance affordable for ~3,000 San Franciscans
	HEALTHY SAN FRANCISCO	Maintains current program of coordinated health care services for the uninsured
		Creates a <i>new AFFORDABILITY EXTENSION</i> for San Franciscans unable to obtain affordable health insurance

= Existing City Option Program
 = New City Option Modernization Feature

BRIDGE TO COVERAGE will Increase Affordability of Health Insurance

While ensuring access to health care for the uninsured, SFDPH has consistently prioritized enrollment in insurance over Healthy San Francisco wherever possible. Health insurance provides greater flexibility and more options to meet San Franciscans' health care needs and is also now required under the ACA. In October 2014, the Health Commission approved programmatic changes that made it easier for San Francisco residents to transfer their City Option employer contributions from discounted participation in Healthy San Francisco to medical reimbursement accounts, which can be used for insurance premiums. Yet, research shows that affordability of that insurance continues to be a barrier to coverage, particularly in our high cost city. To address this barrier, SFDPH proposes BRIDGE TO COVERAGE, which would provide eligible insured San Franciscans with financial assistance toward their health care costs.

BRIDGE TO COVERAGE would be Available to San Francisco Residents Receiving Employer Contributions to the City Option

BRIDGE TO COVERAGE leverages employer contributions made to the City Option under the HCSO to create a benefit calculated to make health insurance affordable for qualified San Francisco residents. Residents would be eligible for BRIDGE TO COVERAGE if they meet all of the following requirements:

- their employer complies with the HCSO by contributing to the City Option;
- they are eligible to purchase health insurance on Covered California; and
- their annual income is Income \leq 500% of FPL (\$58,850 in 2015)

Among the San Franciscans expected to be eligible for BRIDGE TO COVERAGE in 2016, UC-Berkeley Labor Center estimates:

- 67% are under the age of 40;

- 73% work fewer than 30 hours per week;
- 85% earn less than \$47,000 per year; and
- 68% are eligible for subsidies on Covered California.

BRIDGE TO COVERAGE Benefit Calculated Individually to Make Health Insurance Affordable

Like the current medical reimbursement account structure, employees would have access to funds to reimburse for eligible health care expenditures. However, the amount available to the employee for reimbursement of health care expenses will be calculated differently. Rather than reflecting the employer contribution, which may or may not make a significant contribution to the affordability of health insurance, the BRIDGE TO COVERAGE benefit will be individually calculated to make health insurance affordable for the employee. Relying on the affordability analysis as well as the insurance enrollment and cost projections prepared by UC-Berkeley Labor Center, SFDPH developed a methodology designed to provide sufficient financial assistance to make health insurance affordable and to maximize federal health insurance subsidies. The amount available for employees under the BRIDGE TO COVERAGE benefit would be calculated as follows:

- a premium assistance equal to 60% of their costs for premiums for the second-lowest cost Silver plan on Covered California, after federal subsidies are applied; plus
- out-of-pocket health care cost-sharing assistance that ensures that their Silver plan deductible is no more than 5% of their income.

The premium assistance component of the BRIDGE TO COVERAGE benefit is designed to accommodate for the higher cost of living in San Francisco compared to the state. UC-Berkeley Labor Center’s analysis indicates that the national poverty scale, which defines poverty to be an annual income of less than \$11,770 in 2015, is insufficient to account for the high cost of living in San Francisco. Instead, using a California-specific poverty scale developed by the Public Policy Institute of California, which accounts for the cost of housing in each county, the cost of living in San Francisco is estimated to be 59 percent higher than the national average.

The out-of-pocket health care cost sharing component of the BRIDGE TO COVERAGE benefit is designed to address underinsurance, which refers to an insured person’s inability to afford costs such as plan deductibles and co-pays. While the ACA enacts annual limits on out-of-pocket costs that are the consumer’s responsibility, recent surveys indicate that nearly a quarter of adults with insurance lack the liquid assets to cover their plan deductible.⁷ The Commonwealth Fund provides a useful measure for underinsurance as having a plan deductible that is higher than 5 percent of household income.

BRIDGE TO COVERAGE Maximizes Federal Subsidies

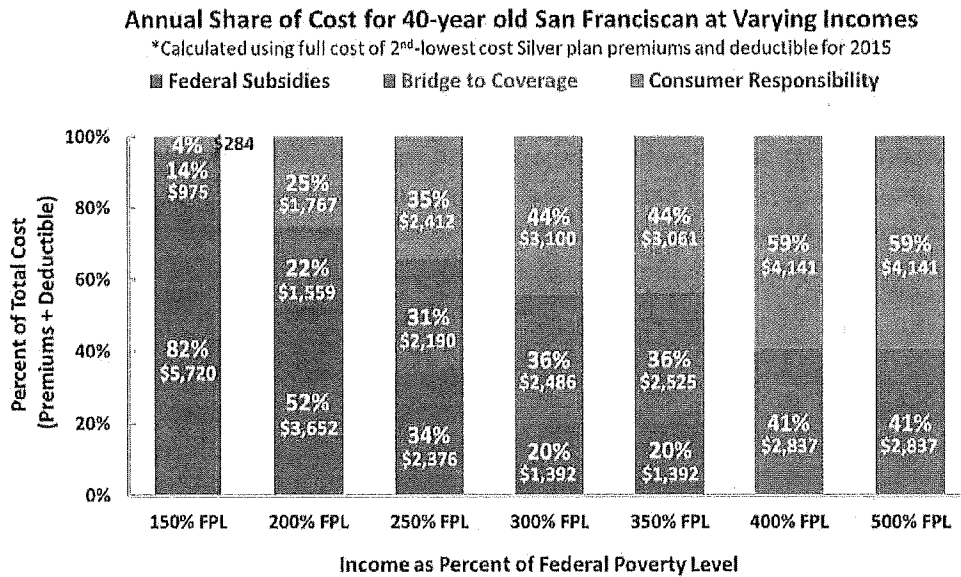
The BRIDGE TO COVERAGE benefit amount would be calculated individually, and would vary by each applicant’s age and income, which determine the individual’s cost for health insurance and amount of federal subsidies for which they are qualified. Figure 4, below, presents an example of the combined BRIDGE TO COVERAGE benefit and federal subsidies that would be available to a

⁷ Gary Claxton, Matthew Rae, and Nirmita Panchal. “Consumer Assets and Patient Cost Sharing.” Kaiser Family Foundation, February 2015 (accessed 7/16/15 at <http://kff.org/health-costs/issue-brief/consumer-assets-and-patient-cost-sharing/>).

40 year-old San Franciscan.⁸ Adjusting for San Francisco’s high cost of living, BRIDGE TO COVERAGE (in orange) would complement federal subsidies (in blue) for those earning below 400 percent of the FPL, as well as support those who are not eligible for federal subsidies.

While the participant would not be required to enroll in the second-lowest cost Silver plan, tethering BRIDGE TO COVERAGE to this plan maximizes the federal subsidies available to the participant and facilitates program administration.

Figure 4: BRIDGE TO COVERAGE provides premium and cost-sharing assistance to supplement federal subsidies



An Estimated 3,000 San Franciscans Are Expected to Access the BRIDGE TO COVERAGE Benefit in 2016

Under this benefit design, approximately 3,000 San Franciscans are estimated to participate in the program in 2016, increasing to 3,900 in 2018, and 4,100 in 2020. While these estimations account for the graduated increase in the City’s minimum wage, as well as for a recent increase in employers contributing to the City Option, actual participation could vary.

BRIDGE TO COVERAGE Financing would be Limited to Employer Contributions made to the City Option on Behalf of San Franciscan Residents

By limiting the BRIDGE TO COVERAGE benefit to San Francisco residents receiving employer contributions to the City Option, SFDPH is able to leverage existing resources and contain administrative costs. In 2016, employers are projected to make \$8.8 million in contributions to the City Option on behalf of San Franciscans potentially eligible for BRIDGE TO COVERAGE. Health Management Associates and UC-Berkeley Labor Center estimate that 2016 BRIDGE TO COVERAGE expenses would include \$7 million in benefits and \$1 million for administrative costs.

⁸ Consumer share of cost would vary by utilization; this example depicts a scenario where the consumer meets the entire deductible.

Currently, City Option participants with medical reimbursement accounts may be reimbursed up to the value of their employer’s contribution. Under the proposed modernization, existing medical reimbursement accounts, as well as medical reimbursement accounts for those who do not qualify for BRIDGE TO COVERAGE, will continue to function as they do today. However, as recommended by Health Management Associates, the BRIDGE TO COVERAGE feature would provide a meaningful benefit to program participants by combining their employer contributions and tailoring the benefit to individual need. While some BRIDGE TO COVERAGE participants would receive a higher or lower monetary benefit than they would under a traditional medical reimbursement account, the value of increased affordability and access to comprehensive health insurance is anticipated to outweigh the inconvenience associated with benefit shifts.

City Option Employers and Employees to Receive Education and Support

Among the benefits of building on the City Option infrastructure is the capacity to tap into existing eligibility and enrollment staff, as well as a customer service support center and a fully functioning website. SFDPH would additionally work with the City’s Office of Labor Standards Enforcement to provide educational and technical support for HCSO-covered employers and employees. Program applicants would be provided with health insurance enrollment assistance, as well as education about their rights and responsibilities under the Affordable Care Act.

Summary of BRIDGE TO COVERAGE

Table 1 summarizes the BRIDGE TO COVERAGE component of this City Option modernization proposal.

Table 1. BRIDGE TO COVERAGE Medical Reimbursement Account	
Proposal	Premium and cost-sharing assistance for eligible San Franciscans
Eligibility	<ul style="list-style-type: none"> • San Francisco resident • Eligible to purchase health insurance on Covered California • Income ≤500% FPL (\$58,850 in 2015) • Receives employer contributions to the City Option under the HCSO • Must provide proof of insurance in year two
Type of Benefit	Reimbursement for eligible expenses, including premiums, co-payments and deductibles, up to an annually calculated amount
Calculation of Benefit	<p><u>Premium Assistance</u> calculated at 60% of the premium for the second lowest cost Silver Plan PLUS <u>Cost-Sharing Assistance</u> calculated to ensure that the plan deductible is no more than 5% of income, calculated for 2016 as follows:</p> <p><200% FPL = \$550 per year 200-250% = \$673 per year 250-300% = \$779 per year 300-350% = \$485 per year 350-400% = \$190 per year</p>
Access to Benefit	The benefit is available to employees actively receiving employer contributions to the City Option who apply
2016 Participation	~3,000

**Estimated 2016
Budget**

- Revenues: ~\$8.8M; from employer contributions to City Option on behalf of eligible employees
- Expenditures: ~\$8M; ~\$7 in benefits and ~\$1M in administration

Healthy San Francisco to Continue Provision of Coordinated Care for Uninsured

As the backbone of the City's health care safety net, Healthy San Francisco has provided affordable and accessible health care services to over 145,000 uninsured San Franciscans since 2007. By increasing access to a usual source of care and by providing that care in a medical home model, Healthy San Francisco has contributed to reductions in emergency department use, reduced re-hospitalizations, and improved health outcomes among program participants.⁹ The Healthy San Francisco program helped propel San Francisco ahead of the curve when the ACA coverage expansions launched, and now presents a pioneering opportunity to supplement the ACA.

Despite San Francisco's success in enrolling San Franciscans in new ACA health insurance options, some residents still remain unable to access affordable health insurance. As stated previously, many residents will remain uninsured because they are ineligible for ACA insurance options, because they are exempt from ACA requirements, or because they face affordability issues and are not eligible for a BRIDGE TO COVERAGE benefit. For these San Franciscans, Healthy San Francisco's proposed AFFORDABILITY EXTENSION will continue to provide health care services as it does today.

Current Healthy San Francisco Program Structure and Services to Remain Unchanged While Program Eligibility Extended to Address Affordability

This proposal maintains the structure and benefit design of the existing Healthy San Francisco program. Added to the program's current eligibility guidelines and informed by the affordability analysis prepared by the UC-Berkeley Labor Center, SFDPH proposes to implement an AFFORDABILITY EXTENSION, which would expand Healthy San Francisco's current eligibility requirements in two ways:

- 1) increase the upper income threshold to 500 percent of FPL (\$58,850 in 2015); and
- 2) include otherwise eligible San Franciscans who remain unable to access affordable ACA health insurance options.

Extending the income threshold to 500 percent of FPL is supported by research findings that San Franciscans earning between 250 and 500 percent of FPL face the greatest health care affordability challenges. Raising Healthy San Francisco's income eligibility to 500 percent of FPL maintains income equity across City Option components, and ensures access to affordable health care for those without other options.

Extending Healthy San Francisco to otherwise eligible San Franciscans who remain unable to access affordable health insurance ensures that San Francisco's safety net covers all those who need it. Uninsured San Franciscans who do not have affordable health care options—those who are ineligible for public health insurance (such as Medi-Cal or Medicare), for a BRIDGE TO COVERAGE medical reimbursement account, or for affordable employer-sponsored health care

⁹ McLaughlin C, Colby M, Taylor E, Harrington M, Higgins T, Byrd V, Felland L, Evaluation of Healthy San Francisco, Final Report, Mathematica Policy Research, August 25, 2011", <http://healthysanfrancisco.org/wp-content/uploads/Evaluation-of-HSF-Aug-2011.pdf>.

coverage or coverage through a spouse's employer—would have access to San Francisco's health care program of last resort.

AFFORDABILITY EXTENSION Consistent with the Healthy San Francisco Transition Period

In February 2014, the Health Commission created a transition period to allow San Franciscans who are also eligible for subsidized insurance on Covered California to remain in Healthy San Francisco through December 31, 2014. In October 2014, the Health Commission approved an extension of the transition period through December 31, 2015. The purpose of the transition period was to ensure that those individuals who did not enroll in health insurance – whether because they were unaware of their options or because they could not afford the cost of insurance – did not lose access to health care services. The number of Healthy San Francisco participants who participated under the transition period has dropped from 4,200 in March 2014 to 1,700 as of June 2015.

Applicants to Receive Health Insurance Education and Enrollment Assistance

Healthy San Francisco is not health insurance and does not satisfy the ACA's individual mandate. The program would educate applicants regarding the benefits of health insurance over Healthy San Francisco, their health insurance options, their rights and obligations under the ACA, and the financial implications of their options. Enrollment assistors will help applicants to enroll in health insurance or, if no affordable options are available and they meet the program's other eligibility requirements, in Healthy San Francisco.

AFFORDABILITY EXTENSION Addresses Potential Coverage Gaps

SFDPH anticipates that among the San Franciscans potentially eligible for Healthy San Francisco's AFFORDABILITY EXTENSION would be those who:

- are not eligible for ACA coverage;
- are exempt from the ACA individual mandate due to hardship;
- have high-cost employer-sponsored insurance that qualifies for an exemption from the ACA Individual Mandate; or
- do not have the option of employer-sponsored plans and for whom self-insurance is unaffordable.

Healthy San Francisco Enrollment Expected to Remain Level at Approximately 14,000-15,000

SFDPH estimates that approximately 14,000 to 15,000 uninsured San Franciscans would participate in Healthy San Francisco in 2016, the majority of whom are current participants. Although eligibility would be expanded under this proposal, SFDPH does not anticipate a significant increase in enrollment for several reasons.

First, among the city residents who remain uninsured, some have always been eligible for Healthy San Francisco but do not participate; and others may be eligible for Medi-Cal or exceed the Healthy San Francisco income eligibility threshold. Secondly, transition period enrollment has steadily declined, from 4,200 participants to 1,700, even though the transition period was extended through a second year. Third, a very small number – 175 participants – were affected by the 2014 eligibility change that lowered the upper income threshold to 400 percent of FPL to better align with Covered California subsidies. Fourth, the ACA penalty for remaining uninsured will increase to \$695 or 2.5% of household income in 2016. As the ACA penalty grows, the cost incentive to remain in Healthy San Francisco decreases. Finally, a proportion of the remaining uninsured may receive employer contributions to the City Option, which could make them eligible for BRIDGE TO COVERAGE.


Summary of Healthy San Francisco's AFFORDABILITY EXTENSION

Table 2 summarizes the Healthy San Francisco Program's AFFORDABILITY EXTENSION component of this City Option modernization proposal.

Table 2: Healthy San Francisco AFFORDABILITY EXTENSION	
Proposal	Expand Healthy San Francisco eligibility to include uninsured San Franciscans not able to afford health insurance
Eligibility	<ul style="list-style-type: none"> • San Francisco resident, and • Age 18 or over, and • Income ≤500% of FPL (\$58,850 in 2015), and • Uninsured for > 90 days, and • Not eligible for public programs, including Medi-Cal and Medicare, and • Not eligible for BRIDGE TO COVERAGE, and • Unable to afford health insurance on Covered California, or • Exempt from the Affordable Care Act
Type of Benefit	Comprehensive and affordable health care services for uninsured San Franciscans, coordinated through a medical home on a sliding scale fee
2016 Participation	14,000 – 15,000
Access to Benefit	The benefit is available to eligible San Franciscans who apply

NEW EMPLOYEE WELLNESS FUND

Prevention and wellness are recurring themes in the ACA, and many large employers offer wellness programs to their employees. Programs such as smoking cessation, ergonomic evaluation for injury prevention, or discounted gym memberships, not only improve employee health and wellness, but also help the employer lower insurance costs. However, many smaller employers paying into the City Option may not be able to afford to invest in these programs, and many part-time employees receiving contributions to the City Option might not qualify for their company's insurance-sponsored wellness programs. SFDPH proposes to create a new EMPLOYEE WELLNESS FUND that would provide incentives for employers to develop wellness programs.

Employee Wellness Fund	Creates a <i>new SFDPH program</i> to reimburse eligible employers who invest in employee wellness
 = New SFDPH Program	

EMPLOYEE WELLNESS FUND to be Available to Employers Contributing to the City Option

To be launched in 2017, the EMPLOYEE WELLNESS FUND would be open to eligible employers who comply with the HCSO by contributing to the City Option. Eligible employers would be reimbursed up to a defined benefit amount each year for demonstrated eligible expenditures made toward enhancing employee wellness. The EMPLOYEE WELLNESS FUND would be funded through an SFDPH budget initiative.

Program and Benefit Design to be Established through a Stakeholder Process

In 2016, SFDPH would engage relevant stakeholders, including representation from employers, employees, public health experts, and others, to design the EMPLOYEE WELLNESS FUND. As part of the process, stakeholders will review the published literature on employee wellness programs, examine the health status in San Francisco, and review evidence-based workplace interventions that target preventable health conditions prevalent in San Francisco. Through this stakeholder process, employer eligibility, eligible benefits, and benefit design will be determined. The program design will also ensure that program utilization, as well as employee and employer outcomes are tracked and measured.

Research Shows Investments in Employee Wellness Programs Benefit Employees and Employers

At the request of the federal U.S. Health and Human Services Agency, the U.S. Department of Labor contracted with the RAND Corporation to help to prepare a report on the effectiveness and impact of workplace wellness programs.¹⁰ This study, published in 2013, included a literature review, a national representative employer survey, analysis of an existing industry-wide database to which wellness providers contribute data, and five case studies.

In their study, RAND found statistically significant and clinically meaningful improvements in exercise frequency, smoking behavior, and weight control among participants. The study further found that its results corroborate the results of other published literature finding that worksite

¹⁰ Mattke S, Liu H, Caloyeras J, Huang CY, Van Busum KR, Khodyakov D, Shier V., Workplace Wellness Programs Study: Final Report, Rand Corporation, 2013 (accessed on 7/16/15 at <https://www.dol.gov/ebsa/pdf/workplacewellnessstudyfinal.pdf>).

wellness programs have positive effects on health-related behavior and health risks among program participants.

Further, the RAND study found that most employers who offer workplace wellness programs regard them as a viable strategy to contain health care costs. A review of the literature identified randomized controlled trials that found workplace wellness programs did result in significant decreases in healthcare costs, including a savings in medical costs ranging from \$11 to \$626 per year. The employer survey found that 60 percent of employers offering a wellness program stated that their programs reduced healthcare costs, and approximately 80 percent reported that they decreased absenteeism and increased productivity.

EMPLOYEE WELLNESS FUND Contributes to a Healthier San Francisco

The EMPLOYEE WELLNESS FUND would be designed to support evidence-based interventions that address preventable health conditions faced by San Franciscans and are consistent with the City's Community Health Improvement Plan and overall goals for increasing citywide wellness. A 2012 study published in *Preventing Chronic Disease*, found that, as a microcosm of society, the workplace has the potential to improve health substantially in the United States by building a culture of health that facilitates healthy lifestyles for employees.¹¹ A culture of health is achieved when employers invest in employee health and when the organization and its leadership prioritize health and encourage healthy behaviors. By reaching segments of the population that may not otherwise be exposed to or engaged in organized health improvement efforts, overall population health in San Francisco can be improved by building workplace cultures of health that support healthy lifestyles.

Summary of EMPLOYEE WELLNESS FUND

Table 3 summarizes the EMPLOYEE WELLNESS FUND component of this proposal.

Table 3. EMPLOYEE WELLNESS FUND	
Proposal	Reimbursement to employers for eligible employee wellness expenditures
Eligibility	<ul style="list-style-type: none"> Complies with the HCSO by contributing to the City Option Other eligibility requirements (e.g., business size, time frame) to be determined
Type of Benefit	Reimbursement for demonstrated eligible employee wellness expenses, to be determined
Calculation of Benefit	To be determined; likely a defined benefit tied to citywide wellness goals
Start Date	To be implemented in 2017

¹¹ Anderko L, Roffenbender JS, Goetzel RZ, Millard F, Wildenhaus K, et al. Promoting Prevention Through the Affordable Care Act: Workplace Wellness. *Prev Chronic Dis* 2012;9:120092 (accessed on 7/16/15 at <http://dx.doi.org/10.5888/pcd9.120092>).

ANTICIPATED IMPACT OF PROPOSAL

The City Option Modernization is Consistent with SFDPH's Current Budget and Reflects Recent Trends

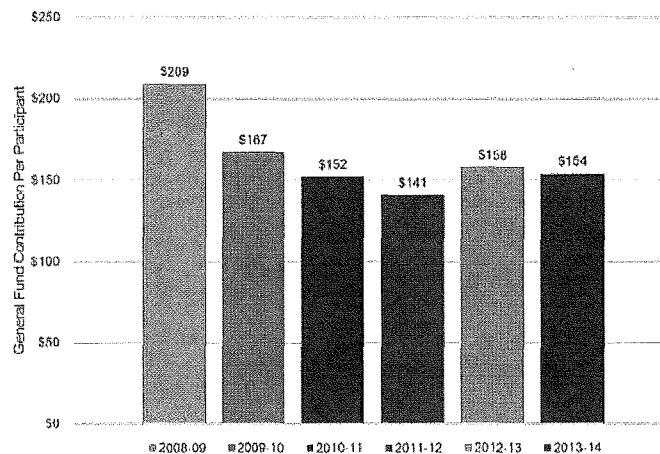
With the implementation of the ACA, Healthy San Francisco enrollment has declined and there has been a shift toward City Option medical reimbursement accounts as San Franciscans with City Option contributions have transitioned to insurance. Additionally, the number of employers making contributions to the City Option has increased in light of federal and local regulations that impact compliance with the HCSO. In fiscal year 13-14, Healthy San Francisco program revenues totaled approximately \$28 million from participant fees and employer contributions made to the City Option on behalf of San Francisco residents. Program expenditures by SFDPH totaled nearly \$112 million, consisting of expenditures made for administration (7%) and services (93%)¹² and the General Fund contribution was approximately \$83.1 million. Table 4 shows Healthy San Francisco enrollment, revenues, and expenditures between 2008 and 2014.

Table 4. Healthy San Francisco Enrollment, Revenues & Expenditures, FY2008-09 through FY2013-14

Fiscal Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Enrollment at end of FY (does not include SF PATH)	43,200	53,400	54,300	46,800	51,200	31,900
Revenues	\$36.5M	\$40.5M	\$49.9M	\$23.8M	\$24.3M	\$28.8M
SFDPH Expenditures	\$124.5M	\$140.3M	\$149.6M	\$101.1M	\$121.2M	\$111.8M
General Fund contribution	\$88M	\$99.8M	\$99.9M	\$77.4M	\$96.9M	\$83.1M

In Fiscal Year 2013-14, the General Fund expenditure was \$154 per participant per month. This figure has remained relatively stable between \$152 and \$167 per month since fiscal year 09-10. Figure 5 below shows the average General Fund cost of Healthy San Francisco between 2008 and 2014.

Figure 5. General Fund Contribution per Healthy San Francisco Participant, FY2008-09 – FY2013-14



¹² While the Healthy San Francisco program also incurs expenditures for non-SFDPH providers, \$46.6M in FY13/14, this memo restricts itself to SFDPH budget.

New BRIDGE TO COVERAGE Feature Supported by a Dedicated Revenue Source

All components of the proposed City Option modernization would build on existing infrastructure, whereby Healthy San Francisco and the City Option are administered by SFDPH’s third-party administrator, the San Francisco Health Plan. Revenue and costs for the new BRIDGE TO COVERAGE feature would be restricted to City Option employer contributions made on behalf of eligible San Franciscans.

The creation of BRIDGE TO COVERAGE could redirect up to \$8.0 million in employer contributions from Healthy San Francisco and City Option medical reimbursement accounts to subsidies for insurance purchased on Covered California. This redirection is consistent with a recent programmatic trend among City Option participants to choose medical reimbursement accounts over Healthy San Francisco, which is assumed in SFDPH’s financial forecasts and proposed budget. San Francisco residents receiving employer contributions to the City Option have elected to redirect \$3.6 million of Healthy San Francisco funds into medical reimbursement accounts over the past six months. In response to this continued transition from Healthy San Francisco to insurance coverage, SFDPH’s proposed budget for fiscal year 15-16 and fiscal year 16-17 assumes \$12.6 million in employer spending requirement revenues, compared to \$23.5 million in actual revenues prior to implementation of the Affordable Care Act. Consequently, the redirection of up to \$8.0 million in contributions to BRIDGE TO COVERAGE is consistent with the assumptions in the SFDPH budget, and is not anticipated to impact financial performance versus budget.

Table 5: City Option Revenue Shift from Healthy San Francisco to Medical Reimbursement Accounts

	City Option Revenues Redirected to Medical Reimbursement Accounts	Total City Option Revenues
FY 13-14	-	\$23.5M
FY 14-15	\$3.6M	\$19.9M (estimated)
FY 15/16 & FY16/17	\$8.0M (estimated)	\$12.6M (estimated)

Enrollment in Healthy San Francisco Program Expected to Remain Stable

Healthy San Francisco program participation has steadily declined since January 2014. The AFFORDABILITY EXTENSION for the program will likely reduce the rate of decline in HSF enrollment. However, as noted earlier, any increased participation in the program due to expanded eligibility is expected to be modest and program enrollment is expected to plateau as San Franciscans gain and maintain insurance coverage and as the penalties for not complying with the individual mandate increase. This is supported by experience with the Healthy San Francisco transition period, which was initialized with 4,200 participants in 2014; the current number is down to approximately 1,700, and is projected to further decline to 1,200 by December 2015. At the average per participant General Fund subsidy of \$155 per member per month, this remaining population enrolled under the eligibility extension is expected to cost \$2,232,000 per year, a reduction of \$5,580,000 from the initial \$7,812,000 cost of the transition period at 4,200 enrollees. Table 6 below shows enrollment and cost data related to the Healthy San Francisco AFFORDABILITY EXTENSION.

Table 6: Healthy San Francisco AFFORDABILITY EXTENSION Enrollment and Costs

	HSF Total Enrollment	Estimated Annual General Fund Cost	Portion of Total Cost Attributed to Transition Period / AFFORDABILITY EXTENSION

			Enrollees	Cost
March 2014	40,600	\$75.5M	4,200	\$7.81M
June 2015	15,500	\$28.8M	1,700	\$3.2M
Projected 2016	14,500	\$26.8M	1,200	\$2.23M

Healthy San Francisco Affordability Extension Helps Reduce Hospital Charity Care Costs

Retaining Healthy San Francisco eligibility for uninsured San Franciscans who are unable to obtain health insurance reduces reliance on costly charity care services at San Francisco General Hospital. An extensive evaluation of Healthy San Francisco conducted by Mathematica Policy Research in 2011 found that participation in Healthy San Francisco was associated with a steady decline in emergency department use as well as a decline in the use of the emergency department for non-emergent conditions.¹³ The study found that emergent emergency department use declined by 57 percent over an 18 month period (from 14 to 6 visits per month per 1,000 participants) and non-emergent emergency department use declined by 60 percent (from 10 to 4 visits per month per 1,000 participants). The declines were attributed to Healthy San Francisco’s primary care medical home model and the focus on chronic care management. Further, the decline in non-emergent visits to San Francisco General Hospital’s emergency department by Healthy San Francisco participants occurred at a time when overall program enrollment was increasing and when non-emergent visits to other public hospitals in California were also increasing.

With an estimated 1,200 Healthy San Francisco participants expected to enroll under AFFORDABILITY EXTENSION in 2016 and using the Mathematica findings cited above, the AFFORDABILITY EXTENSION can expect to result in the avoidance of 16.8 emergency room visits (9.6 emergent visits and 7.2 non-emergent visits) per month, or 201.6 visits per year. *This calculation does take into consideration cost avoidance related to avoidable hospitalizations.* Table 7 shows that retaining the AFFORDABILITY EXTENSION results in an avoidance of approximately \$437,000 in unnecessary emergency department costs.

Table 7: Estimated Emergency Room Cost Avoidance Due to the AFFORDABILITY EXTENSION, FY 2016

Total Emergency Room Visits Avoided	201.6
Average cost per emergency room visit ¹⁴	\$2,168
Estimated Cost Avoided	\$437,068.80

BRIDGE TO COVERAGE and EMPLOYEE WELLNESS Benefit HCSO-Covered Employees

BRIDGE TO COVERAGE is expected to enable nearly 3,000 San Franciscans to enroll in insurance in 2016, increasing to 4,100 by 2020. Nearly three-quarters among this group are estimated to be employed part-time and more than two-thirds are estimated to earn less than \$47,000 per year. This component of the

¹³ McLaughlin C, Colby M, Taylor E, Harrington M, Higgins T, Byrd V, Felland L, Evaluation of Healthy San Francisco, Final Report, Mathematica Policy Research, August 25, 2011”, <http://healthysanfrancisco.org/wp-content/uploads/Evaluation-of-HSF-Aug-2011.pdf>.

¹⁴ Caldwell N, Srebotnjak T, Wang T, Hsia R, “How Much Will I Get Charged for This?” Patient Charges for Top Ten Diagnoses in the Emergency Department, February 27, 2013, DOI: 10.1371/journal.pone.0055491 (accessed on 7/16/15 at <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0055491>).

City Option modernization addresses an important coverage gap identified by employers who participated in SFDPH focus groups: providing health insurance for employees who are lower wage earners or working part-time is particularly challenging.

These employees are less likely to be able to afford and less likely to participate in insurance plans sponsored by their employers, compared to their full-time or higher paid colleagues. Ultimately, this increases the employer's costs for providing insurance and adds to administrative burden of compliance with the HCSO. Furthermore, insurance underwriting rules are such that employees working fewer than 20 hours per weeks often are not eligible for employer-sponsored insurance plans. Sixty percent of the employers participating in the focus groups reported paying into the City Option for their part-time employees. Another 14 percent reported that they do not hire part-time employees because participation in their health insurance plan is mandatory.

The focus group employer responses are consistent with data on the uninsured: 45 percent of San Francisco's uninsured residents in 2013 were employed part-time, and 66 percent earned less than \$50,000 per year.¹⁵ BRIDGE TO COVERAGE addresses this issue by assisting employees who receive employer contributions to the City Option in purchasing insurance on Covered California.

Additionally, the EMPLOYEE WELLNESS FUND would reimburse employers who make investments in their employees' health. Through investments such as smoking cessation programs, injury prevention, and exercise promotion, these employers would see improved employee health, reduced work-place injuries, improved productivity, and higher retention.

The City Option Modernization Ensures that All Low- and Moderate-Income San Franciscans Have Access to Affordable Health Care

By complementing the options available under the Affordable Care Act, the proposed City Option modernization ensures that affordable health care is available to all low- and middle-income San Franciscans. BRIDGE TO COVERAGE will ease the transition to insurance for many San Franciscans and help others maintain coverage. The current Healthy San Francisco program will continue to offer health care access for those who have no other options, and offer coverage of last resort to those experiencing hardships. Beyond the modernization, the EMPLOYEE WELLNESS FUND will prioritize prevention and employee health among San Francisco's employers. Figure 6 on the following page shows the changes in San Franciscans' options for health care coverage since the passage of the Health Care Security Ordinance.

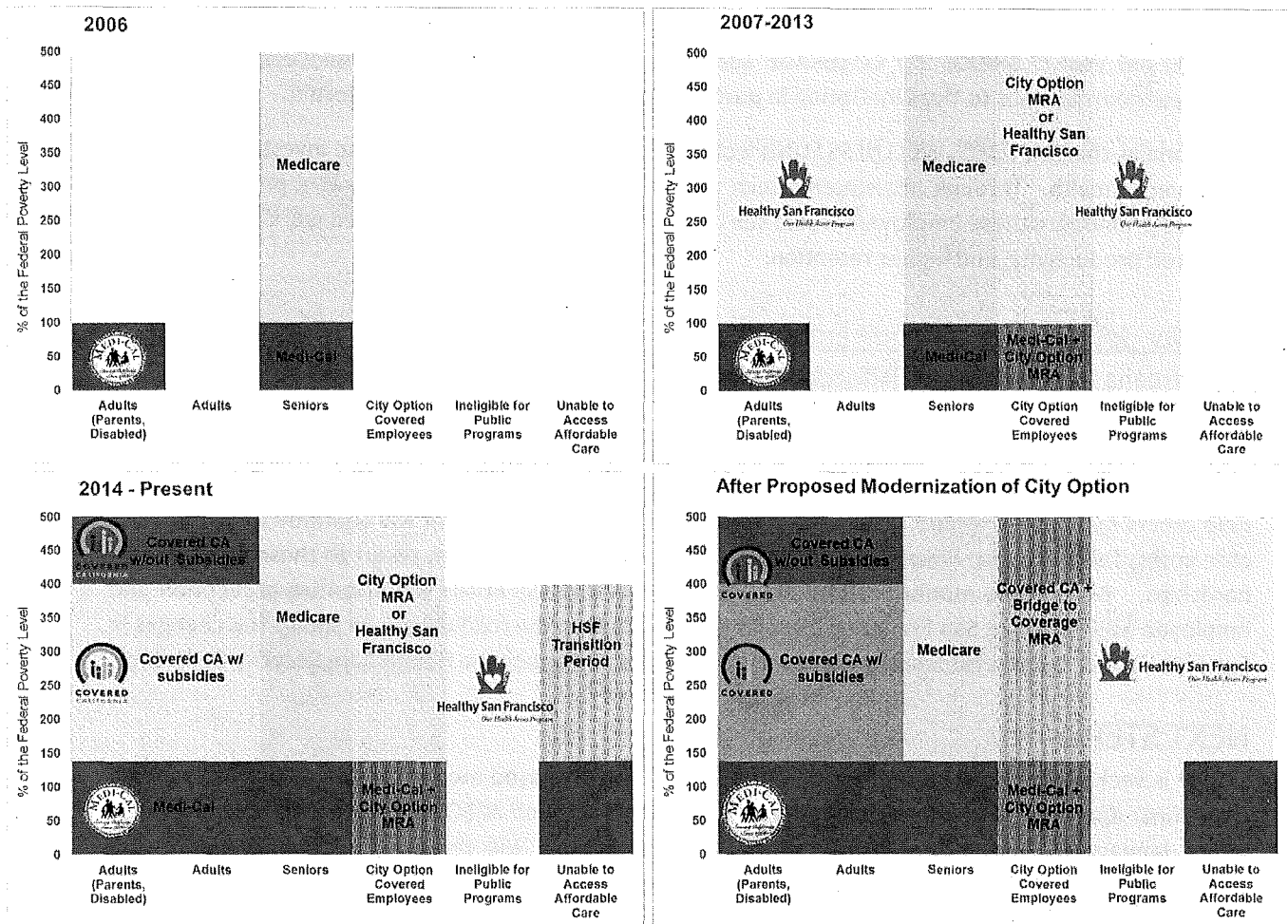
NEXT STEPS

SFDPH is seeking the Health Commission's approval of the proposed modernization of the City Option. Upon final approval, SFDPH anticipates the Healthy San Francisco AFFORDABILITY EXTENSION to take effect January 1, 2016. The BRIDGE TO COVERAGE feature will require six to nine months for implementation, and is expected to offer a phased-in benefit for the 2016 Covered California plan year. The EMPLOYEE WELLNESS FUND will require several months of planning and stakeholder engagement in 2016 and approval as part of SFDPH's 2016-17 budget, before launching in 2017.

A draft resolution is attached for the Health Commission's consideration.

¹⁵ U.S. Census Bureau, 2013 American Community Survey.

Figure 6: San Franciscans' Options for Health Care Coverage Since Passage of the Health Care Security Ordinance



From: Choi, Mike (311)
Sent: Friday, July 17, 2015 2:10 PM
To: Board of Supervisors, (BOS)
Cc: Alfaro, Nancy (311); Maimoni, Andy (311); Dyer, Kevin (311)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required

To Whom It May Concern,

311 entered into one sole source contract during Fiscal Year 2014-2015. The contract we entered into was with Youngsoft Inc. (PSC #38184-14/15). Please let me know if any additional information is needed.

Kind Regards,

Mike Choi
Management Analyst
311 Customer Service Center
(415) 701-3147
email: mike.choi@sfgov.org



San Francisco's 24x7 Customer Service Center
www.sf311.org

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

Complete a Board of Supervisors Customer Service Satisfaction form by clicking
<http://www.sfbos.org/index.aspx?page=104>

From: Lim, Diane (ADP)
Sent: Tuesday, July 14, 2015 12:18 PM
To: Board of Supervisors, (BOS)
Cc: Martinez, Veronica (ADP)
Subject: 2014-15 Sole Source Contracts - Adult Probation Department
Attachments: 2014-15SoleSourceContractsADP.pdf

Dear Clerk of the Board,

Pursuant to Sunshine Ordinance Section 67.24 (e) the Adult Probation Department is providing the Board of Supervisors with a list of all sole source Contracts entered into in FY 2014-15, the report is attached.

Please let me know if you have questions or require additional information

Thank you

Diane Lim
Director of Finance and Administrative Services
San Francisco Adult Probation Department
415-553-1058 Phone
415-575-8895 Fax



Protecting the Community, Serving Justice and Changing Lives

Karen L. Fletcher
Chief Adult Probation Officer

Date: July 13, 2015
To: Ms. Angela Calvillo, Clerk of the Board
From: Diane Lim, Director of Finance and Administrative Services
Re: Adult Probation Department Sole Source Contracts for Fiscal Year 2014-15

In compliance with Sunshine Ordinance Section 67.24 (e), the Adult Probation Department (APD) is reporting that in FY 2014-15 the department worked with the Office of Contract Administration, Contracts Monitoring Division, Civil Service Commission, Department of Human Resources, City Attorney's Office, and Local 21, for approval to enter into one (1) sole source contract.

Fiscal Year 2014-15 Sole Source Waiver Approved and Contract Granted

1. Vendor: SYSCON

Table with 4 columns: Date of Approval, Term, Amount, and Contract Award Amount. Row 1: Original Sole Source, 05/01/2015, Jul 2015 - Jun 2020, \$1,758,350. Row 2: Contract Award Amount, TBD.

Reason

Development of Case Management System.

APD has used SYSCON's case management system software since 2003 through the City Administrator's Office JUSTIS program. APD seeks its own stand-alone agreement for a software upgrade for APD utilizing SYSCON's existing data mappings to APD's business processes and then for subsequent maintenance of the upgraded software. The use of SYSCON's products and services will ensure the APD's compliance with data collection required by Assembly Bill 109 (AB109) and Senate Bill 678 (SB678). It will also provide the ability to interface with other City departments and other California jurisdictions, including the California Department of Justice. The California Department of Justice Supervised Release File is currently based on SYSCON data.

From: Chang, Michelle (ART)
Sent: Wednesday, July 15, 2015 11:25 AM
To: Board of Supervisors, (BOS); Gosiengfiao, Rachel (BOS)
Cc: Krell, Rebekah (ART); Quan, Kevin (ART); Tom DeCaigny (tdecaigny@gmail.com); Page_Ritchie, Sharon (ART)
Subject: FW: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: 2014-2015 Sole Source Contracts Memo.pdf; Reply Arts Sole Source FY 14-15.xls

Hi Rachel,

Please see attached reply from Arts Commission for FY14-15 sole source contract. Please let us know if there is any questions.

Thanks,
Michelle Y. Chang
SFAC Accounting

San Francisco Arts Commission
25 Van Ness Avenue, Suite 345
San Francisco, CA 94102
T: 415-252-2556 F: 415-252-2595
sfartscommission.org

[e-Newsletter](#) | [Twitter](#) | [Facebook](#) | [YouTube](#) | [Flickr](#)

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

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<http://www.sfbos.org/index.aspx?page=104>

	Arts Commission Sole Source Contracts for FY 14-15	Vendor Name	Vendor Number	Term Contract Amount	Purchasing Type	Purchasing Authority		Total Encumbered Amount	Total Paid	Balance	Reason
1	DPAR1500001	San Francisco Symphony	16389	\$ 2,260,000.00	XP	Profserv-Nos	FY14-15	\$ 2,260,000.00	\$ (2,260,000.00)	\$ -	In accordance with the City Charter Section 16.106 The Board of Supervisors, City and County of San Francisco, shall annually appropriate fund to the Arts Commission. The San Francisco Symphony Orchestra has been maintained by the City as a sole orchestra in the City for the last 62 years.
2	DPAR1500074	Bollinger Aterlier	94904	\$ 534,000.00	XP	Profserv-Nos	FY14-15	\$ 534,000.00	\$ (106,800.00)	\$ 427,200.00	Bollinger Atelier for the fabrication of a monumental sculpture by artist Roxy Paine for the public plaza to be located near the entry of the upcoming Yerba Buena/Moscone subway station at the corner of Clementina and Fourth Streets. The justification for this sole source request is that Bollinger Atelier, a specialty metal artwork fabrication firm, is the firm that Mr. Paine uses for the fabrication of his large- scale sculptural works.

From: Whitley, Gigi
Sent: Friday, July 17, 2015 2:13 PM
To: Board of Supervisors, (BOS)
Subject: Office of the Assessor-Recorder FY14-15 sole source contracts memo
Attachments: ASR FY14-15 Sole Source Contracts Memo.PDF; ASR Sole Source Contracts FY14-15.xlsx

Please find attached the Office of the Assessor-Recorder FY14-15 sole source contracts memo and attached worksheet.
Thanks,

Gigi Whitley
Deputy Director for Administration and Finance
Office of the Assessor-Recorder
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, City Hall, Room 190
San Francisco, CA 94102-4698
Phone: (415) 554-5598

CARMEN CHU
ASSESSOR-RECORDER



SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

MEMORANDUM

TO: Angela Calvillo, Clerk of the Board

FROM: Gigi Whitley, Deputy Director of Administration and Finance *GW*

DATE: July 17, 2015

SUBJECT: Sole Source Contracts for Fiscal Year 2014-2015

Pursuant to Sunshine Ordinance Section 67.24(e) that requires that at the end of each fiscal year each City Department provide the Board of Supervisors with a list of all sole source contracts entered into during the past fiscal year, the Office of the Assessor-Recorder is submitting its list of existing sole source contracts. Additionally, the Office of the Assessor-Recorder did not enter into any new sole source contracts during FY2014-2015

Attachment: ASR Sole Source Contracts FY14-15.xls

Office of the Assessor-Recorder - List of Sole Source Contracts, July 2015

Vendor	Contract Term	FY14-15 Annual Not to Exceed Contract Amount	Reason for Sole Source
ATPac	2011-2020	\$117,771	specialized software
BMI Imaging Systems, Inc.	2013-2017	\$20,100	specialized software
Easy Access, Inc.	2013-2018	\$212,771	specialized software and maintenance

From: Hui, Tom (DBI)
Sent: Friday, July 17, 2015 3:19 PM
To: Calvillo, Angela (BOS)
Cc: Board of Supervisors, (BOS); Madison, Taras (DBI); Gosiengfiao, Rachel (BOS)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: DBI Sole Source for FY14-15.pdf

Ms. Calvillo,

Please find DBI's response to the email of June 17.

If you have any questions, please feel free to contact my office.

Thank you.

Tom C. Hui, S.E., C.B.O.

Director

許子湯, 局長

City & County of San Francisco

Department of Building Inspection

1660 Mission Street, Sixth Floor

San Francisco CA 94103

415-558-6131 Phone

415-558-6225 Fax

Email: Tom.Hui@sfgov.org

Web: www.sfdbi.org



From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

(415) 554-5184

(415) 554-5163 fax

Board.of.Supervisors@sfgov.org

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<http://www.sfbos.org/index.aspx?page=104>



MEMORANDUM

DATE: July 17, 2015

TO: Angela Calvillo, Clerk of the Board

FROM: Tom C. Hui, S.E., C.B.O. *for Tom C. Hui*
Director

SUBJECT: Sole Source Contracts for Fiscal Year 2014-2015 Response

Per your request, please see below for Fiscal Year 2014-2015 Sole Source Contracts:

Vendor	Term	Amount	Reason
Oracle America, Inc.	8/1/14-7/31/15	86,559.12	Only vendor to provide software license and maintenance per Adm. Code 2130

If you have any questions, please contact Taras Madison at 558-6239 or taras.madison@sfgov.org.

cc: Taras Madison, Deputy Director of Administrative Services, Department of Building Inspection

From: Drain, Kahala (CFC) (CHF)
Sent: Wednesday, July 15, 2015 3:32 PM
To: Board of Supervisors, (BOS)
Subject: FW: Sole Source Contracts

From: Drain, Kahala (CFC) (CHF)
Sent: Wednesday, July 15, 2015 3:26 PM
To: board.of.supervisors@sfgov.org.
Subject: FW: Sole Source Contracts

Greetings,

Please find below a list of all FY-2014/15 Personal Service Contracts. Department of Children and Families Commission (CFC) **did not** enter into any sole source contracts during the past fiscal year.

Kindly,

CFC - FY14/FY15 Contracts

		Vendor	SS Waiver
BPCI14000001	\$ 542,266.00	Raising a Reader	n/a , grant
BPCI14000002	389,100.00	Parents for Public Schools	n/a , grant
BPCI14000004	28,835.00	Judith Sherman	n/a, bid
BPCI14000005	562,879.00	Prevent Child Abuse	n/a , grant
BPCI14000006	1,500,000.00	Regents of the Univ of CA	n/a , grant
BPCI14000008	23,888.00	Ricoh USA	term contract
BPCI14000010	48,362.10	First 5 Contra Costa	n/a , grant
BPCI14000011	25,000.00	Regents of the Univ of CA	n/a , grant
BPCI14000012	9,750,754.00	SF Unified School Dist	n/a , grant
BPCI14000013	29,232.00	Mission Analytics	n/a, bid
BPCI14000014	50,000.00	Velexi Corp	n/a, bid
BPCI15000001	24,700.00	Public Profit LLC	n/a, bid
BPCI15000002	217,900.00	Applied Survey Research	n/a, bid
BPCI15000003	49,968.00	CA Pacific Medical Center	n/a , grant
BPCI15000004	70,000.00	Moore Iacofano Goltsman	n/a, bid
BPCI15000005	19,338.00	Bracken Communications	n/a, bid



KAHALA DRAIN
 Administrative Coordinator

1390 Market Street, Suite 318

TEL: 415-934-4849

San Francisco, CA 94102

FAX: 415-565-0494

From: Nguyen, Adam (ADM)
Sent: Friday, July 17, 2015 2:27 PM
To: Board of Supervisors, (BOS)
Cc: Bukowski, Kenneth (ADM); Martinez, Norman; Gosiengfiao, Rachel (BOS)
Subject: FW: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: ADM Sole Source Purchase Orders_FY14-15.xlsx

Dear Board of Supervisors – In compliance with the Sunshine Ordinance Section 67.24(e) reporting requirement, please find ADM's list of sole source contracts attached.

Adam Nguyen
Budget and Planning Director
Office of the City Administrator
1 Dr. Carlton B. Goodlett Place, Rm 356
San Francisco, CA 94102
(415) 554-4563
adam.nguyen@sfgov.org

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

Complete a Board of Supervisors Customer Service Satisfaction form by clicking
<http://www.sfbos.org/index.aspx?page=104>

From: Nguyen, Adam (ADM)
Sent: Friday, July 17, 2015 2:27 PM
To: Board of Supervisors, (BOS)
Cc: Bukowski, Kenneth (ADM); Martinez, Norman; Gosiengfiao, Rachel (BOS)
Subject: FW: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: ADM Sole Source Purchase Orders_FY14-15.xlsx

Dear Board of Supervisors – In compliance with the Sunshine Ordinance Section 67.24(e) reporting requirement, please find ADM's list of sole source contracts attached.

Adam Nguyen
Budget and Planning Director
Office of the City Administrator
1 Dr. Carlton B. Goodlett Place, Rm 356
San Francisco, CA 94102
(415) 554-4563
adam.nguyen@sfgov.org

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
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San Francisco, CA 94102
(415) 554-5184
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ADM FY14-15 Sole Source Contract Report to Board of Supervisors - July 17, 2015

Vendor Name	Vendor No	Document No/Sfx	Purpose	Index Code	Subobject Code
BELL AND HOWELL LLC	84494	DPAD150009501	REPROMAIL proprietary equipment maintenance	701101	02799
CANON SOLUTIONS AMERICA INC	83771	DPAD1500055701	REPROMAIL proprietary equipment maintenance	701101	02999
COMCAST OF CA/COLORADO/WASHINGTON I INC	72660	DPAD1500013601	Business Cable Subscription @ TIDA	70TIDA	03571
COMCAST OF CA/COLORADO/WASHINGTON I INC	72660	DPAD1500061001	Business Cable Subscription @ 311	705029	03571
COMCAST OF CA/COLORADO/WASHINGTON I INC	72660	DPPR1500072901	Business Cable Subscription @ Central Shops	701001	03571
COMCAST OF CA/COLORADO/WASHINGTON I INC	72660	DPRE1500004101	Business Cable Subscription @ HOJ	705033	03571
COMCAST OF CA/COLORADO/WASHINGTON I INC	72660	DPRE1500026401	Business Cable Subscription @ 25 Van Ness	708007	03571
GCS ENVIRONMENTAL EQUIPMENT SERVICES INC	78487	DPPR1500004801	Central Shops special parts	701001	04331
MUNICIPAL MAINTENANCE EQUIPMENT	28110	DPPR1500007301	Central Shops OEM parts.	701001	04331
NEW WORLD SYSTEMS CORP	67318	DPAD1500056601	JUSTIS consulting services for mainframe maintenance and transition to hub	705018	02761
NEW WORLD SYSTEMS CORP	67318	DPAD1500059501	JUSTIS consulting services for AEGIS MSP server migration	705018	02761
NEW WORLD SYSTEMS CORP	67318	DPAD1500063401	JUSTIS consulting services for mainframe maintenance and transition to hub	705018	02761
NMS LABS INC	33169	DPCM1500002401	Office of Chief Medical Examiner - specialized toxicology testing	745008	02789
OBSCURA DIGITAL INC	89897	DPRE1500106601	City Hall lighting systems	70CHFM	02799
OBSCURA DIGITAL INC	89897	DPRE1500113801	City Hall lighting systems	70CHFM	02799
PACIFIC GAS & ELECTRIC CO	14087	DPPR1500008201	Central Shops - sole San Francisco supplier of CNG.	701001	04799
PACIFIC GAS & ELECTRIC CO	14087	DPPR1500037001	Central Shops - sole San Francisco supplier of CNG.	701001	04799
RANDOX LABORATORIES-US LTD	85575	DPCM1500007501	Office of Chief Medical Examiner - RANDOX EVIDENCE IMMUNASSAY	745008	04431
RANDOX LABORATORIES-US LTD	85575	DPCM1500010801	Office of Chief Medical Examiner - RANDOX EVIDENCE IMMUNASSAY	745008	04431
SIGHTLINES LLC	94242	DPAD1500067401	Capital Planning Program licensing fees for FRRM proprietary database system	708016	03596
VENTURE LABS INC	69130	DPCM1500009701	Office of Chief Medical Examiner - ELISA KITS	745008	04431
YOUNGSOFT INC	89422	DPAD1500061601	311 web portal	705029	02761

Original Balance
127,000
90,000
500
200
1,000
400
400
80,000
50,000
298,500
13,500
304,470
40,000
49,950
416,840
54,000
90,000
36,018
59,195
91,050
20,000
59,840
1,882,863

From: Brittany.Feitelberg@sfgov.org
Sent: Friday, July 17, 2015 1:22 PM
To: Board of Supervisors, (BOS)
Cc: Flynn, Ronald (CAT)
Subject: Sole Source Contracts for FY 2014-2015
Attachments: SoleSource 2015.pdf

Please find attached a list of all sole source contracts for FY 14-15 for the City Attorney's Office.

Brittany Kneebone Feitelberg
Confidential Assistant to the City Attorney

OFFICE OF CITY ATTORNEY DENNIS HERRERA
San Francisco City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682

(415) 554-4748 Direct
(415) 554-4700 Reception
(415) 554-4715 Facsimile

City Attorney's Office
Sole Source Contracts
FY 14-15

Name of Firm	Scope of Service	Contract End Date	Maximum Amount
Aaron, Reichert, Carpol & Riffle, APC	Outside Counsel	End of project	\$5,000
Anderson & Kreiger LLP	Professional Legal Services	June 30, 2017	\$250,000
Cargill Engineering	Professional Legal Services	ongoing	\$60,000
Cargill Engineering	Professional Legal Services	ongoing	\$105,000
Connotate	Professional Consulting Services	April 1, 2016	\$50,000
Economic & Planning Systems, Inc.	Consulting Services	December 31, 2015	\$74,950
Exponent Failure Analysis Associates	Professional Expert services	ongoing	\$83,000
Foley & Lardner, LLP	Professional Legal Services	May 30, 2016	\$400,000
Greene Radovsky Maloney Share & Hennigh LLP	Professional Legal Services	June 1, 2017	\$40,000
Health Works, Inc.	Professional Legal Services	October 14, 2016	\$175,000
Keker & Van Nest	Outside Counsel	ongoing	Expected to exceed \$50,000
Keyser Marston Associates	Professional Expert Services	August 31, 2015	\$70,000
LexisNexis, a division of Reed Elsevier	Electronic Library Services	March 31, 2016	\$143,610
Nixon Peabody LLP	Outside Counsel	August 31, 2017	\$158,500
PKF Consulting USA	Professional Legal Services	October 9, 2016	\$40,000
Tilford Dobbins Alexander, PLLC	Professional Legal Services	October 15, 2014	\$2,500
Wendel Rosen Black and Dean, LLP	Professional Legal Services	ongoing	\$25,000
Wolters Kluwer	Electronic Library Services	May 31, 2017	\$26,135

From: Kimotsuki, Joyce (CON)
Sent: Friday, July 17, 2015 3:41 PM
To: Calvillo, Angela (BOS); Gosiengfiao, Rachel (BOS)
Cc: Board of Supervisors, (BOS); Rydstrom, Todd (CON)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: FY 14-15 Sole Source Memo to BOS 2015.07.17.pdf

Hello Angela and Rachel,

I would like to submit the attached Sole Source Contract Report for FY 14/15 from the Controller's Office. Please let me know if you have questions. Thank you.

Sincerely,

Joyce Kimotsuki

Contracts Manager
Office of the Controller
1 Dr. Carlton B. Goodlett Place
City Hall, Room 306
San Francisco, CA 94102
(415) 554-6562

From: Gosiengfiao, Rachel (BOS)
Sent: Tuesday, July 14, 2015 1:11 PM
To: Kimotsuki, Joyce (CON)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required

I will add you to the distribution list. Thank you.

Rachel Gosiengfiao
Executive Assistant
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: (415) 554-7703 | Fax: (415) 554-5163
rachel.gosiengfiao@sfgov.org | www.sfbos.org

Please complete a Board of Supervisors Customer Service Satisfaction form by clicking [here](#).

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone

numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

From: Kimotsuki, Joyce (CON)
Sent: Tuesday, July 14, 2015 12:56 PM
To: Gosiengfiao, Rachel (BOS)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required

Thank you, Rachel. Could you please add me to next year's distribution list? I will send the report by July 17th to Angela Calvillo and cc:you.

Sincerely,

Joyce Kimotsuki

Contracts Manager
Office of the Controller
1 Dr. Carlton B. Goodlett Place
City Hall, Room 306
San Francisco, CA 94102
(415) 554-6562

From: Gosiengfiao, Rachel (BOS)
Sent: Tuesday, July 14, 2015 12:48 PM
To: Kimotsuki, Joyce (CON)
Subject: FW: 2014-2015 Sole Source Contracts Memo - Response Required

Hi, Joyce,

Per your request, here is the memo sent on June 17, 2015. If you could send at your earliest convenience. Thank you.

Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

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<http://www.sfbos.org/index.aspx?page=104>

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
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(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

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MEMORANDUM

TO: Clerk of the Board, Board of Supervisors

FROM: Todd Rydstrom, Deputy Controller *TR*

DATE: 7/17/15

SUBJECT: Sole Source Contract Reporting Requirement for FY 14/15

In accordance with Sunshine Ordinance Section 67.24 (e), the Controller's Office is submitting a list of all sole source contracts, active or entered into during FY 14-15, including the reason a sole source contract was used.

Vendor Name	Service	Contract Start Date	Contract End Date	Additional Amount Authorized in FY14/15	Total Authorized Balance as of End of FY14/15	Reason
A C L Services Ltd	ACL Software Maintenance	1/1/2015	12/31/2015	\$4,766.67	\$0	Proprietary software
California Institute For Behavioral Health Solution, Inc.	Foster Care Mental Health System Facilitation & Implementation Services	10/1/2013	11/30/2015	\$80,000.00	\$25,000.00	Only vendor that can provide needed professional services.
Canaudit, Inc.	IT Audit Program: Network Penetration	5/6/2014	12/31/2015	\$111,200.00	\$24,150.00	Only vendor that can provide needed technical services.
Cardon Solutions, LLC	Executive Information System Upgrade Services	8/1/2010	12/31/2015	\$0	\$48,086.48	No amount increase. 1 year term extension only.
Cogsdale Corporation	Maintenance Agreement	7/1/2006	6/30/2016	\$280,227.25	\$142,184.25	Only vendor that can provide needed technical services.
DocuLynx, Inc.	Hosting Services for Historical Payroll Reports	9/1/2012	8/31/2015	\$0	\$15,879.71	No amount increase. 1 year term extension only.

From: Arntz, John (REG)
Sent: Monday, July 20, 2015 10:09 AM
To: Board of Supervisors, (BOS)
Subject: Elections Sole-source contract

Hello, Rachel,

Elections has one sole-source contract which we entered into during FY2014-15. Elections entered into a five-year sole source contract with the Runbeck Election Services.

Thanks,
-John.

John Arntz, Director
San Francisco Department of Elections
1 Dr. Carlton B. Goodlett Place
City Hall, Room 48
San Francisco, CA 94102
(415) 554-4375
sfelections.org



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Your feedback is important to us! Please take our [customer service survey](#).

From: Pascual, Merrick (ECN)
Sent: Thursday, July 16, 2015 5:30 PM
To: Board of Supervisors, (BOS)
Cc: Rufo, Todd (ECN); Damalas, Kristine (ECN)
Subject: RE: 2014-2015 Sole Source Contracts Memo - Response Required
Attachments: FY15 ECN Sole Source Contracts Memo 2015-07-16.doc

Attached is a memorandum that reports that OEWD did not enter into any sole source contracts during FY14-15. Thank you.

Merrick Pascual
Chief Financial Officer
Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor | San Francisco, CA 94103
(415) 701-4811

From: Gosiengfiao, Rachel (BOS)
Sent: Wednesday, June 17, 2015 4:16 PM
To: MYR-ALL Department Heads
Cc: MYR-All Department Head Assistant
Subject: 2014-2015 Sole Source Contracts Memo - Response Required

Dear Department Heads:

Please see attached memo regarding Sunshine Ordinance Section 67.24(e) reporting requirement of Sole Source Contracts.

Office of the Clerk of the Board
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
(415) 554-5163 fax
Board.of.Supervisors@sfgov.org

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<http://www.sfbos.org/index.aspx?page=104>

MEMORANDUM

Date: July 16, 2015

To: Clerk of the Board

From: Todd Rufo, Director – Office of Economic and Workforce Development

Subject: Sole Source Contracts for Fiscal Year 2014-2015

Per Sunshine Ordinance Section 67.24(e), the Office of Economic and Workforce Development reports that no Sole Source Contracts were entered into in Fiscal Year 2014-2015.



MEMORANDUM

Date: June 30, 2015
To: Angela Calvillo
Clerk of the Board
From: Monique Moyer *Moyer*
Executive Director
Port of San Francisco
Subject: Sole Source Contracts for Fiscal Year 2014-15

RECEIVED
BOARD OF SUPERVISORS
SALFORD OFFICE
2015 JUL 17 PM 4:27
AK

SOLE SOURCE CONTRACTS

Sunshine Ordinance Section 67.24(e) requires that at the end of each fiscal year, each City Department provide the Board of Supervisors with a list of all sole source contracts entered into during the past fiscal year. The list shall be made available for inspection and copying. Below is the list of sole source contracts that the Port entered into for FY 2014-15:

Sole Source Agreements Executed in FY 2014-15			
Term	Vendor	Amount	Reason
1/14 -12/14	AirIT	\$38,646	Annual maintenance renewal for software application
6/14-5/15	Oracle ERP	\$159,065	Maintenance renewal for software applications and database
9/15-8/16	Accela	48,579	Software license renewal
TOTAL		\$246,290	

Please contact me or Boris Delepine of my staff at 274-0443 should you have any questions.

cc: Elaine Forbes, Port Deputy Director for Finance & Administration

From: Harmon, Virginia <Virginia.Harmon@sfmta.com>
Sent: Monday, July 20, 2015 9:40 AM
To: Board of Supervisors, (BOS)
Subject: SFMTA Sole Source Contracts FY 2014-2015
Attachments: Solesourcememo2015.pdf

Attached please find the SFMTA Sole Source Contract list for 2014-2015. Please let me know if you have any questions.
Thank you.

Virginia Harmon
SFMTA Contracts & Procurement
1 South Van Ness, 6th Floor
San Francisco, CA 94103
415-701-4404



MEMORANDUM

Date: July 17, 2015

To: Angela Calvillo
Clerk of the Board of Supervisors

From: Virginia Harmon, Manager
SFMTA Contracts & Procurement

A handwritten signature in black ink, appearing to be 'V. Harmon', written over the text of the 'From' field.

Re: San Francisco Municipal Transportation Agency (SFMTA) Annual
Sole Source Contract List

Pursuant to Sunshine Ordinance Section 67.24(e), SFMTA submits the attached list of sole source contracts entered into during fiscal year 2014-2015.

If you have any questions, please do not hesitate to contact me directly at (415)701-4404.



San Francisco Municipal Transportation Agency (SFMTA)
Sole Source Contracts 2014-2015

	Term		Vendor	Amount	Reason
	From	To			
1	10/27/2014	10/27/2016	GlobeSherpa	\$ 96,000	Service not available from another firm or vendor.
2	3/17/2014	12/31/2014	LTK Engineering Services	\$ 50,000	Service not available from another firm or vendor.
3	5/12/2014	4/30/2015	MWA Architects	\$ 100,000	Contractor has unique knowledge necessary to provide integration services.
4	11/10/2014	6/30/2015	San Francisco Conservation Corps	\$ 20,000	Service not available from another firm or vendor.
5	10/1/2014	9/30/2015	Stellar Services Inc.	\$ 246,586	Proprietary software or software support services not available from another vendor.
6	9/25/2014	9/25/2022	Trapeze Software Group	\$ 500,000	Proprietary service agreements for elevator and escalator maintenance and repair.
7	1/17/2014	12/31/2014	Walk San Francisco	\$ 15,000	Service not available from another firm or vendor.
8	9/22/2014	3/31/2018	Baylands Soil Processing, LLC	\$ 496,784	Soil Processing for the Central Subway Chinatown Station

From: Murray, Elizabeth (WAR)
Sent: Monday, July 20, 2015 10:21 AM
To: Board of Supervisors, (BOS)
Subject: War Memorial Sole Source Report for FY 2014-15
Attachments: WAR Sole Source FY14-15.pdf

War Memorial Sole Source Report for FY 2014-15.

Elizabeth Murray, Managing Director
San Francisco War Memorial and Performing Arts Center
25 Van Ness Avenue, Suite 800
San Francisco, CA 94102
(415) 554-6306
Elizabeth.murray@sfgov.org

San Francisco War Memorial and Performing Arts Center

Owned and Operated by the
City and County of San Francisco

War Memorial Veterans Building
Herbst Theatre / Green Room
War Memorial Opera House
Louise M. Davies Symphony Hall
Harold L. Zellerbach Rehearsal Hall

401 Van Ness Avenue, Suite 110
San Francisco, California 94102
Telephone (415) 621-6600
FAX (415) 621-5091
<http://www.sfmpac.org/>

MEMORANDUM

July 20, 2015

TO: Clerk of the Board
Board of Supervisors

FROM: Elizabeth Murray, Managing Director
War Memorial and Performing Arts Center

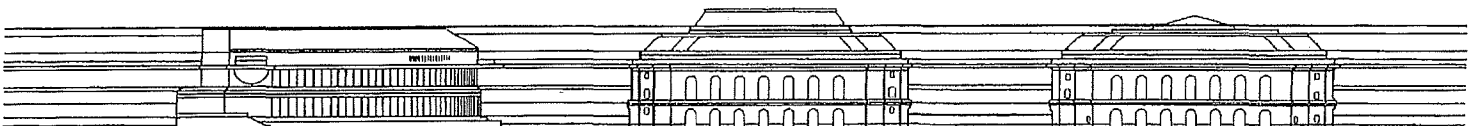


SUBJECT: **Sole Source Contracts for Fiscal Year 2014-2015**

In accordance with the Sunshine Ordinance requirement that each City department provide the Board of Supervisors with a list of all sole source contracts entered into during the past fiscal year, listed below are sole source contracts entered into by the War Memorial department during FY 2014-2015.

TERM	VENDOR	AMOUNT	REASON
7/1/14-6/30/15	Jacobson Consulting Application	\$24,831.00	The exclusive and only authorized provider of support, training, customization & software maintenance for <i>Artifax</i> Software (booking & scheduling software).

If you have any questions, please contact me at 554-6306.



BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

MEMORANDUM

Date: July 16, 2015
To: Honorable Members, Board of Supervisors
From: Angela Calvillo, Clerk of the Board
Subject: Form 700

This is to inform you that the following individual has submitted a Form 700 Statement:

Yadegar, Daniel – Legislative Aide – Assuming Office

10

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: CCSF Monthly Pooled Investment Report for June 2015
Attachments: CCSF Monthly Pooled Investment Report for June 2015.pdf

From: Dion, Ichieh (TTX)
Sent: Thursday, July 16, 2015 8:49 AM
Subject: CCSF Monthly Pooled Investment Report for June 2015

Hello All -

Please find the CCSF Pooled Investment Report for the month of June attached for your use.

Regards,

Ichieh Dion
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, CA 94102
415-554-5433

Office of the Treasurer & Tax Collector
City and County of San Francisco



José Cisneros, Treasurer

Pauline Marx, Chief Assistant Treasurer
Michelle Durgy, Chief Investment Officer

Investment Report for the month of June 2015

July 15, 2015

The Honorable Edwin M. Lee
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of June 30, 2015. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of June 2015 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

<i>(in \$ million)</i>	Current Month		Prior Month	
	Fiscal YTD	June 2015	Fiscal YTD	May 2015
Average Daily Balance	\$ 6,333	\$ 7,126	\$ 6,262	\$ 7,274
Net Earnings	47.25	3.91	43.35	4.40
Earned Income Yield	0.75%	0.67%	0.75%	0.71%

CCSF Pooled Fund Statistics *

<i>(in \$ million)</i>	% of	Book	Market	Wtd. Avg.	Wtd. Avg.	WAM
Investment Type	Portfolio	Value	Value	Coupon	YTM	
U.S. Treasuries	6.84%	\$ 472.2	\$ 477.9	1.09%	1.20%	410
Federal Agencies	59.62%	4,162.8	4,166.1	0.84%	0.74%	694
State & Local Government						
Agency Obligations	4.56%	321.5	318.7	1.84%	0.61%	357
Public Time Deposits	0.01%	1.0	1.0	0.58%	0.58%	309
Negotiable CDs	10.37%	725.0	724.8	0.43%	0.43%	428
Commercial Paper	5.72%	400.0	400.0	0.00%	0.09%	1
Medium Term Notes	8.79%	615.8	613.9	0.78%	0.40%	375
Money Market Funds	4.08%	285.1	285.1	0.04%	0.04%	1
Totals	100.0%	\$ 6,983.3	\$ 6,987.3	0.78%	0.64%	536

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

José Cisneros
Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Ronald Gerhard, Reeta Madhavan, Charles Perl
Ben Rosenfield, Controller, Office of the Controller
Tonia Lediju, Internal Audit, Office of the Controller
Cynthia Fong, Deputy Director for Finance & Administration, San Francisco County Transportation Authority
Carol Lu, Budget Analyst
San Francisco Public Library

* Please see last page of this report for non-pooled funds holdings and statistics.

Portfolio Summary Pooled Fund

As of June 30, 2015

<i>(in \$ million)</i>							
Security Type	Par Value	Book Value	Market Value	Market/Book Price	Current % Allocation	Max. Policy Allocation	Compliant?
U.S. Treasuries	\$ 475.0	\$ 472.2	\$ 477.9	101.21	6.84%	100%	Yes
Federal Agencies	4,153.5	4,162.8	4,166.1	100.08	59.62%	100%	Yes
State & Local Government							
Agency Obligations	316.4	321.5	318.7	99.10	4.56%	20%	Yes
Public Time Deposits	1.0	1.0	1.0	100.00	0.01%	100%	Yes
Negotiable CDs	725.0	725.0	724.8	99.97	10.37%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	400.0	400.0	400.0	100.00	5.72%	25%	Yes
Medium Term Notes	612.7	615.8	613.9	99.68	8.79%	25%	Yes
Repurchase Agreements	-	-	-	-	0.00%	10%	Yes
Reverse Repurchase/ Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes
Money Market Funds	285.1	285.1	285.1	100.00	4.08%	10%	Yes
LAIF	-	-	-	-	0.00%	\$50mm	Yes
Supranationals	-	-	-	-	0.00%	5%	Yes
TOTAL	\$ 6,968.7	\$ 6,983.3	\$ 6,987.3	100.06	100.00%	-	Yes

The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

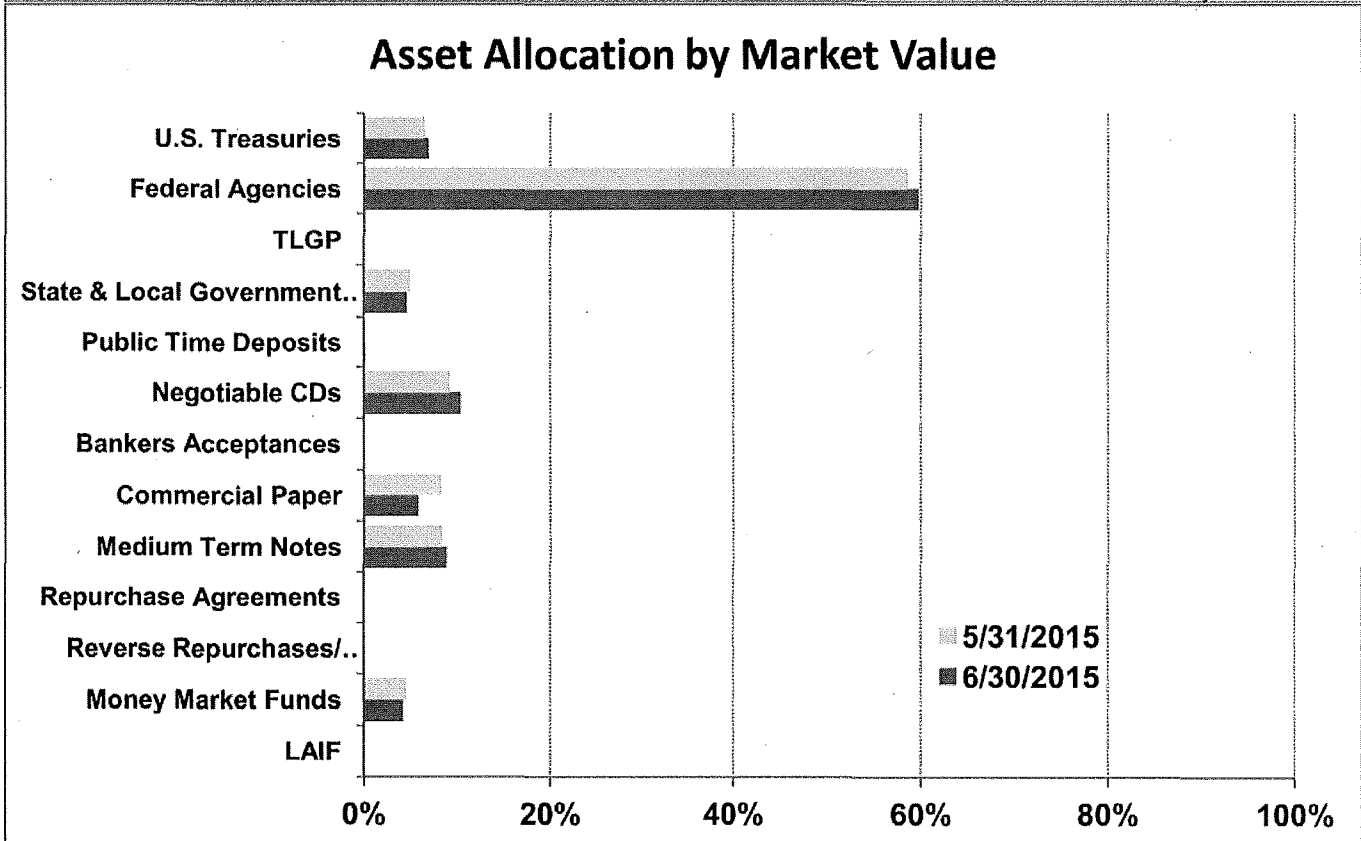
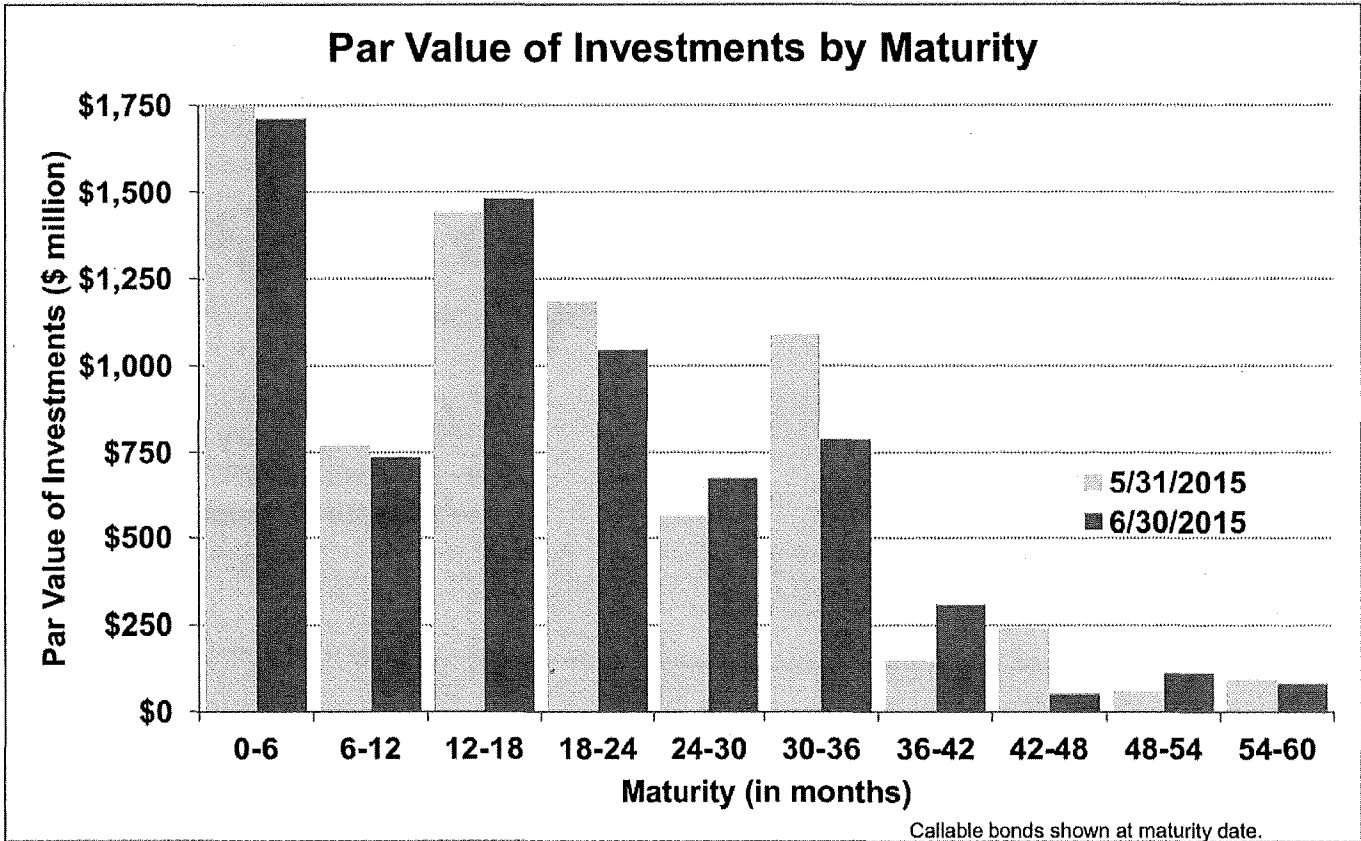
Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.

The full Investment Policy can be found at <http://www.sftreasurer.org/>, in the Reports & Plans section of the About menu.

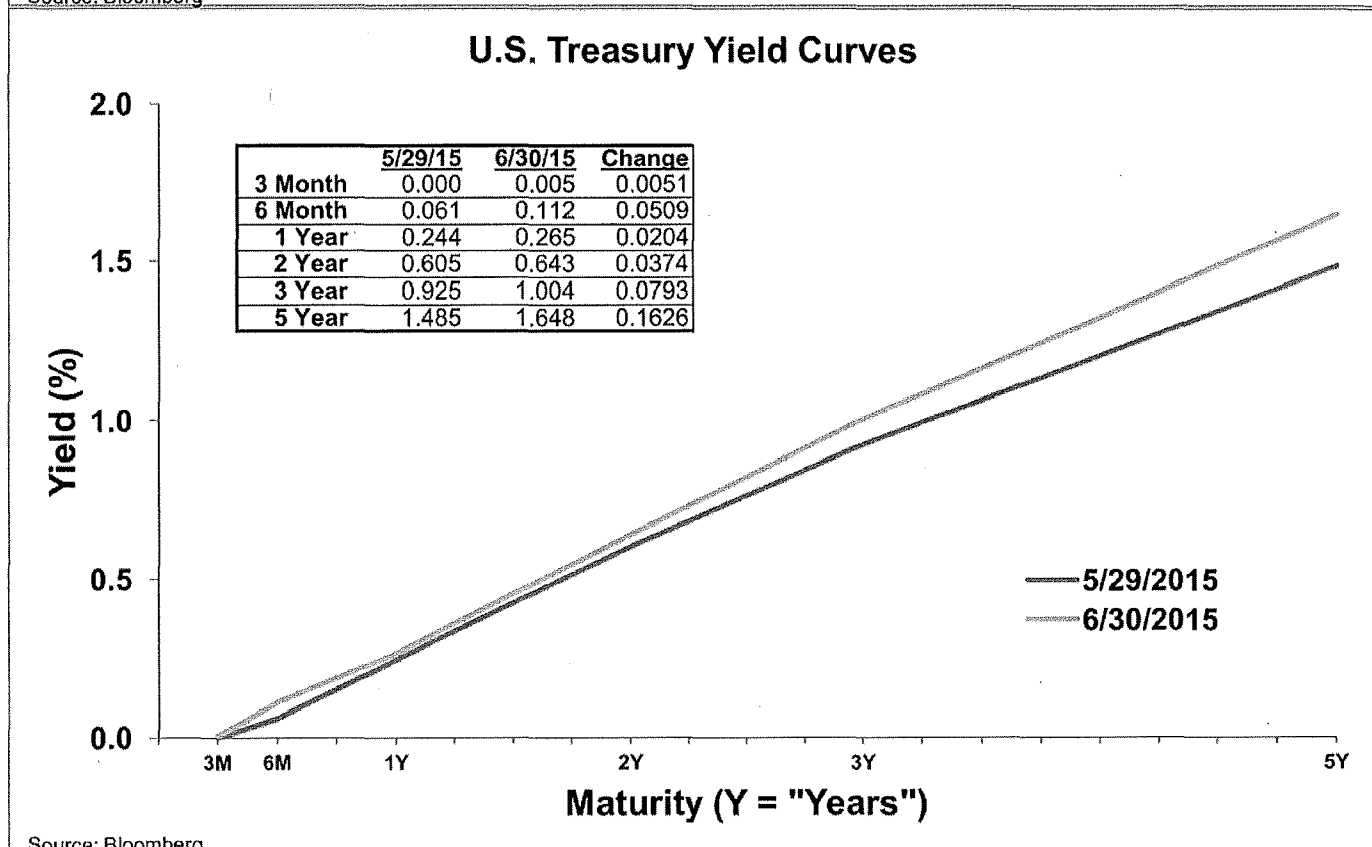
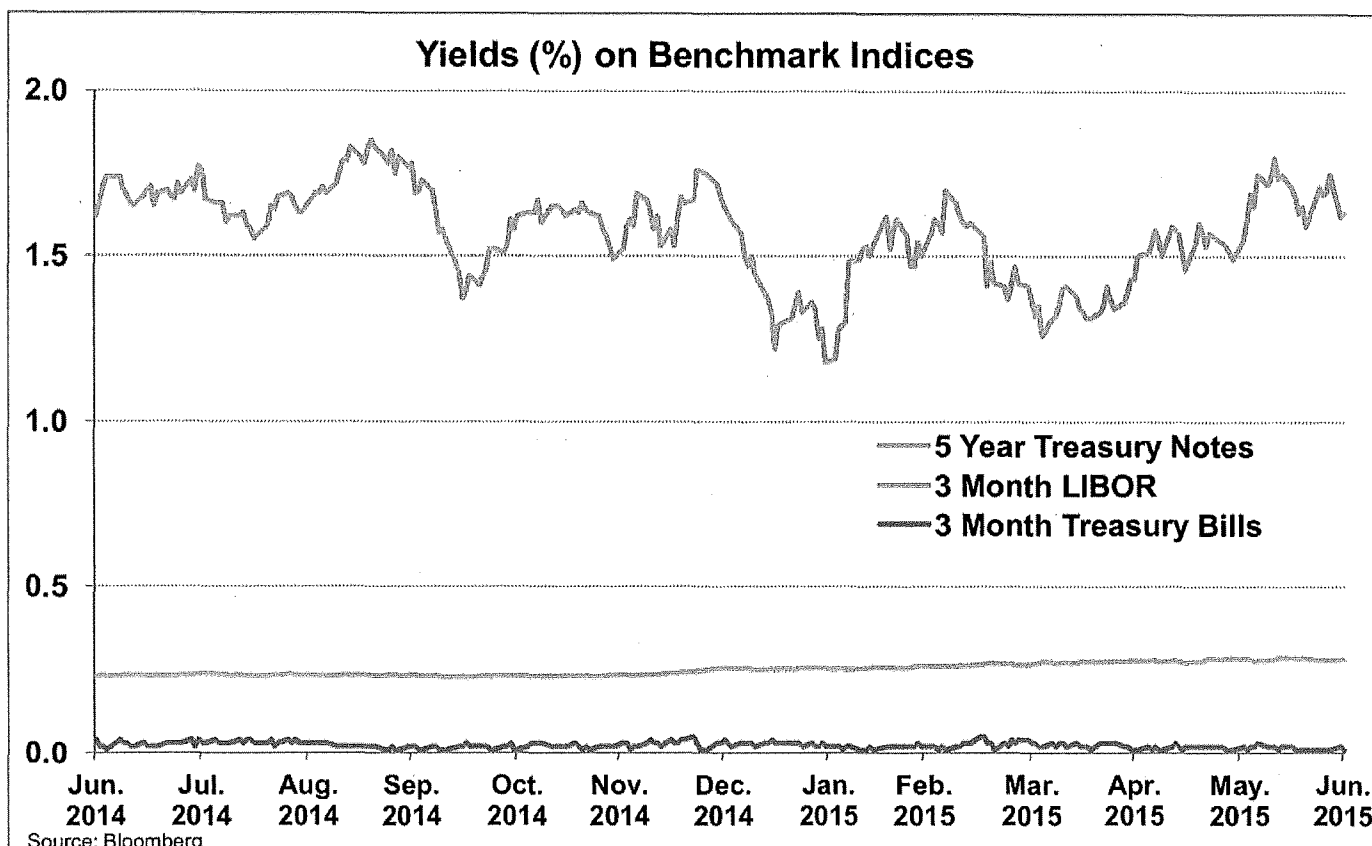
Totals may not add due to rounding.

Portfolio Analysis

Pooled Fund



Yield Curves



Investment Inventory

Pooled Fund

As of June 30, 2015

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
U.S. Treasuries	912828PE4	US TSY NT	12/23/11	10/31/15	0.34	1.25	\$ 25,000,000	\$ 25,609,375	\$ 25,052,801	\$ 25,097,750
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	0.42	1.38	50,000,000	49,519,531	49,959,651	50,269,500
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	0.42	1.38	50,000,000	49,519,531	49,959,651	50,269,500
U.S. Treasuries	912828PJ3	US TSY NT	12/23/10	11/30/15	0.42	1.38	50,000,000	48,539,063	49,876,837	50,269,500
U.S. Treasuries	912828RJ1	US TSY NT	10/11/11	9/30/16	1.24	1.00	75,000,000	74,830,078	74,957,239	75,568,500
U.S. Treasuries	912828RM4	US TSY NT	12/26/13	10/31/16	1.33	1.00	25,000,000	25,183,594	25,086,148	25,189,500
U.S. Treasuries	912828RX0	US TSY NT	2/25/14	12/31/16	1.49	0.88	25,000,000	25,145,508	25,076,811	25,146,500
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	1.65	0.88	25,000,000	24,599,609	24,865,132	25,134,750
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	1.65	0.88	25,000,000	24,599,609	24,865,132	25,134,750
U.S. Treasuries	912828SJ0	US TSY NT	3/14/12	2/28/17	1.65	0.88	75,000,000	74,771,484	74,923,324	75,404,250
U.S. Treasuries	912828SM3	US TSY NT	4/4/12	3/31/17	1.74	1.00	50,000,000	49,835,938	49,942,461	50,383,000
Subtotals					1.11	1.09	\$ 475,000,000	\$ 472,153,320	\$ 474,565,187	\$ 477,867,500
Federal Agencies	31315PDZ9	FARMER MAC	11/22/13	7/22/15	0.06	2.38	\$ 15,000,000	\$ 15,511,350	\$ 15,017,691	\$ 15,019,650
Federal Agencies	313384JT7	FED HOME LN DISCOUNT NT	5/29/15	7/29/15	0.00	0.00	24,990,000	24,987,036	24,987,036	24,989,611
Federal Agencies	313383V81	FEDERAL HOME LOAN BANK	12/12/13	8/28/15	0.16	0.38	9,000,000	9,014,130	9,001,313	9,003,870
Federal Agencies	313384LM9	FED HOME LN DISCOUNT NT	6/10/15	9/9/15	0.19	0.00	50,000,000	49,989,131	49,989,131	49,997,083
Federal Agencies	3133EDEK4	FEDERAL FARM CREDIT BANK	6/10/15	9/10/15	0.20	0.25	1,500,000	1,501,415	1,501,306	1,500,285
Federal Agencies	3137EACM9	FREDDIE MAC	12/15/10	9/10/15	0.20	1.75	50,000,000	49,050,000	49,961,012	50,153,000
Federal Agencies	313370JB5	FEDERAL HOME LOAN BANK	12/15/10	9/11/15	0.20	1.75	75,000,000	73,587,000	74,941,227	75,237,000
Federal Agencies	31315PGT0	FARMER MAC	6/10/15	9/15/15	0.21	2.13	2,245,000	2,267,937	2,265,409	2,254,115
Federal Agencies	31315PGT0	FARMER MAC	9/15/10	9/15/15	0.21	2.13	45,000,000	44,914,950	44,996,460	45,182,700
Federal Agencies	3133ECJB1	FEDERAL FARM CREDIT BANK	4/24/13	9/18/15	0.22	0.17	16,200,000	16,198,073	16,199,826	16,200,810
Federal Agencies	31398A3T7	FANNIE MAE	10/14/11	9/21/15	0.23	2.00	25,000,000	25,881,000	25,050,238	25,104,750
Federal Agencies	3133EAJF6	FEDERAL FARM CREDIT BANK	11/30/12	9/22/15	0.06	0.21	27,953,000	27,941,120	27,952,039	27,959,429
Federal Agencies	31398A4M1	FANNIE MAE	12/15/10	10/26/15	0.32	1.63	25,000,000	24,317,500	24,955,038	25,118,250
Federal Agencies	31398A4M1	FANNIE MAE	12/23/10	10/26/15	0.32	1.63	42,000,000	40,924,380	41,928,819	42,198,660
Federal Agencies	31331J2S1	FEDERAL FARM CREDIT BANK	12/15/10	11/16/15	0.38	1.50	25,000,000	24,186,981	24,937,565	25,117,000
Federal Agencies	3133ECLZ5	FEDERAL FARM CREDIT BANK	5/8/13	11/19/15	0.05	0.19	25,000,000	24,997,000	24,999,543	25,006,000
Federal Agencies	313371ZY5	FEDERAL HOME LOAN BANK	12/3/10	12/11/15	0.45	1.88	25,000,000	24,982,000	24,998,400	25,190,250
Federal Agencies	313371ZY5	FEDERAL HOME LOAN BANK	12/14/10	12/11/15	0.45	1.88	50,000,000	49,871,500	49,988,510	50,380,500
Federal Agencies	3130A3P81	FEDERAL HOME LOAN BANK	12/29/14	1/29/16	0.58	0.25	25,000,000	25,000,000	25,000,000	25,004,250
Federal Agencies	313375RN9	FEDERAL HOME LOAN BANK	4/13/12	3/11/16	0.70	1.00	22,200,000	22,357,620	22,228,036	22,295,904
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	12/12/13	3/11/16	0.69	3.13	14,000,000	14,848,400	14,262,797	14,273,140
Federal Agencies	3133EAJU3	FEDERAL FARM CREDIT BANK	4/12/12	3/28/16	0.74	1.05	25,000,000	25,220,750	25,041,372	25,140,500
Federal Agencies	3135G0VA8	FANNIE MAE	12/13/13	3/30/16	0.75	0.50	25,000,000	25,022,250	25,007,249	25,034,750
Federal Agencies	31315PTF6	FARMER MAC	4/1/13	4/1/16	0.00	0.18	50,000,000	50,000,000	50,000,000	50,020,500
Federal Agencies	313379Z21	FEDERAL HOME LOAN BANK	4/18/12	4/18/16	0.80	0.81	20,000,000	19,992,200	19,998,441	20,073,400
Federal Agencies	3133ECWT7	FEDERAL FARM CREDIT BANK	11/20/13	5/9/16	0.86	0.65	22,650,000	22,746,489	22,683,519	22,702,095
Federal Agencies	3133EDB35	FEDERAL FARM CREDIT BANK	1/15/14	6/2/16	0.01	0.21	50,000,000	49,991,681	49,996,774	50,037,000
Federal Agencies	31315PB73	FARMER MAC	2/9/12	6/9/16	0.94	0.90	10,000,000	10,000,000	10,000,000	10,064,800
Federal Agencies	313373SZ6	FEDERAL HOME LOAN BANK	10/23/14	6/10/16	0.94	2.13	28,000,000	28,790,468	28,457,570	28,454,440
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	9/4/14	6/13/16	0.94	5.63	8,620,000	9,380,715	9,028,532	9,036,087
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	5/30/13	6/13/16	0.94	5.63	14,195,000	16,259,095	14,842,122	14,880,193
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	5/20/13	6/13/16	0.94	5.63	16,925,000	19,472,890	17,716,666	17,741,970
Federal Agencies	3133EDDP4	FEDERAL FARM CREDIT BANK	2/11/14	6/17/16	0.96	0.52	50,000,000	50,062,000	50,025,466	50,098,500
Federal Agencies	3130A1BK3	FEDERAL HOME LOAN BANK	3/24/14	6/24/16	0.98	0.50	25,000,000	25,000,000	25,000,000	25,017,000
Federal Agencies	3135G0XP3	FANNIE MAE	3/25/14	7/5/16	1.01	0.38	50,000,000	49,753,100	49,890,333	49,987,500
Federal Agencies	31315PA25	FARMER MAC	3/26/13	7/27/16	1.06	2.00	11,900,000	12,440,498	12,073,811	12,099,563

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
Federal Agencies	31315PA25	FARMER MAC	3/26/13	7/27/16	1.06	2.00	14,100,000	14,735,205	14,304,266	14,336,457
Federal Agencies	31315PA25	FARMER MAC	7/27/11	7/27/16	1.06	2.00	15,000,000	14,934,750	14,986,000	15,251,550
Federal Agencies	31315PA25	FARMER MAC	3/26/14	7/27/16	1.06	2.00	20,000,000	20,643,350	20,295,308	20,335,400
Federal Agencies	3134G4UC0	FREDDIE MAC	11/20/14	7/29/16	1.08	0.65	15,000,000	15,022,500	15,014,368	15,004,350
Federal Agencies	3135G0YE7	FANNIE MAE	3/17/14	8/26/16	1.15	0.63	50,000,000	50,124,765	50,058,960	50,120,500
Federal Agencies	31315PQB8	FARMER MAC	10/29/13	9/1/16	1.16	1.50	7,000,000	7,156,240	7,064,423	7,086,730
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	10/11/11	9/9/16	1.18	2.00	25,000,000	25,727,400	25,176,683	25,451,750
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	11/5/14	9/9/16	1.18	2.00	25,000,000	25,662,125	25,428,318	25,451,750
Federal Agencies	3133EDH21	FEDERAL FARM CREDIT BANK	3/14/14	9/14/16	0.04	0.21	50,000,000	49,993,612	49,996,921	50,036,500
Federal Agencies	3134G4XW3	FREDDIE MAC	3/26/14	9/26/16	1.23	0.60	25,000,000	25,000,000	25,000,000	24,991,000
Federal Agencies	3130A1CD8	FEDERAL HOME LOAN BANK	1/9/15	9/28/16	1.24	1.13	25,000,000	25,137,500	25,046,708	25,065,250
Federal Agencies	313378UB5	FEDERAL HOME LOAN BANK	10/23/14	10/11/16	1.27	1.13	5,000,000	5,060,200	5,039,184	5,039,250
Federal Agencies	3133EDJA1	FEDERAL FARM CREDIT BANK	4/11/14	10/11/16	0.03	0.21	25,000,000	24,993,750	24,996,800	25,018,500
Federal Agencies	3130A3CE2	FEDERAL HOME LOAN BANK	11/3/14	10/14/16	1.28	0.63	40,000,000	40,032,000	40,021,198	40,053,600
Federal Agencies	3137EADS5	FREDDIE MAC	3/3/14	10/14/16	1.28	0.88	25,000,000	25,200,250	25,098,659	25,140,000
Federal Agencies	3136G1WP0	FANNIE MAE	11/4/13	11/4/16	1.33	1.50	18,000,000	18,350,460	18,060,490	18,076,860
Federal Agencies	3134G5LS2	FREDDIE MAC	11/17/14	11/17/16	1.38	0.60	25,000,000	25,000,000	25,000,000	24,975,000
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	11/17/14	11/23/16	1.39	0.63	25,000,000	24,990,000	24,993,066	25,015,250
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	11/30/12	11/30/16	1.41	0.57	23,100,000	23,104,389	23,101,556	23,106,237
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	11/6/14	12/9/16	1.43	1.63	25,000,000	25,513,000	25,353,863	25,382,250
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/4/14	12/9/16	1.43	1.63	25,000,000	25,486,750	25,348,529	25,382,250
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/12/14	12/9/16	1.43	1.63	25,000,000	25,447,500	25,323,946	25,382,250
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	3/19/14	12/19/16	1.46	0.70	20,500,000	20,497,950	20,498,906	20,509,225
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	12/28/12	12/28/16	1.49	0.63	9,000,000	9,000,000	9,000,000	8,988,930
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	12/28/12	12/28/16	1.49	0.63	13,500,000	13,500,000	13,500,000	13,483,395
Federal Agencies	3134G5VG7	FREDDIE MAC	12/29/14	12/29/16	1.49	0.78	50,000,000	50,000,000	50,000,000	50,060,000
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	12/30/14	12/30/16	1.49	0.75	8,000,000	8,000,000	8,000,000	8,018,480
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	12/30/14	12/30/16	1.49	0.75	50,000,000	50,000,000	50,000,000	50,115,500
Federal Agencies	3134G33C2	FREDDIE MAC	1/3/13	1/3/17	1.50	0.60	50,000,000	50,000,000	50,000,000	50,022,000
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	12/20/12	1/12/17	1.53	0.58	14,000,000	14,000,000	14,000,000	13,987,820
Federal Agencies	31315PWW5	FARMER MAC	5/4/12	1/17/17	1.53	1.01	49,500,000	49,475,250	49,491,851	49,781,160
Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	12/12/14	1/30/17	0.08	0.15	50,000,000	49,981,400	49,986,193	49,972,000
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	1/10/13	2/13/17	1.61	1.00	67,780,000	68,546,456	68,084,019	68,175,157
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	2/27/14	2/27/17	0.07	0.24	50,000,000	50,000,000	50,000,000	50,063,500
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	12/15/14	3/10/17	1.68	0.88	50,000,000	50,058,500	50,044,305	50,169,500
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	10/3/14	3/24/17	0.07	0.23	26,000,000	26,009,347	26,006,542	26,026,780
Federal Agencies	3134G4XM5	FREDDIE MAC	3/28/14	3/28/17	1.73	0.78	25,000,000	25,000,000	25,000,000	25,033,250
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	10/29/14	3/29/17	0.08	0.21	25,000,000	24,999,750	24,999,819	25,017,500
Federal Agencies	31315PTQ2	FARMER MAC	4/10/12	4/10/17	1.76	1.26	12,500,000	12,439,250	12,478,408	12,599,250
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	4/17/13	4/17/17	1.79	0.60	10,000,000	10,000,000	10,000,000	9,985,700
Federal Agencies	31315PUQ0	FARMER MAC	4/26/12	4/26/17	1.81	1.13	10,500,000	10,500,000	10,500,000	10,570,770
Federal Agencies	3137EADF3	FREDDIE MAC	5/14/12	5/12/17	1.85	1.25	25,000,000	25,133,000	25,049,656	25,279,500
Federal Agencies	31315PZQ5	FARMER MAC	12/28/12	6/5/17	1.91	1.11	9,000,000	9,122,130	9,053,149	9,030,690
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12/19/14	6/9/17	1.93	1.00	12,000,000	12,020,760	12,016,300	12,053,640
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	12/30/14	6/15/17	1.94	0.95	25,000,000	24,959,750	24,967,952	25,155,250
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	6/19/12	6/19/17	0.22	0.35	50,000,000	50,000,000	50,000,000	50,100,000
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	12/26/14	6/26/17	1.98	0.93	8,400,000	8,397,312	8,397,863	8,427,468
Federal Agencies	3137EADH9	FREDDIE MAC	3/25/14	6/29/17	1.98	1.00	25,000,000	24,920,625	24,951,456	25,137,250
Federal Agencies	3134G5W50	FREDDIE MAC	12/30/14	6/30/17	1.99	1.00	50,000,000	50,000,000	50,000,000	50,239,500
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	7/24/13	7/24/17	0.07	0.23	50,000,000	50,000,000	50,000,000	50,049,500

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
Federal Agencies	3133ECVG6	FEDERAL FARM CREDIT BANK	8/5/13	7/26/17	0.07	0.28	23,520,000	23,520,000	23,520,000	23,561,866
Federal Agencies	3133EEFX3	FEDERAL FARM CREDIT BANK	12/23/14	8/23/17	0.06	0.24	50,000,000	50,000,000	50,000,000	50,058,500
Federal Agencies	3134G6ER0	FREDDIE MAC	2/25/15	8/25/17	2.13	1.00	18,300,000	18,300,000	18,300,000	18,323,058
Federal Agencies	3134G5HS7	FREDDIE MAC	9/25/14	9/25/17	2.21	1.13	20,100,000	20,079,900	20,085,017	20,140,602
Federal Agencies	3137EADL0	FREDDIE MAC	3/25/14	9/29/17	2.22	1.00	25,000,000	24,808,175	24,877,346	25,059,000
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	11/18/14	11/13/17	0.04	0.22	25,000,000	24,988,794	24,991,105	24,993,250
Federal Agencies	3134G44F2	FREDDIE MAC	5/21/13	11/21/17	2.37	0.80	50,000,000	50,000,000	50,000,000	49,768,500
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	12/22/14	12/8/17	2.41	1.13	25,000,000	24,955,500	24,963,355	25,105,000
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	12/19/14	12/18/17	2.44	1.13	50,000,000	49,914,500	49,929,648	50,199,000
Federal Agencies	31315PZ28	FARMER MAC	12/22/14	12/22/17	2.45	1.20	46,000,000	46,000,000	46,000,000	46,339,480
Federal Agencies	3136G13Q0	FANNIE MAE	12/26/12	12/26/17	2.47	0.88	29,000,000	29,000,000	29,000,000	29,029,870
Federal Agencies	3136G13T4	FANNIE MAE	12/26/12	12/26/17	2.47	0.80	39,000,000	39,000,000	39,000,000	39,031,200
Federal Agencies	3134G32M1	FREDDIE MAC	12/28/12	12/28/17	2.47	1.00	50,000,000	50,000,000	50,000,000	49,836,000
Federal Agencies	3134G5VA0	FREDDIE MAC	12/29/14	12/29/17	2.47	1.25	25,000,000	25,000,000	25,000,000	25,019,750
Federal Agencies	31315P4S5	FARMER MAC	1/5/15	1/5/18	0.01	0.35	50,000,000	50,000,000	50,000,000	50,000,500
Federal Agencies	3134G5XM2	FREDDIE MAC	1/30/15	1/30/18	2.57	0.50	25,000,000	25,000,000	25,000,000	25,002,250
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	5/27/15	2/2/18	0.01	0.23	4,000,000	3,999,480	3,999,499	4,004,360
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	2/2/15	2/2/18	0.01	0.23	35,000,000	34,978,893	34,981,762	35,038,150
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/14	2/5/18	0.01	0.23	25,000,000	25,000,000	25,000,000	25,020,500
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/14	2/5/18	0.01	0.23	25,000,000	24,991,750	24,993,403	25,020,500
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/5/14	2/5/18	0.01	0.23	50,000,000	49,983,560	49,986,853	50,041,000
Federal Agencies	3134G6AX1	FREDDIE MAC	2/20/15	2/20/18	2.61	0.75	22,000,000	22,000,000	22,000,000	22,011,000
Federal Agencies	3134G6ED1	FREDDIE MAC	2/27/15	2/27/18	2.64	0.50	25,000,000	25,000,000	25,000,000	25,001,000
Federal Agencies	3134G6ED1	FREDDIE MAC	2/27/15	2/27/18	2.64	0.50	25,000,000	25,000,000	25,000,000	25,001,000
Federal Agencies	3135G0UN1	FANNIE MAE	2/26/14	2/28/18	2.62	1.15	8,770,000	8,713,434	8,732,379	8,762,195
Federal Agencies	3135G0UN1	FANNIE MAE	2/26/14	2/28/18	2.62	1.15	19,000,000	18,877,450	18,918,495	18,983,090
Federal Agencies	3133EEN71	FEDERAL FARM CREDIT BANK	5/22/15	3/22/18	0.06	0.22	50,000,000	49,992,500	49,992,790	50,031,500
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	5/27/15	3/26/18	0.24	0.23	50,000,000	49,978,500	49,979,228	49,902,500
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	5/29/15	3/26/18	0.24	0.23	50,000,000	49,978,500	49,979,188	49,902,500
Federal Agencies	3134G6ME0	FREDDIE MAC	4/6/15	4/6/18	0.00	1.05	25,000,000	25,000,000	25,000,000	25,002,250
Federal Agencies	3134G6MZ3	FREDDIE MAC	4/10/15	4/10/18	2.75	0.63	25,000,000	25,000,000	25,000,000	25,002,000
Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	4/16/15	4/16/18	0.04	0.23	50,000,000	49,992,422	49,992,947	50,022,500
Federal Agencies	3134G6NA7	FREDDIE MAC	4/17/15	4/17/18	2.77	0.63	25,000,000	25,000,000	25,000,000	25,003,000
Federal Agencies	31315PZM4	FARMER MAC	5/3/13	5/3/18	2.82	0.88	24,600,000	24,600,000	24,600,000	24,616,236
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	6/3/15	5/3/18	0.01	0.22	69,000,000	68,994,894	68,995,028	69,187,680
Federal Agencies	3135G0WJ8	FANNIE MAE	5/23/13	5/21/18	2.86	0.88	25,000,000	24,786,500	24,876,512	24,850,250
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	6/11/15	6/11/18	0.03	0.23	50,000,000	49,996,000	49,996,073	50,009,500
Federal Agencies	3130A4MX7	FEDERAL HOME LOAN BANK	3/27/15	6/25/18	2.97	0.50	4,000,000	4,000,000	4,000,000	3,996,640
Federal Agencies	3134G52D6	FREDDIE MAC	4/17/14	7/17/18	2.96	1.64	25,000,000	25,000,000	25,000,000	25,016,750
Federal Agencies	3134G5ZP3	FREDDIE MAC	1/27/15	7/27/18	3.04	0.75	25,000,000	25,000,000	25,000,000	25,007,500
Federal Agencies	3134G5ZZ1	FREDDIE MAC	1/30/15	7/30/18	3.03	1.00	25,000,000	25,000,000	25,000,000	25,014,750
Federal Agencies	3130A4GL0	FEDERAL HOME LOAN BANK	3/18/15	9/18/18	3.15	1.33	15,000,000	15,000,000	15,000,000	14,991,900
Federal Agencies	3134G6RP0	FREDDIE MAC	4/24/15	10/24/18	3.27	1.00	50,000,000	49,985,000	49,985,798	50,022,000
Federal Agencies	31315PS59	FARMER MAC	3/3/15	12/3/18	0.18	0.42	50,000,000	50,000,000	50,000,000	50,113,000
Federal Agencies	31315PW96	FARMER MAC	3/3/15	12/3/18	0.18	0.40	50,000,000	50,000,000	50,000,000	50,134,000
Federal Agencies	3134G4LZ9	FREDDIE MAC	12/10/13	12/10/18	3.40	0.88	50,000,000	50,000,000	50,000,000	50,175,500
Federal Agencies	3136G2C39	FANNIE MAE	12/30/14	12/28/18	3.41	1.63	15,000,000	15,000,000	15,000,000	15,083,400
Federal Agencies	3130A4NB4	FEDERAL HOME LOAN BANK	4/2/15	4/2/19	0.01	0.42	50,000,000	50,000,000	50,000,000	50,000,000
Federal Agencies	31315PS91	FARMER MAC	8/12/14	8/12/19	0.12	0.40	50,000,000	50,000,000	50,000,000	50,138,000
Federal Agencies	31315PJ26	FARMER MAC	12/2/14	12/2/19	0.18	0.40	50,000,000	50,000,000	50,000,000	50,139,500

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized			
			Date	Date					Book Value	Market Value		
Federal Agencies	3130A4HA3	FEDERAL HOME LOAN BANK	3/18/15	3/18/20	4.58	1.25	25,000,000	25,000,000	25,000,000	25,030,750		
Federal Agencies	3134G6KV4	FREDDIE MAC	3/25/15	3/25/20	4.56	1.63	15,000,000	15,000,000	15,000,000	15,025,200		
Federal Agencies	3132X0AT8	FARMER MAC	6/5/15	6/2/20	0.01	0.33	41,000,000	41,000,000	41,000,000	41,002,870		
Subtotals							1.08	0.84	\$ 4,153,548,000	\$ 4,162,753,635	\$ 4,158,335,339	\$ 4,166,102,251
State/Local Agencies	040647DT3	ARIZONA ST TRANSPRTN BRD	5/13/15	7/1/15	0.00	4.00	\$ 2,700,000	\$ 2,753,316	\$ 2,739,600	\$ 2,700,000		
State/Local Agencies	34074GDD3	FLORIDA ST HURRICANE CATASTR	6/25/15	7/1/15	0.00	5.00	50,000,000	51,248,333	51,208,333	50,000,000		
State/Local Agencies	91411UU11	UNIVERSITY OF CALIFORNIA	6/9/15	7/1/15	0.00	0.00	75,000,000	74,994,959	74,994,959	75,000,000		
State/Local Agencies	13063BHZ8	CALIFORNIA ST	8/19/14	11/1/15	0.34	3.95	5,000,000	5,215,300	5,060,323	5,055,950		
State/Local Agencies	64966GXS6	NEW YORK NY	4/1/13	12/1/15	0.42	5.13	12,255,000	13,700,477	12,482,062	12,486,007		
State/Local Agencies	13063BN73	CALIFORNIA ST	12/19/14	2/1/16	0.58	1.05	7,000,000	7,044,310	7,023,293	7,020,510		
State/Local Agencies	13063BN73	CALIFORNIA ST	3/27/13	2/1/16	0.58	1.05	11,000,000	11,037,180	11,007,679	11,032,230		
State/Local Agencies	13063BN73	CALIFORNIA ST	3/31/15	2/1/16	0.58	1.05	21,000,000	21,150,150	21,116,167	21,061,530		
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA CA REVENUE	4/10/14	5/15/16	0.87	0.63	2,500,000	2,500,000	2,500,000	2,501,525		
State/Local Agencies	612574DR1	MONTEREY PENINSULA CA CMNTY	5/7/13	8/1/16	1.08	0.98	2,670,000	2,670,000	2,670,000	2,677,369		
State/Local Agencies	13063CPM6	CALIFORNIA ST	12/9/14	11/1/16	1.33	0.75	44,000,000	44,046,200	44,032,600	44,016,280		
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENUE	4/10/14	5/15/17	1.86	1.22	3,250,000	3,250,000	3,250,000	3,257,735		
State/Local Agencies	13063CFC9	CALIFORNIA ST	11/5/13	11/1/17	2.29	1.75	16,500,000	16,558,905	16,534,526	16,673,580		
State/Local Agencies	13063CPN4	CALIFORNIA ST	12/22/14	11/1/17	2.31	1.25	5,000,000	5,004,550	5,003,718	5,011,150		
State/Local Agencies	13063CPN4	CALIFORNIA ST	11/25/14	11/1/17	2.31	1.25	50,000,000	50,121,500	50,096,792	50,111,500		
State/Local Agencies	6055804W6	MISSISSIPPI ST	4/23/15	10/1/19	3.81	6.09	8,500,000	10,249,139	10,176,076	10,045,300		
Subtotals							0.95	1.84	\$ 316,375,000	\$ 321,544,320	\$ 319,896,128	\$ 318,650,666
Public Time Deposits	PP7QLOE87	TRANS-PAC NATIONAL BK	3/20/15	3/21/16	0.72	0.58	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000		
Public Time Deposits	PPRNET9Q5	BANK OF SAN FRANCISCO	4/9/15	4/11/16	0.78	0.56	240,000	240,000	240,000	240,000		
Public Time Deposits	PP9302V13	PREFERRED BANK LA CALIF	5/15/15	5/16/16	0.88	0.59	240,000	240,000	240,000	240,000		
Public Time Deposits	PP00BERR6	UMPQUA BANK	6/29/15	6/29/16	1.00	0.60	240,000	240,000	240,000	240,000		
Subtotals							0.84	0.58	\$ 960,000	\$ 960,000	\$ 960,000	\$ 960,000
Negotiable CDs	06366CU89	BANK OF MONTREAL CHICAGO	6/1/15	12/1/15	0.00	0.27	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,024,374		
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY	9/16/14	3/10/16	0.03	0.35	25,000,000	25,000,000	25,000,000	25,010,641		
Negotiable CDs	78009NTW6	ROYAL BANK OF CANADA NY	4/8/15	4/8/16	0.02	0.30	100,000,000	100,000,000	100,000,000	99,901,172		
Negotiable CDs	96121TWJ3	WESTPAC BANKING CORP NY	4/24/14	4/25/16	0.07	0.43	25,000,000	25,000,000	25,000,000	24,999,370		
Negotiable CDs	96121TWK0	WESTPAC BANKING CORP NY	4/24/14	4/25/16	0.07	0.41	50,000,000	50,000,000	50,000,000	49,990,435		
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA HOUS	5/9/14	5/9/16	0.11	0.47	25,000,000	24,989,525	24,995,515	24,994,175		
Negotiable CDs	06366CWA2	BANK OF MONTREAL CHICAGO	2/12/15	8/12/16	0.04	0.43	25,000,000	25,000,000	25,000,000	24,991,600		
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	3/31/15	9/23/16	0.06	0.45	25,000,000	25,000,000	25,000,000	24,996,950		
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	3/31/15	9/23/16	0.06	0.45	50,000,000	50,000,000	50,000,000	49,993,900		
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA HOUS	9/25/14	9/23/16	0.23	0.48	50,000,000	50,000,000	50,000,000	49,963,550		
Negotiable CDs	06366CC48	BANK OF MONTREAL CHICAGO	4/7/15	10/7/16	1.27	0.44	50,000,000	50,000,000	50,000,000	49,818,500		
Negotiable CDs	06417HVR4	BANK OF NOVA SCOTIA HOUS	10/7/14	10/7/16	0.02	0.47	50,000,000	50,000,000	50,000,000	49,987,150		
Negotiable CDs	78009NSX5	ROYAL BANK OF CANADA NY	12/15/14	12/15/16	0.21	0.47	100,000,000	100,000,000	100,000,000	100,120,000		
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	2/23/15	2/23/17	0.15	0.56	25,000,000	25,000,000	25,000,000	24,995,600		
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	2/23/15	2/23/17	0.15	0.56	25,000,000	25,000,000	25,000,000	24,995,600		
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	9/25/14	9/25/17	0.24	0.55	50,000,000	50,000,000	50,000,000	49,971,850		
Subtotals							0.18	0.43	\$ 725,000,000	\$ 724,989,525	\$ 724,995,515	\$ 724,754,867
Commercial Paper	06538CU17	BANK TOKYO-MIT UFJ NY	6/3/15	7/1/15	0.00	0.00	\$ 100,000,000	\$ 99,986,000	\$ 99,986,000	\$ 100,000,000		
Commercial Paper	62478YU14	MUFG UNION BANK NA	6/30/15	7/1/15	0.00	0.00	300,000,000	299,999,500	299,999,500	300,000,000		
Subtotals							0.00	0.00	\$ 400,000,000	\$ 399,985,500	\$ 399,985,500	\$ 400,000,000

Investment Inventory Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
Medium Term Notes	36962G5Z3	GENERAL ELEC CAP CORP	8/19/13	7/2/15	0.00	1.63	\$ 5,000,000	\$ 5,075,250	\$ 5,000,110	\$ 5,000,000
Medium Term Notes	36962G4M3	GENERAL ELEC CAP CORP	11/25/13	7/9/15	0.02	1.02	8,565,000	8,624,955	8,565,812	8,566,028
Medium Term Notes	89233P6J0	TOYOTA MOTOR CREDIT CORP	3/4/14	7/17/15	0.05	0.88	6,100,000	6,147,885	6,101,532	6,101,159
Medium Term Notes	89233P6J0	TOYOTA MOTOR CREDIT CORP	11/15/13	7/17/15	0.05	0.88	10,000,000	10,072,000	10,001,892	10,001,900
Medium Term Notes	594918AG9	MICROSOFT CORP	10/30/13	9/25/15	0.24	1.63	3,186,000	3,260,266	3,195,190	3,196,004
Medium Term Notes	961214BW2	WESTPAC BANKING CORP	9/15/14	9/25/15	0.24	1.13	10,152,000	10,232,201	10,170,393	10,168,345
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	5/7/14	10/9/15	0.28	0.85	8,000,000	8,043,680	8,008,400	8,011,680
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	5/19/14	10/9/15	0.28	0.85	9,300,000	9,358,311	9,311,479	9,313,578
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	3/5/14	10/9/15	0.28	0.85	10,000,000	10,069,000	10,011,835	10,014,600
Medium Term Notes	06366RJH9	BANK OF MONTREAL	3/27/14	11/6/15	0.35	0.80	8,500,000	8,532,470	8,507,056	8,511,305
Medium Term Notes	36962G4T8	GENERAL ELEC CAP CORP	5/12/14	11/9/15	0.36	2.25	7,000,000	7,183,890	7,044,120	7,042,210
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	3/12/14	11/15/15	0.38	1.80	10,000,000	10,231,900	10,051,828	10,050,700
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	3/7/14	11/15/15	0.38	1.80	23,025,000	23,588,652	23,149,952	23,141,737
Medium Term Notes	459200GU9	IBM CORP	2/11/14	1/5/16	0.51	2.00	19,579,000	20,139,743	19,731,121	19,743,855
Medium Term Notes	46625HHW3	JPMORGAN CHASE & CO	2/11/15	1/15/16	0.54	2.60	12,836,000	13,079,085	12,988,383	12,937,789
Medium Term Notes	064255AK8	BK TOKYO-MITSUBISHI UFJ	3/17/14	2/26/16	0.16	0.73	10,000,000	10,035,800	10,012,084	10,008,300
Medium Term Notes	36962G2V5	GENERAL ELEC CAP CORP	5/19/14	5/11/16	0.12	0.48	17,689,000	17,703,328	17,695,243	17,721,902
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	4/1/15	7/12/16	0.04	0.93	18,194,000	18,324,486	18,299,113	18,292,611
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	3/23/15	7/12/16	0.04	0.93	27,651,000	27,853,609	27,811,133	27,800,868
Medium Term Notes	064159CQ7	BANK OF NOVA SCOTIA	2/13/15	7/15/16	1.03	1.38	16,483,000	16,639,415	16,602,440	16,587,502
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	12/15/14	9/9/16	0.19	0.74	18,930,000	19,016,132	18,989,232	18,996,255
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	3/2/15	9/9/16	0.19	0.74	24,000,000	24,103,620	24,081,110	24,084,000
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	12/9/14	9/23/16	0.23	0.38	14,150,000	14,145,331	14,146,787	14,158,632
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	2/11/15	9/23/16	0.23	0.38	28,150,000	28,142,963	28,144,632	28,167,172
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	9/23/14	9/23/16	0.23	0.38	50,000,000	50,000,000	50,000,000	50,030,500
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP	9/25/14	9/23/16	0.23	0.38	47,500,000	47,500,000	47,500,000	47,471,025
Medium Term Notes	9612E0DB0	WESTPAC BANKING CORP	10/10/14	10/7/16	0.02	0.43	50,000,000	50,000,000	50,000,000	49,999,500
Medium Term Notes	89236TCL7	TOYOTA MOTOR CREDIT CORP	4/14/15	10/14/16	0.04	0.38	50,000,000	50,000,000	50,000,000	49,987,000
Medium Term Notes	36967FAB7	GENERAL ELEC CAP CORP	1/9/15	1/9/17	0.02	0.55	20,000,000	20,000,000	20,000,000	20,030,000
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	4/8/15	2/15/17	0.13	0.44	3,791,000	3,789,138	3,789,368	3,787,399
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	4/1/15	2/15/17	0.13	0.44	4,948,000	4,942,755	4,943,451	4,943,299
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	4/14/15	2/16/17	0.13	0.47	10,000,000	10,006,300	10,005,571	10,004,500
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	2/20/15	2/16/17	0.13	0.47	50,000,000	50,000,000	50,000,000	50,022,500
Subtotals					0.20	0.78	\$ 612,729,000	\$ 615,842,162	\$ 613,859,267	\$ 613,893,855
Money Market Funds	09248U718	BLACKROCK LIQUIDITY FUNDS T-FI	1/15/13	7/1/15	0.00	0.01	\$ 5,001,619	\$ 5,001,619	\$ 5,001,619	\$ 5,001,619
Money Market Funds	316175108	FIDELITY INSTITUTIONAL MONEY M	6/20/13	7/1/15	0.00	0.01	5,004,045	5,004,045	5,004,045	5,004,045
Money Market Funds	61747C707	MORGAN STANLEY INSTITUTIONAL	12/31/12	7/1/15	0.00	0.04	275,109,162	275,109,162	275,109,162	275,109,162
Subtotals					0.00	0.04	\$ 285,114,825	\$ 285,114,825	\$ 285,114,825	\$ 285,114,825
Grand Totals					0.80	0.78	\$ 6,968,726,825	\$ 6,983,343,286	\$ 6,977,711,761	\$ 6,987,343,964

Monthly Investment Earnings

Pooled Fund

For month ended June 30, 2015

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
U.S. Treasuries	912828PE4	US TSY NT	\$ 25,000,000	1.25	0.61	12/23/11	10/31/15	\$ 25,476	\$ (12,984)	\$ -	\$ 12,492
U.S. Treasuries	912828P3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	56,352	7,964	-	64,316
U.S. Treasuries	912828P3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	56,352	7,964	-	64,316
U.S. Treasuries	912828P3	US TSY NT	50,000,000	1.38	2.00	12/23/10	11/30/15	56,352	24,308	-	80,661
U.S. Treasuries	912828R1	US TSY NT	75,000,000	1.00	1.05	10/11/11	9/30/16	61,475	2,807	-	64,282
U.S. Treasuries	912828RM4	US TSY NT	25,000,000	1.00	0.74	12/26/13	10/31/16	20,380	(5,296)	-	15,084
U.S. Treasuries	912828RX0	US TSY NT	25,000,000	0.88	0.67	2/25/14	12/31/16	18,119	(4,197)	-	13,921
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	17,833	6,655	-	24,488
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	17,833	6,655	-	24,488
U.S. Treasuries	912828SJ0	US TSY NT	75,000,000	0.88	0.94	3/14/12	2/28/17	53,499	3,783	-	57,282
U.S. Treasuries	912828SM3	US TSY NT	50,000,000	1.00	1.07	4/4/12	3/31/17	40,984	2,701	-	43,685
Subtotals			\$ 475,000,000					\$ 424,655	\$ 40,360	\$ -	\$ 465,015
Federal Agencies	313396GH0	FREDDIE MAC DISCOUNT NT	\$ -	0.00	0.06	5/15/15	6/1/15	\$ -	\$ -	\$ -	\$ -
Federal Agencies	313384GS2	FED HOME LN DISCOUNT NT	-	0.00	0.06	5/14/15	6/10/15	619	-	-	619
Federal Agencies	313379ER6	FEDERAL HOME LOAN BANK	-	0.50	0.07	5/12/15	6/12/15	1,528	(1,279)	-	248
Federal Agencies	3133EAVE5	FEDERAL FARM CREDIT BANK	-	0.20	0.50	12/5/12	6/22/15	5,972	287	-	6,259
Federal Agencies	31315PDZ9	FARMER MAC	15,000,000	2.38	0.32	11/22/13	7/22/15	29,688	(25,273)	-	4,415
Federal Agencies	313384JT7	FED HOME LN DISCOUNT NT	24,990,000	0.00	0.07	5/29/15	7/29/15	1,458	-	-	1,458
Federal Agencies	313383V81	FEDERAL HOME LOAN BANK	9,000,000	0.38	0.28	12/12/13	8/28/15	2,813	(679)	-	2,133
Federal Agencies	313384LM9	FED HOME LN DISCOUNT NT	50,000,000	0.00	0.09	6/10/15	9/9/15	2,508	-	-	2,508
Federal Agencies	3133EDEK4	FEDERAL FARM CREDIT BANK	1,500,000	0.25	0.12	6/10/15	9/10/15	219	(109)	-	110
Federal Agencies	3137EACM9	FREDDIE MAC	50,000,000	1.75	2.17	12/15/10	9/10/15	72,917	16,474	-	89,391
Federal Agencies	313370JB5	FEDERAL HOME LOAN BANK	75,000,000	1.75	2.31	12/15/10	9/11/15	109,375	24,489	-	133,864
Federal Agencies	31315PGT0	FARMER MAC	2,245,000	2.13	0.15	6/10/15	9/15/15	2,783	(2,527)	-	256
Federal Agencies	31315PGT0	FARMER MAC	45,000,000	2.13	2.17	9/15/10	9/15/15	79,688	1,397	-	81,085
Federal Agencies	3133ECJB1	FEDERAL FARM CREDIT BANK	16,200,000	0.17	0.22	4/24/13	9/18/15	2,368	66	-	2,434
Federal Agencies	31398A3T7	FANNIE MAE	25,000,000	2.00	1.08	10/14/11	9/21/15	41,667	(18,380)	-	23,287
Federal Agencies	3133EAJF6	FEDERAL FARM CREDIT BANK	27,953,000	0.21	0.38	11/30/12	9/22/15	4,900	347	-	5,247
Federal Agencies	31398A4M1	FANNIE MAE	25,000,000	1.63	2.22	12/15/10	10/26/15	33,854	11,529	-	45,383
Federal Agencies	31398A4M1	FANNIE MAE	42,000,000	1.63	2.19	12/23/10	10/26/15	56,875	18,251	-	75,126
Federal Agencies	313384PE3	FED HOME LN DISCOUNT NT	-	0.00	0.15	6/11/15	11/13/15	208	-	-	208
Federal Agencies	31331J2S1	FEDERAL FARM CREDIT BANK	25,000,000	1.50	2.20	12/15/10	11/16/15	31,250	13,573	-	44,823
Federal Agencies	3133ECLZ5	FEDERAL FARM CREDIT BANK	25,000,000	0.19	0.22	5/8/13	11/19/15	3,890	97	-	3,987
Federal Agencies	313371ZY5	FEDERAL HOME LOAN BANK	25,000,000	1.88	1.89	12/3/10	12/11/15	39,063	294	-	39,357
Federal Agencies	313371ZY5	FEDERAL HOME LOAN BANK	50,000,000	1.88	1.93	12/14/10	12/11/15	78,125	2,115	-	80,240
Federal Agencies	3130A3P81	FEDERAL HOME LOAN BANK	25,000,000	0.25	0.25	12/29/14	1/29/16	5,208	-	-	5,208
Federal Agencies	313375RN9	FEDERAL HOME LOAN BANK	22,200,000	1.00	0.82	4/13/12	3/11/16	18,500	(3,311)	-	15,189
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	14,000,000	3.13	0.41	12/12/13	3/11/16	36,458	(31,039)	-	5,419
Federal Agencies	3133EAJU3	FEDERAL FARM CREDIT BANK	25,000,000	1.05	0.82	4/12/12	3/28/16	21,875	(4,580)	-	17,295
Federal Agencies	3135GOVA8	FANNIE MAE	25,000,000	0.50	0.46	12/13/13	3/30/16	10,417	(797)	-	9,620
Federal Agencies	31315PTF6	FARMER MAC	50,000,000	0.18	0.18	4/1/13	4/1/16	7,667	-	-	7,667
Federal Agencies	313379221	FEDERAL HOME LOAN BANK	20,000,000	0.81	0.82	4/18/12	4/18/16	13,500	160	-	13,660
Federal Agencies	3133ECWT7	FEDERAL FARM CREDIT BANK	22,650,000	0.65	0.48	11/20/13	5/9/16	12,269	(3,213)	-	9,056
Federal Agencies	3133EDB35	FEDERAL FARM CREDIT BANK	50,000,000	0.21	0.23	1/15/14	6/2/16	8,912	287	-	9,200
Federal Agencies	31315PB73	FARMER MAC	10,000,000	0.90	0.90	2/9/12	6/9/16	7,500	-	-	7,500
Federal Agencies	313373S26	FEDERAL HOME LOAN BANK	28,000,000	2.13	0.39	10/23/14	6/10/16	49,583	(39,789)	-	9,795
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	8,620,000	5.63	0.62	9/4/14	6/13/16	40,406	(35,218)	-	5,188
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	14,195,000	5.63	0.77	5/30/13	6/13/16	66,539	(55,786)	-	10,753
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	16,925,000	5.63	0.65	5/20/13	6/13/16	79,336	(68,247)	-	11,089
Federal Agencies	3133EDDP4	FEDERAL FARM CREDIT BANK	50,000,000	0.52	0.44	2/11/14	6/17/16	21,667	(2,170)	-	19,496

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3130A1BK3	FEDERAL HOME LOAN BANK	25,000,000	0.50	0.50	3/24/14	6/24/16	10,417	-	-	10,417
Federal Agencies	3135G0XP3	FANNIE MAE	50,000,000	0.38	0.59	3/25/14	7/5/16	15,625	8,892	-	24,517
Federal Agencies	31315PA25	FARMER MAC	11,900,000	2.00	0.62	3/26/13	7/27/16	19,833	(13,302)	-	6,531
Federal Agencies	31315PA25	FARMER MAC	14,100,000	2.00	0.63	3/26/13	7/27/16	23,500	(15,633)	-	7,867
Federal Agencies	31315PA25	FARMER MAC	15,000,000	2.00	2.09	7/27/11	7/27/16	25,000	1,071	-	26,071
Federal Agencies	31315PA25	FARMER MAC	20,000,000	2.00	0.61	3/26/14	7/27/16	33,333	(22,600)	-	10,733
Federal Agencies	3134G4UC0	FREDDIE MAC	15,000,000	0.65	0.56	11/20/14	7/29/16	8,125	(1,094)	-	7,031
Federal Agencies	3135G0YE7	FANNIE MAE	50,000,000	0.63	0.52	3/17/14	8/26/16	26,042	(4,191)	-	21,850
Federal Agencies	31315PQB8	FARMER MAC	7,000,000	1.50	0.70	10/29/13	9/1/16	8,750	(4,516)	-	4,234
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	25,000,000	2.00	1.39	10/11/11	9/9/16	41,667	(12,157)	-	29,510
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	25,000,000	2.00	0.55	11/5/14	9/9/16	41,667	(29,471)	-	12,195
Federal Agencies	3133EDH21	FEDERAL FARM CREDIT BANK	50,000,000	0.21	0.22	3/14/14	9/14/16	8,564	209	-	8,774
Federal Agencies	3134G4XW3	FREDDIE MAC	25,000,000	0.60	0.60	3/26/14	9/26/16	12,500	-	-	12,500
Federal Agencies	3130A1CD8	FEDERAL HOME LOAN BANK	25,000,000	1.13	0.80	1/9/15	9/28/16	23,438	(15,744)	-	7,693
Federal Agencies	313378UB5	FEDERAL HOME LOAN BANK	5,000,000	1.13	0.51	10/23/14	10/11/16	4,708	(2,512)	-	2,197
Federal Agencies	3133EDJA1	FEDERAL FARM CREDIT BANK	25,000,000	0.21	0.23	4/11/14	10/11/16	4,281	205	-	4,486
Federal Agencies	3130A3CE2	FEDERAL HOME LOAN BANK	40,000,000	0.63	0.58	11/3/14	10/14/16	20,833	(1,350)	-	19,483
Federal Agencies	3137EADS5	FREDDIE MAC	25,000,000	0.88	0.57	3/3/14	10/14/16	18,229	(6,284)	-	11,945
Federal Agencies	3136G1WP0	FANNIE MAE	18,000,000	1.50	0.84	11/4/13	11/4/16	22,500	(14,402)	-	8,098
Federal Agencies	3134G5LS2	FREDDIE MAC	25,000,000	0.60	0.60	11/17/14	11/17/16	12,500	-	-	12,500
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	25,000,000	0.63	0.64	11/17/14	11/23/16	13,021	407	-	13,428
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	23,100,000	0.57	0.57	11/30/12	11/30/16	10,973	(90)	-	10,882
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.64	11/6/14	12/9/16	33,854	(20,144)	-	13,710
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.65	12/4/14	12/9/16	33,854	(19,840)	-	14,014
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.72	12/12/14	12/9/16	33,854	(18,441)	-	15,413
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	20,500,000	0.70	0.70	3/19/14	12/19/16	11,958	61	-	12,019
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	9,000,000	0.63	0.63	12/28/12	12/28/16	4,688	-	-	4,688
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	13,500,000	0.63	0.63	12/28/12	12/28/16	7,031	-	-	7,031
Federal Agencies	3134G5VG7	FREDDIE MAC	50,000,000	0.78	0.78	12/29/14	12/29/16	32,500	-	-	32,500
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	8,000,000	0.75	0.75	12/30/14	12/30/16	5,000	-	-	5,000
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	50,000,000	0.75	0.75	12/30/14	12/30/16	31,250	-	-	31,250
Federal Agencies	3134G33C2	FREDDIE MAC	50,000,000	0.60	0.60	1/3/13	1/3/17	25,000	-	-	25,000
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	14,000,000	0.58	0.58	12/20/12	1/12/17	6,767	-	-	6,767
Federal Agencies	31315PWW5	FARMER MAC	49,500,000	1.01	1.02	5/4/12	1/17/17	41,663	432	-	42,094
Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	50,000,000	0.15	0.17	12/12/14	1/30/17	6,226	715	-	6,941
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	67,780,000	1.00	0.72	1/10/13	2/13/17	56,483	(15,380)	-	41,103
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	50,000,000	0.24	0.24	2/27/14	2/27/17	10,000	-	-	10,000
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	50,000,000	0.88	0.82	12/15/14	3/10/17	36,458	(2,151)	-	34,308
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	26,000,000	0.23	0.21	10/3/14	3/24/17	4,881	(311)	-	4,570
Federal Agencies	3134G4XM5	FREDDIE MAC	25,000,000	0.78	0.78	3/28/14	3/28/17	16,250	-	-	16,250
Federal Agencies	3136G1ZB8	FANNIE MAE	-	0.88	0.88	3/28/14	3/28/17	14,583	-	15,625	30,208
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	25,000,000	0.21	0.21	10/29/14	3/29/17	4,279	9	-	4,288
Federal Agencies	31315PTQ2	FARMER MAC	12,500,000	1.26	1.36	4/10/12	4/10/17	13,125	998	-	14,123
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	10,000,000	0.60	0.60	4/17/13	4/17/17	5,000	-	-	5,000
Federal Agencies	31315PUQ0	FARMER MAC	10,500,000	1.13	1.13	4/26/12	4/26/17	9,844	-	-	9,844
Federal Agencies	3137EADF3	FREDDIE MAC	25,000,000	1.25	1.14	5/14/12	5/12/17	26,042	(2,188)	-	23,854
Federal Agencies	31315PZQ5	FARMER MAC	9,000,000	1.11	0.80	12/28/12	6/5/17	8,325	(2,262)	-	6,063
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12,000,000	1.00	0.93	12/19/14	6/9/17	10,000	(690)	-	9,310
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	25,000,000	0.95	1.02	12/30/14	6/15/17	19,792	1,345	-	21,136
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	50,000,000	0.35	0.35	6/19/12	6/19/17	14,639	-	-	14,639
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	8,400,000	0.93	0.94	12/26/14	6/26/17	6,510	88	-	6,598
Federal Agencies	3137EADH9	FREDDIE MAC	25,000,000	1.00	1.10	3/25/14	6/29/17	20,833	1,998	-	22,831

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3134G5W50	FREDDIE MAC	50,000,000	1.00	1.00	12/30/14	6/30/17	41,667	-	-	41,667
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.23	7/24/13	7/24/17	9,386	-	-	9,386
Federal Agencies	3133ECV66	FEDERAL FARM CREDIT BANK	23,520,000	0.28	0.28	8/5/13	7/26/17	5,429	-	-	5,429
Federal Agencies	3133EEFX3	FEDERAL FARM CREDIT BANK	50,000,000	0.24	0.24	12/23/14	8/23/17	9,806	-	-	9,806
Federal Agencies	3134G6ER0	FREDDIE MAC	18,300,000	1.00	1.00	2/25/15	8/25/17	15,250	-	-	15,250
Federal Agencies	3134G5HS7	FREDDIE MAC	20,100,000	1.13	1.16	9/25/14	9/25/17	18,844	550	-	19,394
Federal Agencies	3137EADL0	FREDDIE MAC	25,000,000	1.00	1.22	3/25/14	9/29/17	20,833	4,482	-	25,315
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	25,000,000	0.22	0.23	11/18/14	11/13/17	4,490	308	-	4,799
Federal Agencies	3134G44F2	FREDDIE MAC	50,000,000	0.80	0.80	5/21/13	11/21/17	33,333	-	-	33,333
Federal Agencies	31315PJ83	FARMER MAC	-	0.35	0.35	12/1/14	12/1/17	-	-	-	-
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	25,000,000	1.13	1.19	12/22/14	12/8/17	23,438	1,234	-	24,671
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	-	1.13	1.12	12/18/14	12/18/17	37,500	1,882	109,789	149,171
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	50,000,000	1.13	1.18	12/19/14	12/18/17	46,875	2,342	-	49,217
Federal Agencies	31315PZ28	FARMER MAC	46,000,000	1.20	1.20	12/22/14	12/22/17	46,000	-	-	46,000
Federal Agencies	3136G13Q0	FANNIE MAE	29,000,000	0.88	0.88	12/26/12	12/26/17	18,628	-	-	18,628
Federal Agencies	3136G13T4	FANNIE MAE	39,000,000	0.80	0.80	12/26/12	12/26/17	26,000	-	-	26,000
Federal Agencies	3134G32M1	FREDDIE MAC	50,000,000	1.00	1.00	12/28/12	12/28/17	41,667	-	-	41,667
Federal Agencies	3134G5VA0	FREDDIE MAC	25,000,000	1.25	1.25	12/29/14	12/29/17	26,042	-	-	26,042
Federal Agencies	31315P4S5	FARMER MAC	50,000,000	0.35	0.35	1/5/15	1/5/18	14,360	-	-	14,360
Federal Agencies	3134G5XM2	FREDDIE MAC	25,000,000	0.50	0.50	1/30/15	1/30/18	10,417	-	-	10,417
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	4,000,000	0.23	0.24	5/27/15	2/2/18	780	16	-	796
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	35,000,000	0.23	0.26	2/2/15	2/2/18	6,822	578	-	7,400
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.23	0.23	11/5/14	2/5/18	4,676	-	-	4,676
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.23	0.24	11/5/14	2/5/18	4,676	208	-	4,885
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.24	11/5/14	2/5/18	9,353	415	-	9,768
Federal Agencies	3134G6AX1	FREDDIE MAC	22,000,000	0.75	0.75	2/20/15	2/20/18	13,750	-	-	13,750
Federal Agencies	3134G6ED1	FREDDIE MAC	25,000,000	0.50	0.50	2/27/15	2/27/18	10,417	-	-	10,417
Federal Agencies	3134G6ED1	FREDDIE MAC	25,000,000	0.50	0.50	2/27/15	2/27/18	10,417	-	-	10,417
Federal Agencies	3135G0UN1	FANNIE MAE	8,770,000	1.15	1.32	2/26/14	2/28/18	8,405	1,160	-	9,565
Federal Agencies	3135G0UN1	FANNIE MAE	19,000,000	1.15	1.32	2/26/14	2/28/18	18,208	2,513	-	20,721
Federal Agencies	3134G6FR9	FREDDIE MAC	-	0.75	0.75	3/5/15	3/5/18	2,083	-	-	2,083
Federal Agencies	3134G6JN4	FREDDIE MAC	-	1.00	1.00	3/16/15	3/16/18	20,833	-	-	20,833
Federal Agencies	3133EEN71	FEDERAL FARM CREDIT BANK	50,000,000	0.22	0.23	5/22/15	3/22/18	9,181	217	-	9,399
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.25	5/27/15	3/26/18	9,431	624	-	10,054
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.25	5/29/15	3/26/18	9,444	625	-	10,069
Federal Agencies	3134G6LN1	FREDDIE MAC	-	1.00	1.00	3/26/15	3/26/18	17,361	-	-	17,361
Federal Agencies	3134G6ME0	FREDDIE MAC	25,000,000	1.05	1.05	4/6/15	4/6/18	21,875	-	-	21,875
Federal Agencies	3134G6MZ3	FREDDIE MAC	25,000,000	0.63	0.63	4/10/15	4/10/18	13,021	-	-	13,021
Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.24	4/16/15	4/16/18	9,752	207	-	9,960
Federal Agencies	3134G6NA7	FREDDIE MAC	25,000,000	0.63	0.63	4/17/15	4/17/18	13,021	-	-	13,021
Federal Agencies	31315PZM4	FARMER MAC	24,600,000	0.88	0.88	5/3/13	5/3/18	17,938	-	-	17,938
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	69,000,000	0.22	0.23	6/3/15	5/3/18	11,968	134	-	12,102
Federal Agencies	3133ECPB4	FEDERAL FARM CREDIT BANK	-	0.88	1.01	5/23/13	5/14/18	5,833	(26,599)	(12,821)	(33,587)
Federal Agencies	3135G0WJ8	FANNIE MAE	25,000,000	0.88	1.05	5/23/13	5/21/18	18,229	3,512	-	21,741
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.24	6/11/15	6/11/18	6,458	73	-	6,531
Federal Agencies	3130A4MX7	FEDERAL HOME LOAN BANK	4,000,000	0.50	0.50	3/27/15	6/25/18	1,667	-	-	1,667
Federal Agencies	3134G52D6	FREDDIE MAC	25,000,000	1.64	1.64	4/17/14	7/17/18	34,167	-	-	34,167
Federal Agencies	3134G5ZP3	FREDDIE MAC	25,000,000	0.75	0.75	1/27/15	7/27/18	15,625	-	-	15,625
Federal Agencies	3134G5ZZ1	FREDDIE MAC	25,000,000	1.00	1.00	1/30/15	7/30/18	20,833	-	-	20,833
Federal Agencies	3130A4GL0	FEDERAL HOME LOAN BANK	15,000,000	1.33	1.33	3/18/15	9/18/18	16,625	-	-	16,625
Federal Agencies	3134G6RP0	FREDDIE MAC	50,000,000	1.00	1.01	4/24/15	10/24/18	41,667	352	-	42,019
Federal Agencies	31315PS59	FARMER MAC	50,000,000	0.42	0.42	3/3/15	12/3/18	17,547	-	-	17,547

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	31315PW96	FARMER MAC	50,000,000	0.40	0.40	3/3/15	12/3/18	16,713	-	-	16,713
Federal Agencies	3134G4LZ9	FREDDIE MAC	50,000,000	0.88	0.88	12/10/13	12/10/18	36,458	-	-	36,458
Federal Agencies	3134G4MB1	FREDDIE MAC	-	1.50	1.50	12/18/13	12/18/18	17,708	-	-	17,708
Federal Agencies	3136G2C39	FANNIE MAE	15,000,000	1.63	1.63	12/30/14	12/28/18	20,313	-	-	20,313
Federal Agencies	3130A4NB4	FEDERAL HOME LOAN BANK	50,000,000	0.42	0.42	4/2/15	4/2/19	17,542	-	-	17,542
Federal Agencies	31315PS91	FARMER MAC	50,000,000	0.40	0.40	8/12/14	8/12/19	16,660	-	-	16,660
Federal Agencies	31315PJ26	FARMER MAC	50,000,000	0.40	0.40	12/2/14	12/2/19	16,792	-	-	16,792
Federal Agencies	3130A4HA3	FEDERAL HOME LOAN BANK	25,000,000	1.25	1.25	3/18/15	3/18/20	26,042	-	-	26,042
Federal Agencies	3134G6KV4	FREDDIE MAC	15,000,000	1.63	1.63	3/25/15	3/25/20	20,313	-	-	20,313
Federal Agencies	3132X0AT8	FARMER MAC	41,000,000	0.33	0.33	6/5/15	6/2/20	9,624	-	-	9,624
Subtotals			\$ 4,153,548,000					\$ 3,027,990	\$ (416,519)	\$ 112,593	\$ 2,724,064
State/Local Agencies	91411UT96	UNIVERSITY OF CALIFORNIA	\$ -	0.00	0.11	5/7/15	6/9/15	\$ 1,222	\$ -	\$ -	\$ 1,222
State/Local Agencies	13063CLC2	CALIFORNIA ST	-	1.50	0.13	4/29/15	6/22/15	9,925	(9,079)	-	846
State/Local Agencies	544351KF5	LOS ANGELES CA	-	1.50	0.12	4/29/15	6/25/15	50,000	(45,053)	-	4,947
State/Local Agencies	544351KF5	LOS ANGELES CA	-	1.50	0.12	4/30/15	6/25/15	50,000	(45,000)	-	5,000
State/Local Agencies	91411UTW5	UNIVERSITY OF CALIFORNIA	-	0.00	0.15	5/26/15	6/30/15	1,208	-	-	1,208
State/Local Agencies	040647DT3	ARIZONA ST TRANSPRTN BRD	2,700,000	4.00	0.19	5/13/15	7/1/15	9,000	(8,398)	-	602
State/Local Agencies	34074GDD3	FLORIDA ST HURRICANE CATASTR	50,000,000	5.00	0.20	6/25/15	7/1/15	41,667	(40,000)	-	1,667
State/Local Agencies	91411UU11	UNIVERSITY OF CALIFORNIA	75,000,000	0.00	0.11	6/9/15	7/1/15	5,042	-	-	5,042
State/Local Agencies	13063BHZ8	CALIFORNIA ST	5,000,000	3.95	0.35	8/19/14	11/1/15	16,458	(14,713)	-	1,745
State/Local Agencies	64966GXS6	NEW YORK NY	12,255,000	5.13	0.66	4/1/13	12/1/15	52,390	(44,522)	-	7,868
State/Local Agencies	13063BNT3	CALIFORNIA ST	7,000,000	1.05	0.48	12/19/14	2/1/16	6,125	(3,250)	-	2,875
State/Local Agencies	13063BN73	CALIFORNIA ST	11,000,000	1.05	0.91	3/27/13	2/1/16	9,625	(1,071)	-	8,554
State/Local Agencies	13063BN73	CALIFORNIA ST	21,000,000	1.05	0.40	3/31/15	2/1/16	18,375	(11,081)	-	7,294
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA CA REVENUE	2,500,000	0.63	0.63	4/10/14	5/15/16	1,321	-	-	1,321
State/Local Agencies	612574DR1	MONTEREY PENINSULA CA CMNTY	2,670,000	0.98	0.98	5/7/13	8/1/16	2,185	-	-	2,185
State/Local Agencies	13063CPM6	CALIFORNIA ST	44,000,000	0.75	0.69	12/9/14	11/1/16	27,500	(2,000)	-	25,500
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENUE	3,250,000	1.22	1.22	4/10/14	5/15/17	3,310	-	-	3,310
State/Local Agencies	13063CFC9	CALIFORNIA ST	16,500,000	1.75	1.66	11/5/13	11/1/17	24,063	(1,213)	-	22,850
State/Local Agencies	13063CPN4	CALIFORNIA ST	5,000,000	1.25	1.22	12/22/14	11/1/17	5,208	(131)	-	5,078
State/Local Agencies	13063CPN4	CALIFORNIA ST	50,000,000	1.25	1.17	11/25/14	11/1/17	52,083	(3,400)	-	48,683
State/Local Agencies	6055804W6	MISSISSIPPI ST	8,500,000	6.09	1.38	4/23/15	10/1/19	43,130	(31,767)	-	11,364
Subtotals			\$ 316,375,000					\$ 429,837	\$ (260,677)	\$ -	\$ 169,160
Public Time Deposits	PP7QLOE87	TRANS-PAC NATIONAL BK	\$ 240,000	0.58	0.58	3/20/15	3/21/16	\$ 114	\$ -	\$ -	\$ 114
Public Time Deposits	PPRNET9Q5	BANK OF SAN FRANCISCO	240,000	0.56	0.56	4/9/15	4/11/16	112	-	-	112
Public Time Deposits	PP9302V13	PREFERRED BANK LA CALIF	240,000	0.59	0.59	5/15/15	5/16/16	118	-	-	118
Public Time Deposits	PP0OBERR6	UMPQUA BANK	240,000	0.60	0.60	6/29/15	6/29/16	8	-	-	8
Subtotals			\$ 960,000					\$ 352	\$ -	\$ -	\$ 352
Negotiable CDs	78009NGU4	ROYAL BANK OF CANADA NY	\$ -	0.37	0.57	5/19/14	6/25/15	\$ 1,345	\$ 164	\$ -	\$ 1,509
Negotiable CDs	06366CU89	BANK OF MONTREAL CHICAGO	50,000,000	0.26	0.26	6/1/15	12/1/15	11,000	-	-	11,000
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY	25,000,000	0.35	0.35	9/16/14	3/10/16	7,276	-	-	7,276
Negotiable CDs	78009NTW6	ROYAL BANK OF CANADA NY	100,000,000	0.30	0.30	4/8/15	4/8/16	25,264	-	-	25,264
Negotiable CDs	96121TWJ3	WESTPAC BANKING CORP NY	25,000,000	0.43	0.43	4/24/14	4/25/16	8,896	-	-	8,896
Negotiable CDs	96121TWK0	WESTPAC BANKING CORP NY	50,000,000	0.41	0.41	4/24/14	4/25/16	16,886	-	-	16,886
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA HOUS	25,000,000	0.47	0.51	5/9/14	5/9/16	9,768	430	-	10,198
Negotiable CDs	06366CWA2	BANK OF MONTREAL CHICAGO	25,000,000	0.43	0.43	2/12/15	8/12/16	8,902	-	-	8,902
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	25,000,000	0.45	0.45	3/31/15	9/23/16	9,278	-	-	9,278
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	50,000,000	0.45	0.45	3/31/15	9/23/16	18,556	-	-	18,556
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA HOUS	50,000,000	0.48	0.48	9/25/14	9/23/16	19,542	-	-	19,542

Monthly Investment Earnings Pooled Fund

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Negotiable CDs	06366CC48	BANK OF MONTREAL CHICAGO	50,000,000	0.44	0.44	4/7/15	10/7/16	18,468	-	-	18,468
Negotiable CDs	06417HVR4	BANK OF NOVA SCOTIA HOUS	50,000,000	0.47	0.47	10/7/14	10/7/16	19,615	-	-	19,615
Negotiable CDs	78009NSX5	ROYAL BANK OF CANADA NY	100,000,000	0.47	0.47	12/15/14	12/15/16	38,228	-	-	38,228
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	25,000,000	0.56	0.56	2/23/15	2/23/17	11,708	-	-	11,708
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	25,000,000	0.56	0.56	2/23/15	2/23/17	11,708	-	-	11,708
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	50,000,000	0.55	0.55	9/25/14	9/25/17	22,483	-	-	22,483
Subtotals			\$ 725,000,000					\$ 258,922	\$ 594	\$ -	\$ 259,516
Commercial Paper	62478YT16	MUFG UNION BANK NA	\$ -	0.00	0.07	5/29/15	6/1/15	\$ -	\$ -	\$ -	\$ -
Commercial Paper	06538CT27	BANK TOKYO-MIT UFJ NY	-	0.00	0.15	5/26/15	6/2/15	417	-	-	417
Commercial Paper	36960MT29	GENERAL ELECTRIC CO	-	0.00	0.08	5/26/15	6/2/15	111	-	-	111
Commercial Paper	06538CT35	BANK TOKYO-MIT UFJ NY	-	0.00	0.15	5/27/15	6/3/15	833	-	-	833
Commercial Paper	62478YT32	MUFG UNION BANK NA	-	0.00	0.10	6/2/15	6/3/15	111	-	-	111
Commercial Paper	06538CT43	BANK TOKYO-MIT UFJ NY	-	0.00	0.13	5/28/15	6/4/15	1,083	-	-	1,083
Commercial Paper	62478YT40	MUFG UNION BANK NA	-	0.00	0.10	6/3/15	6/4/15	111	-	-	111
Commercial Paper	62478YT57	MUFG UNION BANK NA	-	0.00	0.10	6/4/15	6/5/15	111	-	-	111
Commercial Paper	62478YT81	MUFG UNION BANK NA	-	0.00	0.10	6/5/15	6/8/15	375	-	-	375
Commercial Paper	62478YT99	MUFG UNION BANK NA	-	0.00	0.10	6/8/15	6/9/15	125	-	-	125
Commercial Paper	62478YTA6	MUFG UNION BANK NA	-	0.00	0.11	6/9/15	6/10/15	153	-	-	153
Commercial Paper	06538CTB7	BANK TOKYO-MIT UFJ NY	-	0.00	0.15	6/4/15	6/11/15	2,917	-	-	2,917
Commercial Paper	36959JTB9	GENERAL ELEC CAP CORP	-	0.00	0.13	4/9/15	6/11/15	361	-	-	361
Commercial Paper	62478YTB4	MUFG UNION BANK NA	-	0.00	0.11	6/10/15	6/11/15	153	-	-	153
Commercial Paper	62478YTF5	MUFG UNION BANK NA	-	0.00	0.12	6/11/15	6/15/15	1,000	-	-	1,000
Commercial Paper	62478YTP3	MUFG UNION BANK NA	-	0.00	0.11	6/22/15	6/23/15	214	-	-	214
Commercial Paper	62478YQ1	MUFG UNION BANK NA	-	0.00	0.11	6/23/15	6/24/15	214	-	-	214
Commercial Paper	62478YTR9	MUFG UNION BANK NA	-	0.00	0.11	6/24/15	6/25/15	214	-	-	214
Commercial Paper	62478YTS7	MUFG UNION BANK NA	-	0.00	0.11	6/25/15	6/26/15	199	-	-	199
Commercial Paper	62478YTV0	MUFG UNION BANK NA	-	0.00	0.11	6/26/15	6/29/15	596	-	-	596
Commercial Paper	06538CTW1	BANK TOKYO-MIT UFJ NY	-	0.00	0.18	6/2/15	6/30/15	14,000	-	-	14,000
Commercial Paper	58934BTW4	MERCK & CO INC	-	0.00	0.08	5/26/15	6/30/15	4,833	-	-	4,833
Commercial Paper	89116FTW0	TORONTO DOMINION HDG USA	-	0.00	0.14	4/9/15	6/30/15	11,278	-	-	11,278
Commercial Paper	06538CU17	BANK TOKYO-MIT UFJ NY	100,000,000	0.00	0.18	6/3/15	7/1/15	14,000	-	-	14,000
Commercial Paper	62478YU14	MUFG UNION BANK NA	300,000,000	0.00	0.06	6/30/15	7/1/15	500	-	-	500
Subtotals			\$ 400,000,000					\$ 53,908	\$ -	\$ -	\$ 53,908
Medium Term Notes	36962G5Z3	GENERAL ELEC CAP CORP	\$ 5,000,000	1.63	0.81	8/19/13	7/2/15	\$ 6,771	\$ (3,310)	\$ -	\$ 3,461
Medium Term Notes	36962G4M3	GENERAL ELEC CAP CORP	8,565,000	1.02	-1.76	11/25/13	7/9/15	7,307	(3,043)	-	4,264
Medium Term Notes	89233P6J0	TOYOTA MOTOR CREDIT CORP	6,100,000	0.88	0.30	3/4/14	7/17/15	4,448	(2,873)	-	1,575
Medium Term Notes	89233P6J0	TOYOTA MOTOR CREDIT CORP	10,000,000	0.88	0.44	11/15/13	7/17/15	7,292	(3,547)	-	3,745
Medium Term Notes	594918AG9	MICROSOFT CORP	3,186,000	1.63	0.39	10/30/13	9/25/15	4,314	(3,206)	-	1,109
Medium Term Notes	961214BW2	WESTPAC BANKING CORP	10,152,000	1.13	0.35	9/15/14	9/25/15	9,518	(6,416)	-	3,101
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	8,000,000	0.85	0.46	5/7/14	10/9/15	5,667	(2,520)	-	3,147
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	9,300,000	0.85	0.40	5/19/14	10/9/15	6,588	(3,444)	-	3,144
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	10,000,000	0.85	0.42	3/5/14	10/9/15	7,083	(3,551)	-	3,533
Medium Term Notes	06366RJH9	BANK OF MONTREAL	8,500,000	0.80	0.56	3/27/14	11/6/15	5,667	(1,654)	-	4,013
Medium Term Notes	36962G4T8	GENERAL ELEC CAP CORP	7,000,000	2.25	0.48	5/12/14	11/9/15	13,125	(10,104)	-	3,021
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	10,000,000	1.80	0.41	3/12/14	11/15/15	15,000	(11,349)	-	3,651
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	23,025,000	1.80	0.34	3/7/14	11/15/15	34,538	(27,362)	-	7,176
Medium Term Notes	459200GU9	IBM CORP	19,579,000	2.00	0.48	2/11/14	1/5/16	32,632	(24,275)	-	8,357
Medium Term Notes	46625HHW3	JPMORGAN CHASE & CO	12,836,000	2.60	0.75	2/11/15	1/15/16	27,811	(19,436)	-	8,375
Medium Term Notes	064255AK8	BK TOKYO-MITSUBISHI UFJ	10,000,000	0.73	0.26	3/17/14	2/26/16	6,100	(1,511)	-	4,589
Medium Term Notes	36962G2V5	GENERAL ELEC CAP CORP	17,689,000	0.48	0.40	5/19/14	5/11/16	7,059	(595)	-	6,464

Monthly Investment Earnings Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	18,194,000	0.93	0.35	4/1/15	7/12/16	14,038	(8,364)	-	5,674
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	27,651,000	0.93	0.34	3/23/15	7/12/16	21,335	(12,743)	-	8,592
Medium Term Notes	064159CQ7	BANK OF NOVA SCOTIA	16,483,000	1.38	0.78	2/13/15	7/15/16	18,887	(8,038)	-	10,849
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	18,930,000	0.74	0.38	12/15/14	9/9/16	11,618	(4,076)	-	7,543
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	24,000,000	0.74	0.40	3/2/15	9/9/16	14,730	(5,581)	-	9,149
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	14,150,000	0.38	0.41	12/9/14	9/23/16	4,351	214	-	4,566
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	28,150,000	0.38	0.40	2/11/15	9/23/16	8,657	358	-	9,014
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	50,000,000	0.38	0.38	9/23/14	9/23/16	15,376	-	-	15,376
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP	47,500,000	0.38	0.38	9/25/14	9/23/16	15,042	-	-	15,042
Medium Term Notes	9612E0DB0	WESTPAC BANKING CORP	50,000,000	0.43	0.43	10/10/14	10/7/16	18,014	-	-	18,014
Medium Term Notes	89236TCL7	TOYOTA MOTOR CREDIT CORP	50,000,000	0.38	0.38	4/14/15	10/14/16	15,708	-	-	15,708
Medium Term Notes	36967FAB7	GENERAL ELEC CAP CORP	20,000,000	0.55	0.55	1/9/15	1/9/17	9,229	-	-	9,229
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	3,791,000	0.44	0.47	4/8/15	2/15/17	1,402	82	-	1,485
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	4,948,000	0.44	0.50	4/1/15	2/15/17	1,830	229	-	2,060
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	10,000,000	0.47	0.43	4/14/15	2/16/17	3,883	(280)	-	3,603
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	50,000,000	0.47	0.47	2/20/15	2/16/17	19,417	-	-	19,417
Subtotals			\$ 612,729,000					\$ 394,435	\$ (166,392)	\$ -	\$ 228,043
Money Market Funds	09248U718	BLACKROCK LIQUIDITY FUNDS T-FI	\$ 5,001,619	0.01	0.01	1/15/13	7/1/15	\$ 41	\$ -	\$ -	41
Money Market Funds	316175108	FIDELITY INSTITUTIONAL MONEY M	5,004,045	0.01	0.01	6/20/13	7/1/15	41	-	-	41
Money Market Funds	61747C707	MORGAN STANLEY INSTITUTIONAL	275,109,162	0.04	0.04	12/31/12	7/1/15	5,319	-	-	5,319
Subtotals			\$ 285,114,825					\$ 5,401	\$ -	\$ -	\$ 5,401
Supranationals	459516GY0	INTERNATIONAL FINANCE CORP	\$ -	0.00	0.10	5/14/15	6/16/15	\$ 417	\$ -	\$ -	417
Subtotals			\$ -					\$ 417	\$ -	\$ -	\$ 417
Grand Totals			\$ 6,968,726,825					\$ 4,595,918	\$ (802,634)	\$ 112,593	\$ 3,905,877

¹Yield to maturity is calculated at purchase

Investment Transactions

Pooled Fund

For month ended June 30, 2015

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase	6/1/2015	12/1/2015	Negotiable CDs	BANK OF MONTREAL CHICAGO	06366CU89	\$ 50,000,000	0.26	0.26	\$ 100.00	\$ -	\$ 50,000,000
Purchase	6/1/2015	7/1/2015	Money Market Funds	BLACKROCK LIQUIDITY FUND	09248U718	42	0.01	0.01	100.00	-	42
Purchase	6/2/2015	6/30/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CTW1	100,000,000	0.00	0.18	99.99	-	99,986,000
Purchase	6/2/2015	6/3/2015	Commercial Paper	MUFG UNION BANK NA	62478YT32	40,000,000	0.00	0.10	100.00	-	39,999,889
Purchase	6/3/2015	7/1/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CU17	100,000,000	0.00	0.18	99.99	-	99,986,000
Purchase	6/3/2015	5/3/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEU40	69,000,000	0.00	0.00	99.99	-	68,994,894
Purchase	6/3/2015	6/4/2015	Commercial Paper	MUFG UNION BANK NA	62478YT40	40,000,000	0.00	0.10	100.00	-	39,999,889
Purchase	6/4/2015	6/11/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CTB7	100,000,000	0.00	0.15	100.00	-	99,997,083
Purchase	6/4/2015	6/5/2015	Commercial Paper	MUFG UNION BANK NA	62478YT57	40,000,000	0.00	0.10	100.00	-	39,999,889
Purchase	6/5/2015	6/2/2020	Federal Agencies	FARMER MAC	3132X0AT8	41,000,000	0.32	0.32	100.00	-	41,000,000
Purchase	6/5/2015	6/8/2015	Commercial Paper	MUFG UNION BANK NA	62478YT81	45,000,000	0.00	0.10	100.00	-	44,999,625
Purchase	6/8/2015	6/9/2015	Commercial Paper	MUFG UNION BANK NA	62478YT99	45,000,000	0.00	0.10	100.00	-	44,999,875
Purchase	6/9/2015	6/10/2015	Commercial Paper	MUFG UNION BANK NA	62478YTA6	50,000,000	0.00	0.11	100.00	-	49,999,847
Purchase	6/9/2015	7/1/2015	State/Local Agencies	UNIVERSITY OF CALIFORNIA	91411UU11	75,000,000	0.00	0.11	99.99	-	74,994,959
Purchase	6/10/2015	9/15/2015	Federal Agencies	FARMER MAC	31315PGT0	2,245,000	2.13	0.15	100.52	11,264	2,267,937
Purchase	6/10/2015	9/9/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384LM9	50,000,000	0.00	0.09	99.98	-	49,989,131
Purchase	6/10/2015	9/10/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDEK4	1,500,000	0.25	0.12	100.03	938	1,501,415
Purchase	6/10/2015	6/11/2015	Commercial Paper	MUFG UNION BANK NA	62478YTB4	50,000,000	0.00	0.11	100.00	-	49,999,847
Purchase	6/11/2015	11/13/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384PE3	50,000,000	0.00	0.15	99.94	-	49,967,708
Purchase	6/11/2015	6/11/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEW48	50,000,000	0.00	0.00	99.99	-	49,996,000
Purchase	6/11/2015	6/15/2015	Commercial Paper	MUFG UNION BANK NA	62478YTF5	75,000,000	0.00	0.12	100.00	-	74,999,000
Purchase	6/22/2015	6/23/2015	Commercial Paper	MUFG UNION BANK NA	62478YTP3	70,000,000	0.00	0.11	100.00	-	69,999,786
Purchase	6/23/2015	6/24/2015	Commercial Paper	MUFG UNION BANK NA	62478YQ1	70,000,000	0.00	0.11	100.00	-	69,999,786
Purchase	6/24/2015	6/25/2015	Commercial Paper	MUFG UNION BANK NA	62478YTR9	70,000,000	0.00	0.11	100.00	-	69,999,786
Purchase	6/25/2015	7/1/2015	State/Local Agencies	FLORIDA ST HURRICANE CAT	34074GDD3	50,000,000	5.00	0.20	100.08	1,208,333	51,248,333
Purchase	6/25/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	100,000,000	0.04	0.04	100.00	-	100,000,000
Purchase	6/25/2015	6/26/2015	Commercial Paper	MUFG UNION BANK NA	62478YTS7	65,000,000	0.00	0.11	100.00	-	64,999,801
Purchase	6/26/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	50,000,000	0.04	0.04	100.00	-	50,000,000
Purchase	6/26/2015	6/29/2015	Commercial Paper	MUFG UNION BANK NA	62478YTV0	65,000,000	0.00	0.11	100.00	-	64,999,404
Purchase	6/29/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	50,000,000	0.04	0.04	100.00	-	50,000,000
Purchase	6/29/2015	6/29/2016	Public Time Deposits	UMPQUA BANK	PP00BERR6	240,000	0.60	0.60	100.00	-	240,000
Purchase	6/30/2015	7/1/2015	Money Market Funds	FIDELITY INSTITUTIONAL M	316175108	41	0.01	0.01	100.00	-	41
Purchase	6/30/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	5,319	0.04	0.04	100.00	-	5,319
Purchase	6/30/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	50,000,000	0.04	0.04	100.00	-	50,000,000
Purchase	6/30/2015	7/1/2015	Commercial Paper	MUFG UNION BANK NA	62478YU14	300,000,000	0.00	0.06	100.00	-	299,999,500
Subtotals						\$ 2,013,990,403	0.14	0.11	\$ 100.00	\$ 1,220,535	\$ 2,015,170,787

Investment Transactions Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Sale	6/3/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	\$ 50,000,000	0.04	0.04	\$ 100.00	\$ -	\$ 50,000,000
Sale	6/5/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	50,000,000	0.04	0.04	100.00	-	50,000,000
Sale	6/12/2015	11/13/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384PE3	50,000,000	0.00	0.15	99.94	-	49,967,917
Sale	6/15/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	200,000,000	0.04	0.04	100.00	-	200,000,000
Sale	6/25/2015	5/14/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECPB4	10,000,000	0.88	1.01	99.22	9,965	9,931,744
Sale	6/25/2015	12/18/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFE5	50,000,000	1.13	1.12	100.24	10,938	50,133,227
Sale	6/25/2015	3/28/2017	Federal Agencies	FANNIE MAE	3136G1ZB8	25,000,000	0.88	0.88	100.06	52,865	25,068,490
Subtotals						\$ 435,000,000	0.23	0.25	\$ 100.01	\$ 73,767	\$ 435,101,377
Call	6/1/2015	12/1/2017	Federal Agencies	FARMER MAC	31315PJ83	\$ 25,000,000	0.35	0.35	\$ 100.00	\$ -	\$ 25,000,000
Call	6/5/2015	3/5/2018	Federal Agencies	FREDDIE MAC	3134G6FR9	25,000,000	0.75	0.75	100.00	46,875	25,046,875
Call	6/16/2015	3/16/2018	Federal Agencies	FREDDIE MAC	3134G6JN4	50,000,000	1.00	1.00	100.00	125,000	50,125,000
Call	6/18/2015	12/18/2018	Federal Agencies	FREDDIE MAC	3134G4MB1	25,000,000	1.50	1.50	100.00	-	25,000,000
Call	6/26/2015	3/26/2018	Federal Agencies	FREDDIE MAC	3134G6LN1	25,000,000	1.00	1.00	100.00	62,500	25,062,500
Subtotals						\$ 150,000,000	0.93	0.93	\$ 100.00	\$ 234,375	\$ 150,234,375
Maturity	6/1/2015	6/1/2015	Federal Agencies	FREDDIE MAC DISCOUNT NT	313396GH0	\$ 50,000,000	0.00	0.06	\$ 100.00		\$ 50,000,000
Maturity	6/1/2015	6/1/2015	Commercial Paper	MUFG UNION BANK NA	62478YT16	75,000,000	0.00	0.07	100.00		75,000,000
Maturity	6/2/2015	6/2/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CT27	100,000,000	0.00	0.15	100.00		100,000,000
Maturity	6/2/2015	6/2/2015	Commercial Paper	GENERAL ELECTRIC CO	36960MT29	50,000,000	0.00	0.08	100.00		50,000,000
Maturity	6/3/2015	6/3/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CT35	100,000,000	0.00	0.15	100.00		100,000,000
Maturity	6/3/2015	6/3/2015	Commercial Paper	MUFG UNION BANK NA	62478YT32	40,000,000	0.00	0.10	100.00		40,000,000
Maturity	6/4/2015	6/4/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CT43	100,000,000	0.00	0.13	100.00		100,000,000
Maturity	6/4/2015	6/4/2015	Commercial Paper	MUFG UNION BANK NA	62478YT40	40,000,000	0.00	0.10	100.00		40,000,000
Maturity	6/5/2015	6/5/2015	Commercial Paper	MUFG UNION BANK NA	62478YT57	40,000,000	0.00	0.10	100.00		40,000,000
Maturity	6/8/2015	6/8/2015	Commercial Paper	MUFG UNION BANK NA	62478YT81	45,000,000	0.00	0.10	100.00		45,000,000
Maturity	6/9/2015	6/9/2015	Commercial Paper	MUFG UNION BANK NA	62478YT99	45,000,000	0.00	0.10	100.00		45,000,000
Maturity	6/9/2015	6/9/2015	State/Local Agencies	UNIVERSITY OF CALIFORNIA	91411UT96	50,000,000	0.00	0.11	100.00		50,000,000
Maturity	6/10/2015	6/10/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384GS2	45,000,000	0.00	0.06	100.00		45,000,000
Maturity	6/10/2015	6/10/2015	Commercial Paper	MUFG UNION BANK NA	62478YTA6	50,000,000	0.00	0.11	100.00		50,000,000
Maturity	6/11/2015	6/11/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CTB7	100,000,000	0.00	0.15	100.00		100,000,000
Maturity	6/11/2015	6/11/2015	Commercial Paper	GENERAL ELEC CAP CORP	36959JTB9	10,000,000	0.00	0.13	100.00		10,000,000
Maturity	6/11/2015	6/11/2015	Commercial Paper	MUFG UNION BANK NA	62478YTB4	50,000,000	0.00	0.11	100.00		50,000,000
Maturity	6/12/2015	6/12/2015	Federal Agencies	FEDERAL HOME LOAN BANK	313379ER6	10,000,000	0.50	0.07	100.00	25,000	10,025,000
Maturity	6/15/2015	6/15/2015	Commercial Paper	MUFG UNION BANK NA	62478YTF5	75,000,000	0.00	0.12	100.00		75,000,000
Maturity	6/16/2015	6/16/2015	Supranationals	INTERNATIONAL FINANCE CO	459516GY0	10,000,000	0.00	0.10	100.00		10,000,000
Maturity	6/22/2015	6/22/2015	State/Local Agencies	CALIFORNIA ST	13063CLC2	11,500,000	1.50	0.13	100.00	128,548	11,628,548
Maturity	6/22/2015	6/22/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAVE5	50,000,000	0.21	0.50	100.00	8,816	50,008,816
Maturity	6/23/2015	6/23/2015	Commercial Paper	MUFG UNION BANK NA	62478YTP3	70,000,000	0.00	0.11	100.00		70,000,000
Maturity	6/24/2015	6/24/2015	Commercial Paper	MUFG UNION BANK NA	62478YTQ1	70,000,000	0.00	0.11	100.00		70,000,000
Maturity	6/25/2015	6/25/2015	State/Local Agencies	LOS ANGELES CA	544351KF5	50,000,000	1.50	0.12	100.00	718,750	50,718,750
Maturity	6/25/2015	6/25/2015	State/Local Agencies	LOS ANGELES CA	544351KF5	50,000,000	1.50	0.12	100.00	718,750	50,718,750
Maturity	6/25/2015	6/25/2015	Commercial Paper	MUFG UNION BANK NA	62478YTR9	70,000,000	0.00	0.11	100.00		70,000,000
Maturity	6/25/2015	6/25/2015	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NGU4	5,500,000	0.37	0.57	100.00	5,044	5,505,044
Maturity	6/26/2015	6/26/2015	Commercial Paper	MUFG UNION BANK NA	62478YTS7	65,000,000	0.00	0.11	100.00		65,000,000
Maturity	6/29/2015	6/29/2015	Commercial Paper	MUFG UNION BANK NA	62478YTV0	65,000,000	0.00	0.11	100.00		65,000,000
Maturity	6/30/2015	6/30/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CTW1	100,000,000	0.00	0.18	100.00		100,000,000
Maturity	6/30/2015	6/30/2015	Commercial Paper	MERCK & CO INC	58934BTW4	75,000,000	0.00	0.08	100.00		75,000,000
Maturity	6/30/2015	6/30/2015	Commercial Paper	TORONTO DOMINION HDG USA	89116FTW0	100,000,000	0.00	0.14	100.00		100,000,000
Maturity	6/30/2015	6/30/2015	State/Local Agencies	UNIVERSITY OF CALIFORNIA	91411UTW5	10,000,000	0.00	0.15	100.00		10,000,000
Subtotals						\$ 1,877,000,000	0.10	0.13	\$ 100.00	\$ 1,604,907	\$ 1,878,604,907

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	6/1/2015	12/1/2017	Federal Agencies	FARMER MAC	31315PJ83	\$ -	0.35	0.35	\$ -	\$ -	\$ 7,297
Interest	6/1/2015	4/1/2016	Federal Agencies	FARMER MAC	31315PTF6	50,000,000	0.18	0.18	-	-	7,761
Interest	6/1/2015	12/1/2015	State/Local Agencies	NEW YORK NY	64966GXS6	12,255,000	5.13	0.66	-	-	314,341
Interest	6/2/2015	12/2/2019	Federal Agencies	FARMER MAC	31315PJ26	50,000,000	0.38	0.38	-	-	47,700
Interest	6/2/2015	6/2/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDB35	50,000,000	0.21	0.23	-	-	9,085
Interest	6/2/2015	2/2/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	4,000,000	0.23	0.24	-	-	796
Interest	6/2/2015	2/2/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	35,000,000	0.23	0.25	-	-	6,962
Interest	6/3/2015	12/3/2018	Federal Agencies	FARMER MAC	31315PS59	50,000,000	0.40	0.40	-	-	50,231
Interest	6/3/2015	12/3/2018	Federal Agencies	FARMER MAC	31315PW96	50,000,000	0.38	0.38	-	-	47,731
Interest	6/5/2015	1/5/2018	Federal Agencies	FARMER MAC	31315P4S5	50,000,000	0.34	0.34	-	-	14,260
Interest	6/5/2015	6/5/2017	Federal Agencies	FARMER MAC	31315PZQ5	9,000,000	1.11	0.80	-	-	49,950
Interest	6/5/2015	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.22	0.22	-	-	4,758
Interest	6/5/2015	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.22	0.23	-	-	4,758
Interest	6/5/2015	2/5/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	50,000,000	0.22	0.23	-	-	9,515
Interest	6/8/2015	10/7/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	06366CC48	50,000,000	0.44	0.44	-	-	19,578
Interest	6/8/2015	12/8/2017	Federal Agencies	FEDERAL HOME LOAN BANK	3130A3HF4	25,000,000	1.13	1.19	-	-	162,500
Interest	6/8/2015	4/8/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NTW6	100,000,000	0.30	0.30	-	-	25,855
Interest	6/9/2015	6/9/2016	Federal Agencies	FARMER MAC	31315PB73	10,000,000	0.90	0.90	-	-	45,000
Interest	6/9/2015	12/9/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313371PV2	25,000,000	1.63	0.64	-	-	203,125
Interest	6/9/2015	12/9/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313371PV2	25,000,000	1.63	0.65	-	-	203,125
Interest	6/9/2015	12/9/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313371PV2	25,000,000	1.63	0.72	-	-	203,125
Interest	6/9/2015	6/9/2017	Federal Agencies	FEDERAL HOME LOAN BANK	313379FW4	12,000,000	1.00	0.93	-	-	60,000
Interest	6/9/2015	9/9/2016	Medium Term Notes	TORONTO-DOMINION BANK	89114QAL2	18,930,000	0.72	0.42	-	-	35,005
Interest	6/9/2015	9/9/2016	Medium Term Notes	TORONTO-DOMINION BANK	89114QAL2	24,000,000	0.72	0.44	-	-	44,381
Interest	6/9/2015	10/7/2016	Medium Term Notes	WESTPAC BANKING CORP	9612E0DB0	50,000,000	0.43	0.43	-	-	19,731
Interest	6/10/2015	6/10/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313373SZ6	28,000,000	2.13	0.39	-	-	297,500
Interest	6/10/2015	12/10/2018	Federal Agencies	FREDDIE MAC	3134G4LZ9	50,000,000	0.88	0.88	-	-	218,750
Interest	6/10/2015	3/10/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NSA5	25,000,000	0.35	0.35	-	-	7,219
Interest	6/11/2015	12/11/2015	Federal Agencies	FEDERAL HOME LOAN BANK	313371ZY5	25,000,000	1.88	1.89	-	-	234,375
Interest	6/11/2015	12/11/2015	Federal Agencies	FEDERAL HOME LOAN BANK	313371ZY5	50,000,000	1.88	1.93	-	-	468,750
Interest	6/11/2015	10/11/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDJA1	25,000,000	0.20	0.22	-	-	4,338
Interest	6/12/2015	8/12/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	06366CWA2	25,000,000	0.43	0.42	-	-	9,144
Interest	6/13/2015	11/13/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEBR0	25,000,000	0.22	0.23	-	-	4,641
Interest	6/13/2015	6/13/2016	Federal Agencies	FEDERAL HOME LOAN BK IL	313771AA5	8,620,000	5.63	0.62	-	-	242,438
Interest	6/13/2015	6/13/2016	Federal Agencies	FEDERAL HOME LOAN BK IL	313771AA5	14,195,000	5.63	0.77	-	-	399,234
Interest	6/13/2015	6/13/2016	Federal Agencies	FEDERAL HOME LOAN BK IL	313771AA5	16,925,000	5.63	0.65	-	-	476,016
Interest	6/14/2015	9/14/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDH21	50,000,000	0.21	0.22	-	-	8,852
Interest	6/15/2015	6/15/2017	Federal Agencies	FEDERAL HOME LOAN BANK	3130A3SL9	25,000,000	0.95	1.02	-	-	108,854
Interest	6/15/2015	12/15/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NSX5	100,000,000	0.45	0.45	-	-	113,902
Interest	6/16/2015	4/16/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEZC7	50,000,000	0.23	0.24	-	-	10,047
Interest	6/17/2015	6/17/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDDP4	50,000,000	0.52	0.44	-	-	130,000
Interest	6/18/2015	9/18/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECJB1	16,200,000	0.18	0.22	-	-	7,389
Interest	6/18/2015	12/18/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFE5	50,000,000	1.13	1.12	-	-	281,250
Interest	6/18/2015	12/18/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFE5	50,000,000	1.13	1.18	-	-	281,250
Interest	6/18/2015	12/18/2018	Federal Agencies	FREDDIE MAC	3134G4MB1	25,000,000	1.50	1.50	-	-	187,500
Interest	6/19/2015	12/19/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A12F4	20,500,000	0.70	0.70	-	-	71,750

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	6/19/2015	6/19/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAUW6	50,000,000	0.35	0.35	-	-	43,861
Interest	6/19/2015	11/19/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECLZ5	25,000,000	0.19	0.21	-	-	4,008
Interest	6/20/2015	3/21/2016	Public Time Deposits	TRANS-PAC NATIONAL BK	PP7QLQE87	240,000	0.58	0.58	-	-	351
Interest	6/22/2015	12/22/2017	Federal Agencies	FARMER MAC	31315PZ28	46,000,000	1.20	1.20	-	-	276,000
Interest	6/22/2015	9/22/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAJF6	27,953,000	0.21	0.34	-	-	5,049
Interest	6/22/2015	3/22/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEN71	50,000,000	0.22	0.23	-	-	9,461
Interest	6/23/2015	9/23/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	06366CA32	25,000,000	0.45	0.44	-	-	8,648
Interest	6/23/2015	9/23/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	06366CA32	50,000,000	0.45	0.44	-	-	17,296
Interest	6/23/2015	9/23/2016	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HUW4	50,000,000	0.47	0.46	-	-	59,359
Interest	6/23/2015	8/23/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFX3	50,000,000	0.24	0.23	-	-	10,107
Interest	6/23/2015	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBU8	14,150,000	0.37	0.39	-	-	13,183
Interest	6/23/2015	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBU8	28,150,000	0.37	0.38	-	-	26,225
Interest	6/23/2015	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBU8	50,000,000	0.37	0.36	-	-	46,581
Interest	6/23/2015	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBV6	47,500,000	0.38	0.38	-	-	45,363
Interest	6/24/2015	7/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECV92	50,000,000	0.23	0.22	-	-	9,677
Interest	6/24/2015	3/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDP30	26,000,000	0.23	0.21	-	-	5,032
Interest	6/24/2015	4/25/2016	Negotiable CDs	WESTPAC BANKING CORP NY	96121TWW0	50,000,000	0.41	0.40	-	-	16,302
Interest	6/25/2015	9/25/2017	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HUR5	50,000,000	0.54	0.54	-	-	68,591
Interest	6/25/2015	6/25/2018	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4MX7	4,000,000	0.50	0.50	-	-	5,000
Interest	6/26/2015	6/26/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEGH7	8,400,000	0.93	0.94	-	-	39,060
Interest	6/26/2015	3/26/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEQ86	50,000,000	0.23	0.24	-	-	9,667
Interest	6/26/2015	3/26/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEQ86	50,000,000	0.23	0.24	-	-	9,667
Interest	6/26/2015	12/26/2017	Federal Agencies	FANNIE MAE	3136G13Q0	29,000,000	0.75	0.75	-	-	108,750
Interest	6/26/2015	12/26/2017	Federal Agencies	FANNIE MAE	3136G13T4	39,000,000	0.80	0.80	-	-	156,000
Interest	6/27/2015	2/27/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDFW7	50,000,000	0.24	0.24	-	-	10,327
Interest	6/28/2015	12/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313381KR5	9,000,000	0.63	0.63	-	-	28,125
Interest	6/28/2015	12/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313381KR5	13,500,000	0.63	0.63	-	-	42,188
Interest	6/28/2015	12/28/2017	Federal Agencies	FREDDIE MAC	3134G32M1	50,000,000	1.00	1.00	-	-	250,000
Interest	6/28/2015	12/28/2018	Federal Agencies	FANNIE MAE	3136G2C39	15,000,000	1.63	1.63	-	-	120,521
Interest	6/29/2015	3/29/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDZW5	25,000,000	0.21	0.21	-	-	4,421
Interest	6/29/2015	12/29/2017	Federal Agencies	FREDDIE MAC	3134G5VA0	25,000,000	1.25	1.25	-	-	156,250
Interest	6/29/2015	12/29/2016	Federal Agencies	FREDDIE MAC	3134G5VG7	50,000,000	0.78	0.78	-	-	195,000
Interest	6/29/2015	6/29/2017	Federal Agencies	FREDDIE MAC	3137EADH9	25,000,000	1.00	1.10	-	-	125,000
Interest	6/30/2015	7/1/2015	Money Market Funds	BLACKROCK LIQUIDITY FUND	09248U718	5,001,660	0.01	0.01	-	-	41
Interest	6/30/2015	12/30/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A3QU1	8,000,000	0.75	0.75	-	-	30,000
Interest	6/30/2015	12/30/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A3QU1	50,000,000	0.75	0.75	-	-	187,500
Interest	6/30/2015	6/30/2017	Federal Agencies	FREDDIE MAC	3134G5W50	50,000,000	1.00	1.00	-	-	250,000
Interest	6/30/2015	7/1/2015	Money Market Funds	FIDELITY INSTITUTIONAL M	316175108	5,004,045	0.01	0.01	-	-	41
Interest	6/30/2015	7/1/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	275,103,843	0.04	0.04	-	-	5,319
Interest	6/30/2015	12/31/2016	U.S. Treasuries	US TSY NT	912828RX0	25,000,000	0.88	0.67	-	-	109,375
Subtotals						\$ 3,105,627,547	0.63	0.51	\$ -	\$ -	\$ 7,667,113

Grand Totals	35	Purchases
	(7)	Sales
	(39)	Maturities / Calls
	(11)	Change in number of positions

Non-Pooled Investments

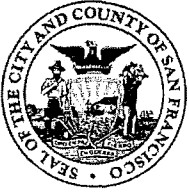
As of June 30, 2015

Type of Investment	CUSIP	Issue Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
State/Local Agencies	797712AD8	SFRDA SOUTH BEACH HARBOR	1/20/12	12/1/16	1.39	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000
Subtotals					1.39	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000
Grand Totals					1.39	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000

NON-POOLED FUNDS PORTFOLIO STATISTICS

	Current Month		Prior Month	
	Fiscal YTD	June 2015	Fiscal YTD	May 2015
Average Daily Balance	\$ 2,851,068	\$ 1,995,000	\$ 2,927,731	\$ 2,640,000
Net Earnings	\$ 99,706	\$ 5,819	\$ 93,888	\$ 7,700
Earned Income Yield	3.50%	3.55%	3.49%	3.43%

Note: All non-pooled securities were inherited by the City and County of San Francisco as successor agency to the San Francisco Redevelopment Agency. Book value and amortized book value are derived from limited information received from the SFRDA and are subject to verification.



SAN FRANCISCO PLANNING DEPARTMENT

Ln Clerk,
C Page

Notification of Project Receiving Environmental Review

Date: July 15, 2015
Case No.: 2014.1228E
Project Title: **Advanced Rainfall Prediction Project**
Locations: One site in southern Sonoma County; one site within the SFPUC peninsula watershed on Montara Mountain, San Mateo County; and one site on Montara Water and Sanitary District property, San Mateo County
Zoning: Various
Block/Lot: N/A
Lot Size: Various
Project Sponsor: San Francisco Public Utilities Commission
Sponsor Contact: Brett Becker – (415) 554-1650
 bbecker@sfgwater.org
Lead Agency: San Francisco Planning Department
Staff Contact: Timothy Johnston – (415) 575-9035
 timothy.johnston@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

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PROJECT DESCRIPTION:

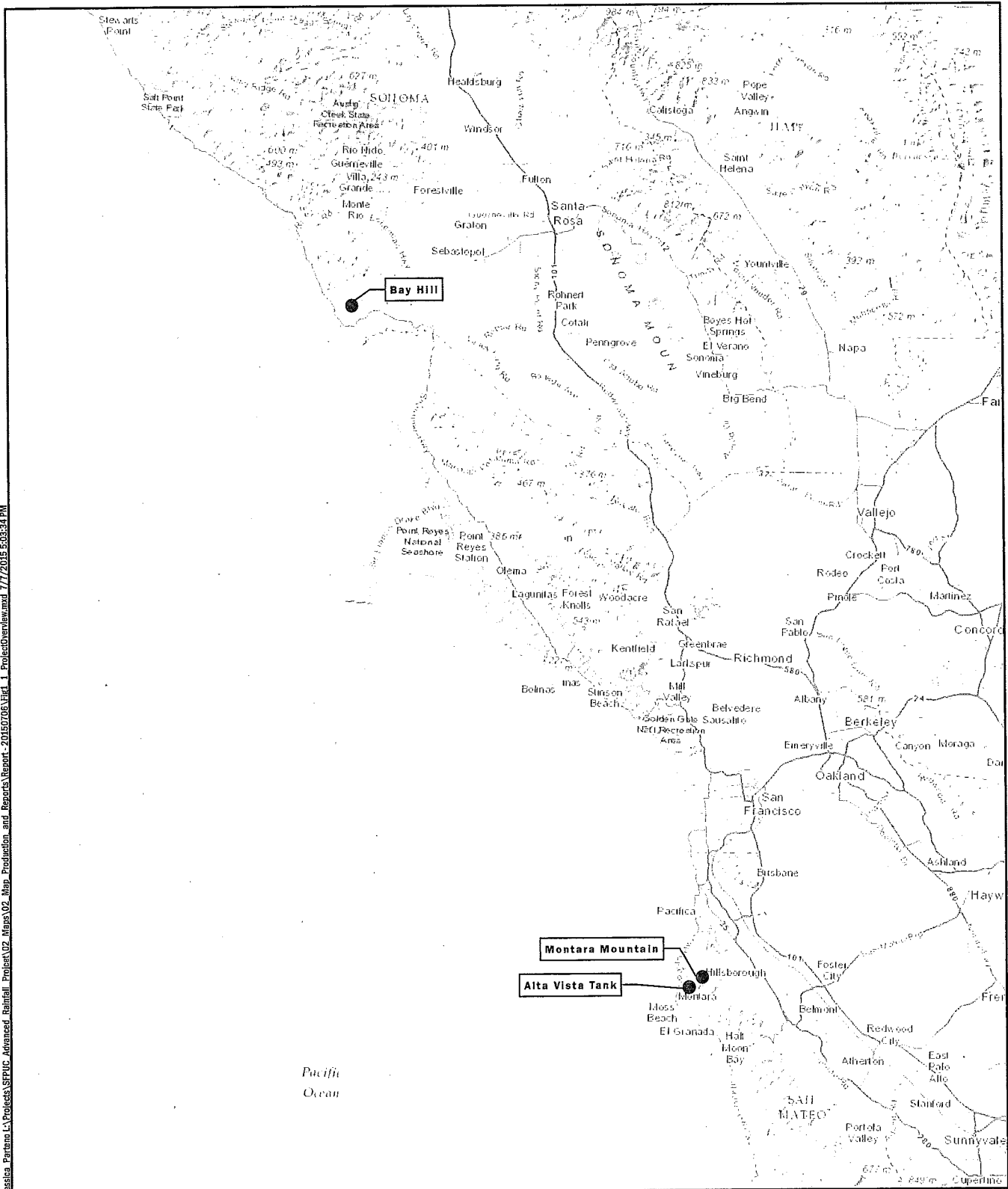
The San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise (WWE) is proposing the Advanced Rainfall Prediction Project to better model and forecast approaching storm events to optimize operations of the City of San Francisco's (City) combined sewer system. The proposed project is to be carried out in collaboration with the National Oceanic and Atmospheric Administration's Earth Science Research Laboratory. The proposed project would deploy an Advanced Quantitative Precipitation Information System by installing three data-collecting instruments: (1) X-band radar; (2) C-band radar; and (3) Atmospheric River Observatory (ARO). Together, these instruments would be used to assess intensity and evolution of precipitation impacting the City.

The X-band dual polarimetric radar would provide detailed rain mapping over the City, and short-term precipitation information. The C-band dual polarimetric radar would monitor precipitation offshore and "upstream" of the City to provide information about incoming precipitation events several hours before such events reach the City. The ARO would provide detailed information on the vertical structure of the precipitation and winds as storms move onshore. The data would be coupled with the SFPUC WWE collection system hydraulic model to project the likely impacts of approaching storms, and to generate specific operational recommendations for managing flows once they reach the sewer system.

One of each radar system would be installed:

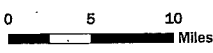
- The X-band radar would be installed within the SFPUC peninsula watershed on Montara Mountain in San Mateo County;
- The C-band radar would be installed at the Bay Hill site (2885 Bay Hill Road) along the southern Sonoma County coastline near Bodega Bay; and

Jessica Partono LA\Projects\SFPUC\Advanced Rainfall Prediction\Map\02_Map_Production_and_Reports\Report_20150706\Fig_1_ProjectOverview.mxd 7/7/2015 5:03:34 PM



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community

● Project Site



DRAFT

PROJECT OVERVIEW

Advanced Rainfall Prediction Project
SFPUC
July 2015

Bos 11 - CPagl

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

San Francisco Area
455 8th Street
San Francisco, CA 94103
(415) 557-1094
(800) 735-2929 (TT/TDD)
(800) 735-2922 (Voice)

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ZLB

July 14, 2015

File No.: 335.14995

Honorable Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Rm 244
San Francisco, CA 94102

Dear Supervisors:

As part of our ongoing contact with your office, I thought you would appreciate learning of our recent activities. During the months of May through June, 2015, The San Francisco Area of the California Highway Patrol accomplished the following:

- Conducted 11,430 enforcement contacts.
- Investigated 609 traffic collisions.
- Provided 3,743 motorist services.
- Apprehended 223 persons for driving under the influence
- Issued 451 seatbelt and child safety seat citations.
- Issued 1,460 cell/texting while driving citations.
- Continued our Social Media campaign to better serve our community.
www.chp.ca.gov/sanfrancisco
www.twitter.com/chpsanfrancisco
www.facebook.com/chpsanfrancisco
- Conducted 10 Public affairs presentations, including *Start Smart* teen driver safety.
- Received 5 letters of appreciation.
- Started a youth CHP Explorer Post.
- Recognized a life-saving officer with the Department's Meritorious Achievement Award.

The San Francisco Area of the California Highway Patrol stands ready to assist you and your staff in any way possible. Please do not hesitate to contact me at (415) 557-1094 should you have any questions or concerns regarding issues of mutual concern.

Sincerely,

C. J. SHERRY, Captain
Commander
San Francisco Area



13



**Pacific Gas and
Electric Company**

CPagL

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SAN FRANCISCO

Ann H. Kim
Attorney at Law

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P.O. Box 7442
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San Francisco, CA 94105

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Email: AHK4@pge.com

2015 JUL 13 PM 3:26

AB

July 10, 2015

To: County and City Officials in the Pacific Gas and Electric Company Service Area

Re: “Order Instituting Rulemaking to Fulfill the Requirements of Public Utilities Code Sections 364 and 768.6” – Rulemaking (R.) 15-06-009

The attached “Order Instituting Rulemaking to Fulfill the Requirements of Public Utilities Code Sections 364 and 768.6” is being served on all cities and counties within PG&E’s service territory pursuant to Ordering Paragraph 10 of California Public Utilities Commission Rulemaking (R.) 15-06-009.

Very truly yours,

Ann H. Kim

Ann H. Kim

AHK:rt

Attachment

Date of Issuance 6/22/2015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations Consistent with Public Utilities Code Section 364 and to Establish Standards for Disaster and Emergency Preparedness Plans for Electrical Corporations and Regulated Water Companies Pursuant to Public Utilities Code Section 768.6.

FILED
PUBLIC UTILITIES COMMISSION
JUNE 11, 2015
SAN FRANCISCO, CALIFORNIA
RULEMAKING 15-06-009

ORDER INSTITUTING RULEMAKING TO FULFILL THE REQUIREMENTS OF PUBLIC UTILITIES CODE SECTIONS 364 AND 768.6

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**ORDER INSTITUTING RULEMAKING TO FULFILL THE REQUIREMENTS OF
PUBLIC UTILITIES CODE SECTIONS 364 AND 768.6**

Summary

This rulemaking is opened to establish policies, procedures, and rules for the regulation of physical security risks to the electric supply facilities of electrical corporations consistent with Public Utilities Code Section 364.¹

This rulemaking is also opened to establish standards for disaster and emergency preparedness plans for electrical corporations and regulated water companies consistent with Public Utilities Code Section 768.6.²

We will consider whether any new rules, standards, or General Orders (GO) or modifications to other existing policies should apply to all electrical supply facilities within the jurisdiction of the Commission, including facilities owned by publicly-owned-utilities, rural electric cooperatives and regulated water companies. This proceeding will be conducted in phases. The first phase will pertain to the requirements to address the physical security risks to the electrical supply facilities of electrical corporations. Additional phases will be conducted to address emergency and disaster preparedness plans of electrical corporations and regulated water companies.

1. Events Leading to Senate Bill (SB) 699

The vulnerability of electrical supply facilities has been demonstrated in recent years by attacks. In April 2013, a rifle attack occurred at Pacific Gas and

¹ Section 364 of the Public Utilities Code was amended by Senate Bill 699 (Stats. 2014, ch. 550, Sec. 2).

² Section 768.6 of the Public Utilities Code was added by Assembly Bill 1650 (Stats. 2012, ch. 472).

Electric's (PG&E) Metcalf Transmission Substation south of San Jose, resulting in approximately \$15.4 million in damages. Although PG&E initiated various changes in its security protocol, in late August 2014, burglars entered the Metcalf facility and removed \$38,651 of tools and equipment.³

Regulatory jurisdiction over transmission facilities and substations is shared between federal and state agencies. The Federal Energy Regulatory Commission (FERC) is an independent federal agency that regulates the interstate transmission of electricity, including the "Bulk-Power System" and related facilities that include some high voltage transmission facilities and substations.⁴

Several grid security guidelines or standards have been proposed or developed to address the physical security of the electrical supply facilities of electrical corporations. However, prior to the Metcalf incident, many of these standards were considered as voluntary best practices. Following the Metcalf incident, FERC ordered the imposition of mandatory physical security standards to be prepared by the North American Electric Reliability Corporation (NERC).⁵ In California, SB 699 was enacted to ensure that steps would be taken to reasonably protect electrical supply facilities of electrical corporations against further attacks.⁶

³ PG&E. *Metcalf Root Cause Analysis Summary Report*. November 21, 2014 at 2.

⁴ [Http://www.ferc.gov](http://www.ferc.gov).

⁵ NERC is a not-for-profit international regulatory authority whose mission is to ensure the reliability of the bulk power system in North America. See, <http://www.nerc.com>.

⁶ The Commission does not expect anything in this rulemaking to conflict with any FERC or NERC regulations, jurisdiction, or proceedings.

1.1 Changes to Public Utilities Code Section 364

SB 699 amended Section 364 of the Public Utilities Code to require that the Commission "in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, consider adopting rules to address the physical security risks to the distribution systems of electrical corporations." Additionally, this legislation provides that the Commission may, "consistent with other provisions of law, withhold from the public information generated or obtained pursuant to this section that it deems would pose a security threat to the public if disclosed." This rulemaking is concerned with implementing the amendments to Section 364 of the Public Utilities Code.

Prior to SB 699, Section 364 of the Public Utilities Code provided the following.

1. Requires the Commission to adopt inspection, maintenance, repair, and replacement standards for the distribution facilities of investor-owned utilities (IOUs) in order to provide high-quality, safe, and reliable service.
2. Requires the Commission to adopt standards for operation, reliability, and safety during periods of emergency and disaster.
3. Requires each utility to report annually on compliance with the applicable standards.
4. Requires annual compliance reports submitted by the utility to be made available to the public.
5. Requires the Commission to conduct a review to determine whether the standards have been met and to perform a review after every major outage.
6. Provides that the Commission may order appropriate sanctions, "including penalties in the form of rate reductions or monetary fines."

7. Any penalties or fines collected shall be used to offset funding for the California Alternative Rates for Energy Program.

As amended by SB 699, Section 364 of the Public Utilities Code added the following additional requirements.

1. Requires the Commission to open a new proceeding or phase of an existing proceeding by July 1, 2015, to consider adopting standards or rules to address the physical security risks to the distribution systems of electrical corporations.
2. The standards or rules shall be prescriptive or performance based, or both.
3. The standards or rules may be based on risk management practices as appropriate, for each substantial type of distribution equipment or facility.
4. The standards or rules shall provide for high-quality, safe, and reliable service.
5. In setting the standards or rules, the Commission shall consider cost, local geography and weather, applicable codes, potential physical security risks, national electric industry practices, sound engineering judgment, and experience.
6. Provides that the Commission may, consistent with other provisions of law, withhold from the public information generated or obtained pursuant to this section that the Commission deems would pose a security threat to the public if disclosed.

Appendix A to this rulemaking provides the full text of SB 699 amending Public Utilities Code Section 364.

1.2. Applicable Safety Standards Prior to the Amendment of Section 364 of the Public Utilities Code

Section 364 of the Public Utilities Code requires the Commission to adopt standards for distribution facilities that provide for high quality, safe, and reliable service. Among other things, the Commission has adopted several

decisions, GOs, and rules to provide the utilities with standards and guidance to ensure an adequate level of safe and reliable service. Pursuant to GOs 95, 128, 131-D, 165, 166, 167 and 174, Commission staff is currently routinely involved in the verification of the condition and operation of existing physical security protections. Additionally, D.14-12-025 now requires all utilities to discuss safety and risk assessments in every rate case.

The Commission adopted GO 95 in Decision (D.) 34884, dated December 23, 1941, and has amended GO 95 many times since then. GO 95 contains rules for the design, construction, and maintenance of overhead power lines and communication lines located outside of buildings. GO 95 was last modified by D.15-01-005 on January 21, 2015.

The Commission adopted GO 128 in D.73195, dated October 17, 1967, and has amended GO 128 several times since then. GO 128 contains rules for the design, construction, and maintenance of underground electrical supply systems used in connection with public utility service and underground communication systems used in connection with public utility service located outside of buildings. GO 128 was last modified on January 13, 2005, in D.05-01-030.

The Commission adopted GO 131-D in D.94-06-014, dated June 8, 1994, which became effective July 8, 1994. GO 131-D requires that no electric public utility shall begin construction in this state of any new electric generating plant, or of the modification, alteration, or addition to an existing electric generating plant, or of electric transmission/power/distribution line facilities, or of new, upgraded or modified substations without first obtaining approval from the Commission. GO 131-D was last modified in D.95-08-038 on August 11, 1995, with the modifications effective on September 10, 1995.

On March 31, 1997, D.97-03-070 adopted GO 165. It was later revised by D.13-06-011 on June 27, 2013. Among other things, GO 165 established standards for inspection for transformers, switching/protective devices, regulators/capacitors, overhead conductor and cables, street lighting, and wood poles. GO 165 also set forth reporting responsibilities and called for the ability of Commission staff to inspect records of inspections consistent with Public Utilities Code Section 314(a).

On July 23, 1998, the Commission issued D.98-07-097 to establish GO 166, which set forth 11 standards for electric service reliability and safety during emergencies and disasters. These standards ensure that utilities are prepared for emergencies in order to minimize damage and inconvenience resulting from electric system failures and major outages. GO 166 contains detailed requirements for emergency planning and performance during emergencies, and requires an investigation following every major outage. On May 4, 2000, the Commission issued D.00-05-022 to add Standards 12 and 13 and to define a Major Event. It was last revised on May 15, 2014, by D.14-05-020.

On May 6, 2004, the Commission issued D.04-05-017, adopting GO 167, which set forth enforcement of maintenance and operation standards for electric generating facilities. GO 167 was most recently modified on November 6, 2008 by D.08-11-009. Section 10.4 of GO 167 sets forth various requirements for reporting safety related and property damage incidents. Section 11.0 notifies of the requirement to cooperate with Commission staff during audits, inspections or investigations.

On October 25, 2012, the Commission adopted D.12-10-029 to establish GO 174. The purpose of GO 174 is to set forth uniform requirements for substation inspections. Among other things, GO 174 requires the inspection of

perimeter fences and gates and sets forth record keeping and reporting responsibilities for all inspections performed.

In addition to already established standards and procedures listed above, SB 699 now requires the Commission to develop additional security measures. These additional security measures will help ensure an adequate level of safety for electrical supply facilities of electrical corporations. This rulemaking will be the procedure that the Commission uses to establish the necessary additional security measures.

1.3. Discussion Pertaining to SB 699

Ensuring the physical security of electrical supply facilities is of great importance in order to provide high quality, safe, and reliable service. In order to protect the electrical supply facilities of electrical corporations from security threats, the Commission has decided to undertake rulemaking on this issue. This rulemaking will provide for the regulatory framework pertaining to the physical security risks to the electrical supply facilities of electric corporations and will be consistent with the requirements set forth in SB 699, which amended Section 364 of the Public Utilities Code.

The April 2013 attack on the Metcalf Substation, and subsequent new standards set out by NERC have emphasized the need for standards to ensure the physical security of the electric grid. In California, SB 699 amended Public Utilities Code Section 364 to require the Commission to address physical security risks at the electrical supply level via the development of new rules and standards. As a result of SB 699, Commission Staff drafted a whitepaper, which

was released February 2015.⁷ In this paper, Commission staff provides various recommendations and opinions the Commission may consider during this rulemaking process.⁸

Among other things, SB 699 requires the Commission to consider local geography and weather, and applicable codes when setting its standards or rules. Furthermore, SB 699 allows the Commission to consider options that include the nondisclosure to the public of any sensitive information, that if disclosed could pose a security threat.

Considering the wide possibilities of potential attacks, various equipment designs, and potential costs of implementing procedures, and rules for the security of the electrical supply facilities within the various utilities, a "one size fits all" approach may not be feasible. This rulemaking will consider and solicit input from the utilities and other interested persons on what rules and procedures should be adopted by this Commission.

2. Events Leading to Assembly Bill (AB) 1650

In September 2011, there were widespread outages in the Pacific Southwest that adversely impacted drinking water supplies due to the lack of electricity at pumping stations. In December 2011, there was a severe wind

⁷ The whitepaper, titled *Regulation of Physical Security for the Electric Distribution System*, February 2015 is attached as Appendix B and is also available at www.cpuc.ca.gov/NR/rdonlyres/930FCC00-BE2F-4BCF-9B68-2CA2CDC38186/0/PhysicalSecurityfortheUtilityIndustry20150210.pdf

⁸ As indicated in the whitepaper, the views presented in the whitepaper are those of the staff and do not necessarily represent the views of the five member California Public Utilities Commission. This paper is intended to initiate a dialog on the topics discussed and any recommendations are preliminary. Staff may revise this whitepaper based on further discussion and any comments received.

storm that caused major damage throughout the San Gabriel Valley, including the loss of power to thousands of utility customers for a significant period of time. Many utility customers and local governmental entities were not provided sufficient information from the utilities regarding the status of the power outage or other damages caused by the windstorm.

2.1. Section 768.6 of the Public Utilities Code

AB 1650 added Section 768.6 to the Public Utilities Code to require the Commission in an existing proceeding to establish standards for disaster and emergency preparedness plans for electrical corporations and any water company regulated by the Commission. This rulemaking is concerned with implementing the addition of Section 768.6 of the Public Utilities Code.

Section 768.6 requires the following:

1. The Commission shall establish standards for disaster and emergency preparedness plans within an existing proceeding, including, but not limited to, the use of weather reports to preposition manpower and equipment before anticipated severe weather, methods of improving communications between governmental agencies and the public, and methods of working to control and mitigate an emergency or disaster and its aftereffects. The Commission, when establishing standards pursuant to this subdivision, may make requirements for small water corporations similar to those imposed on class A water corporations.
2. An electrical corporation shall develop, adopt, and update an emergency and disaster preparedness plan in compliance with the standards established by the Commission.
3. In developing and adopting an emergency and disaster preparedness plan, an electrical corporation shall invite appropriate representatives of every city, county, or city and county within that electrical corporation's service area to meet with, and provide consultation to, the electrical corporation.

4. Every city, county, or city and county within the electrical corporation's service area may designate a point of contact for the electrical corporation to consult with on emergency and disaster preparedness plans. The point of contact shall be provided with an opportunity to comment on draft emergency and disaster preparedness plans.
5. For the purposes of best preparing an electrical corporation for future emergencies or disasters, an emergency and disaster preparedness plan shall address recent emergencies and disasters associated with the electrical corporation or similarly situated corporations, and shall address remedial actions for possible emergencies or disasters that may involve that corporation's provision of service.
6. Every two years, in order to update and improve that electrical corporation's emergency and disaster preparedness plan, an electrical corporation shall invite appropriate representatives of every city, county, or city and county within that electrical corporation's service area to meet with, and provide consultation to, the electrical corporation.
7. For the purposes of best preparing an electrical corporation for future emergencies or disasters, an electrical corporation updating its emergency and disaster preparedness plan shall review the disasters and emergencies that have affected similarly situated corporations since the adoption of the plan, remedial actions taken during those emergencies or disasters, and proposed changes to the plan. The electrical corporation shall adopt in its plan the changes that will best ensure the electrical corporation is reasonably prepared to deal with a disaster or emergency.
8. Any meeting between the electrical corporation and every city and county within the electrical corporation's service area shall be noticed and shall be conducted in a public meeting that allows for the participation of appropriate representatives of counties and cities within the electrical corporation's service area. A county participating in a meeting may inform each city within the county of the time and place of the meeting. An electrical corporation holding a meeting shall provide

- participating counties and cities with the opportunity to provide written and verbal input regarding the corporation's emergency and disaster preparedness plan. For purposes of this public meeting, an electrical corporation may convene a closed meeting with representatives from every city, county, or city and county within that electrical corporation's service area to discuss sensitive security-related information in the electrical corporation's emergency and disaster preparedness plan and to solicit comment. An electrical corporation shall notify the Commission of the date, time, and location of the meeting. An electrical corporation shall conduct initial meetings no later than April 1, 2013, and shall conduct meetings every two years thereafter. An electrical corporation shall memorialize these meetings and shall submit its records of the meetings to the Commission.
9. A water company regulated by the Commission shall develop, adopt, and update an emergency and disaster preparedness plan in compliance with the standards established by the Commission. This requirement shall be deemed fulfilled when the water company files an emergency and disaster preparedness plan pursuant to another state statutory requirement. A water company developing, adopting, or updating an emergency and disaster preparedness plan shall hold meetings with representatives from each city, county, or city and county in the water company's service area regarding the emergency and disaster preparedness plan. An electrical corporation or a water corporation may fulfill a meeting requirement imposed by this section by making a presentation regarding its emergency and disaster preparedness plan at a regularly scheduled public meeting of each disaster council created pursuant to Article 10 (commencing with Section 8610) of Chapter 7 of Division 1 of Title 2 of the Government Code within the corporation's service area, or at a regularly scheduled public meeting of the governing body of each city, county, or city and county within the service area.

Appendix C to this rulemaking provides the full text of AB 1650 creating Public Utilities Code Section 768.6.

2.2. Emergency and Disaster Preparedness Plans for Electrical Corporations and Regulated Water Corporations Prior to the Addition of Public Utilities Code Section 768.6

Ensuring that electrical corporations and regulated water companies are adequately prepared during an emergency is of great importance. Over many years, the Commission has implemented disaster preparedness measures by adopting decisions, industrial standards, GOs, and rules to provide the utilities with standards and guidance regarding disaster preparedness.

As noted above, the Commission issued D.98-07-097 to establish GO 166. GO 166, among other things, requires electric utilities to annually file updated emergency response plans, including requiring the utility to notify local governments of its annual emergency response exercise. Additionally, GO 166 requires training and planning for deployment of personnel in anticipation of an event that may result in a major outage. However, it does not currently require deployment of personnel in the event of anticipated severe weather.

GO 103-A became effective on September 10, 2009, with the adoption of Resolution No. W-4823. GO 103-A sets forth various minimum standards for operation, maintenance, design and construction in regard to regulated water companies. Among other things, GO 103-A requires regulated water companies to cooperate with the Commission to "promote a reduction in hazards within the industry and to the public and requires the report of accidents that may disrupt the supply of water or impact continuity of service."

In order to ensure that electrical corporations and regulated water companies are sufficiently prepared for an emergency or other disaster, the Commission has undertaken various actions to provide guidance in preparing for a disaster or emergency. GOs 166 and 103-A provide utilities with basic

guidance in preparing for emergencies and other disasters, but does not provide all of the requirements set forth in AB 1650. AB 1650 helps to provide additional guidance in preparing for natural disasters and other emergencies. AB 1650 requires that the Commission undertake rulemaking to provide further guidance and sets forth various requirements that electrical corporations and regulated water companies must comply with to ensure that these utilities are adequately prepared for an emergency or other disasters.

2.3. Discussion Pertaining to AB 1650

Ensuring that utilities are adequately prepared for emergencies and other disasters is of great importance in order to provide high quality, safe, and reliable service. In order to ensure that regulated utilities are sufficiently prepared to deal with emergencies and other disasters, the Commission is opening this rulemaking to provide for the regulatory framework concerning emergency and disaster preparedness plans that regulated utilities shall adopt in order to be better prepared for disasters and other emergencies.

With input from the public and local agencies, the Commission will ensure electric corporations and regulated water companies have emergency preparedness plans that will be better able to help protect the public from disruption in electricity and water supply during emergencies or other disasters and consistent with the requirements of Section 768.6 to the Public Utilities Code. Part of this rulemaking is to solicit input from the utilities and other interested persons on what rules and procedures should be adopted by this Commission.

3. Preliminary Scope

As required by the Commission's Rules of Practice and Procedure Rule 7.1(d), this order initiating the rulemaking includes a preliminary scoping memo as set forth below.⁹ The purpose of this rulemaking is to establish new rules and standards and to update existing requirements regarding the physical security of electrical supply facilities, in a manner which is consistent with SB 699 and to ensure that electrical corporations and regulated water companies have adequate disaster and emergency preparedness plans in effect that are consistent with AB 1650.

3.1. Issues to be Considered Pursuant to SB 699

The issues to be considered in this proceeding related to SB 699 may include, but are not limited to the following:

1. What are the key potential physical security risks to electrical supply facilities?
2. What new rules, standards, or General Orders or modifications to existing policies should the Commission consider to mitigate physical security risks to electrical supply facilities?
3. Should any new rules, standards, or General Orders or modifications to existing policies apply to all electrical supply facilities within the jurisdiction of the Commission, including facilities owned by publicly owned electrical utilities and rural electric cooperatives?
4. Are there other factors not listed in Section 364(b) of the Public Utilities Code that the Commission should consider when adopting any new rules, standards, or General

⁹ All references to Rules are to the Commission's Rules of Practice and Procedure.

Orders or modifications to existing policies during this rulemaking?

5. What new rules or standards or modifications to existing policies should the Commission consider to allow for adequate disclosure of information to the public without disclosing sensitive information that could pose a security risk or threat if disclosed?
6. What is the role of cost and risk management in relation to the mitigation of any potential security risks to electrical supply facilities?
7. Should any new rules, standards, or General Orders or modifications to existing policies the Commission considers be prescriptive or performance based, or both?
8. What new rules, standards, or General Orders or modifications to existing policies should the Commission consider to ensure continued operation, reliability and safety during periods of emergencies and disasters as it relates to security of electrical supply facilities?

3.2. Issues to be Considered Pursuant to AB 1650

The issues to be considered in the subsequent phases of this proceeding under AB 1650 may include, but are not limited to the following:

1. What elements should be included in the electrical corporations' and regulated water companies' emergency and disaster preparedness plans?
2. What new rules, standards, or General Orders or modifications to existing policies should the Commission consider to ensure that electrical corporations and regulated water companies are in compliance with the statutory requirements of Public Utilities Code Section 768.6?
3. Should any new rules, standards, or General Orders or modifications to existing policies apply to all electrical supply facilities within the jurisdiction of the Commission,

including facilities owned by publicly owned electrical utilities and rural electric cooperatives?

4. Should the requirements for small water corporations be similar to those imposed on Class A water companies?
5. Should any new rules, standards, or General Orders, or modifications to existing policies be adopted to ensure that counties and cities have an opportunity to participate in the preparation of emergency and disaster preparedness plans?

4. Preliminary Schedule and Initial Comments

Public Utilities Code Section 1701.5(a) provides that in a quasi-legislative proceeding, the Commission shall resolve the issues raised in the scoping memo within 18 months of the date the scoping memo is issued. However, Section 1701.5(b) provides that the assigned Commissioner may specify in the scoping memo a resolution date of more than 18 months if the scoping memo includes specific reasons for the necessity of a later date.

Due to the complexity of this rulemaking, the number of respondents involved, the number of diverse issues presented, and the potential need for multiple phases, this matter will not be able to be concluded within 18 months. Therefore, it is preliminarily determined pursuant to Section 1701.5(b) that Phase I of this proceeding should be resolved within 24 months.

As noted above, this Order Instituting Rulemaking (OIR) will be conducted in phases. Phase I will pertain to the requirements imposed on electrical corporations by SB 699. Additional phases of this order instituting rulemaking will pertain to the requirements imposed on electrical corporations and regulated water companies pursuant to AB 1650.

The preliminary schedule for this proceeding is stated below in Table 1:

Table 1

30 days from Issuance of this OIR	Are the Questions set forth above in the Preliminary Scope the Appropriate Questions to Consider? Should the Commission Consider Additional Questions? Are there Other Issues in this Proceeding that the Commission Should Consider?
TBD	Prehearing Conference on Phase I issues
TBD	Scoping Memo on Phase I issues, and on final category and hearing determinations
TBD	Workshop(s) as needed on Phase I issues
TBD	Comments on Issues Presented at Workshop(s)
TBD	Reply to Comments from Workshop(s)
24 Months from Issuance of Scoping Memo	Proposed Decision on Phase I issues

A complete schedule for later phases of this proceeding will be set by later rulings of the assigned Commissioner or Administrative Law Judge.

5. Proceeding Category and Need for Hearing

Rule 7.1(d) specifies that an OIR will preliminarily determine the category of the proceeding and the need for hearing. As a preliminary matter, we determine that this proceeding is quasi-legislative as defined in Rule 1.3(d). It appears that the issues may be resolved through comments and workshops without the need for evidentiary hearings. In the event that an evidentiary hearing becomes necessary, the assigned Commissioner or Administrative Law Judge will issue a ruling that sets forth the process that will be used, and the schedule to be followed.

Any person who objects to the preliminary categorization of this rulemaking as quasi-legislative or to the preliminary hearing determination shall state any objections and material facts they believe require a hearing in their responses to the questions herein. After considering any comments on the preliminary categorization or preliminary hearing determination, the assigned Commissioner will issue a scoping ruling making a final category and hearing determination; this final determination as to categorization is subject to appeal as specified in Rule 7.6(a).

6. Respondents

The following are respondents in Phase I of this OIR: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas and Electric Company (SDG&E), PacifiCorp, CALPECO (Liberty Utilities) and Bear Valley Electric Service. Phase II of this OIR includes the above named respondents and also includes all Class A, B, C and D water companies regulated by the Commission.

7. Service of OIR

This OIR shall be served by the Commission on all respondents. In the interest of broad notice, this OIR will also be served on the official service lists for the following proceedings:

R.14-08-012 (Order Instituting Rulemaking to Consider Proposed Amendments to General Order 95);

R.01-10-001 (Order Instituting Rulemaking to Revise Commission General Order Numbers 95 & 128);

R.08-11-005 (Order Instituting Rulemaking to Revise and Clarify Commission Regulations Relating to Safety of Electric Utility and Communications Infrastructure Provider Facilities);

R.02-11-039 (Rulemaking to Implement the Provisions of Public Utilities Code Section 761.3 Enacted by Chapter 19 of the 2001-2002 Second Extraordinary Legislative Session);

R.10-09-001 (Order Instituting Rulemaking to Implement Commission Regulations Relating to the Safety of Electric Utility Substations);

R.07-12-015 (Order Instituting Rulemaking on the Commission's Own Motion to Revise General Order 103);

This OIR will also be served on all California Publicly Owned Electric Utility Companies listed in Appendix D;

This OIR will also be served on all Rural Electric Cooperatives listed in Appendix E;

This OIR will also be served on the Public Owned Utilities Representatives and Agents listed in Appendix F;

This OIR will also be served on Facilities-Based Communications Carriers authorized to operate in California listed in Appendix G;

This OIR will also be served on the service list for Resolution No. W-4823 (Order Authorizing Revisions To General Order 103-A Section II.3.C.5, Minimum Standards For Repairs, And Section IV.1.A Method Of Measuring Service) listed in Appendix H; and.

Respondents Pacific Gas and Electric (PG&E), Southern California Edison (SCE), San Diego Gas and Electric (SDG&E), PacifiCorp, CALPECO (Liberty Utilities) and Bear Valley Electric Service are directed to serve a copy of this OIR on every city, county, or city and county within its service area in California. Service of this OIR on every city, county or city and county by the Respondents should be done as soon as feasibly possible, but no later than 30 days after this OIR is served upon the Respondents by the Commission. Within 45 days of

service of this OIR, Respondents shall file proof of service on every city, county or city and county with the Commission.

Service of this OIR does not confer party status or place a person who has received such service on the Official Service List for this proceeding.

8. Filing and Service of Comments and Other Documents

Filing and service of comments and other documents in the proceeding are governed by the rules contained in Article 1 of the Commission's Rules of Practice and Procedure. (See particularly Rules 1.5 through 1.10 and 1.13.)

If you have questions about the Commission's filing and service procedures, contact the Docket Office (Docket_office@cpuc.ca.gov) or check the Practitioners' Page on our web site at www.CPUC.ca.gov.

9. Addition to Official Service List

Addition to the official service list is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Respondents are parties to the proceeding (see Rule 1.4(d)) and will be immediately placed on the official service list.

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (See Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments thereby become parties to the proceeding (see Rule 1.4(a)(2)) and will be added to the "Parties" category of the official service list upon such filing. *In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the "Information Only" category as described above; they will be removed from that category upon obtaining party status.*

10. Subscription Service

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at <http://subscribecpuc.cpuc.ca.gov/>.

11. Public Advisor

Any person or entity interested in participating in this Rulemaking who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor's Office in San Francisco at (415) 703-2074 or (866) 849-8390 or e-mail public.advisor@cpuc.ca.gov. The TTY number is (866) 836-7825.

12. Intervenor Compensation

Any party that expects to claim intervenor compensation for its participation in this rulemaking must file its notice of intent to claim intervenor compensation within 30 days of the filing of comments, except that notice may be filed within 30 days of a prehearing conference in the event that one is held. (See Rule 17.1(a)(2).)

13. Ex Parte Communications

This proceeding is subject to Article 8 of the Commission's Rules, which specifies the standards to be followed for communicating with a decision maker.

Pursuant to Rule 8.3(a), *ex parte* communications are allowed without any restrictions or reporting requirements unless an appeal of the categorization pursuant to Rule 7.6 is successful or until the categorization of this proceeding, or the applicable phase of this proceeding, is changed from quasi-legislative

Therefore, IT IS ORDERED that:

1. Pursuant to Rule 6.1 of the Commission's Rules of Practice and Procedure, this rulemaking is instituted on the Commission's own motion to establish policies, procedures, and rules pertaining to the physical security for the electric supply systems of electrical corporations within California consistent with Public Utilities Code Section 364.

2. Pursuant to Rule 6.1 of the Commission's Rules of Practice and Procedure, this rulemaking is instituted on the Commission's own motion to establish standards for disaster and emergency preparedness plans for electrical corporations and regulated water companies in California consistent with Public Utilities Code Section 768.6.

3. This rulemaking will be conducted in phases. Phase I will pertain to the physical security for the electric supply systems of electrical corporations and additional phases will pertain to disaster and emergency preparedness plans for electrical corporations and regulated water companies.

4. This rulemaking may consider whether any new rules, standards, or General Orders or modifications to existing policies should apply to all electrical supply facilities within the jurisdiction of the Commission, including facilities owned by publicly owned utilities and rural electric cooperatives.

5. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas and Electric Company (SDG&E), PacifiCorp, CALPECO (Liberty Utilities), and Bear Valley Electric Service are named as respondents to both phases of this proceeding. All regulated Class A, B, C and D water companies listed in official Commission records are named respondents in Phase II of this proceeding.

6. This proceeding is preliminarily classified as quasi-legislative, and it is preliminarily determined that evidentiary hearings will not be necessary.

7. No later than 30 days after the Commission adopts this Order Instituting Rulemaking, any person may file opening comments addressing whether the questions set forth above in sections 3.1 and 3.2 are the appropriate questions to consider; whether the Commission should consider additional questions; and whether there are other issues in this proceeding that the Commission should consider.

8. Any person may file comments on the scope, schedule, categorization, or need for hearing no later than 30 days after the Commission adopts this Order Instituting Rulemaking.

9. The Executive Director shall cause this Order Instituting Rulemaking (OIR) to be served on the following Respondents: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas and Electric Company (SDG&E), PacifiCorp, CALPECO (Liberty Utilities); Bear Valley Electric Service; and all regulated Class A, B, C and D water companies. In the interest of broad notice, this OIR shall also be served on the official service lists in Rulemaking (R.) 14-08-012; R.01-10-001; R.08-11-005; R.02-11-039; R.10-09-001; R.07-12-015; all Publicly-Owned Electric Companies, rural electric cooperatives and other Publicly-Owned Utilities' Representatives listed in Appendices D, E,

and F; on Facilities-Based Communications Carriers authorized to operate in California listed in Appendix G; and the service list from Resolution No. W-4823 listed in Appendix H.

10. Respondents Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, PacifiCorp, CALPECO (Liberty Utilities) and Bear Valley Electric Service are shall serve a copy of this Order Instituting Rulemaking (OIR) on every city, county, or city and county within its service area in California. Service of this OIR on every city, county or city and county by the Respondents shall be done no later than 30 days after this OIR is served upon the Respondents by the Commission. Within 45 days of service of this OIR, Respondents shall file proof of service on every city, county or city and county with the Commission.

11. A party that expects to request intervenor compensation for its participation in this rulemaking must file its notice of intent to claim intervenor compensation within 30 days of the filing of comments, except that notice may be filed within 30 days of a prehearing conference in the event that one is held (see Rule 17.1(a)(2)).

12. *Ex parte* communications in this Rulemaking are governed by Rule 8.3(a) of the Commission's Rules of Practice and Procedure.

13. The assigned Commissioner or Administrative Law Judge may adjust the schedule identified herein and refine the scope of this proceeding as needed to promote the efficient and fair resolution of the rulemaking.

This order is effective today.

Dated June 11, 2015, at San Francisco, California.

MICHAEL PICKER
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
Commissioners

Commissioner Liane M. Randolph, being necessarily absent, did not participate.

Appendix A

(Senate Bill 699 amending Public Utilities Code Section 364)

BILL NUMBER: SB 699 CHAPTERED

An act to amend Section 364 of the Public Utilities Code, relating to public utilities.

SB 699, Hill. Public Utilities: electric corporations.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the commission to adopt inspection, maintenance, repair, and replacement standards for the distribution systems of electrical corporations in order to provide high-quality, safe, and reliable service. Existing law requires the commission to conduct a review to determine whether the standards have been met and to perform the review after every major outage.

This bill would require the commission, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, to consider adopting rules to address physical security risks to the distribution systems of electrical corporations.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

The Legislature finds and declares all of the following:

- (a) Physical threats to the electrical distribution system present risks to public health and safety and could disrupt economic activity in California.
- (b) Ensuring appropriate actions are taken to protect and secure vulnerable electrical distribution system assets from physical threats that could disrupt safe and reliable electric service, or disrupt essential public services, including safe drinking water supplies, are in the public interest.
- (c) Proper planning, in coordination with the appropriate federal and state regulatory and law enforcement authorities, will help prepare for attacks on the electrical distribution system and thereby help reduce the potential consequences of such attacks.

SEC. 2.

Section 364 of the Public Utilities Code is amended to read:

364.

- (a) The commission shall adopt inspection, maintenance, repair, and replacement standards, and shall, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, consider adopting rules to address the physical security risks to the distribution systems of electrical corporations. The standards or rules, which shall be prescriptive or performance based, or both, and may be based on risk management, as appropriate, for each substantial type of distribution equipment or facility, shall provide for high-quality, safe, and reliable service.

- (b) In setting its standards or rules, the commission shall consider: cost, local geography and weather, applicable codes, potential physical security risks, national electric industry practices, sound engineering judgment, and experience.

The commission shall also adopt standards for operation, reliability, and safety during periods of emergency and disaster. The commission shall require each electrical corporation to report annually on its compliance with the standards or rules. Except as provided in subdivision (d), that report shall be made available to the public.

- (c) The commission shall conduct a review to determine whether the standards or rules prescribed in this section have been met. If the commission finds that the standards or rules have not been met, the commission may order appropriate sanctions, including penalties in the form of rate reductions or monetary fines. The review shall be performed after every major outage. Any money collected pursuant to this subdivision shall be used to offset funding for the California Alternative Rates for Energy Program.

- (d) The commission may, consistent with other provisions of law, withhold from the public information generated or obtained pursuant to this section that it deems would pose a security threat to the public if disclosed.

SEC. 3.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution. *(End of Appendix A)*



Appendix B

(Regulation of Physical Security for the Electric Distribution System, February 2015)

Regulation of Physical Security for the Electric Distribution System

February 2015

BEN BRINKMAN
SAFETY AND ENFORCEMENT
DIVISION, ELECTRIC SAFETY AND
RELIABILITY BRANCH

CONNIE CHEN
ENERGY DIVISION,
INFRASTRUCTURE PLANNING AND
PERMITTING BRANCH

ARTHUR O'DONNELL
ENERGY DIVISION,
INFRASTRUCTURE PLANNING AND
PERMITTING BRANCH

CHRIS PARKES
SAFETY AND ENFORCEMENT
DIVISION, RISK ASSESSMENT
SECTION



Edmund G. Brown Jr., Governor

EXECUTIVE SUMMARY AND MAJOR TAKEAWAYS

Executive Summary

On April 16, 2013, Pacific Gas and Electric Company's (PG&E's) Metcalf Substation sustained millions of dollars in damages from a gunshot attack that destroyed several transformer oil tanks at the facility. Fortunately, no customers lost power due to the event, but a similar attack under different circumstances might have been catastrophic.

As a result of this attack, public concern regarding security of the electric grid, which is typically reserved for cyber protection of electric facilities, expanded to include concern over physical security measures for the electric grid. The Federal Energy Regulatory Commission (FERC) tasked the North American Electric Reliability Corporation (NERC) with developing a standard for physical security at the most critical bulk-power level substations. While these new federal standards are limited to a select group of transmission level substations, the California Public Utilities Commission (CPUC or the Commission) is examining grid security at all levels of the electric supply system, including the distribution level, and is re-evaluating its existing policies and oversight activities for electric system security.

CPUC staff held a two day workshop on substation physical security in June, 2014. CPUC staff assembled a panel of electric grid security experts to discuss major issues in physical security. The first day consisted of public workshops, during which PG&E elaborated on its security improvements since the Metcalf substation attack, and the expert panel discussed current security threats and best practices in physical security. During the second day, representatives from the major California utilities presented their specific physical security measures to CPUC staff in a closed door meeting, followed by a roundtable discussion of existing and pending state and federal security related legislation and regulations.

On September 25, 2014, California's governor signed into law California Senate Bill 699 (See Appendix A) which requires the Commission to develop rules for physical security of the electric distribution system.

The views presented in this paper are those of staff and do not necessarily represent the views of the five member California Public Utilities Commission. This paper is intended to initiate a dialog on the topics discussed and any recommendations are preliminary. Staff may revise this paper based on further discussion and comments received.

The purpose of this whitepaper is to discuss the current and potential regulatory framework around electric distribution system physical security, to present the process involved in evaluating potential security measures, to identify questions the Commission should address in developing rules for physical security, and to recommend a possible methodology for utility electric distribution system physical security planning.

Major Takeaways

1. Security of the electric distribution system is an important concern for protection of life and to provide and maintain a safe and reliable power delivery system. Physical security measures represent important considerations in an asset protection scheme that includes cybersecurity and information security. It is impossible to completely separate physical security from cyber and information security.
 2. Although physical attacks on electric facilities occur with some regularity, none to date have caused major, widespread outages affecting the stability of the grid. However, given recent events and analysis, and the potential for malevolent actors to disrupt the electrical system, physical security for the electric grid is a significant concern.
 3. In 2014, NERC developed a new standard for electric grid physical security, however NERC CIP¹ security regulations are limited to bulk-power assets² and therefore do not apply to the lower voltage electric distribution system.
 4. Because of the limits of federal regulations, a critical role exists for state government, including the Commission, in enforcing physical security at the distribution level. In fact, existing Commission rules already establish some requirements regarding distribution system physical security.
 5. New state legislation³ mandates Commission action to develop rules for physical security for the distribution system in a new or existing proceeding.
6. The recent state legislation addresses only the “distribution system.” However, the processes and elements of physical security planning are applicable to all levels of the electric supply grid.
 7. Security planning should consider multiple factors. Public Utilities Code Section 364, as amended by Senate Bill 699, enumerates cost, local geography and weather, applicable codes, potential physical security risks, national electric industry practices, sound engineering judgment, and experience. Other impacts including environmental impact should also be considered.
 8. Although the specific methodologies and threats differ, varied industries, including electric utilities, choose from a similar menu of options for physical security mitigation. Physical security includes practices to deter, detect, and respond to unauthorized access or attacks. This includes actions such as constructing walls, using intrusion detection and lighting, and employing security forces. Utilities augment these purely physical efforts with cyber and information security activities and security policies and practices.
 9. Electric system physical security can be costly; therefore, given the vast array of distribution equipment, design, and other external considerations, it is virtually impossible for regulators to establish a “one-size-fits-all” approach that would work for all utilities. A performance based approach with reliable metrics lends itself well to a system with varied equipment. Detailed prescriptive measures will likely not be feasible in many instances; however general guidelines and requirements may be appropriate. In addition, the utilities should consider accepted good practices as developed by industry organizations.
 10. A sound planning methodology would use a risk based approach. Under a risk based approach the Commission would require utility planners to identify and assess risks and vulnerabilities, develop mitigation plans from various alternatives, and assemble tests and metrics for evaluating their plans. The utility should consider alternatives and justify the alternatives chosen with respect to efficacy, cost, and other significant considerations.

¹ Critical Infrastructure Protection.

² Bulk power here refers to those transmission and generation assets covered by NERC standards. The definition of the “bulk-power” system has been evolving through a stakeholder process but typically generally refers to assets operating at a voltage over 100kV.
<http://www.mondaq.com/unitedstates/x/215222/Oil+Gas+Electricity/FERC+Approves+Revised+Bulk+Electric+System+Definition+And+Reserves+Authority+To+Determine+Local+Distribution+Facilities>

³ Senate Bill 699, amending Public Utilities Code Section 364.

11. The Commission should consider protection of critical security information as part of its regulatory standard development process. Because Senate Bill 699 specifies that the Commission may withhold from the public certain information whose release would pose a security threat, it would be appropriate for the rulemaking to consider the types of information that warrant confidential treatment under the statute.

Recommendations

1. The CPUC should open a rulemaking to evaluate and update existing requirements regarding physical security of the electric system, in a manner consistent with Senate Bill 699.
2. The CPUC should address the following during the rulemaking:
 - *What does the "distribution" system, as that term is used in Senate Bill 699, consist of?*
 - *Is there any jurisdictional overlap (FERC, NERC, CAISO, etc.)?*
 - *Should the CPUC rules include requirements for bulk-power level facilities?*
 - *Which sorts of rules are best – Prescriptive? Performance based? A combination?*
 - *How should risk be considered?*
 - *Should the Commission base its physical security rules on existing rules or standards, such as NERC CIP 14?*
 - *What constitutes "physical security" measures that should be adopted under Senate Bill 699?*
 - *At a high level, what elements are important in a physical security program?*
 - *How should the Commission balance cost with security?*
 - *How should the Commission balance environmental issues with security?*
 - *How should the Commission determine accepted best practices in physical security?*
 - *In enforcing the regulations on physical security, how should the Commission protect sensitive information? Are current confidentiality rules and practices sufficient?*
3. Commission rules should require a risk based approach to physical security planning. Under the recommended risk based approach, the utility would be required to identify and assess risks to its facilities and develop a plan to mitigate those risks. The utility would also be required to develop clear metrics to evaluate the success of its plan. The utility would present this plan to the Commission and submit updates to the plan as necessary. The utility would need to report annually on its compliance with the adopted rules, as required by Senate Bill 699.
4. The utility should be required to consider various alternatives and justify that the choices chosen are optimal with respect to mitigating risks at an appropriate cost level. The utilities should also consider additional factors, including those identified in Section 364 and also other factors, such as environmental impacts, when designing their security plans.
5. A hybrid approach, including the performance based rules referenced above along with some high level prescriptive guidelines, may be the optimal approach.
6. The utilities should justify their security planning choices based on industry best practices. The utilities should refer to existing standards such as IEEE standards on
 - *What metrics, tests, or drills can be employed to determine effectiveness of a security plan?*
 - *What prescriptive guidelines should be included as part of the regulations?*
 - *Should the rules apply to publicly owned utilities?*
 - *How should the rules be enforced? What should be the timeline for the first security plan submissions and updates? What should be the implementation timeline?*
 - *How often should the system be re-analyzed?*
 - *What sorts of events should undergo root cause analysis?*
 - *Should the Commission require the utilities to use independent security experts to prepare, vet or test the utility security plans?*
 - *Should the Commission contract its own independent security expert to assist in development of rules?*

Substation Physical Security⁴ or other recognized industry standards in justifying their plans. The utilities should also be required to develop and employ metrics and regularly evaluate the results of those metrics as justification for continuing or changing their plans.

7. Drills and testing of the security plans should be included in every utility security plan. The drills should include surprise inspections and simulated real life events that stress the security system. Periodic testing of alarms, access, and monitoring equipment is also critical. Where appropriate, the utility should perform root-cause analysis of any failures detected in the drills.
8. The Commission may consider whether to require the utilities to vet their plans through independent third party experts before submission, and whether the utilities should use third parties in testing their plans. Additionally, the Commission should determine if it wishes to contract its own third party expert for assistance in development of rules.
9. Protection of sensitive information is a critical concern. The Commission should consider the appropriate confidentiality measures for sensitive security information. It may be appropriate for Commission staff to take appropriate training on protecting critical infrastructure information.

⁴ IEEE Standards Association. 2014. See <http://standards.ieee.org/findstds/standard/1402-2000.html>

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1.0. Introduction

Recent events, in particular the April 2013 attack on the Metcalf Substation, and subsequent new standards by the North American Electric Reliability Corporation (NERC, formerly the North American Electric Reliability Council) have focused attention on the physical security of the electric grid. In California, new legislation at the state level requires the California Public Utilities Commission (CPUC) to develop rules to address physical security risks at the electric distribution level.

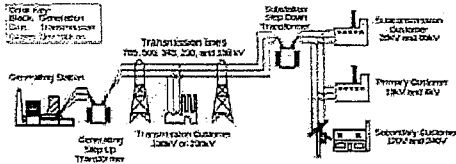
This whitepaper discusses the relevant issues in physical security for the electric distribution system, with a particular focus on advising policymakers on implementation scenarios for the new requirements codified in Section 364 of the Public Utilities Code, as amended by Senate Bill 699.⁵ Section 364 of the Public Utilities Code requires, in part,

The commission... shall, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, consider adopting rules to address the physical security risks to the distribution systems of electrical corporations. The standards or rules, which shall be prescriptive or performance based, or both, and may be based on risk management, as appropriate, for each substantial type of distribution equipment or facility, shall provide for high-quality, safe, and reliable service.

The electric grid consists of generation, transmission, and distribution facilities. The transmission and distribution systems consist of overhead and underground lines, and substations which convert voltage levels and switch power. Generators typically deliver power to the bulk-power high voltage transmission system, which in turn delivers that power to the lower voltage distribution system for delivery to end users.⁶ The bulk-power transmission system is generally defined as those lines and substations operating above 100 kV. Lower voltage level transmission lines and substations, often referred to as sub-transmission, operate from around 25 kV to 100 kV. Substations then convert these transmission and sub-transmission level voltages to lower distribution level voltages (typically 4 kV, 12 kV, or 15 kV) for delivery to end users.

⁵ California State Senate Bill 699. See http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB699

⁶ Also, increasing numbers of distributed energy resources and energy storage facilities interconnect at the distribution level.



Electric Delivery System⁷

Since the 2013 Metcalf Substation attack, and even before that attack, a great deal of public attention has focused on security at the bulk-power level. This whitepaper does not focus strictly on those assets, but discusses physical security measures in general for the entire electric grid. Most security measures pertinent to distribution substations also apply to transmission level substations, and elements of physical security pertinent to other distribution infrastructure also pertain to similar overhead and underground transmission facilities. The differences lie in the impact assessments and the particular structures involved in the physical security planning (e.g., poles versus towers).

2.0. Definition of Physical Security

Physical security, as opposed to cybersecurity, refers to physical deterrence, monitoring, and mitigation activities. A restrictive definition of physical security includes only those elements and strategies directly involved in physical protection- perimeter walls and fencing, lighting, cameras and security patrols. This paper adopts a somewhat more expansive definition, which also includes certain elements of policies, procedures and training related to the physical protection of grid facilities (e.g., background screening of guards) as well as some elements of cybersecurity necessary for the functioning of physical security safeguards (e.g., alarm interpretation software). This paper does not discuss in detail the security for critical bulk power transmission facilities covered under NERC regulations, but rather security for the entire electric delivery system including transmission and distribution facilities, including substations. The processes discussed here should apply to all types of utility facilities.

⁷ Adapted by Congressional Research Service from: U.S.-Canada Power System Outage Task Force, Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations, April 2004, Figure 2.1.

The physical security of the bulk-power grid has long been a matter of concern for policy makers, and attention to these assets increased significantly following the 2013 Metcalf Substation attack. In June 2014 the Congressional Research Service prepared a paper entitled “Physical Security of the US Power Grid: High Voltage Transformer Substations.” The paper focused on the threat to bulk-power level substations, and in particular the risks and vulnerabilities associated with transformers in these substations.

Even prior to the Metcalf attack, federal agencies conducted vulnerability studies of the electric grid. In 2011 NERC conducted Grid-Ex I. In this exercise, NERC determined that although the utilities “took appropriate steps to protect the grid,” NERC should facilitate the development of updated physical security standards.⁸ In 2013, following the Metcalf attack, NERC conducted Grid-Ex II, in which it determined that:

While the electricity industry has experienced occasional acts of sabotage or vandalism, a well-coordinated physical attack also presents particular challenges for how the industry restores power.... The extreme challenges posed by the Severe Event scenario provided an opportunity for participants to discuss how the electricity industry’s mutual aid arrangements and inventories of critical spare equipment may need to be enhanced.⁹

In 2013 FERC conducted its “Electrically Significant Locations” study in which it modeled power flow in the transmission system and identified 30 critical substations across the United States. Although disputed by some experts, the study also determined that disabling only 9 of these substations could potentially cause an extended national blackout.¹⁰

Although high voltage transmission level transformers are certainly a critical point of concern, they are not the only vulnerability in the electric grid. As such, on June 17 and 18, 2014, the CPUC held public and closed workshops on substation and overall grid physical security, which included participation by major utilities in the state as well as industry experts from NERC, Lawrence Livermore Laboratory, and the Department of Homeland Security (DHS). As part of planning this

⁸ North American Electric Reliability Corporation (NERC), *2011 NERC Grid Security Exercise: After Action Report*, March 2012, p. ii.

⁹ North American Electric Reliability Corporation (NERC), *Grid Security Exercise (GridEx II): After-Action Report*, March 2014, p.5.

¹⁰ Rebecca Smith, “U.S. Risks National Blackout from Small-Scale Attack on Substations,” *Wall Street Journal*, March 13, 2014.

event, Commission staff also spoke with personnel from the Federal Bureau of Investigation (FBI). Much of the information in this paper was derived from information presented publicly by utility, industry and security experts at the event.

2.1. Physical Security, Cybersecurity, and Information Security

It is impossible to completely separate effective physical security measures from cyber security and information security measures.¹¹ A significant element of physical security involves alarms and visual monitoring (cameras). For these to be effective, information must be transmitted to control or security centers. Therefore, communications systems must remain intact and fully operational, making cyber protection a critical concern. Additionally, physical security measures can be rendered ineffective if critical information about those measures is made public.

3.0. Significant Incidents at Electrical Facilities

The major risks associated with a physical attack against electricity grid facilities are incidents that cause substantial enough damage, and result in widespread outages that last for days or weeks as critical equipment is repaired or replaced. While there have been many examples of extreme weather events – including heavy winds, tornadoes and hurricanes, ice storms, and fires beneath high voltage transmission lines -- that have resulted in such disruptions, to date in the United States there have been no such extended outages that stem from a planned attack on transmission or substation facilities.¹²

Even the damage to electric transformers at PG&E's Metcalf Substation did not cause outages, despite a cost of repairs estimated at \$15.4 million. Some 100 bullets fired at the substation caused damage to 17 transformers and six circuit breakers, with the major damage being to transformer radiators that leaked 52,000 gallons of cooling oil. However, the incident did not result in any disruption of service.¹³

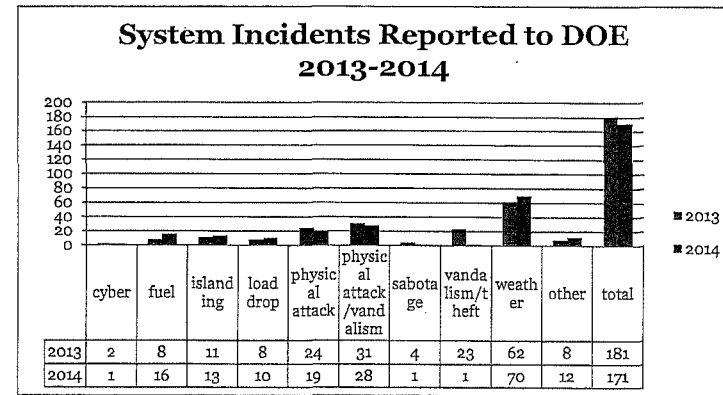
Still, vandalism and other physical attacks on utility facilities represent a substantial number of incidents reported to a federal agency. During 2013 and 2014 (reported through October 1), the

¹¹ CPUC Substation Security workshops, June 2014.

¹² Parformak, Paul W., *Physical Security of the U.S. Power Grid: High-Voltage Transformer Substations*, Congressional Research Service, June 17, 2014; pg. 2.

¹³ SED Presentation to CPUC on PG&E Metcalf Incident and Substation Security, February 27, 2014.

U.S. Department of Energy's Office of Electricity Delivery and Energy Reliability received 352 incident reports; weather related events made up 37 percent while combined physical attacks/vandalism/sabotage were also declared in 37 percent. Cyber-attacks were responsible for just 3 of the reports, according to DOE. Fuel shortages, unintentional islanding and various electrical disturbances comprise the rest.



Source: DOE Submissions of all Electric Emergency Incident and Disturbance Reports (OE-417).

<http://www.oe.netl.doe.gov/oe417.aspx>

Despite many incident reports that cited Physical Attack /Vandalism/Suspicious Activity or Sabotage, only two resulted in documented power outages or loss of load for more than 2 hours.¹⁴ In contrast, weather incidents severe enough to be reported invariably affected hundreds to hundreds of thousands of utility customers, sometimes for extended periods.

Purposeful attacks on electric utility facilities may be reported to DOE as "sabotage" or vandalism (often including theft of copper wire), but they are rarely revealed in the media, although a few incidents have become public. In October 2005, a rifle attack was reported at a Progress Energy substation in Florida, which resulted in a small explosion, a transformer oil leak, and local power

¹⁴ DOE Office of Electricity Delivery and Energy Reliability, web site report November 25, 2014.

<http://energy.gov/oe/services/energy-assurance/monitoring-reporting-analysis/electric-disturbance-events-oe-417>

outage.¹⁵ More recently, in June 2014, a device described as a “homemade bomb” by authorities ignited a small fire at a Nogales, AZ, substation. The fire left burn marks on a 50,000-gallon diesel storage tank at the Valencia substation without interrupting power to the area. The incident has been termed “sabotage” by DOE.

These incidents remain unsolved, but there has been one high-profile case in which federal investigators have identified and arrested a “lone wolf” perpetrator who caused several millions of dollars in damage to utility infrastructure.

In October 2013, the United States Department of Justice charged an Arkansas man with sabotage, a terrorist attack against a railroad and destruction of an energy facility, stemming from incidents that occurred over the course of several months in Lonoke County, AR. In one attack on August 21, 2013, the man allegedly removed over 100 bolts securing a 100 foot 500 kV transmission tower leaving only five in place, and proceeded to sever a shackle on a support wire. Subsequently, the tower fell onto nearby railroad tracks and was struck by a train, causing a brief power outage.

In a separate incident, on September 29, 2013, the same person allegedly set fire to an Entergy high voltage switching station, leaving behind a message: “You should have expected U.S.”¹⁶ Finally, on October 6, 2013, First Electric Cooperative experienced a power outage affecting 9,200 customers. Utility and law enforcement investigations indicated that two power poles had been cut and pulled down by a stolen tractor.¹⁷

A joint investigation by the Federal Bureau of Investigation, the Joint Terrorism Task Force and a dozen other federal, state and local agencies quickly led to an arrest less than one week following the final incident. The man, Jason Woodring of Jacksonville, AR, was indicted on 8 federal counts, including a terrorist attack, destruction of an energy facility, and illegal possession of weapons and drugs. As of January 2015, he awaits trial.

In most cases, it may be difficult to ascertain when an attack on utility facilities is a planned event meant to cause service disruptions, or a crime of opportunity by vandals.

¹⁵ Parformak, op cit, pg. 7.

¹⁶ “Power Grid is Attacked in Arkansas,” New York Times, October 8, 2013

¹⁷ U.S. Department of Justice, U.S. Attorney for the Eastern District of Arkansas, news release, October 12, 2013

On the eve of the new millennium, in 1999, when utilities around the globe prepared for a potential disruption to their computer-driven operations due to the infamous Y2K programming glitch, the Western U.S. grid saw only one actual system outage that resulted from a fallen transmission tower in Oregon. According to the California Independent System Operator (CAISO), the tower was adjacent to an Indian reservation. Someone reportedly hopped a fence, cut a guide wire and removed bolts, allowing a strong wind to topple the tower.¹⁸

Even though the actual impacts of reported physical attacks on the electric grid have been minimal, there is no reason to downplay the potential threat that a well-planned and coordinated attack on the grid might pose. A previously confidential 2013 analysis from the Federal Energy Regulatory Commission (FERC), which was publicly revealed by a *Wall Street Journal* article, warned that a coordinated attack on as few as nine electric transmission substations in various combinations around the country could potentially cause cascading outages in each of the nation's three synchronized power networks. Although the analysis itself was a cause for concern, it appeared that the public release of the information brought far greater criticism in Washington, D.C., with FERC officials and lawmakers condemning the newspaper for undermining grid security – although the news article did not identify what facilities were deemed at risk in the “worst case” scenario.¹⁹

However, the combination of the Journal article and the PG&E Metcalf incident has heightened the issue of physical security to a place more equal to the concerns expressed about cybersecurity.

4.0. Federal and State Initiatives, Laws, and Regulatory Responses

Efforts by the U.S. Government to define and address the security of the electricity system have waxed and waned over the past two decades, with concerns about physical security most often taking a back seat to perceived cybersecurity vulnerabilities. In 1996, for example, President Clinton’s Administration established the President’s Commission on Critical Infrastructure Protection to make recommendations on policies related to the vulnerabilities and threats to the

¹⁸ O’Donnell, Arthur, “Soul of the Grid” 2004, pg.124.

¹⁹ E&E News, “FERC’s confidential threat analysis triggers political reaction,” March 14, 2014.

nation's critical infrastructure.²⁰ The report, dated October 1997, found "no immediate crisis threatening the nation's infrastructures" but did recommend immediate actions on the cybersecurity front.²¹ The recommendations eventually led to a Presidential Decision Directive No. 63 (PDD-63) in 1998, which set a goal of securing the nation's critical infrastructure from both physical and cyber-attacks by the year 2003.

The effort was soon superseded in the post-9-11 period, with the establishment of the Office of Homeland Security (later made a Cabinet-level Department) and subsequent passage of both the Critical Infrastructures Protection Act of 2001²² and the Homeland Security Act of 2002.²³ These laws provided a set of policy goals and a statutory definition of critical infrastructure:

*It is the policy of the United States 1) that any physical or virtual disruption of the operation of the critical infrastructures of the United States be rare, brief, geographically limited in effect, manageable, and minimally detrimental to the economy, human and government services, and national security of the United States.*²⁴

*[T]he term "critical infrastructure" means systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters.*²⁵

In the intervening years, there have been many refinements to the structure of DHS and the various councils and committees established to advise it and the President. These developments tended to shift the emphasis of national policy to concentrate on cybersecurity of the grid, while emphasizing physical security of other critical infrastructures.²⁶ In the wake of Hurricane Sandy's devastating impacts on Northeastern states, the term "resiliency" has been added as a goal of critical infrastructure policies embodied in the most recent changes to the National Infrastructure

²⁰ Executive Order 13010 Critical Infrastructure Protection, Federal Register Vol. 61, No. 138, July 17, 1996.

²¹ *Critical Foundations: Protecting America's Infrastructures*, President's Commission on Critical Infrastructure Protection, October 1997.

²² 42 US Code 5195C

²³ Public Law 107-296, Sec. 214

²⁴ 42 US Code 5195C Sec. (c) (1).

²⁵ Sec. (e)

²⁶ Moteff, John D., *Critical Infrastructures: Background, Policy and Implementation*, Congressional Research Service, February 21, 2014, provides a detailed review of these developments from 1996 to the present.

Protection Plan (NIPP).²⁷ Resiliency considerations are an important element of substation security planning and risk assessment. NIPP, overseen by DHS' Office of Infrastructure Protection, was updated as a result of Presidential Policy Directive-21 (PPD-21) in February 2013. According to DHS director of strategy and policy Bob Kolasky, "[G]rowing interdependencies across infrastructure systems, particularly reliance on information and communications technologies, have produced new vulnerabilities to physical and cyber threats. The new plan NIPP 2013, guides efforts across the critical infrastructure community to enhance security and resilience in conjunction with national preparedness policy."²⁸

This emphasis on cybersecurity is largely mirrored by the plethora of federal legislation introduced, considered and occasionally chaptered into law, while physical security has received far less legislative attention.²⁹

4.1. Critical Infrastructure Protection Standards – CIPs

In the national regulatory arena, the interplay between the FERC and NERC has largely provided the platform for both physical security and cybersecurity efforts in the electric utility industry. FERC is a federal agency, successor to the Federal Power Administration, which has primary regulatory authority over interstate electric and natural gas transmission, hydroelectricity, and wholesale power markets. NERC, a not-for-profit, non-governmental body charged with organizing the voluntary reliability efforts of electric utilities in nine regions across the U.S., was established as a direct result of the massive 1965 New York blackout. The Energy Policy (EP) Act of 2005 created a new hybrid approach to system reliability with designation of an Electric Reliability Organization (ERO) to establish mandatory standards governing operations and information pertaining to the electric utility industry. In 2007, FERC designated NERC as the national ERO responsible for writing standards, while FERC retained its authority to review and approve those standards.

²⁷ The National Infrastructure Protection Plan is a Department of Homeland Security document which outlines how government and the private sector can partner to develop protocols to protect critical infrastructure. Resiliency refers to the ability of the electric grid, or any system, to prepare for and adapt to serious stressors such as physical attack or severe weather events.

²⁸ Kolasky Interview with Eric Holdeman in *Emergency Management* magazine, March 21, 2014. See <http://www.emergencymgmt.com/safety/Sharpening-the-Focus-on-Critical-Infrastructure.html>

²⁹ Fischer, Eric, *Federal Laws Relating to Cybersecurity, Overview and Discussion of Proposed Revisions*, Congressional Research Service, June 13, 2013.

Even before EP Act 2005, both entities had undertaken approaches to regulating critical infrastructure. Immediately after 9-11, FERC began promulgating rules on Critical Energy Infrastructure Information (CEII) that severely limited, then refined, the ability of the public and market participants to access materials like maps and documents that could provide sensitive information about grid vulnerabilities.³⁰

NERC's efforts to create new, largely voluntary, standards for the power system took the form of various Critical Infrastructure Protection (CIP) standards. Beginning in 2005, NERC members worked on, and then forwarded for FERC approval, nine initial CIPs, which have become mandatory and subject to NERC enforcement.³¹

- **CIP-001:** Covers sabotage reporting;
- **CIP-002:** Requires the identification and documentation of the Critical Cyber Assets associated with the Critical Assets that support the reliable operation of the Bulk Electric System;
- **CIP-003:** Requires that responsible entities have minimum security management controls in place to protect Critical Cyber Assets;
- **CIP-004:** Requires that personnel with authorized cyber or unescorted physical access to Critical Cyber Assets, including contractors and service vendors, have an appropriate level of personnel risk assessment, training, and security awareness;
- **CIP-005:** Requires the identification and protection of the Electronic Security Perimeters inside which all Critical Cyber Assets reside, as well as all access points on the perimeter;
- **CIP-006:** Addresses implementation of a physical security program for the protection of Critical Cyber Assets;
- **CIP-007:** Requires responsible entities to define methods, processes, and procedures for securing those systems determined to be Critical Cyber Assets, as well as the other (non-critical) Cyber Assets within the Electronic Security Perimeters;
- **CIP-008:** Ensures the identification, classification, response, and reporting of cybersecurity incidents related to Critical Cyber Assets; and

³⁰ See FERC's web site for a listing of major CEII regulations, <http://www.ferc.gov/legal/maj-ord-reg/land-docs/ceii-rule.asp>

³¹ NERC CIPs do not apply to nuclear energy facilities, which are under jurisdiction of the Nuclear Regulatory Commission.

- **CIP-009:** Ensures that recovery plans are put in place for Critical Cyber Assets and that these plans follow established business continuity and disaster recovery techniques and practices.

CIP standards undergo regular modification. On November 22, 2013 FERC approved CIP Version 5 which includes significant changes and additions to the existing collection of standards.³² The changes are scheduled to become enforceable in 2016.

As of early January 2015, CIP-010, *Configuration Change Management and Vulnerability Assessment* and CIP-011, *Information Protection*, as well as CIP-014, *Physical Security*, are standards subject to future enforcement.³³

Until the recent adoption by FERC of CIP-014, which is specific to critical facilities in the bulk power system, including substations, but not electric generators,³⁴ CIP-004 and CIP-006 had the most impact on physical aspects of security. FERC's initial directive to NERC to formulate these physical security standards indicated that a major component of the rules would be for owners and operators of the grid to perform risk assessment of their system and identify facilities that, if rendered inoperable or damaged, could have a critical impact on the operation of the interconnected grid through instability, uncontrolled separation, or cascading failures.

FERC recognized that "critical" facilities would be a relatively small subset of all facilities that comprise the electric grid. "[O]f the many substations on the bulk power system, our preliminary view is that most of these would not be 'critical' as the term is used in this order. We do not expect that every owner and operator of the bulk power system will have critical facilities under the reliability standard..."³⁵

The standard requires that owner/operators of the grid "develop and implement a security plan to protect against attacks on these facilities."³⁶

³² FERC. *Order No. 791 Final Rule*. <http://www.ferc.gov/whats-new/comm-meet/2013/112113/E-2.pdf>

³³ NERC. *Standards Subject to Future Enforcement*. <http://www.nerc.com/pa/Stand/Pages/StandardsSubjecttoFutureEnforcement.aspx?jurisdiction=United States>

³⁴ RM14-15-000, approved with modification November 20, 2014.

³⁵ RD14-6-000; March 7, 2014, 146 FERC ¶61,1666 at P.11

³⁶ FERC news release July 17, 2014.

4.2. Other Physical Security Standards

Outside of the national regulatory arena, the electric power industry is looking to develop physical security standards for substations, regardless of whether they are part of the bulk power system or local distribution networks not under FERC jurisdiction.

The Institute of Electrical and Electronics Engineers (IEEE), a professional association founded in 1963, is responsible for developing many standards for equipment and practices used by the electric utility industry, including the widely recognized IEEE 1547 standard for safety of all devices that are interconnected to the grid.

As of January 2015, IEEE members are developing P1402, a Standard for Physical Security of Electric Power Substations. The standard would “define sound engineering practices for substation physical protection that could be applied to . . . substations that are unmanned, and thus susceptible to unauthorized access, theft and vandalism.”

The prospective standard is mostly concerned with issues of access, monitoring and delay/deter features to mitigate vulnerability at such facilities. P1402 “does not establish requirements based on voltage levels, size or any depiction of criticality of the substation” but rather leaves it up to the facility owners to determine applicability to their assets.

4.2.1. Other Industry Standards

Several existing industry standards not specifically related to physical security are nonetheless relevant. These include National Fire Protection Association (NFPA) and National Electric Safety Code (NESC) standards, as well as International Organization for Standardization (ISO) standards such as ISO 55000 (Asset Management Standard), ISO31000 (Risk Management Standard), and ISO 9001 (Quality Management Standard).

4.3. Existing CPUC Regulation and Oversight Activities

Commission policies and regulations have long included provisions related to electric grid physical security. Commission staff regularly inspects and investigates existing security measures at electrical facilities. During inspections of power plants, underground and overhead facilities and

substations under General Orders 174, 165, 167, 128 and 95,³⁷ Commission staff verifies the condition and operation of existing physical security protections such as substation fences and lighting, padmount locks, vault covers, and electric generating station security plans. The Commission evaluates security measures as part of electric utility rate cases. CPUC policies now require the utilities to discuss both safety and risk assessment in every rate case. Commission staff annually review electric utility emergency plans, and regularly monitor utility emergency exercises as required by General Order 166.³⁸ In addition, Commission staff investigates incidents related to security at electrical facilities, including both the 2013 Metcalf gunshot attack and the 2014 Metcalf security breach and burglary.

4.3.1. Metcalf Attack and Metcalf Burglary

On April 16, 2013, a gunshot attack damaged several high voltage transformers and other equipment at Pacific Gas and Electric’s Metcalf Transmission Substation south of San Jose. No customers lost power and no injuries were reported, but the cost of repairs approached \$15.4 million, and the attack rendered the substation inoperable for approximately one month. Following this attack, PG&E initiated several changes to its security protocol at this substation.

Despite these changes, between the hours of 22:10 on August 26, 2014, and 02:41 on August 27, 2014, burglars cut through the fence at the Metcalf Substation and removed tools and equipment valued at \$38,651.³⁹

Law enforcement personnel⁴⁰ investigated both incidents with a goal of identifying and apprehending the perpetrators. At the same time, staff from the Commission’s Safety and Enforcement Division (SED) investigated the incidents to evaluate PG&E’s security measures and compliance with Commission regulations.⁴¹

Following the 2014 Metcalf burglary, SED directed PG&E to conduct a root cause analysis (RCA) into the event. Although the full RCA report is confidential, PG&E prepared a non-confidential

³⁷ General Order 95, “Rules for Overhead Electric Lines”; General Order 128, “Rules for Construction of Underground Electric Supply and Communication Systems”; General Order 165, “Inspection Requirements for Electric Distribution and Transmission Facilities”; General Order 174, “Rules for Electric Utility Substations”; General Order 167, “Enforcement of Maintenance and Operation Standards for Electric Generating Facilities.”

³⁸ General Order 166, “Standards for Operation, Reliability, and Safety During Emergencies and Disasters.”

³⁹ PG&E, *Metcalf Root Cause Analysis Summary report*, November 21, 2014, p2.

⁴⁰ Including local police for both incidents and the FBI for the April 2013 gunshot attack.

⁴¹ SED’s investigation of the August 26-27, 2014 incident is on-going.

summary document showing its analysis of the causes and major action items it is undertaking in response to both the 2013 attack and the 2014 break-in (See Appendix B).

4.4 Physical Security Activities in other States and Power Agencies

Our research indicates California leads the way in efforts to improve electric grid physical security. However, some other states and power agencies have undertaken noteworthy efforts in this area.

Arizona has a history of both grid security events and utility action in response to these events. In 2007, security working at a checkpoint stopped a worker carrying a pipe packed with firework explosives. In February of 2014, target shooters in the vicinity of a Nogales substation were confronted by plant security and law enforcement. In June of the same year, saboteurs detonated a makeshift explosive device near spare oil tanks at a substation in the same general area. Law enforcement investigated all of these incidents. In March 2014, in the wake of the Metcalf attack, the Arizona Corporation Commission sent a letter to state utility owners asking about planned improvements to mitigate physical security threats in their facilities.⁴²

Arizona utility activities in the security area predate these events. In 2000, the FBI established an advisory program on substation grid physical security for Arizona utilities. Under the “infragard” program, the federal government shares security information with electric corporations in the state.

Pennsylvania Utility Code 52 Chapter 101 requires all jurisdictional utilities to prepare physical and cyber security plans as part of their emergency preparation, and to self-certify that those plans meet state requirements.⁴³

The Bonneville Power Administration, a federal power agency operating in the Pacific Northwest, has conducted hundreds of security and risk assessments since 2001, and in 2014 proposed an additional \$37 million in capital spending for physical security measures at its critical substations.⁴⁴

In 2014, Dominion Virginia Power Company proposed increased expenses over five to seven years to harden critical infrastructure against man-made threats. Dominion’s efforts, which began in 2013 at the most critical substations, included typical physical security improvements; additional

⁴² *Sabotage puts Focus on Threats to the Grid*. AZcentral. June 12, 2014. See <http://www.azcentral.com/story/news/arizona/2014/06/12/sabotage-nogales-station-puts-focus-threats-grid/10408053/>

⁴³ Pennsylvania Public Utility Code 52, Section 101. *Public Utility Preparedness Through Self Certification*.

⁴⁴ Parformac, op cit p.21.

access control and improved physical barriers, equipment hardening, polymer bushings, and spare equipment stored offsite.⁴⁵

In February of 2012 the Tennessee Valley Authority began increasing security at its non-nuclear infrastructure, stationing 24-hour contract guards at critical facilities, as well as improving its surveillance method including video analytics, infrared monitoring, and enhanced coordination with local law enforcement agencies.⁴⁶

An interesting problem in western Africa is the theft of transformers for cooling oil, which residents of the area use for a wide variety of purposes including cooking and as a salve for wounds. In 2012 Kenya Power spent about seven percent of its profits replacing transformers, which led them to begin locating transformers in homes, higher up on poles, and in other inaccessible areas.⁴⁷

5.0. Examples of Physical Security from Other Industries

Although different industries may have different specific concerns, and different assets to protect, the methodologies used in security planning, and the types of protections available are very similar to those employed in the electric industry. Some notable examples are described in this section.

5.1. Physical Security in the Nuclear Industry

In addition to the common threats to electrical reliability, the nuclear industry faces unique challenges because of the need for a nuclear protective system to safeguard the fissile material. Access to all nuclear plants is strictly controlled with armed guards, fences, and advanced intrusion detections. Since the terrorist attacks of September 11, 2001, the nuclear industry has concerned itself with large airplane crash attacks.

In performing their risk and threat assessment, nuclear generators divide their plants into concentric areas of escalating security, from the outer perimeter or “owner controlled area” down to the

⁴⁵ Parformac, op cit p.20.

⁴⁶ Parformac, op cit p.19.

⁴⁷ *Thieves Fry Kenya's Power Grid for Fast Food*. Aljazeera. December 28, 2014. <http://www.aljazeera.com/indepth/features/2014/12/thieves-fry-kenya-power-grid-fast-food-2014122884728785480.html>

central vital area which houses the actual nuclear material and critical controls. To protect these areas, the industry uses various tools, including physical barriers, electronic surveillance, bullet-resisting protected positions, background checks and specialized security forces.⁴⁸

5.2. Physical Security in the Chemical Industry

In 2009, the Department of Homeland Security (DHS) worked with the chemical industry to develop a set of anti-terrorism standards. The product of this collaboration is a collection of physical security risk based performance standards and metrics for evaluating the implementation of those standards. The Chemical Industry divided asset protection and security strategy into three main areas:

1. Physical security
2. Cybersecurity
3. Security Policies, Procedures and Plans

The Chemical industry plan defines physical security narrowly, to include (1) perimeter barriers; (2) monitoring and intrusion detection systems; (3) security lighting; and (4) security forces.⁴⁹

Other entities may take a more expansive view of the definition of physical security to include elements of cybersecurity, information security, and policies, procedures and plans.⁵⁰

5.3. Physical Security for the Financial Sector

The financial sector utilizes the same sorts of physical security strategies as the other industries discussed above. Layered defenses are used around critical assets and structures such as buildings and data centers. These defenses include deterrent and delaying devices such as walls, locks and access controls, detection devices, and policies and procedures for access, as well as security forces when needed.⁵¹

⁴⁸ Nuclear Energy Institute. Physical Security. <http://www.nei.org/Master-Documents-Folder/Backgrounders/Fact-Sheets/Nuclear-Power-Plant-Security>

⁴⁹ Department of Homeland Security (DHS). Risk Based Performance Standards Guidance. Chemical Facility Antiterrorism Standards. May 2009, p148.

⁵⁰ Part of the Commission's task in enforcing Senate Bill 699 will be determining what falls under the rubric of "physical security."

⁵¹ *Enterprise Risk Management*. PCI Security Systems. 2014. See <http://www.emrisk.com/knowledge-center/newsletters/physical-security>

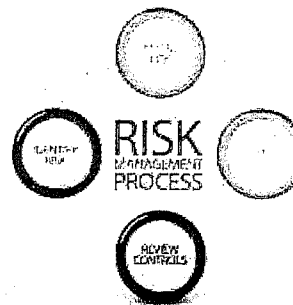
5.4. Military Physical Security

Army field manual FM 3-19.30 spells out security measures for army facilities. Not surprisingly, the field manual lists common physical security measures such as Protective Barriers, Lighting, Electronic Systems, and Access Control.⁵² The field manual recommends a system based approach including risk, threat and vulnerability assessment.

6.0. Risk Based Physical Security for the Electric Grid

6.1. Risk Management Process

The risk management process is an accepted methodology used either implicitly or explicitly in most threat prevention strategies.



The Risk Management Process⁵³

Typically, risk management involves a process of risk and vulnerability identification and assessment, risk mitigation or control, and a monitoring process based on performance standards. Without divulging the specific activities of any particular utility, discussions at both the open and

⁵² *Army Field Manual FM3-19.30*. 2001. See <https://www.wbdg.org/cob/ARMYCOE/FIELDMAN/fm31930.pdf>

⁵³ *Risk Management*. Suwanee County Florida. See http://www.suwcounty.org/index.php?option=com_content&view=article&id=32&Itemid=67

closed sessions of the CPUC June 2014 physical security workshop indicated that all utilities use some sort of risk and vulnerability assessment to plan for physical security protections, and utilize similar physical threat mitigation techniques.

6.2. Risk Identification and Assessment (Evaluate Risks, Threats, and Vulnerabilities)

The first step of a risk based process is the identification of all potential risks, threats and vulnerabilities, then the classification or assessment of these risks. In assessing risk, evaluators look at all potential threats, analyze the vulnerabilities of equipment to those threats, evaluate the likelihood and impact of an event occurring related to that threat, and assign a risk priority to the threat.

Some risk evaluators use tools developed to identify and assess threats. One such tool is the so-called CARVER matrix, developed by Special Forces during the Vietnam War.⁵⁴ The acronym CARVER stands for Criticality, Accessibility, Recuperability, Vulnerability, Effect and Recognizability.⁵⁵

In the electric industry, threats can be classified by the source and the methodology. As to the source of physical risks and threats, they can potentially emanate from vandals or thieves, disgruntled employees and possibly terrorist entities. The methodology of attack can include vehicle (land or aerial) attack, human intrusion for purposes of damaging or stealing equipment, gunshots, bombings or attacks with other weapons.⁵⁶ Advanced modern forms of attack could potentially include electromagnetic pulse weapons which can disrupt grid operations. As part of this threat identification process, and throughout the risk management process, the utility will also look at the vulnerability of the assets to different types of attacks.

⁵⁴ Tucson Electric Power used this methodology in developing its plan for compliance with NERC CIP 14. Tucson Electric Power Presentation, September 2014.

⁵⁵ Bennett, Brian T. (2007). *Understanding, assessing, and responding to terrorism: protecting critical infrastructure and personnel* (2007 ed.). John Wiley & Sons. ISBN 0-471-77152-X.

⁵⁶ A representative from Lawrence Livermore Laboratories, commenting at the 2014 CPUC substation workshop, indicated that while possible, bombings of substations were less likely than other modes of attack.

After enumerating all potential risks, the utility will classify the risks according to probability of occurrence and severity of impact. This type of assessment generally leads to the development of a risk matrix.⁵⁷

RISK ASSESSMENT MATRIX				
Severity Probability	High (H)	Critical (C)	Major (M)	Minor (N)
High (H)	High	Critical	Major	Minor
Medium (M)	High	Critical	Major	Minor
Low (L)	High	Critical	Major	Minor
Very Low (V)	Medium	Medium	Medium	Medium
Unassessed (U)	Unassessed			

Risk Matrix

Probability considerations include (but are not limited to):

1. Geographical location
2. Ease of access, vulnerability of asset to attack
3. Criticality or importance of asset to the delivery system
4. Local demographics
5. Existing natural barriers
6. National security intelligence and reports, current security climate

The probability of some specific risks may depend on specific unique factors. Copper theft is always a major issue for utilities at the distribution level. Not only does this theft involve a large loss of property, but vandals are frequently killed or injured stealing copper. As a result, twenty six states have considered legislation to reduce or prevent copper theft, primarily by controlling the businesses that reclaim copper.⁵⁸ Despite the fact that copper theft is always a problem for utilities, the probability can be tied to specific external factors such as economic conditions and the cost of copper. All of these factors should be included in a risk management probability assessment.

⁵⁷ *Risk Management*. AcQNotes. 2014. <http://www.acqnotes.com/Tasks/Element-3-Assess-and-Document-Risk.html>

⁵⁸ *Copper Theft Survey*. Electric Safety Foundation International. 2014. See <http://esfi.org/index.cfm/page/ESFI-Releases-Results-of-National-Utility-Copper-Theft-Survey/cdid/10357/pid/10262>

To evaluate the severity or the impact of a successful attack, security planners consider the potential impact of loss of a particular asset. Potential results of a successful physical attack on distribution facilities can include death or injury to the public or workers, financial loss through equipment replacement, health and safety ramifications due to loss of power or stability in the electric system. Some impacts, such as financial loss, can be relatively easily quantified. Others are less tangible. To determine the likely potential impact of attack on a specific facility or asset, considerations should include (but are not limited to) the following.⁵⁹

1. Type of facility- generation, substation, transmission or distribution,
2. Criticality of facility to operation of the grid,
3. Criticality of the facility based on customers,
4. Ease of restoration of the facility, replacement spares, cost of replacement,
5. Ability of the grid to function normally given loss of the particular asset (redundancy or resiliency concerns). These redundancy or resiliency concerns include the difficulty of repair, the availability of alternative paths in the grid, presence of effective remedial action schemes, and the availability of spare parts.

In general, the threat considerations and mitigation techniques for generating stations would be similar to those for substations. Generating stations contain physically larger targets (such as boilers) and large transformers, in particular the main step-up transformer, but are more likely to be manned and guarded. Additionally, according to NERC, although it may have a significant effect on local reliability, the loss of one generator is typically not as damaging to grid stability as the loss of a critical transmission substation.⁶⁰

6.3. Risk Mitigation (Control Risks)

6.3.1. Physical Mitigation

6.3.1.1. Mitigating Threats to Substations

Physical mitigation of threats to electric facilities includes deterrence or prevention, detection, and response. As discussed above, the Department of Homeland Security, in planning for the Chemical Industry, defined physical security narrowly, to include perimeter walls and fences, intrusion

⁵⁹ CPUC Substation workshop discussions, June 2014.

⁶⁰ FERC. *Notice of Proposed Rulemaking. Docket RM14-15-00*. July 17, 2014. P22.

detection, lighting and security forces. Expanding on that narrow definition, it is possible to delineate general areas of physical security measures under the headings of deterrence, detection, and response.

- *Deterrence (or prevention) includes, but is not limited to:*
 - Walls, gates, locks and fencing (consider whether intrusion will be by human or vehicle and what types of vehicles might intrude)
 - Layered concentric approach
 - Surrounding entire substation or individual equipment
 - Chain link, concrete, vinyl, metal, wood, barbed wire, razor wire, cinder block, block, cables
 - Opaque fencing or walls to prevent visual sighting of substation equipment
 - Signage
 - High voltage signs, guard signs, signs indicating existence of cameras
 - Guards
 - Manned stations, patrolling, specially trained guards
 - Lighting
 - Properly designed lighting both deters intruders and makes intruders easier to identify
 - Vegetation management
 - Removal of attacker concealing shrubbery from perimeter of substation, removal of shrubbery from substation fencing.
- *Detection (Monitoring) includes:*
 - Cameras
 - Video, pan-zoom-tilt, inward pointing or outward pointing⁶¹
 - Intrusion detection
 - Infrared, Motion sensors, fence mounted, beam sensors, open area sensors, acoustic
 - Gunshot detection
 - Aerial surveillance, manned or unmanned

⁶¹ As part of its strategy following the Metcalf incident, Pacific Gas and Electric decided to change its focus to increase both inward and outward pointing cameras to detect threats. Substation Workshop Comments, June 2014.

- Analysis of unusual or increased traffic patterns or other activity near electrical assets
- Equipment alarms (in conjunction with intrusion or gunshot detection can indicate presence of attack or malevolent actor)
 - Low oil alarms (can indicate gunshot), temperature alarms, ground fault alarms
 - Gate or door alarms
 - Alarm interpretation and integration systems, control centers to eliminate human error

In addition, utilities may need systems to interpret alarms from detection equipment. For example, a detected gunshot followed immediately by some sort of equipment failure alarm may represent gunshot damage to a piece of equipment. Similarly, an intrusion alarm followed by an equipment alarm may indicate a vandal removing equipment or copper. In these instances cameras can also be used to attempt to identify the exact nature of the attack.

- *Response (minimize effects of attack)*
 - Advanced technology
 - Self-sealing transformer, hardened equipment and cooling systems, gunshot resistant polymer bushings
 - Improving Resiliency
 - Multiple alternate paths for delivery of electricity
 - Effective remedial action schemes to minimize effect on other facilities
 - Improving Restoration⁶²
 - Ready spares
 - Cooperative agreements for manpower and equipment sharing with other utilities.
 - Advanced communication systems (SCADA, microwave)
 - 24/7 monitoring of alarms

⁶² The CPUC staff report on the 2011 Southern California Windstorms, *Investigation of Southern California Edison Company's Outages of November 30 and December 1, 2011*, recommended several areas of improvement for Southern California Edison's (SCE's) emergency response procedures. Additionally, CPUC General-Order 166 requires utilities to prepare emergency response reports.

- Drills with local first responders
- Emergency planning
 - FEMA Incident Command System (ICS) and National Incident Management System (NIMS) training and programs

6.3.1.2. *Mitigating Threats to Overhead and Underground Facilities*

In a February 2014 article on the PG&E Metcalf Substation attack, the *Wall Street Journal* reported:

“Overseas, terrorist organizations were linked to 2,500 attacks on transmission lines or towers ... from 1996 to 2006, according to a January report from the Electric Power Research Institute.”⁶³

In the United States, underground and overhead electric facilities regularly sustain damage from vandals and thieves, if not from terrorist entities. However, sophisticated mitigation and prevention is not as critical because spares and repair staff are nearly always available. With exceptions, electric utilities also maintain some redundant paths for delivery of power at the transmission and distribution levels.

A 2006 California “heat storm” which resulted in overheating damage to numerous distribution transformers, and a 2011 windstorm in Southern California demonstrate that widespread damage to overhead or underground distribution facilities can cause extended outages and significant restoration costs. However, the sheer number of these facilities renders them difficult to protect, while the availability of more attractive targets such as substations makes overhead and underground distribution facilities less likely to sustain a terrorist attack. Rather than trying to completely protect each pole or tower, utilities typically concentrate on maintaining spares and developing effective restoration plans.

Still, some cost effective mitigation efforts are advisable, and in some cases mandated by existing Commission rules, specifically General Orders 95 and 128. These security mitigation efforts also help from a safety standpoint. Typical mitigation efforts for these facilities include:

⁶³ Smith, Rebecca. “Assault on California Power Station Raises Alarm on Potential for Terrorism.” *Wall Street Journal*, February 5, 2014.

- Removing pole steps to make poles more difficult to climb
- Climbing guards on tower and lattice structures
- Locking devices on pad mounted transformers and switches
- Fasteners on vault covers
- Over-insulation on transmission towers including oversized or redundant insulators and gunshot resistant polymer insulators
- Signage warning of shock hazard or in some cases surveillance

Additionally, given the existence of important, high capacity submarine cables, such as the Trans-Bay cable, utilities should include the protection of these assets in their security plans where applicable.

6.3.1.3. Spare Parts Programs and Planning

An electric substation typically consists of transformers; circuit breakers and relays, which provide protection for the power lines and substation equipment; batteries for back-up and to operate the relays; and other ancillary switches, buses and equipment. Because a substation contains large pieces of important equipment in a centralized location, it could be an attractive target for thieves, vandals, and other malevolent actors. The substation power transformers are of particular concern in security planning because they are critical to the operation of the substation, are large targets, with several areas of vulnerability (bushings, oil tanks, controls), in general are unique to the substation, are costly and require large leads times for replacement. According to the United States Department of Energy, lead times for high voltage transformer replacements can vary from 6 to 20 months, and each transformer replacement can cost over 10 million dollars each.⁶⁴

For large items such as transformers, utilities may maintain formal and informal sharing and cooperative arrangements with each other. Some formal sharing agreements also exist under the NERC Spare Equipment Database and Edison Electric Institute Spare Transformer Equipment Program.⁶⁵

Other assets in the electric system include poles, towers, lines, bushings, small transformers and capacitors, and associated equipment. For such equipment in the lower voltage distribution system,

⁶⁴ Parfomak, op cit., p 4.

⁶⁵ Electric Power Research Institute. *Power Transformer Emergency Spares Strategy*. October 2014.

utilities typically maintain a significant number of spares. Additionally, distribution level parts do not typically present the logistic and lead-time problems associated with transmission level equipment.⁶⁶

6.3.2. Policies and Procedures Related to Physical Security

Utility policies and procedures should support the physical security measures. These policies and procedures include background screening of personnel, training, access control processes, and drills and exercises.

Given the complexity of modern technology used in security systems, training of guards and security control center personnel is crucial. Additionally, these security employees (or contractors) must be provided with clear policies and procedures. PG&E's summary report on the causes of the breakdown in security during the Metcalf burglary identified training and updated procedures as key action items.⁶⁷ All training programs and policies should be reviewed regularly. Training programs should include employee testing, and retesting on regular basis, and must include provisions that stimulate real-world scenarios if possible.

All protection equipment such as alarms, intrusion detectors, lights, and cameras should be properly maintained and tested frequently. Thorough preventive and predictive maintenance programs should be developed for the security of such equipment. Some testing and inspection should be performed as part of routine substation inspections. To dissuade thieves and vandals, valuable material should never be stored in plain sight in a substation.

6.3.3. Other Considerations for Risk Mitigation Planning

6.3.3.1. Cost Considerations

Any security mitigation plan must take into account the costs involved. In particular, for investor owned utilities which must recoup costs through rate mechanisms, it is important to consider the cost of security measures to the end customer. Tall walls, large security forces and advanced technology might provide the ultimate in security but in many cases will be excessive, and will present an untenable burden, particularly to low income residential customers.

⁶⁶ Discussion at physical security workshop. CPUC. June 2014.

⁶⁷ PG&E. *Metcalf Root Cause Analysis Summary report*. November 21, 2014, p6.

As part of that consideration, the utility must not only take into account the nature of threats and the type of facilities it owns, but the nature of its rate base and the cost which the customers can support. Every decision should include the consideration of multiple alternatives, and a cost-benefit analysis. Some costs, such as the price of a wall or the actual replacement cost of an asset damaged by a successful attack, are clear. Tools and rubrics exist for calculating the numerical cost of loss, including Annual Loss Expectancy calculations.⁶⁸ Devastating losses, such as loss of life, and other intangible losses, such as organization reputation, are more subjective. Accounting models exist for comparing alternative expense choices and evaluating long and short term costs as well as opportunity costs.

For example, in Southern California Edison's (SCE's) 2015 rate case, SCE analyzed the costs and benefits of utilizing advanced security guards, compared to an alternative approach of utilizing some security guards along with detection equipment and software analysis.⁶⁹ SCE determined it could achieve significant savings without sacrificing security by using the combined approach.

Finally, when utilities perform risk-benefit studies, they may perform more comprehensive analysis, considering security risks as part of the entire constellation of risks to service, such as extreme weather events, earthquakes, or failure of other facilities which may affect the performance of the facility in question.⁷⁰ The CAISO typically performs its reliability studies in this manner.

6.3.3.2. Environmental Impact Considerations

Investor-owned utilities are required to obtain permits from the CPUC for construction of certain specified infrastructures listed under Public Utilities Code (PU Code) sections 1001 et seq., including distribution facilities.⁷¹ Typically, as part of the CPUC's permit application review and decision-making process, the CPUC, as the lead agency, conducts an environmental review

⁶⁸ Malashenko, Villareal and Erikson. Cybersecurity and the Evolving Role of State Regulation: How it Impacts the California Public Utilities Commission. September 19, 2012, p3.

⁶⁹ SCE General Rate Case 2015 Testimony. SCE-07, Volume 4, p 41.

⁷⁰ For example, failure of a gas delivery system may affect the reliability of a power plant. These considerations are known as "co-located facility" considerations.

⁷¹ The CPUC reviews permit applications under two concurrent processes: (1) an environmental review pursuant to the CEQA, and (2) the review of project need and costs pursuant to PU Code sections 1001 et seq. and General Order (G.O.) 131-D (Certificate of Public Convenience and Necessity (CPCN) or Permit to Construct (PTC)).

pursuant to the California Environmental Quality Act (CEQA).⁷² The CEQA process requires the lead agency to identify potentially significant environmental impacts to several impact areas, and to avoid and/or mitigate any environmental impacts found to be significant. If the CPUC approves the permit application, it issues a decision approving the construction, which would adopt environmental mitigation measures and a mitigation monitoring plan.

This section discusses common CEQA environmental mitigation measures related to distribution facility and substation projects that may need to be considered in utility distribution system physical security planning. One should keep in mind that CEQA mitigation measures are project specific and the discussion in this section is a general approach to environmental consideration when developing physical security plans. When assessing environmental impacts under CEQA, it is often determined that the introduction of a new land use, such as a substation, to the project area would result in land use changes/impacts as well as potential long-term visual quality impacts to the surrounding area. Generally, a new substation would result in the degradation of existing visual character/quality of the substation site and its surrounding area, or the creation of a new source of light or glare that would adversely affect day or nighttime views in the substation area.⁷³

Common environmental mitigation measures for preserving existing visual character/quality require the project proponent to establish a landscaping and maintenance plan for a permanent vegetative screening and to coordinate with local land use planning department/agencies to ensure consistency with applicable visual resources goals and policies. The following common mitigation measures could be part of the landscaping and maintenance plan developed by the project proponent and submitted for review and approval by the relevant local agency, such as the city, county, or other agency with land use jurisdiction:

- Vegetative screen of sufficient height and density to provide for visual screening around the substation and all substation components, consistent with safety, feasibility, and engineering requirements.
- Visually opaque gate at substation entrance to obscure views through the gate from the substation site entrance road.

⁷² The CEQA Guidelines are codified at Title 14 California Code of Regulations section 15000 et seq.

⁷³ Appendix G of the CEQA Guidelines identifies the circumstances that can lead to a determination of a significant impact.

- A perimeter wall of sufficient height to obstruct views into the facility, in addition to exterior landscaping.

To address the environmental impacts created by a new source of light or glare from the substation that would adversely affect day or nighttime views in the project area, mitigation measures for light and glare might ensure all lighting is shielded, directed downward, and of minimum brightness necessary for safety, and that no direct or excessively bright reflective light would be present off-site, as follows:

- Shroud and minimize unnecessary sources of light: Design and install new permanent substation lighting such that light bulbs, lenses, and reflectors would not be visible from public viewing areas so that the lighting does not cause reflected glare and that illumination of the project, vicinity, and nighttime sky is minimized.
 - a. Lighting could be designed so exterior light fixtures are hooded where possible, with lights directed downward or toward the area to be illuminated and so that backscatter to the nighttime sky is minimized.
 - b. Design of the lighting could be such that the luminescence or light source is shielded to prevent light trespass outside the project boundary.
- Lighting could be restricted to the minimum necessary brightness consistent with worker safety and Occupational Safety and Health Administration (OSHA) requirements.
- Lighting could be kept off when the site is unoccupied in order to minimize nighttime sky illumination, and could only be switched on during the nighttime in order to perform maintenance or outage repairs.

As stated above, this discussion is intended to be general and to highlight common environmental mitigation measures that may need to be considered as part of physical security planning for distribution facilities. However, as part of the rulemaking for rules for distribution physical security, the CPUC may ask the parties to review CEQA documents and other sources to determine other applicable environmental impacts and mitigation measures for consideration.

We note that, in a CEQA review, the safety impacts of potential environmental mitigation measures should be an important consideration in assessing their feasibility. With the increased emphasis on physical security, perhaps there will be creative developments in measures that mitigate environmental impacts without creating security concerns.

6.3.3.3. Miscellaneous Considerations

Some other considerations in development of physical security plans include local geography and demographics, customer base, facility design, environmental rules and considerations beyond CEQA requirements, local codes including aesthetic considerations, and the population in the vicinity of electric facilities.

To incorporate these considerations, the utility should use sound engineering judgment, experience and consider the national security climate.

6.4. Metrics (Review Controls)

The risk management process is a dynamic methodology. Along with identifying and assessing risk and developing and implementing a mitigation strategy, security planners should develop a set of metrics to determine if their strategy is optimal, and use these metrics to make strategic adjustments where necessary. The use of metrics also becomes critical in the context of regulation which will be, at least to a certain extent, performance based.

6.4.1. Prescriptive versus Performance Based Regulations

In general, two possible models exist for regulation – a strict prescriptive approach, or a performance based approach. Under a prescriptive approach, the regulation requires the utility (or other regulated entity) to comply with specific design or operational requirements. In other words, the regulation dictates exactly what actions the utility must take to remain in compliance, and exactly “how” the utility should perform these actions. In a performance based regulatory structure, the regulation does not specifically detail “how” the utility must comply, but requires instead that the utility must address a certain issue (such as physical security or environmental requirements), and must meet certain performance metrics.

For example, a prescriptive environmental regulation might require all electric generators to be built with selective catalytic reduction equipment to control emissions. A performance based requirement might require the utility to develop an emission control plan that reduces emissions to a certain level or by a certain amount.

Electric distribution systems differ immensely from one utility to another. Geography, weather, local construction codes, size of territory, demographics of area, types of customers, and design of substations and other facilities vary significantly, particularly between small, mainly rural utilities and larger, urban utilities.

Because the nature of utility physical security is not one-size fits all, a prescriptive approach can have some major deficiencies:

- Some prescriptive requirements might be applicable to some facilities and not others,
- Security, technology and best practices rapidly evolve. Prescriptive rules could impose inefficient, ineffective, and out-of-date requirements,
- Prescriptive requirements may not address significant new threats,
- Prescriptive requirements could require almost constant revision.

For these reasons, a performance based approach is often more effective than a prescriptive approach. Under a performance based approach, the compliance of the security plan is based on how well the implemented plan meets metrics established by either the utility itself or a regulating body.

6.4.2. Control Metrics for Utility Distribution Systems

Control metrics can include both quantitative or statistical metrics and qualitative performance metrics. Examples of *quantitative* metrics for distribution physical security measures include tracking copper theft, successful or unsuccessful intrusion or attack, false or nuisance alarms, condition of all monitoring equipment, performance of security personnel in training exercises and on tests, results of substation inspections including number of problems found with condition of deterrence and monitoring measures, instances of vandalism or graffiti, problems with access control, number of malfunctions of security equipment, or camera coverage. Of course, any

attempted or successful attacks should be reflected in the metrics. Resiliency and restoration capabilities can be tracked through outage restoration time data and asset loss simulations.⁷⁴

One example of *qualitative* metrics is using a subjective expert analysis to compare a planned or existing protection scheme to a developed standard metric. For example, for efforts to detect threats, the Chemical Industry compares programs to various standard “tiers” of acceptability. The industry describes the lowest “tier” of acceptability (Tier 4) as:

The facility has some ability to detect attacks at early stages.

The highest tier (Tier 1) is presumably the “gold-standard” in attack detection. The Chemical Industry describes this level of protection as:

The facility has a very high likelihood of detecting attacks at early stages through countersurveillance, frustration of opportunity to observe critical assets, surveillance and sensing systems, and barriers or barricades. To achieve this level of detection, a facility could, for example, maintain a facility-wide intrusion detection system that is continually monitored from a Security Operations Center and has an adequate backup capability.⁷⁵

In addition, utilities can develop various test scenarios or exercises and evaluate the performance of their security systems under stress. These can include both tabletop and actual attempts to breach the security system to determine its effectiveness. Because large scale attacks are rare, the utility should simulate attacks or other actions such as third party surveillance of a station or other asset, and record quantitative metrics from these tests.

Finally, an analysis of any security related findings from facility insurance inspections (often conducted by independent security and risk experts) or internal utility audits can provide both quantitative and qualitative indications of the effectiveness of existing security measures.

⁷⁴ Evaluating utility benchmark outage data such as the Customer Average Interruption Duration Index (CAIDI) can provide an indication of potential restoration time after any event.

⁷⁵ Department of Homeland Security (DHS). op cit. p 58.

7.0. Proposed Next Steps for the Commission

As stated above, existing Commission rules have long addressed electric distribution system physical security. The attacks on the Metcalf Substation make it apparent that there is a broader role for regulatory oversight in this area. Because of new state requirements pursuant to Senate Bill 699, the path forward for the Commission is somewhat clear, at least initially. Senate Bill 699 (amending Public Utilities Code Section 364) requires the Commission, by July 2015 to initiate a proceeding to develop rules for addressing physical security risks to the distribution systems of electrical corporations. Section 364 further states (in part),

The standards or rules, which shall be prescriptive or performance based, or both, and may be based on risk management, as appropriate, for each substantial type of distribution equipment or facility, shall provide for high-quality, safe, and reliable service.

and,

In setting its standards or rules, the commission shall consider: cost, local geography and weather, applicable codes, potential physical security risks, national electric industry practices, sound engineering judgment, and experience.

7.1. Development of Rules Required by Senate Bill 699

7.1.1. Potential Model for Rules for Physical Security

Given differing geographical locations, designs, cost considerations, and other factors, it would be imprudent to rely solely on prescriptive “one-size fits all” physical security requirements for distribution⁷⁶ facilities for all electric utilities. Instead, a risk based-performance approach, similar to that seen in the chemical industry, is one feasible approach.⁷⁷

⁷⁶ Note that while Section 364, mentions the “distribution” system, the statute does not define the term. As part of the rulemaking process, the Commission should decide what sorts of facilities the new rules apply to. This could include all substations and power lines at all voltage levels, as opposed to only those lower voltage facilities typically considered as “distribution” assets.

⁷⁷ What is presented here is only one potential model for enforcement of the changes to PUC Section 364 under Senate Bill 699. The final decision will be based on a rulemaking proceeding, potentially with stakeholder workshops.

Electric utilities already evaluate risks in security planning. It is likely that all electric utilities will consider similar threats and risks, and utilize similar considerations (cost, resiliency, restoration difficulty) in evaluating those threats.

However, because the Commission has certain mandates from new and existing legislation, along with certain established priorities (e.g., cost considerations and environmental protection), a hybrid plan, including risk based performance rules with some general semi-prescriptive guidelines, may be optimal.

The new NERC CIP-014-1 standard, along with the processes developed under CPUC General Order 174 for Substation Inspections and CPUC General Order 167 for Power Plant Operations and Maintenance present good potential starting points for an enforcement model.

Under NERC CIP-014-1, bulk power transmission owners are required to identify critical substation assets, identify and assess risks to those assets and develop a unique physical security strategy to mitigate those risks. The NERC standard mandates that each step in the process be vetted by an independent expert.

General Order 174, *Rules for Electric Utility Substations*, requires each utility to develop and follow an inspection program for its substations, and to update that program as necessary. The General Order requires utilities to follow accepted good practices in the development of these programs, and Commission Decision 12-10-029, which approved the General Order, required the electric utilities to establish these accepted good practices, along with Commission staff, through a series of annual workshops. Finally, General Order 167, *Enforcement of Maintenance and Operations Standards for Generating Facilities*, represents a performance based standard with a set of guidelines.

A potential structure for rules to be considered pursuant to the new requirements in Public Utilities Code Section 364, adopted pursuant to Senate Bill 699, could require each electric utility to use a risk based approach to identify and assess risks to its distribution system, and prepare and follow plans to mitigate those threats. The electric utilities could be allowed to decide to evaluate each asset separately, or develop a tiered system of protection and classify assets within that system. The Commission could also require the electric utilities’ plans to meet certain general guidelines (see Section 7.1.1.1 below).

Potentially the Commission could require security plans to be vetted by established security organizations, which could also provide expertise on protection of sensitive information.

A critical portion of a utility's plan would be the development of metrics and consistent testing of the effectiveness of the plan. The Commission has some guidance with respect to metrics in the DHS Chemical Industry Risk Based Performance Standards. However, the electric utilities should propose quantitative metrics for the electric industry. The metrics should include testing and drills, including surprise drills and simulated attacks, to evaluate and monitor the effectiveness of the plans. For such tests, the utilities should utilize outside expertise where necessary.

Under this suggested model, some electric utilities might not need to make changes to their existing physical security measures. For many small distribution substations, typical physical security protections are limited to chain link fences topped by barbed wire, signage, locked gates, appropriate lighting, alarms and access control policies. They may include a camera or simple intrusion control device. For such substations, these security protections may be adequate and the electric utility might not need to upgrade or change them. The proposed model would, however, require the electric utilities to justify their new or existing security measures using a risk based protocol.

Of course, if a thorough risk based analysis identifies any deficiencies in existing physical security measures, the utility must make the appropriate material changes to bring its facilities into compliance.

7.1.1.1 Guidelines and Industry Standards

Along with this performance based model, the Commission should adopt at least high level prescriptive guidelines. It is impossible for Commission staff to inspect and evaluate the security needs at the thousands of substations in the state. However, the Commission can adopt guidelines for the development of the plans.

Potential guidelines to consider including along with the risk based process requirements might include:

- o *The utility physical security plans should include strict timelines for implementation of the plans.*

- o *The utility physical security plan should include consideration of risk and vulnerability to communication facilities necessary for effective operation of alarms and monitoring equipment.*
- o *Relevant cybersecurity measures should be designed into the physical security program.*
- o *The utility should consider manning or guarding some assets, and provide a clear justification for when such measures are necessary or unnecessary.*
- o *The utility should provide a clear justification for perimeter boundaries, such as walls and fences, which includes an analysis of the types of vehicles which might attack and at what speed.*
- o *The utility should explain its choice in monitoring and intrusion detection equipment given the location, geography, threat profile, and demographics of the area. The utility should present a plan for consistently inspecting and testing this monitoring equipment under simulated real life events.*
- o *The utility should develop preventive maintenance and inspection programs for all physical security related facilities, structures and equipment.*
- o *The utility should perform lighting studies at all facilities to determine the optimal lighting system to deter attacks.*
- o *The utility should perform a full analysis of vegetation present in the vicinity of the facility and the threat it poses to the physical security.*
- o *The utility should consistently test its alarm systems and any alarm interpretation software. It should consistently work to eliminate false alarms.*
- o *The utility should look at each asset separately and determine the effect on the grid of the loss of that asset, and the availability of spares and estimated restoration times.*
- o *The utility should review its emergency response and preparedness and business continuity planning in conjunction with the development of its physical security plan.*
- o *Where appropriate, when developing physical security plans, utilities should consider any special implications related to the protection of modern grid assets including, but not limited to, communication and control devices such as phase*

measurement units, gas insulated substations, inverters, energy storage devices and other distributed generation components.

- o The utility should include physical security equipment, policies and procedures in any corporate quality assurance (QA) and continuous measurable improvement (CMI) programs.
- o The utility plan should include an effective root cause analysis program for analyzing security failures, including failures during testing and drills.
- o The utility should look at each piece of equipment in the substation or comprising any other asset separately and determine what the threats to that piece of equipment are, and what vulnerabilities exist. For example,
 - What is the most critical piece of equipment in the substation? What is the most vulnerable? The transformers? The batteries? The bushings? The cable terminations? The relay room?
 - What are the major modes of attack on those pieces of equipment? Does the mode or method of attack change depending on the season, or the time of day?
 - What are the possible modes of protections for those assets and what are the costs? Does the criticality of the piece of equipment justify the mitigation cost?

The Commission should require that the electric utilities demonstrate they considered cost, environmental impact, existing threat levels, national security information, and other important variables identified in Senate Bill 699 and discussed elsewhere in this whitepaper.

The Commission could also require the electric utilities to follow directives of industry groups such as the Institute of Electrical and Electronics Engineers (IEEE) Substation Physical Security standard, which focuses on theft and vandalism.⁷⁸ Both FERC and NERC have developed guidance and best practice documents related to physical security, primarily for the bulk power grid. In 2013 and 2014 FERC staff, along with other energy industry and security agencies, held a series of meetings with utilities and law enforcement to discuss physical security of the grid. In

⁷⁸IEEE Standards Association. 2014. See <http://standards.ieee.org/findstds/standard/1402-2000.html>

2013 NERC published its latest guidelines on physical security, *Security Guideline for the Electricity Sub-sector: Physical Security Response*.⁷⁹

The Commission could also mandate ongoing workshops to determine accepted good practices in this area, as it did in Decision 12-10-029 adopting General Order 174 for substation inspections. At a later date the Commission may decide to add more specific prescriptive guidelines or requirements (e.g., all facilities of a certain type must utilize a particular deterrent or detection measure). Regardless of whether these new regulations contain requirements for information sharing between utilities, the electric utilities should consider developing a forum for sharing best practices and lessons learned.

If the Commission requires the utilities to develop and submit physical security plans, Commission staff could review the plans and utilize existing industry standards to determine if the plans meet the requirements of Public Utilities Code Section 364 and any implementing Commission decision. Commission staff could physically inspect security measures as part of routine substation or distribution audits, or in new focused security inspections. The Commission might consider contracting with third party security experts in these evaluations or for training of staff to perform these evaluations. In addition, Commission staff may observe drills that the electric utilities conduct to evaluate the effectiveness of the physical security measures adopted.

7.1.2. Protection of Sensitive Information

Given the Freedom of Information Act and the California Public Records Act, along with Commission policies in favor of greater public disclosure,⁸⁰ a major concern expressed by the electric utilities during the CPUC June 2014 workshops is the confidentiality of security and business sensitive information. The Commission could limit the information that must be given to the Commission to only the information necessary for the Commission staff to perform their work. Additionally, Senate Bill 699 allows the Commission to redact sensitive security information from public disclosure.

Utilities submit confidential information under the provisions of Public Utilities Code 583 and General Order 66-C, which identify certain information as exempt from public disclosure

⁷⁹ Parfomak, Paul. op cit, p 17.

⁸⁰ See Resolution L-436, *Resolution Regarding the Disclosure of Safety Related Records*, February 14, 2013.

requirements. It is important that all documents receive careful scrutiny before any public release, to avoid disclosing sensitive infrastructure information.

A Commission whitepaper on cybersecurity expressed similar concerns:⁸¹

In order to lower the risks and barriers to sharing information with Commissioners and CPUC Staff, safe harbor provisions may be useful to open up lines of communication between utilities and the CPUC. Safe harbor provisions, coupled with new protections around public disclosure of sensitive data, could result in a beneficial exchange of information and a greater openness between utilities and the CPUC.

Information regarding distribution assets might be less likely than other system information to fall under the protections of the Protected Critical Information Infrastructure (PCII) program.⁸²

Regardless, it might be helpful for staff to obtain PCII training and certification.

The Commission might wish to solicit outside organizations, e.g., think-tanks or other governmental agencies, to review the Commission's procedures for handling sensitive information.

8.0 Conclusion

Recent events and increased public awareness directed toward electric grid security, as well as the limited breadth of federal standards, make distribution physical security an important issue at the state level. Recent California state legislation requires the Commission to develop rules for distribution physical security. Given the wide array of threats, equipment designs, and financial abilities within the utility industry, a completely prescriptive regulatory framework is likely not workable. Therefore, the Commission should consider a hybrid risk informed, performance based approach, with high level prescriptive guidelines. Under this model, the electric utilities should develop security plans for their distribution facilities along with metrics to evaluate the effectiveness of those plans. These plans should meet accepted industry best practices. Each electric utility should submit its physical protection plan to the Commission and justify its plan

⁸¹ Malashenko, Villareal and Erikson. Op cit p16.

⁸² *Protected Critical Infrastructure Program*. DHS. 2014. See <http://www.dhs.gov/protected-critical-infrastructure-information-pcii-program>

using a cost-benefit analysis employing risk management techniques. The electric utility should also report annually on its compliance with the Commission's rules, as required by Section 364.

After determining the type of facilities to be covered by the Commission's rules, the Commission should require each utility to:

- *Develop risk based physical security plans for its facilities. Plans should include preventive maintenance programs.*
- *Justify those plans based on current industry best practices and a thorough risk assessment.*
- *Potentially utilize independent third party security experts to prepare and vet the plans.*
- *Present a schedule for implementation of the plans.*
- *Consider multiple alternatives and include metrics for evaluating the efficacy of the plans. The metrics should be quantitative where possible, and the utility should develop tests and drills to stress and evaluate the physical security plan.*
- *Submit the plans for approval by the Commission.*

Appendix A

Senate Bill No. 699.

CHAPTER 450

An act to amend Section 364 of the Public Utilities Code, relating to public utilities.

Approved by Governor September 23, 2014. Filed with Secretary of State September 23, 2014.

legislative counsel's digest

SB 699. (P.U.) Public utilities: electrical corporations.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined.

Existing law requires the commission to adopt inspection, maintenance, repair, and replacement standards for the distribution systems of electrical corporations in order to provide high-quality, safe, and reliable service.

Existing law requires the commission to conduct a review to determine whether the standards have been met and to perform the review after every major outage.

This bill would require the commission, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, to consider adopting rules to address physical security risks to the distribution systems of electrical corporations.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the net and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Physical threats to the electrical distribution system present risks to public health and safety and could disrupt economic activity in California.
- (b) Ensuring appropriate actions are taken to protect and secure vulnerable electrical distribution system assets from physical threats that could disrupt

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safe and reliable electric service, or disrupt essential public services, including safe drinking water supplies, are in the public interest.

(e) Proper planning, in coordination with the appropriate federal and state regulatory and law enforcement authorities, will help prepare for attacks on the electrical distribution system and thereby help reduce the potential consequences of such attacks.

SEC. 2. Section 364 of the Public Utilities Code is amended to read:

364. (a) The commission shall adopt inspection, maintenance, repair, and replacement standards, and shall, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, consider adopting rules to address the physical security risks to the distribution systems of electrical corporations. The standards or rules, which shall be prescriptive or performance based, or both, and may be based on risk management, as appropriate, for each substantial type of distribution equipment or facility, shall provide for high-quality, safe, and reliable service.

(b) In setting its standards or rules, the commission shall consider, *inter alia*, local geography and weather, applicable codes, potential physical security risks, national electric industry practices, sound engineering judgment, and experience. The commission shall also adopt standards for operation, reliability, and safety during periods of emergency and disaster. The commission shall require each electrical corporation to report annually on its compliance with the standards or rules. Except as provided in subdivision (b), that report shall be made available to the public.

(c) The commission shall conduct a review to determine whether the standards or rules prescribed in this section have been met. If the commission finds that the standards or rules have not been met, the commission may order appropriate sanctions, including penalties in the form of rate reductions or monetary fines. The review shall be performed after every major outage. Any money collected pursuant to this subdivision shall be used to offset funding for the California Alternative Rates for Energy Program.

(d) The commission may, consistent with other provisions of law, withhold from the public information generated or obtained pursuant to this section that it deems would pose a security threat to the public if disclosed.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17356 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Appendix B

Pacific Gas and Electric Company

Summary Report for Electric Incident Review

Metcalf Substation

As requested by the Safety and Enforcement Division of the California Public Utilities Commission (CPUC), Pacific Gas and Electric Company (PG&E) is providing a root cause analysis about the burglary that occurred at the Metcalf substation in August 2014, including an overview of the actions and enhancements the company has put in place since the initial April 16, 2013, attack on the facility.

Substation physical security is one of the most important issues facing grid operators and PG&E understands how imperative it is to implement strong measures to protect critical substations. PG&E is currently in the first year of a three-year plan to invest more than \$100 million to significantly upgrade security at our critical facilities following last year's attack. Major elements of the plan related to physical security were in the process of being implemented at the time of the August burglary. However, some security measures that are part of our plan are still in process and were not in place to help prevent it.

The burglary that occurred at the Metcalf facility in August 2014 underscored the need for additional focus on training and supervision to support the work being done to upgrade technology and physical deterrents at facilities. As a result, PG&E is reprioritizing training and augmenting security supervision to prevent a similar incident.

The root cause analysis contains detailed, confidential information about aspects of the security measures PG&E takes at its facilities and has therefore been sent to the CPUC under confidential protection. Given the appropriate need for the public to have access to information about the two incidents and the steps PG&E is taking to safeguard critical infrastructure, PG&E has developed this public summary report to outline the company's findings.

This summary report includes:

- An overview of the events around the April 16, 2013, Metcalf attack;
- Action steps taken after the April 16, 2013, Metcalf attack;
- An overview of the events around the August 26 - 27, 2014, Metcalf burglary;
- Synopsis of the root cause analysis performed by the company after the August 26 - 27, 2014, Metcalf burglary; and
- Additional action steps taken since the August 26 - 27, 2014, Metcalf burglary.

Summary Report for Metcalf Incident Review

1

Pacific Gas and Electric Company

April 2013 Incident at Metcalf Substation and Countermeasures Taken

April 16, 2013, Incident Overview:

On April 16, 2013, gunshots caused extensive damage to the Metcalf Transmission Substation south of San José. No one was hurt and no customers lost power as a result of this incident. PG&E's Transmission Control Center operators reacted to alarms and worked to avoid service interruptions for PG&E's customers. Crews also arrived on site to assess the full impact of the damage and begin repairs. PG&E's electric system contains significant redundancies that allow the company to reroute and shift electric load when equipment is damaged. Those redundancies worked as designed.

Following the incident, PG&E worked with federal, state and local agencies, as well as outside consultants to take interim steps to improve substation security while developing a three-year plan to enhance security at critical substations:

- PG&E deployed security guards to provide 24/7 presence at critical substations and increased patrols from local law enforcement;
- PG&E trimmed back vegetation undergrowth around substations to remove potential hiding places; and
- At Metcalf specifically, PG&E installed temporary measures to shield equipment, enhance lighting and obstruct views into the facility while more permanent measures are being designed and engineered.

Additional physical security measures PG&E is currently taking include, among others:

- Opaque or solid walls around the perimeter to shield and obstruct views of equipment inside the substation;
- Enhanced detection and deterrent systems; and
- Improved lighting and camera systems;

PG&E has also worked with law enforcement and industry stakeholders to share information and take appropriate actions on an ongoing basis to protect its facilities.

Summary Report for Metcalf Incident Review

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Pacific Gas and Electric Company

April 16, 2013, Summary of Actions Taken:

Following the April 2013 attack at the Metcalf substation, PG&E began an assessment and developed a three-year plan to invest more than \$100 million to enhance security at its highest priority facilities. Some of the actions taken by PG&E included:

- Worked with local law enforcement to increase security presence at Metcalf and additional facilities (completed within 24 hours of the incident);
- Contracted with a private security company to provide 24/7 security officer coverage (completed within 24 hours of the incident);
- Installed portable lighting (completed within 30 days of the incident);
- Installed temporary fencing (completed within 30 days of the incident);
- Contracted with security consultants to conduct security assessments (completed within 30 days of the incident);
- Completed a series of tours of critical substations with law enforcement agencies. Latitude and longitude coordinates were issued to law enforcement aviation units for aerial patrol when available (June 2013);
- Developed and distributed briefing "billboards" to employees at major substations to discuss security procedures and suspicious activity reporting (July 2013);
- Received approved permits and removed vegetation surrounding Metcalf (August 2013);
- Initiated an internal training program which included suspicious activity reporting and awareness (September 2013);
- Made improvements to the "Suspicious Activity Reporting" system in Corporate Security (October 2013);
- Participated in an industry and law enforcement sharing campaign in conjunction with the Department of Homeland Security, the Federal Energy Regulatory Commission, North American Electric Reliability Corporation and the Federal Bureau of Investigation. Events were held in each of the 10 Federal Emergency Management Agency jurisdictions (November 2013);
- Initiated an effort to formalize existing policies and procedures associated with the PG&E security system (March 2014);
- Conducted an assessment and test of current security systems at Metcalf (March 2014);
- Enhanced camera surveillance at Metcalf (April 2014);

Summary Report for Metcalf Incident Review

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Pacific Gas and Electric Company

- Announced a \$250,000 reward for information leading to the arrest and conviction of the individual(s) responsible for the attack on the anniversary of the incident (April 2014);
- Worked with local law enforcement to provide enhanced security awareness on the anniversary of the Metcalf event (April 2014);
- Contracted with security consultant to evaluate and provide recommendations for processes and procedures at PG&E's security control center (June 2014);
- Invited Department of Homeland Security to perform a security assessment at Metcalf in coordination with PG&E (June 2014);
- Released a Job Bulletin for additional operators at PG&E's security control center (July 2014);
- Performed on site post order training with security personnel at Metcalf (August 2014);
- Enhanced perimeter lighting at critical locations with additional portable lighting at Metcalf (September 2014);
- Received permit and began construction on a solid wall around Metcalf (September 2014);
- Published Utility Procedure for Security Control Center Alarm Response (September 2014);
- Published Utility Procedure for Security Control Center Incident Response (September 2014); and
- Briefed alarm and incident response protocols and trained security operators on revised response protocols (September 2014).

There were a number of other initiatives that were in the process of being implemented as part of PG&E's security plans when the August 26 - 27, 2014, Metcalf burglary occurred.

Summary Report for Metcalf Incident Review

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Pacific Gas and Electric Company

August 2014 Burglary at Metcalf Substation, Root Cause and Summary of Actions Taken

Incident Overview

Prior to the August 2014 Metcalf burglary, PG&E's actions to mitigate security threats were mainly focused on upgrading the physical security measures of the company's substations as part of an overall plan to enhance security at substations.

Between the hours of 22:10 on August 26, 2014, and 02:41 on August 27, 2014, PG&E's Metcalf facility was the site of unauthorized entry. As a result of the intrusion, approximately \$38,651 of construction tools and equipment was taken.

Despite detection by both the third-party video monitoring system and other security measures, the thefts were not identified until 06:00 hours on August 27, 2014, when construction crews arrived for work.

August 26 – 27, 2014, Summary of Actions Taken

Immediately following the August 2014 burglary, PG&E took numerous initial actions to address security gaps at the facility, including:

- Secured Metcalf Substation fence damaged during the burglary (completed within 24 hours of the incident);
- Checked all equipment within substation for operational damage and found none (completed within 24 hours of the incident);
- Increased security officer presence on site (completed within 24 hours of the incident);
- Enhanced portable lighting onsite (completed within 48 hours of the incident);
- Reinforced and checked to ensure that roving patrols were occurring within Metcalf Substation (completed within 30 days of the incident);
- Re-established onsite roving supervisor position (completed within 30 days of the incident);
- Addressed alarm and incident response protocols for security operations center personnel (completed within 30 days of the incident);
- Performed security review and penetration testing at Metcalf substation (October 2014);
- Enhanced camera systems at Metcalf (October 2014);
- Replaced 3rd party guard contractors (November 2014); and
- Replaced security operations contractors and increased staffing and supervision (November 2014).

Summary Report for Metcalf Incident Review

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Pacific Gas and Electric Company

Root cause analysis findings

PG&E also assembled an experienced and multi-disciplinary team from across the company to conduct a root cause analysis of the August 2014 incident. The team's root cause analysis, which is submitted in a separate confidential document, found that the security breach was due to the following direct and root causes:

- **Direct Cause:** PG&E's security control center failed to properly respond to alarms and the on-site security officers failed to follow clearly delineated post orders requiring them to perform continuous patrol of Metcalf Substation.
- **Root Cause:** Inadequate training and supervision, created an environment in which PG&E's Security Control Center personnel and on-site security officers failed to follow delineated procedures and post orders.

Additional Actions Planned Based on Root Cause Analysis (Subset of Actions Planned)

As a result of findings outlined in the root cause analysis, PG&E is taking additional actions in a timely manner to prevent a similar incident from occurring. Additional actions include, among other measures:

- Developing and implementing a robust training program for security officers to ensure that alarms are responded to effectively;
- Implementing the use of human performance tools within security control center operations;
- Developing a comprehensive set of security policies and procedures for:
 - o Security guards;
 - o Work performed at security control center;
 - o Training requirements and tracking process for security operators and officers; and
 - o Maintenance and repairs for security systems.

Conclusion:

PG&E and the utility industry have taken significant steps to increase security following the Metcalf substation attack in April 2013. Although much work had been done to increase physical security at facilities following the incident, the subsequent burglary in August 2014 shows that training and supervision were inadequate to ensure procedures were consistently followed.

PG&E is committed to addressing training and supervision along with other issues raised by the root cause analysis, while continuing to work closely with regulators and law enforcement to maintain the security of the company's facilities.

Summary Report for Metcalf Incident Review

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Appendix C

(Assembly Bill 1650 adding Public Utilities Code Section 768.6

Assembly Bill No. 1650

CHAPTER 472

An act to add Section 768.6 to the Public Utilities Code, relating to public utilities.

[Approved by Governor September 23, 2012. Filed with Secretary of State September 23, 2012.]

AB 1650, Portantino. Public utilities: emergency and disaster preparedness.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and water corporations, as defined.

Existing law, the California Emergency Services Act, authorizes local governments to create disaster councils by ordinance to develop plans for meeting any condition constituting a local emergency or state of emergency, as specified.

This bill would require the commission to establish standards for disaster and emergency preparedness plans within an existing proceeding, as specified. The bill would require an electrical corporation to develop, adopt, and update an emergency and disaster preparedness plan, as specified. The bill would authorize every city, county, or city and county within the electrical corporation's service area to designate a point of contact for the electrical corporation to consult with on emergency and disaster preparedness plans. The bill would require a water company regulated by the commission to develop, adopt, and update an emergency and disaster preparedness plan, as specified. The bill would find and declare that county and city participation in the preparation of electrical corporations' emergency and

disaster preparedness plans is critical to a statewide emergency response and, thus, is an issue of statewide concern.

The people of the State of California do enact as follows:

SECTION 1. Section 768.6 is added to the Public Utilities Code, to read:

768.6. (a) The commission shall establish standards for disaster and emergency preparedness plans within an existing proceeding, including, but not limited to, use of weather reports to preposition manpower and equipment before anticipated severe weather, methods of improving communications between governmental agencies and the public, and methods of working to control and mitigate an emergency or disaster and its aftereffects. The commission, when establishing standards pursuant to this subdivision, may make requirements for small water corporations similar to those imposed on class A water corporations under paragraph (2) of subdivision (f).

(b) An electrical corporation, as defined in Section 218, providing service in California shall develop, adopt, and update an emergency and disaster preparedness plan in compliance with the standards established by the commission pursuant to subdivision (a).

(1) (A) In developing and adopting an emergency and disaster preparedness plan, an electrical corporation providing service in California shall invite appropriate representatives of every city, county, or city and county within that electrical corporation's service area in California to meet with, and provide consultation to, the electrical corporation.

(B) Every city, county, or city and county within the electrical corporation's service area in California may designate a point of contact for the electrical corporation to consult with on emergency and disaster

preparedness plans.

(C) The electrical corporation shall provide the point of contact designated pursuant to subparagraph (B) with an opportunity to comment on draft emergency and disaster preparedness plans.

(2) For the purposes of best preparing an electrical corporation for future emergencies or disasters, an emergency and disaster preparedness plan shall address recent emergencies and disasters associated with the electrical corporation or similarly situated corporations, and shall address remedial actions for possible emergencies or disasters that may involve that corporation's provision of service.

(3) Every two years, in order to update and improve that electrical corporation's emergency and disaster preparedness plan, an electrical corporation providing service in California shall invite appropriate representatives of every city, county, or city and county within that electrical corporation's service area to meet with, and provide consultation to, the electrical corporation.

(4) For the purposes of best preparing an electrical corporation for future emergencies or disasters, an electrical corporation updating its emergency and disaster preparedness plan shall review the disasters and emergencies that have affected similarly situated corporations since the adoption of the plan, remedial actions taken during those emergencies or disasters, and proposed changes to the plan. The electrical corporation shall adopt in its plan the changes that will best ensure the electrical corporation is reasonably prepared to deal with a disaster or emergency.

(c) A meeting pursuant to subdivision (b) shall be noticed and shall be conducted in a public meeting that allows for the participation of appropriate

representatives of counties and cities within the electrical corporation's service area.

(1) A county participating in a meeting pursuant to subdivision (b) may inform each city within the county of the time and place of the meeting.

(2) An electrical corporation holding a meeting pursuant to subdivision (b) shall provide participating counties and cities with the opportunity to provide written and verbal input regarding the corporation's emergency and disaster preparedness plan. For purposes of this public meeting, an electrical corporation may convene a closed meeting with representatives from every city, county, or city and county within that electrical corporation's service area to discuss sensitive security-related information in the electrical corporation's emergency and disaster preparedness plan and to solicit comment.

(3) An electrical corporation shall notify the commission of the date, time, and location of a meeting pursuant to subdivision (b).

(d) An electrical corporation shall conduct a meeting pursuant to subdivision (b) no later than April 1, 2013, and every two years thereafter.

(e) An electrical corporation shall memorialize a meeting pursuant to subdivision (b), and shall submit its records of the meeting to the commission.

(f) (1) A water company regulated by the commission shall develop, adopt, and update an emergency and disaster preparedness plan in compliance with the standards established by the commission pursuant to subdivision (a). This requirement shall be deemed fulfilled when the water company files an emergency and disaster preparedness plan pursuant to another state statutory requirement.

(2) A water company developing, adopting, or updating an emergency and disaster preparedness plan pursuant to paragraph (1) shall hold meetings with representatives from each city, county, or city and county in the water company's service area regarding the emergency and disaster preparedness plan.

(g) An electrical corporation or a water corporation may fulfill a meeting requirement imposed by this section by making a presentation regarding its emergency and disaster preparedness plan at a regularly scheduled public meeting of each disaster council created pursuant to Article 10 (commencing with Section 8610) of Chapter 7 of Division 1 of Title 2 of the Government Code within the corporation's service area, or at a regularly scheduled public meeting of the governing body of each city, county, or city and county within the service area.

SEC. 2. The Legislature finds and declares that county and city participation in the preparation of electrical corporations' emergency and disaster preparedness plans is critical to a statewide emergency response and, thus, is an issue of statewide concern and not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution.

(End of Appendix C)

Appendix D

(California Publicly Owned Electric Utilities)

APPENDIX D	
List of California Publicly Owned Electric Utilities	
1.	Alameda Municipal Power P.O. Box H 2000 Grand Street Alameda CA 94501-0263
2.	Anaheim, City of Public Utilities Department Anaheim City Hall West 201 South Anaheim Blvd., Suite 802 Anaheim CA 92805
3.	Azusa Light and Water P.O. Box 9500 729 North Azusa Avenue Azusa CA 91702
4.	Banning, City of Electric Department 176 E. Lincoln Street P.O. Box 998 Banning CA 92220-0998
5.	Biggs Municipal Utilities P.O. Box 307 3016 Sixth Street Biggs CA 95917
6.	Burbank Water and Power 164 West Magnolia Boulevard P.O. Box 631 Burbank CA 91503-0631
7.	Cerritos, City of Cerritos Electric Utility P.O. Box 3130 Cerritos CA 90703
8.	City and County of San Francisco Power Enterprise of the San Francisco Public Utilities Commission 1155 Market Street, 4th Floor San Francisco CA 94103

APPENDIX D	
List of California Publicly Owned Electric Utilities	
9.	City of Industry Administrative Offices 15625 East Stafford Street, Ste. 100 City of Industry CA 91744
10.	Colton Public Utilities 650 N. La Cadena Dr. Colton Ca 92324-2823
11.	Corona, City of Department of Water and Power 755 Corporation Yard Way Corona CA 92880
12.	Eastside Power Authority 14181 Avenue 24 Delano CA 93215
13.	Glendale Water and Power 141 N. Glendale Ave, Level 4 Glendale CA 91206
14.	Gridley Electric Utility 685 Kentucky Street Gridley CA 95948
15.	Healdsburg, City of Electric Department City Hall, 401 Grove Street Healdsburg CA 95448-4723
16.	Imperial Irrigation District 333 E. Barioni Blvd. Imperial CA 92251
17.	Kirkwood Meadows Public Utility District PO BOX 247 Kirkwood CA 95646
18.	Lathrop Irrigation District c/o SSJID PO BOX 747 Ripon, CA 95366

APPENDIX D	
List of California Publicly Owned Electric Utilities	
19.	Lassen Municipal Utility District 65 South Roop Street Susanville CA 96130
20.	Lodi Electric Utility 1331 South Ham Lane Lodi CA 95242-3995
21.	Lompoc, City of P.O. Box 8001 City Hall, 100 Civic Center Plaza Lompoc CA 93438-8001
22.	Los Angeles Department of Water & Power Box 51111 Los Angeles CA 90051-5700
23.	Merced Irrigation District P.O. Box 2288 744 West 20th Street Merced CA 95340
24.	Modesto Irrigation District P.O. Box 4060 Modesto CA 95352-4060
25.	Moreno Valley Electric Utility 14325 Frederick Street, Suite 9 Moreno Valley CA 92553
26.	Needles, City of Public Utility Authority 817 Third Street Needles CA 92363-2933
27.	Palo Alto, City of Utilities Department P.O. Box 10250 Palo Alto CA 94303
28.	Pasadena Water and Power 150 South Los Robles Ave, Suite 200 Pasadena CA 91101-4613

APPENDIX D	
List of California Publicly Owned Electric Utilities	
29.	Pittsburg, City of Pittsburg Power Company d/b/a/ Island Energy 65 Civic Drive Pittsburg CA 94565-3814
30.	Port of Oakland 530 Water Street, Ste. 3 Oakland CA 94607-3814
31.	Port of Stockton P.O. Box 2089 Stockton, CA 95201-2089
32.	Power and Water Resources Pooling Authority 3514 West Lehman Road Tracy CA 95304-9336
33.	Rancho Cucamonga Municipal Utility 10500 Civic Center Drive Rancho Cucamonga CA 91730
34.	Redding Electric Utility P.O. Box 496071 777 Cypress Avenue Redding CA 96049-6071
35.	Riverside, City of Public Utilities Department 3750 University Avenue Riverside CA 92501
36.	Roseville Electric 311 Vernon Street Roseville CA 95678
37.	Sacramento Municipal Utility District P.O. Box 15830 Sacramento CA 95852-1830
38.	Shasta Lake, City of P.O. Box 777 1650 Stanton Drive Shasta Lake CA 96019-0777

APPENDIX D	
List of California Publicly Owned Electric Utilities	
39.	Shelter Cove Resort Improvement District 9126 Shelter Cove Road Whitethorn CA 95589-9079
40.	Silicon Valley Power City of Santa Clara 1601 Civic Center Drive, Suite 202 Santa Clara, California 95050-4109
41.	Trinity Public Utility District P.O. Box 1216 Weaverville CA 96093
42.	Truckee Donner Public Utilities District P.O. Box 309 Truckee CA 96160
43.	Turlock Irrigation District P.O. Box 949 Turlock CA 95381-0949
44.	Ukiah, City of Electric Utilities Division 300 Seminary Avenue Ukiah CA 95482-2680
45.	Vernon, City of Gas & Electric Department 4305 S. Santa Fe Avenue Vernon CA 90058-1714
46.	Victorville Municipal Utilities Services P.O. Box 5001 14343 Civic Drive Victorville CA 92392-5001

(End of Appendix D)

Appendix E

(List of Rural Electric Cooperatives)

APPENDIX E	
List of Rural Electric Cooperatives	
1.	Anza Electric Cooperative, Inc. P.O. Box 391909 58470 Highway 371 Anza CA 92539-1909
2.	Plumas-Sierra Rural Electric Cooperative 73233 State Route 70, Suite A Portola CA 96122-7069
3.	Surprise Valley Electrification Corporation 516 US Hwy. 395E Alturas CA 96101-4228
4.	Valley Electric Association, Inc. 800 E. Highway 372 Pahrump NV 89048-4624

(End of Appendix E)

Appendix F

(Public Owned Utilities Representatives and Agents)

APPENDIX F	
Public Owned Utilities Representatives and Agents	
1.	California Municipal Utilities Association (CMUA) 915 L. Street, Suite 1460 Sacramento, CA 95814
2.	Northern California Power Authority (NCPA) 651 Commerce Drive Roseville, CA 95678
3.	Southern California Public Power Authority 225 South Lake Avenue, Suite 1250 Pasadena, CA 91101

(End of Appendix F)

Appendix G

(List of Facilities Based Communications Carriers
Authorized to Operate in California)

APPENDIX G

List of Facilities-Based Communications Carriers
Authorized to Operate in California

Appendix G-1 Local Exchange Carriers	
1	Pacific Bell 525 Market Street, Room 1944 San Francisco CA 94105
2	Verizon California, Inc. 201 Spear Street, 7th Floor San Francisco CA 94105
3	Calaveras Telephone Company PO Box 37 Copperopolis CA 95228
4	Cal-Ore Telephone Company PO Box 847 Dorris CA 96023
5	Ducor Telephone Company PO Box 42230 Bakersfield CA 93384
6	Foresthill Telephone Company, Inc. 811 S. Madera Kerman CA 93630
7	Happy Valley Telephone Co. PO Box 1004 Redmond OR 97756
8	Hornitos Telephone Company PO Box 1004 Redmond OR 97756
9	Kerman Telephone Company 811 South Madera Avenue Kerman CA 93630
10	Pinnacles Telephone Company 340 Live Oak Road Paicines CA 95043
11	The Ponderosa Telephone Company PO Box 21 O'Neals CA 93645

Appendix G-1 Local Exchange Carriers	
12	Surewest Telephone PO Box 969 Roseville CA 95678
13	Sierra Telephone Company, Inc. PO Box 219 Oakhurst CA 93644
14	The Siskiyou Telephone Company PO Box 157 Etna CA 96027
15	Volcano Telephone Company PO Box 1070 Pine Grove CA 95665
16	Winterhaven Telephone Company PO Box 1004 Redmond OR 97756
17	Centurytel of Eastern Oregon, Inc. 6700 Via Austi Parkway Las Vegas NV 89119
18	Citizens Telecommunications Co. of Ca. 9260 E. Stockton Blvd. Elk Grove CA 95624
19	Frontier Communications of the Southwest Inc. 9260 E. Stockton Blvd. Elk Grove CA 95624

Appendix G-2 Competitive Local Carriers	
1.	Pacific Bell 525 Market Street, Room 1944 San Francisco CA 94105
2.	Verizon California, Inc. 201 Spear Street, 7th Floor San Francisco CA 94105
3.	Surewest Telephone PO Box 969 Roseville CA 95678

Appendix G-2 Competitive Local Carriers	
4.	Empire Unified Communications LLC 1 West Main St., Ste. 650 Rochester NY 14614
5.	AT&T Corp. 525 Market Street, Room 1944 San Francisco CA 94105
6.	Sprint Communications Company, LP 201 Mission Street, Suite 1500 San Francisco CA 94105
7.	Fiber Data Systems 203 Bellefontaine Street Pasadena CA 91105
8.	Arrival Communications, Inc. 515 S. Flower Street, 47th Floor Los Angeles CA 90071
9.	MCI Metro Access Transmission Services 201 Spear Street, 7th Floor San Francisco CA 94105
10.	Pac-West Telecomm, Inc. 6500 River Place Blvd. Bldg. 2, Suite 200 Austin TX 78730
11.	CenturyLink Communications, LLC 6700 Via Austi Parkway Las Vegas NV 89119
12.	TW Telecom of California, LP 10475 Park Meadow Drive Littleton CO 80124
13.	Electric Lightwave, Inc. 6160 Golden Hills Dr. Golden Valley MN 55416
14.	IDT America Corp. 520 Broad Street Newark NJ 07102
15.	Frontier Communications of America, Inc. 9260 E. Stockton Blvd. Elk Grove CA 95624
16.	San Carlos Telecom Inc. 2999 Oak Road, Suite 400 Walnut Creek CA 94597

Appendix G-2 Competitive Local Carriers	
17.	Teleport Communications America, LLC 525 Market Street, Room 1944 San Francisco CA 94105
18.	Verizon Select Services, Inc. One Verizon Way, VC53S455 Basking Ridge NJ 07920
19.	Preferred Long Distance, Inc. 16830 Ventura Blvd., Suite 350 Encino CA 91436
20.	Primus Telecommunications, Inc. 7901 Jones Branch Dr., Ste. 900 McLean VA 22102
21.	The Telephone Connection Local Svcs. 8391 Beverly Blvd., Suite 350 Los Angeles CA 90045
22.	Talk America, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
23.	XO Communications Services 8851 Sandy Parkway Sandy UT 84070
24.	CCT Telecommunications, Inc. 1106 E. Turner Rd., Ste. A Lodi CA 95240
25.	Integrated Telemanagement Services 4100 Guardian Street, Ste. 110 Simi Valley CA 93063
26.	North County Communications Corporation of California 3802 Rosecrans Street, Ste. 485 San Diego CA 92110
27.	Tcast Communications, Inc. 25115 Avenue Stanford, B-210 Valencia CA 91355
28.	Cox California Telcom, LLC 3732 Mt. Diablo Blvd., Suite 358 Lafayette CA 94549
29.	Global Crossing Local Services, Inc. 225 Kenneth Drive Rochester NY 14623

Appendix G-2 Competitive Local Carriers	
30.	Comcast Phone of California, LLC 3055 Comcast Place Livermore CA 94551
31.	McLeod USA Telecommunications Services, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
32.	U.S. Telepacific Corp. 515 S. Flower, 47th Floor Los Angeles CA 90071
33.	Wholesale Airtime, Inc. 27515 Enterprise Circle West Temecula CA 92590
34.	Utility Telephone, Inc. 4202 Coronado Ave. Stockton CA 95204
35.	TGEC Communications Co., LLC 6805 Tujunga Avenue North Hollywood CA 91605
36.	Mpower Communications Corp. 515 S. Flower Street, 47th Floor Los Angeles CA 90071
37.	Access Point, Inc. 1100 Crescent Green Suite 109 Cary NC 27511
38.	Globalinx Enterprises, Inc. 275 Kenneth Drive Rochester NY 14623
39.	Quantumshift Communications, Inc. 12657 Alcosta Blvd., Ste. 418 San Ramon CA 94583
40.	Level 3 Communications, LLC 225 Kenneth Drive Rochester NY 14623
41.	International Telcom, Ltd. 417 Second Avenue West Seattle WA 98119
42.	Incontact, Inc. 7730 S. Union Park Ave., Ste. 500 Midvale UT 84047

Appendix G-2 Competitive Local Carriers	
43.	Peak Communications, Inc. 1442 East Lincoln Ave., Ste. 479 Orange CA 92865
44.	O1 Communications, Inc. 5190 Golden Foothill Parkway El Dorado Hills CA 95762
45.	Point To Point PO Box 3148 Rancho Cordova CA 95741
46.	Integra Telecom 6160 Golden Hills Dr. Golden Valley MN 55416
47.	Southern California Edison 2244 Walnut Grove Ave. Rosemead CA 91770
48.	Paetec Communications, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
49.	Zayo Group, LLC 400 Centennial Parkway, Ste. 200 Louisville CO 80027
50.	Access One, Inc. 820 W. Jackson Blvd., 6th Floor Chicago IL 60607
51.	Navigator Telecommunications, LLC PO Box 13860 North Little Rock AR 72113
52.	Astound Broadband, LLC 401 Kirkland Parkplace, Suite 500 Kirkland WA 98033
53.	Freedom Telecommunications, LLC 624 S. Grand Avenue, Suite 1200 Los Angeles CA 90017
54.	Earthlink Business, LLC 3000 Columbia House Blvd., Suite 106 Vancouver WA 98661
55.	TINCI Operating Company, LLC 114 E. Haley Street, Suite A Santa Barbara CA 93101

Appendix G-2 Competitive Local Carriers	
56.	Unity Telecom, LLC 2997 LBJ Freeway, Suite 225 Dallas TX 75234
57.	Backbone Communications, Inc. 811 Wilshire Blvd., Ste. 1020 Los Angeles CA 90017
58.	Surewest Televideo PO Box 969 Roseville CA 95678
59.	PNG Telecommunications, Inc. 8805 Governors Hill Dr., Suite 250 Cincinnati OH 45249
60.	Acn Communications Services, Inc. 1000 Progress Place Concord NC 28025
61.	AT&T Corp. 525 Market St., Room 1944 San Francisco CA 94105
62.	Reliance Globalcom Services, Inc. 114 Sansome Street, 11th Floor San Francisco CA 94104
63.	IP Networks, Inc. PO Box 192366 San Francisco CA 94119
64.	Broadview Networks, Inc. 1018 West 9th Ave. King Of Prussia PA 19406
65.	Cbeyond Communications, LLC 320 Interstate North Pkwy. SE Atlanta Ga 30339
66.	United States Telesis, Inc. 200 N. Westlake Blvd., Suite 104 Westlake Village CA 91362
67.	Digital Net Phone, LLC 8391 Beverly Blvd., Suite 350 Los Angeles CA 90045
68.	Comtech 21, LLC 1 Barnes Park South Wallingford CT 06492

Appendix G-2 Competitive Local Carriers	
69.	Onvoy, LLC 10300 6th Avenue N. Plymouth MN 55441
70.	RGT Utilities of California, Inc. 1221 Avenue Of The Americas, C2 Level New York NY 10020
71.	Metropolitan Telecomm of Calif., Inc. 44 Wall Street, 14th Floor New York NY 10005
72.	Intrado Communications, Inc. 1601 Dry Creek Drive Longmont CO 80503
73.	Sage Telecom Communications, LLC 10440 North Central Expressway, Suite 700 Dallas TX 75231
74.	Telscape Communications, Inc. 10440 North Central Expressway, Suite 700 Dallas TX 75231
75.	Hypercube Telecom, LLC 3200 W. Pleasant Run Road, Suite 300 Lancaster TX 75146
76.	Call America, Inc. 4202 Coronado Ave. Stockton CA 95204
77.	Curatel, LLC 1605 West Olympic Blvd, Suite 701 Los Angeles CA 90015
78.	Norcast Communications Corporation 1998 Santa Barbara Street, Suite 100 San Luis Obispo CA 93401
79.	BCN Telecom, Inc. 1200 Mt. Kemble Ave., 3rd Floor Harding Township NJ 07960
80.	Wholesale Carrier Services, Inc. 5471 N. University Drive Coral Springs FL 33067
81.	NetFortis Acquisition Co., Inc. 455 Market Street, Suite 620 San Francisco CA 94107

Appendix G-2 Competitive Local Carriers	
82.	Great America Networks, Inc. 10350 Heritage Park, Suite 101 Santa Fe Springs CA 90670
83.	Budget Prepay, Inc. 1325 Barksdale Blvd., Ste. 200 Bossier City LA 71111
84.	Enhanced Communications Network, Inc. 1013 South Glendora Avenue West Covina CA 91790
85.	Creative Interconnect Communications PO Box 656 San Carlos CA 94070
86.	Global Telecom & Technology Americas, Inc. 8484 Westpark Dr., Ste. 720 McLean VA 22102
87.	McGraw Communications, Inc. 3483 Satellite Blvd., Ste. 202 Duluth GA 30096
88.	Airespring, Inc. 6060 Sepulveda Blvd., Suite 220 Van Nuys CA 91411
89.	Bullseye Telecom, Inc. 25925 Telegraph Road, Suite 210 Southfield MI 48033
90.	Cypress Comms Operating Co., Inc. 75 Erieview Plaza, Suite 400 Cleveland OH 44114
91.	Calltower, Inc. 10701 South River Front Parkway, No. 450 South Jordan UT 84095
92.	Cogent Communications of Calif., Inc. 1015 31st Street, NW Washington DC 20007
93.	DMR Communications, Inc. PO Box 720128 Oklahoma City OK 73172
94.	Telecom North America Inc. 2654 W. Horizon Ridge Pkwy., Ste. B5-143 Henderson NV 89052

Appendix G-2 Competitive Local Carriers	
95.	Teledata Solutions, Inc. 200 N. Westlake Blvd, Suite 104 Westlake Village CA 91362
96.	Crown Castle NG West LLC 2000 Corporate Drive Canonsburg PA 15317
97.	A+ Wireless, Inc. PO Box 5454 Ventura CA 93005
98.	Greenfield Communications, Inc. 94112 Violet Lantern, Ste. C Dana Point CA 92629
99.	Blue Casa Telephone, LLC 10 E. Yanonali Street Santa Barbara CA 93101
100.	Easton Telecom Services, LLC Summit II, Unit A, 3046 Brecksville Rd Richfield OH 44286
101.	Think 12 Corporation 650 East Devon Avenue, Suite 133 Itasca IL 60143
102.	DSCI Corporation C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
103.	First Communications, LLC 3340 West Market Street Akron OH 44333
104.	Granite Telecommunications, LLC 100 Newport Avenue Extension Quincy MA 02171
105.	Paxio, Inc. 2045 Martin Avenue, Suite 204 Santa Clara CA 95050
106.	Advanced Integrated Technologies, Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
107.	Time Warner Cable Information Services (Calif.) 60 Columbus Circle New York NY 10023

Appendix G-2 Competitive Local Carriers	
108.	TC Telephone, LLC 243 Washington Red Bluff CA 96080
109.	Neutral Tandem California, LLC 550 West Adams Street, Suite 900 Chicago IL 60661
110.	Charter Fiberlink CA-CCO, LLC 12405 Powerscourt Drive St. Louis MO 63131
111.	New Horizons Communications Corporation 420 Bedford St., Suite 250 Lexington MA 02420
112.	Nexus Communications, Inc. 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
113.	Global Connect Telecommunications, Inc. 1146 N. Central Ave., No. 297 Glendale CA 91202
114.	Spectrotel, Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
115.	Newpath Networks, LLC 2000 Corporate Drive Canonsburg PA 15317
116.	Ca-Clec LLC 2000 Corporate Drive Canonsburg PA 15317
117.	Champion Broadband California, LLC 380 Perry Street Castle Rock CO 80104
118.	Infotelecom, LLC 75 Erieview Plaza, Suite 400 Cleveland OH 44114
119.	Bright House Networks Information Services (Calif.), LLC 4145 S. Falkenburg Road, Suite 7 Riverview FL 33578
120.	Extenet Systems (California) LLC 3030 Warrenville Road, Suite 340 Lisle IL 60532

Appendix G-2 Competitive Local Carriers	
121.	Mpower Networks Services, Inc. 620-630 Third Street San Francisco CA 94107
122.	Ymax Communications Corporation PO Box 6785 West Palm Beach FL 33405
123.	Nextthink Wireless, Inc. 13865 Sunrise Valley Drive Herndon VA 20171
124.	Sunesys, LLC 202 Titus Avenue Warrington PA 18976
125.	Cebridge Telecom Ca, LLC 520 Maryville Center Drive, Suite 300 St. Louis MO 63141
126.	Sonic Telecom, LLC 2260 Apollo Way Santa Rosa CA 95407
127.	MCC Telephony of the West, LLC 100 Crystal Run Road Middletown NY 10941
128.	Cal-Ore Communications, Inc. 719 W. Third Street Dorris CA 96023
129.	Bandwidth.Com Clec, LLC 900 Main Campus Drive, Suite 500 Raleigh NC 27606
130.	Affiniti, LLC 9208 Waterford Center Blvd. Austin TX 78758
131.	Southern California Telephone Company 27515 Enterprise Circle West Temecula CA 92590
132.	Oacys Telecom, Inc. 767 North Porter Road Porterville CA 93257
133.	Conterra Wireless Broadband LLC 2101 Rexford Road, Ste. 200E Charlotte NC 28211

Appendix G-2 Competitive Local Carriers	
134.	Race Telecommunications, Inc. 101 Haskins Way So. San Francisco CA 94080
135.	Wide Voice, LLC 410 South Rampart, Suite 390 Las Vegas NV 89145
136.	Channel Islands Telephone Company 3802 Rosecrans St., Ste. 485 San Diego CA 92110
137.	Rural Broadband Now! LLC 111 South Main Street Willits CA 95490
138.	Telequality Communications, Inc. 24715 Fairway Springs San Antonio TX 78260
139.	Telecommunication Systems, Inc. 275 West St., Ste. 400 Annapolis MD 21401
140.	Telcentris Communications, LLC 9276 Scranton Road, No. 300 San Diego CA 92121
141.	Peerless Network of California, LLC 222 S. Riverside Plaza, Suite 2730 Chicago IL 60606
142.	Raw Bandwidth Telecom, Inc. PO Box 1305 San Bruno CA 94066
143.	Birch Telecom of the West, Inc. 2323 Grand Blvd., Suite 925 Kansas City KS 64108
144.	Shasta County Telecom, Inc. 3802 Rosccrans Street San Diego CA 92110
145.	Convergence Systems, Inc. 10636 Scripps Summit Court, Suite 201 San Diego CA 92131
146.	Empire Unified Communications LLC 1 West Main St., Ste. 650 Rochester NY 14614

Appendix G-2 Competitive Local Carriers	
147.	Public Wireless, Inc. 25 East Trmble Road San Jose CA 95131
148.	Telco Experts, LLC C/O CSI, 740 FL Central Parkway, Ste. 2028 Longwood FL 32750
149.	Cruzio Media, Inc. 877 Cedar St, Ste. 150 Santa Cruz CA 95060
150.	Entelegent Solutions, Inc. 3800 Arco Corporate Drive, Ste. 310 Charlotte NC 28273
151.	Mosaic Networx, LLC 454 Las Gallinas Ave., Suite 145 San Rafael CA 94903
152.	Pacific Lightwave, a California Corporation PO Box 10748 Palm Desert CA 92255
153.	Calpop.Com, Inc. 600 West Seventh St., Ste. 360 Los Angeles CA 90017
154.	Broadvox-CLEC, LLC 75 Erieview Plaza, Suite 400 Cleveland OH 44114
155.	Impulse Telecom, LLC 5383 Hollister Ave., Ste. 240 Goleta CA 93111
156.	Blue Rooster Telecom, Inc. PO Box 4959 San Luis Obispo CA 93403
157.	Rosebud Telephone, LLC Box 597 Rosebud TX 76570
158.	Snowcrest Telephone, Inc. 329 A N. Mount Shasta Blvd., Suite 7 Mt. Shasta CA 96067
159.	Airus, Inc. 840 South Canal, 7th Floor Chicago IL 60607

Appendix G-2 Competitive Local Carriers	
160.	Cenic Broadband Initiatives LLC 16700 Valley View Ave., Ste. 400 La Mirada CA 90638
161.	Comity Communications, LLC 3816 Ingersoll Avenue Des Moines IA 50312
162.	Crexendo Business Solutions, Inc. 1615 South 52nd Street Tempe AZ 85044
163.	321 Communications, Inc. PO Box 15857 Brooksville FL 34604
164.	Mobilitie, LLC 660 Newport Center Drive, Suite 200 Newport Beach CA 92660
165.	Big River Telephone Company, LLC 24 S. Minnesota Ave. Cape Girardeau MO 63703
166.	Net Talk.com, Inc. 1100 NW 163rd Drive, Suite B-4 North Miami Beach FL 33169
167.	XYN Communications of California, LLC 8275 S. Eastern Ave., 200 Las Vegas NV 89123
168.	Common Point, LLC 3243 Meadowbrook Springfield IL 62711
169.	Nobelbiz VOIP Services, Inc. 5973 Avenida Encinas, Suite 202 Carlsbad CA 92008
170.	Voxbeam Telecommunications, Inc. 6314 Kingspointe Pkwy., Suite 1 Orlando FL 32819
171.	CVIN, LLC 9479 North Fort Washington, Ste. 105 Fresno CA 93730
172.	Plumas-Sierra Telecommunications 73233 State Route 70, Suite A Portola CA 96122

Appendix G-2 Competitive Local Carriers	
173.	California Broadband Cooperative, Inc. 1101 Nimitz Ave. Vallejo CA 94592
174.	Blue Casa LLC 114 E Haley Street, Suite A Santa Barbara CA 93101
175.	dishNET Wireline L.L.C. 9601 S. Meridian Blvd. Englewood CO 80211
176.	TQAvenger Telecom, LLC 12 Trophy Ridge San Antonio TX 78258
177.	Digital Transportation Corp. 1720 Q Street Sacramento CA 95811
178.	Citrix Communications LLC 1200 18th Street N.W., Suite 1200 Washington DC 20036
179.	Optic Access 533 Airport Blvd., Suite 400 Burlingame CA 94111
180.	Golden Bear Broadband LLC P.O. Box 157 Etna CA 96027
181.	Local Access Services LLC 11442 Lake Butler Blvd. Windermere FL 34786
182.	Vodex Communications Corporation 3185 E2 Airway Avenue Costa Mesa CA 92626
183.	CallFire, Inc. 1410 2nd Street, Floor 2 Santa Monica CA 90401
184.	ATC Outdoor DAS, LLC 10 Presidential Way Woburn Ma 01801
185.	Ultimate Internet Access, Inc. 3633 Inland Empire Blvd., Suite 890 Ontario CA 91764

Appendix G-2 Competitive Local Carriers	
186.	LightSpeed Networks, Inc. 921 SW Washington St., Suite 370 Portland OR 97205

Appendix G-3 Inter-Exchange Carriers	
1.	AT&T Corp. 525 Market Street, Room 1944 San Francisco CA 94105
2.	Global Crossing Telecommunications, Inc. 225 Kenneth Drive Rochester NY 14623
3.	Sprint Communications Company, LP 201 Mission Street, Suite 1500 San Francisco CA 94105
4.	Teleconnect Long Distance Svcs. & Systems 201 Spear Street, 7th Floor San Francisco CA 94105
5.	Fiber Data Systems 203 Bellefontaine Street Pasadena CA 91105
6.	Intellicall Operator Services, Inc. 1049 E Macedonia Church Road Lee FL 32059
7.	Coast International, Inc. 14303 West 95th St. Lenexa KS 66215
8.	Value Added Communications, Inc. 12021 Sunset Hills Road, Suite 100 Reston VA 20190
9.	Matrix Telecom, Inc. 433 E. Las Colinas Blvd., Suite 500 Irving TX 75039
10.	Affinity Network Incorporated 250 Pilot Road, Ste. 300 Las Vegas NV 89119

Appendix G-3 Inter-Exchange Carriers	
11.	Working Assets Funding Service, Inc. 101 Market Street, Suite 700 San Francisco CA 94105
12.	Mitel Netsolutions, Inc. 1146 N. Alma School Rd. Mesa AZ 85201
13.	Ameritel/ Amerivision Comms Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
14.	Arrival Communications, Inc. 515 S. Flower Street, 47th Floor Los Angeles CA 90071
15.	Nos Communications, Inc. 250 Pilot Road, Ste. 300 Las Vegas NV 89119
16.	MCI Metro Access Transmission Services 201 Spear Street, 7th Floor San Francisco CA 94105
17.	Pac-West Telecomm, Inc. 6500 River Place Blvd., Bldg. 2, Suite 200 Austin TX 78730
18.	Norstan Network Services, Inc. 4805 Independence Parkway, Suite 101 Tampa FL 33634
19.	Roudebush Communications 176 W Logan Street, Suite 232 Noblesville IN 46060
20.	Operator Service Company, LLC 6010 Exchange Parkway San Antonio TX 78238
21.	CenturyLink Communications, LLC 6700 Via Austi Parkway Las Vegas NV 89119
22.	National Comtel Network Inc. 21031 Ventura Blvd., Ste. 508 Woodland Hills CA 91364
23.	Buehner-Fry, Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750

Appendix G-3 Inter-Exchange Carriers	
24.	TW Telecom of California, LP 10475 Park Meadow Drive Littleton CO 80124
25.	Business Discount Plan, Inc. 1 World Trade Center, Suite 800 Long Beach CA 90831
26.	Electric Lightwave Inc. 6160 Golden Hills Dr. Golden Valley MN 55416
27.	MCI Communications Services, Inc. 201 Spear Street, 7th Floor San Francisco CA 94105
28.	Dialink Corporation 1660 S. Amphlett Blvd., Ste. 314 San Mateo CA 94402
29.	Cincinnati Bell Any Distance, Inc. 201 East Fourth Street, 103-1280 Cincinnati OH 45201
30.	TTI National, Inc. 201 Spear Street, 7th Floor San Francisco CA 94105
31.	Covista, Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
32.	IDT America Corp. 520 Broad Street Newark NJ 07102
33.	Frontier Communications of America, Inc. PO Box 340 Elk Grove CA 95759
34.	Nosva, Limited Partnership 250 Pilot Road, Ste. 300 Las Vegas NV 89119
35.	San Carlos Telecom Inc. 2999 Oak Road, Suite 400 Walnut Creek CA 94597
36.	Teleport Communications America, LLC 525 Market Street, Room 1944 San Francisco CA 94105

Appendix G-3 Inter-Exchange Carriers	
37.	Communications Brokers & Consultants 23939 Ventura Blvd. Calabasas CA 91302
38.	California RSA No. 3 Limited Ptshp. PO Box 2607 Oakhurst CA 93644
39.	Smart City Networks, LP 28 W. Grand Ave. Montvale NJ 07645
40.	Cybernet Communications Inc. 7750 Gloria Ave. Van Nuys CA 91406
41.	Bulletins, Inc. 39252 Winchester Rd., No. 107-259 Murrieta GA 92563
42.	Verizon Select Services, Inc. One Verizon Way, VC53S455 Basking Ridge NJ 07920
43.	LDC Telecommunications Inc. 2451 McMullen Booth Rd., Ste. 200 Clearwater FL 33759
44.	Tremcom International 6167 Bristol Pkwy., 320 Culver City CA 90230
45.	Preferred Long Distance, Inc. 16830 Ventura Blvd., Suite 350 Encino CA 91436
46.	Primus Telecommunications, Inc. 7901 Jones Branch Dr., Ste. 900 McLean VA 22102
47.	Worldnet Communications Services, Inc. 80 Wood Rd., Suite 308 Camarillo CA 93010
48.	The Telephone Connection Local Svcs. 8391 Beverly Blvd., Suite 350 Los Angeles CA 90045
49.	Broadwing Communications, LLC 225 Kenneth Drive Rochester NY 14623

Appendix G-3 Inter-Exchange Carriers	
50.	CTC Communications Corp 225 Cedar Hill Street, Suite 111 Marlborough MA 01752
51.	Talk America, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
52.	XO Communications Services 8851 Sandy Parkway Sandy UT 84070
53.	Business Telecom, LLC d/b/a EarthLink Business 2610 Horizon Drive SE, Ste. B Grand Rapids MI 49546
54.	Network Enhanced Technologies, Inc. 700 South Flower Street, Suite 420 Los Angeles CA 90017
55.	CCT Telecommunications, Inc. 1106 E. Turner Road, Ste. A Lodi CA 95240
56.	Integrated Telemanagement Services 4100 Guardian Street, Ste. 110 Simi Valley CA 93063
57.	ABS-CBN Telecom North America, Inc. 150 Shoreline Drive Redwood City CA 94065
58.	North County Communications Corporation of California 3802 Rosecrans, Ste. 485 San Diego CA 92110
59.	Tcast Communications, Inc. 25115 Avenue Stanford Valencia CA 91355
60.	Sierra Telephone Long Distance PO Box 1505 Oakhurst CA 93644
61.	Telecom House Inc. (Sterling) 8421 Wilshire Blvd., Ste. 300 Beverly Hills CA 90211
62.	Global Tel*Link Corporation 12021 Sunset Hills Road, Suite 100 Reston VA 20190

Appendix G-3 Inter-Exchange Carriers	
63.	Cox California Telcom, LLC 3732 Mt. Diablo Blvd., Suite 358 Lafayette CA 94549
64.	Global Crossing Local Services, Inc. 225 Kenneth Drive Rochester NY 14623
65.	Comcast Phone of California, LLC 3055 Comcast Place Livermore CA 94551
66.	BT Americas, Inc. 11440 Commerce Park Drive, Ste. 1000 Reston VA 20191
67.	McLeod USA Telecommunications Services, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
68.	U.S. Telepacific Corp. 515 S. Flower, 47th Floor Los Angeles CA 90071
69.	Verizon Long Distance LLC One Verizon Way, VC53S460 Basking Ridge NJ 07920
70.	Dial Long Distance, Inc. 762 West Ventura Boulevard Camarillo CA 93010
71.	Wholesale Airtime, Inc. 27515 Enterprise Circle West Temecula CA 92590
72.	DeltaCom, LLC 7037 Old Madison Pike, Suite 400 Huntsville AL 35802
73.	Custom Network Solutions, Inc. 210 Route 4 East, Suite 201 Paramus NJ 07652
74.	Legacy Long Distance International, Inc. 10833 Valley View Street, Ste. 150 Cypress CA 90630
75.	Association Administrators, Inc. 180 East Main Street, Ste. 203 Smithtown NY 11787

Appendix G-3 Inter-Exchange Carriers	
76.	Associated Network Partners, Inc. 3243 Meadowbrook Springfield IL 62711
77.	SBC Long Distance, LLC 525 Market St., Room 1944 San Francisco CA 94105
78.	Utility Telephone, Inc. 4202 Coronado Ave. Stockton CA 95204
79.	TGEC Communications Co., LLC 6805 Tujunga Avenue North Hollywood CA 91605
80.	Volcano Long Distance PO Box 1070 Pine Grove CA 95665
81.	Surewest Long Distance PO Box 969 Roseville CA 95678
82.	Net One International, Inc. 457 South Avalon Park Blvd., Suite 500 Orlando FL 32828
83.	Ldmi Telecommunications, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
84.	Mpower Communications Corp. 515 S. Flower Street, 47th Floor Los Angeles CA 90071
85.	Locus Telecommunications, Inc. 2200 Fletcher Ave., 6th Floor Fort Lee NJ 07204
86.	Access Point, Inc. 1100 Crescent Green, Ste. 109 Cary NC 27511
87.	Americatel Corporation 433 E. Las Colinas Blvd., Suite 500 Irving TX 75039
88.	U.S. Telecom Long Distance, Inc. 3960 Howard Hughes Prkwy., Suite 5001F Las Vegas NV 89109

Appendix G-3 Inter-Exchange Carriers	
89.	Globalinx Enterprises, Inc. 275 Kenneth Drive Rochester NY 14623
90.	Quantumshift Communications, Inc. 12657 Alcosta Blvd., Suite 418 San Ramon CA 94583
91.	Level 3 Communications, LLC 225 Kenneth Drive Rochester NY 14623
92.	NTT America, Inc. 757 Third Avenue, Floor 14 New York NY 10017
93.	Infotech Telecomms. and Network Inc. 725 Evans Road San Luis Obispo CA 93401
94.	Airnex Communications, Inc. 3075 Breckinridge Blvd., Suite 425 Duluth GA 30096
95.	International Telcom, Ltd. 417 Second Avenue West Seattle WA 98119
96.	Network Operator Services, Inc. P.O. Box 3529 Longview TX 75606
97.	Incontact, Inc. 7730 S. Union Park Ave., Ste. 500 Midvale UT 84047
98.	Kddi America, Inc. 825 Third Avenue, 3rd Floor New York NY 10022
99.	American Phone Services, Corp 308 Maxwell Rd, Suite 100 Alpharetta GA 30004
100.	Pacific Centrex Services, Inc. 6805 Tujunga Avenue North Hollywood CA 91605
101.	Peak Communications, Inc. 1442 East Lincoln Avenue, No. 479 Orange CA 92865

Appendix G-3 Inter-Exchange Carriers	
102.	Custom Teleconnect, Inc. 2600 Maitland Center Pky., Suite 300 Maitland FL 32751
103.	CenturyLink Public Communications, Inc. 6700 Via Austi Parkway Las Vegas NV 89119
104.	Clear World Communications Corp. 2901 W. MacArthur Blvd., Suite 204 Santa Ana CA 92704
105.	O1 Communications, Inc. 5190 Golden Foothill Parkway El Dorado Hills CA 95762
106.	Point To Point, Inc. PO Box 3148 Rancho Cordova CA 95741
107.	Advanced Telecom, Inc. 6160 Golden Hills Dr. Golden Valley MN 55416
108.	Southern California Edison 2244 Walnut Grove Ave. Rosemead CA 91770
109.	Paetec Communications, Inc. 655 W. Broadway, Ste. 850 San Diego CA 92101
110.	Zayo Group, LLC 400 Centennial Parkway, Suite 200 Louisville CO 80027
111.	Wiltel Communications, LLC 225 Kenneth Drive Rochester NY 14623
112.	Advantage Telecommunications Corp C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
113.	Astound Broadband, LLC 401 Kirkland Parkplace, Suite 500 Kirkland WA 98033
114.	Freedom Telecommunications, LLC 624 S. Grand Avenue, Suite 1200 Los Angeles CA 90017

Appendix G-3 Inter-Exchange Carriers	
115.	Earthlink Business, LLC 3000 Columbia House Blvd., Suite 106 Vancouver WA 98661
116.	Unity Telecom, LLC 2997 LBJ Freeway, Suite 225 Dallas TX 75234
117.	Openpop.Com, Inc. 3055 Wilshire Blvd., Suite 730 Los Angeles CA 90010
118.	Backbone Communications, Inc. 811 Wilshire Blvd., Ste. 1020 Los Angeles CA 90017
119.	Surewest Televideo PO Box 969 Roseville CA 95678
120.	Network IP, LLC 1807 Judson Road Longview TX 75605
121.	PNG Telecommunications, Inc. 8805 Governors Hill Dr., Suite 250 Cincinnati OH 45249
122.	AT&T Corp. 525 Market St., Room 1944 San Francisco CA 94105
123.	Reliance Globalcomm Services, Inc. 114 Sansome Street, 11th Floor San Francisco CA 94104
124.	IP Networks, Inc. PO Box 192366 San Francisco CA 94119
125.	Broadview Networks, Inc. 1018 West 9th Ave. King Of Prussia PA 19406
126.	Telmex USA, LLC 3350 SW 148 Avenue, Suite 400 Miramar FL 33027
127.	ANPI Business, LLC 7460 Warren Parkway, Ste. 218 Frisco TX 75034

Appendix G-3 Inter-Exchange Carriers	
128.	Cbeyond Communications, LLC 320 Interstate North Pkwy. SE Atlanta GA 30339
129.	Digital Net Phone, LLC 8391 Beverly Blvd., Suite 350 Los Angeles CA 90045
130.	Encompass Communications, LLC 119 West Tyler Street, Suite 260 Longview TX 75601
131.	Onvoy, LLC 10300 6th Avenue N. Plymouth MN 55441
132.	RGT Utilities of California, Inc. 1221 Avenue Of The Americas, C2 Level New York NY 10020
133.	Aries Network, Inc. 5973 Avenida Encinas, Suite 202 Carlsbad CA 92008
134.	Intrado Communications, Inc. 1601 Dry Creek Drive Longmont CO 80503
135.	Sage Telecom Communications, LLC 10440 North Central Expressway, Suite 700 Dallas TX 75231
136.	Telscape Communications, Inc. 10440 North Central Expressway, Suite 700 Dallas TX 75231
137.	Call America, Inc. 4202 Coronado Ave. Stockton CA 95204
138.	Curatel, LLC 1605 West Olympic Blvd., Suite 701 Los Angeles CA 90015
139.	Norcast Communications Corporation 1998 Santa Barbara Street, Suite 100 San Luis Obispo CA 93401
140.	Wholesale Carrier Services, Inc. 5471 N. University Drive Coral Springs FL 33067

Appendix G-3 Inter-Exchange Carriers	
141.	NetFortis Acquisition Co., Inc. 455 Market Street, Suite 620 San Francisco CA 94107
142.	Great America Networks, Inc. 10350 Heritage Park, Suite 101 Santa Fe Springs CA 90670
143.	Budget Prepay, Inc. 1325 Barksdale Blvd., Ste. 200 Bossier City LA 71111
144.	Creative Interconnect Communications PO Box 656 San Carlos CA 94070
145.	Onelink Communications, Inc. 8400 N. University Drive, Suite 204 Tamarac FL 33321
146.	New World Telecom International, Inc. 2711 Centerville Road, Suite 400 Wilmington DE 19808
147.	McGraw Communications, Inc. 3483 Satellite Blvd., Ste. 202 Duluth GA 30096
148.	Cypress Comms. Operating Co., Inc. 75 Erieview Plaza, Suite 400 Cleveland OH 44114
149.	Calltower, Inc. 10701 South River Front Parkway, No. 450 South Jordan UT 84095
150.	Cogent Communications of Calif., Inc. 1015 31st Street, NW Washington DC 20007
151.	DMR Communications, Inc. PO Box 720128 Oklahoma City OK 73172
152.	Telecom North America Inc. 2654 W. Horizon Ridge Pkwy., Ste. B5-143 Henderson NV 89052
153.	Broadband Dynamics, LLC 8757 E. Via De Commercio Scottsdale AZ 85258

Appendix G-3 Inter-Exchange Carriers	
154.	Crown Castle NG West LLC 2000 Corporate Drive Canonsburg PA 15317
155.	A+ Wireless, Inc. PO Box 5454 Ventura CA 93005
156.	Blue Casa Telephone, LLC 10 E. Yanonali Street Santa Barbara CA 93101
157.	Chunghwa Telecom Global, Inc. 2107 N. First St., Ste. 580 San Jose CA 95131
158.	Independent Telecommunications Systems, 4079 Park East Court Kentwood MI 49546
159.	Granite Telecommunications, LLC 100 Newport Avenue Extension Quincy MA 02171
160.	Paxio, Inc. 2045 Martin Avenue, Suite 204 Santa Clara CA 95050
161.	Advanced Integrated Technologies, Inc. C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
162.	Time Warner Cable Information Services 60 Columbus Circle New York NY 10023
163.	TC Telephone, LLC 243 Washington Red Bluff CA 96080
164.	Neutral Tandem California, LLC 550 West Adams Street, Suite 900 Chicago IL 60661
165.	Charter Fiberlink CA-CCO, LLC 12405 Powerscourt Drive St. Louis MO 63131
166.	Lucky Communications, Inc. 1028 Mission Street San Francisco CA 94103

Appendix G-3 Inter-Exchange Carriers	
167.	Globalphone Corporation 137 North Washington Street, Suite 200 Falls Church VA 22046
168.	Worldwide Telecommunications, Inc. 4505 Las Virgenes Road, Suite 115 Calabasas CA 91302
169.	Global Connect Telecommunications, Inc. 1146 N. Central Ave., No. 297 Glendale CA 91202
170.	Newpath Networks, LLC 2000 Corporate Drive Canonsburg PA 15317
171.	Ca-Clec LLC 2000 Corporate Drive Canonsburg PA 15317
172.	Champion Broadband California, LLC 380 Perry Street Castle Rock CO 80104
173.	Infotelecom, LLC 75 Erieview Plaza, Suite 400 Cleveland OH 44114
174.	Bright House Networks Information Services (Calif.), LLC 4145 S. Falkenburg Road, Suite 7 Riverview FL 33578
175.	Extenet Systems (California) LLC 3030 Warrenville Road, Suite 340 Lisle IL 60532
176.	IBFA Acquisition Company, LLC C/O CSI, 740 FL. Central Parkway, Ste. 2028 Longwood FL 32750
177.	800 Response Information Services, LLC 1795 Williston Road, Suite 200 South Burlington VT 05403
178.	Mpower Networks Services, Inc. 620-630 Third Street San Francisco CA 94107
179.	Nextlink Wireless, Inc. 13865 Sunrise Valley Drive Herndon VA 20171

Appendix G-3 Inter-Exchange Carriers	
180.	Sunesys, LLC 202 Titus Avenue Warrington PA 18976
181.	Cebridge Telecom Ca, LLC 520 Maryville Center Drive, Suite 300 St. Louis MO 63141
182.	Sonic Telecom, LLC 2260 Apollo Way Santa Rosa CA 94507
183.	Smart Choice Communications, LLC PO Box 720128 Oklahoma City OK 73172
184.	MCC Telephony of the West, LLC 100 Crystal Run Road Middletown NY 10941
185.	BLC Management LLC 6905 N. Wickham Road, Suite 403 Melbourne FL 32940
186.	Alliance Group Services, Inc. 1221 Post Road East Westport CT 06880
187.	Bandwidth.Com Clec, LLC 900 Main Campus Drive, Suite 500 Raleigh NC 27606
188.	Oacys Telecom, Inc. 767 North Porter Road Porterville CA 93257
189.	Channel Islands Telephone Company 3802 Rosecrans St., Ste. 485 San Diego CA 92110
190.	Telequality Communications, Inc. 24715 Fairway Springs San Antonio TX 78260
191.	CapTex Telecom, LLC 119 West Tyler Street, Ste. 100 Longview TX 75601
192.	Telcentris Communications, LLC 9276 Scranton Road, No. 300 San Diego CA 92121

Appendix G-3 Inter-Exchange Carriers	
193.	Roadway Communications, Inc. 16012 S. Western Avenue, Suite 303 Gardena CA 90247
194.	Ekit.Com Inc. 27 Drydock Ave., 5th Floor Boston MA 02210
195.	Call One Inc. 225 W. Wacker Drive, 8th Floor Chicago IL 60606
196.	Momentum Telecom, Inc. 880 Montclair Road, Suite 400 Birmingham AL 35213
197.	Peerless Network of California, LLC 222 S Riverside Plaza, Suite 2730 Chicago IL 60606
198.	Shasta County Telecom, Inc. 3802 Rosccrans Street San Diego CA 92110
199.	Convergence Systems, Inc. 10636 Scripps Summit Court, Suite 201 San Diego CA 92131
200.	Callcatchers, Inc. 169 Saxony Rd., Ste. 206 Encinitas CA 92024
201.	Public Wireless, Inc. 25 East Trimble Road San Jose CA 95131
202.	X2 Telecom, LLC PO Box 90346 Santa Barbara CA 93190
203.	Cruzio Media, Inc. 877 Cedar St., Ste. 150 Santa Cruz CA 95060
204.	Mosaic Network, LLC 454 Las Gallinas Ave., Suite 145 San Rafael CA 94903
205.	Broadvox-CLEC, LLC 75 Erieview Plaza, Suite 400 Cleveland OH 44114

Appendix G-3 Inter-Exchange Carriers	
206.	Impulse Telecom, LLC 5383 Hollister Ave., Ste. 240 Goleta CA 93111
207.	Telus Communications Company 500 8th Street, NW Washington DC 20004
208.	Frontier Communications Online & LD 9260 E. Stockton Blvd. Elk Grove CA 95624
209.	Blue Rooster Telecom, Inc. PO Box 4959 San Luis Obispo CA 93403
210.	Rosebud Telephone, LLC PO Box 597 Rosebud TX 76570
211.	Pay Tel Communications, Inc. P.O. Box 8179 Greensboro NC 27419
212.	Airus, Inc. 840 South Canal, 7th Floor Chicago IL 60607
213.	Cenic Broadband Initiatives LLC 1415 L Street, Suite 870 Sacramento CA 95814
214.	Comity Communications, LLC 3816 Ingersoll Avenue Des Moines IA 50312
215.	Digital West Networks, Inc. 3620 Sacramento Drive, Suite 102 San Luis Obispo CA 93401
216.	Splice Communications, Inc. 1900 S. Norfolk St., Suite 350 San Mateo CA 94403
217.	Bestel (USA), Inc. 2323 Bryan Street, Suite 2040 Dallas TX 78205
218.	Crexendo Business Solutions, Inc. 1615 South 52nd Street Tempe AZ 85281

Appendix G-3 Inter-Exchange Carriers	
219.	Mobilitie, LLC 660 Newport Center Drive, Suite 200 Newport Beach CA 92660
220.	Big River Telephone Company, LLC 24 S. Minnesota Ave. Cape Girardeau MO 63703
221.	XYN Communications of California, LLC 8275 S. Eastern Ave., 200 Las Vegas NV 89123
222.	Common Point, LLC 3243 Meadowbrook Springfield IL 62711
223.	Voxbeam Telecommunications, Inc. 6314 Kingspointe Pkwy., Suite 1 Orlando FL 32819
224.	Plumas Sierra Telecommunications 73233 State Route 70, Suite A Portola CA 96122
225.	California Broadband Cooperative, Inc. 1101 Nimitz Ave. Vallejo CA 94592
226.	Masergy Communications, Inc. 2740 North Dallas Parkway Plano TX 75093
227.	Lit San Leandro, LLC 777 Davis Street San Leandro CA 94577
228.	IFN.com, Inc. 9841 Airport Blvd., 9th Floor Los Angeles CA 90045
229.	LCB Communications, LLC P.O. Box 1246 Sam Martin CA 95020
230.	Telecircuit Network Corporation 1725 Winward Concourse, Suite 150 Alpharetta GA 30005
231.	Optic Access 533 Airport Blvd., Suite 400 Burlingame CA 94111

Appendix G-3 Inter-Exchange Carriers	
232.	Metro Star Networks, Inc. 145 S. Halcyon Rd., Suite E Arroyo Grande CA 93420
233.	Local Access Services LLC 11442 Lake Butler Blvd. Windermere FL 34786
234.	Public Interest Telecom of CA 1050 Heinz Ave. Berkeley CA 94710
235.	Vodex Communications Corporation 3185 E2 Airway Avenue Costa Mesa CA 92626
236.	Transbeam, Inc. 8 West 38th St., 7th Floor New York City NY 10018
237.	Global Telco Group Inc. 1420 Spring Hill Road, Suite 401 McLean VA 22102
238.	Sage Communications, Inc. 4274 Enfield Court, Suite 1600 Palm Harbor FL 34685
239.	CallFire, Inc. 1410 2nd Street, Floor 2 Santa Monica CA 90401
240.	Smart Card Services, Inc. 15953 NW 16th Street Pembroke Pines FL 33028
241.	Surfnet Communications, Inc. 25600 Hillside Road Los Gatos CA 95033
242.	Viasat Inc. 349 Inverness Drive South Englewood CO 80112
243.	Ultimate Internet Access, Inc. 3633 Inland Empire Blvd., Suite 890 Ontario CA 91764

Appendix G-3 Inter-Exchange Carriers	
244.	LightSpeed Networks, Inc. 921 SW Washington St., Suite 370 Portland OR 97205

Appendix G-4 Commercial Mobile Radio Service Providers (Cellular Carriers)	
1.	Cellco Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
2.	GTE Mobilnet of CA., Ltd. Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
3.	Los Angeles SMSA Limited Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
4.	Sacramento Valley Ltd. Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
5.	Fresno MSA Ltd. Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
6.	GTE Mobilnet of Santa Barbara 201 Spear Street, 7th Floor San Francisco CA 94105
7.	Santa Barbara Cellular Systems, Ltd. 1525 Market St., Room 1944 San Francisco CA 94105
8.	AT&T Mobility Wireless Operations Holdings Inc. 525 Market St. San Francisco CA 94105
9.	WWC License, LLC 180 Washington Valley Road Bedminster NJ 07921
10.	California RSA No. 3 Ltd. Partnership PO Box 2607 Oakhurst CA 93644

Appendix G-4 Commercial Mobile Radio Service Providers (Cellular Carriers)	
11.	Verizon Wireless, LLC 201 Spear Street, 7th Floor San Francisco CA 94105
12.	Modoc RSA Limited Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
13.	California RSA No. 4 Ltd. Partnership 201 Spear Street, 7th Floor San Francisco CA 94105
14.	United States Cellular Corporation 8410 West Bryn Mawr Chicago IL 60631
15.	T-Mobile West LLC 1755 Creekside Oaks Dr., STE. 190 Sacramento CA 95833
16.	New Cingular Wireless PCS, LLC 525 Market St., Room 1944 San Francisco CA 94105
17.	Cricket Communications, Inc. 525 Market St., Room 1944 San Francisco CA 94105
18.	Metropcs California, LLC 1755 Creekside Oaks Dr., Ste. 190 Sacramento CA 95833
19.	Accessible Wireless, LLC 100 Via Dela Valle, Suite 200 Del Mar CA 92014
20.	California Valley Broadband, LLC 1015 - B Airport Road Rio Vista CA 94571

Appendix G-5 Radio Telephone Utilities	
1.	Madera Radio Dispatch PO Box 28 Madera CA 93639-0028
2.	Fresno Mobile Radio Inc. 160 North Broadway Fresno CA 93701
3.	American Messaging Services, LLC 1720 Lakepointe Dr., Ste. 100 Lewisville TX 75057
4.	Velocita Wireless 70 Wood Avenue South, 3 rd Floor Iselin NJ 08830
5.	USA Mobility Wireless, Inc. 6850 Versar Center, Suite 420 - Tax Dept. Springfield VA 22151
6.	Telefonica USA, Inc. 1111 Brickell Avenue, 10 th Floor Miami FL 33131

(End of Appendix G)

Appendix H

(Service List of Resolution No. W-4823)

R.15-06-009 ALJ/GK1/jt2

Service List of Resolution No. W-4823

Edward Jackson
Park Water Company
P. O. Box 7002
DOWNEY CA 90241-7002

Leigh K. Jordan
Apple Valley Ranchos Wtr. Co.
P. O. Box 7002
DOWNEY CA 90241

Lawrence Morales
East Pasadena Water Co.
3725 East Mountain View Ave.
PASADENA CA 91107

Robert J. DiPrimio
Valencia Water Co.
24631 Avenue Rockefeller
VALENCIA CA 91335

Robert L. Kelly
Suburban Water Systems
1211 E. Center Court Drive
COVINA CA 91724-3603

Daniel A. Dell'Osa
San Gabriel Valley Water Co.
P.O. Box 6010
EL MONTE CA 91734

Michael Whitehead
San Gabriel Valley Water Co.
P. O. Box 6010
EL MONTE CA 91734

Timothy J. Ryan, Gen. Counsel
San Gabriel Valley Water Co.
P. O. Box 6010
EL MONTE CA 91734

R.15-06-009 ALJ/GK1/jt2

Keith Switzer
Golden State Water Company
630 East Foothill Blvd.
SAN DIMAS CA 91773-9016

Robert Thomas Adcock
Alco Water Service
249 Williams Road
SALINAS CA 93905

Martin A. Mattes
California Water Association
50 California Street
SAN FRANCISCO CA 94111

Francis S. Ferraro
California Water Service Co.
1720 N. First Street
SAN JOSE CA 95112-4598

John Roeder
Great Oaks Water Company
P. O. Box 23490
SAN JOSE CA 95153-3490

Palle Jensen
San Jose Water Company
374 W. Santa Clara Street
SAN JOSE CA 95196-0001

Robert C. Cook, Sr.
Fruitridge Vista Water Company
1108 Second Street, Suite 204
SACRAMENTO CA 95814

David P. Stephenson
California-American Water Co.
4701 Beloit Drive
SACRAMENTO CA 95838

R.15-06-009 ALJ/GK1/jt2

Robert S. Fortino
Del Oro Water Company, Inc.
Drawer 5172
CHICO CA 95927

John Garon
Golden State Water Company
630 East Foothill Blvd.
SAN DIMAS CA 91773-9016

Gladys Rosendo
Golden State Water Company
630 East Foothill Blvd.
SAN DIMAS CA 91773-9016

John K. Hawks
California Water Association
Mail Code E3-608
601 Van Ness Ave., 2047
SAN FRANCISCO CA 94102

E. Garth Black
Cooper, White, & Cooper, LLP
201 California Street, 17th Street
SAN FRANCISCO CA 94111

Sarah Leeper
Attorney at Law
Manatt, Phelps & Phillips, LLP
One Embarcadero Ctr., 30th Floor
SAN FRANCISCO CA 94111

Jose E. Guzman, Jr.
California Water Association
50 California Street
SAN FRANCISCO CA 94111

Joseph M. Karp
Winston & Strawn, LLP
101 California St., 39th Floor
SAN FRANCISCO CA 94111

R.15-06-009 ALJ/GK1/jt2

Thomas Smegal
California Water Service Company
1720 North First
SAN JOSE CA 95112

Edward Howard
CPUC – Policy & Planning Div.
505 Van Ness Avenue, Rm. 5119
SAN FRANCISCO CA 94102

Jacqueline A. Reed
CPUC – ALJ
505 Van Ness Avenue, Rm. 5017
SAN FRANCISCO CA 94102

Jason J. Zeller
CPUC-Legal Division, Rm. 5105
505 Van Ness Avenue
SAN FRANCISCO CA 94102

Joe Como
CPUC – DRA- Admin. Branch
505 Van Ness Avenue, Rm. 4101
SAN FRANCISCO CA 94102

Ravi Kumra
CPUC – DWA
505 Van Ness Avenue
SAN FRANCISCO CA 94102

Ting-Pong Yuen
CPUC – ORA 3-D
505 Van Ness Avenue
SAN FRANCISCO CA 94102

Yoke W. Chan
CPUC – ORA 3-D
505 Van Ness Avenue
SAN FRANCISCO CA 94102

(End of Appendix H)

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations Consistent with Public Utilities Code Section 364 and to Establish Standards for Disaster and Emergency Preparedness Plans for Electrical Corporations and Regulated Water Companies Pursuant to Public Utilities Code Section 768.6.

R.15-06-009
(Filed June 11, 2015)

CERTIFICATE OF SERVICE

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department, B30A, 77 Beale Street, San Francisco, California 94105.

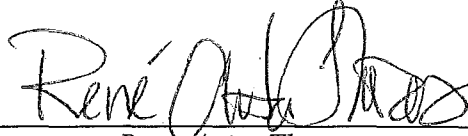
On **July 10, 2015**, I served a true copy of:

**ORDER INSTITUTING RULEMAKING TO FULFILL THE REQUIREMENTS OF
PUBLIC UTILITIES CODE SECTIONS 364 AND 786.6**

via first class postage paid mail to County and City Officials located within the Pacific Gas and Electric Company's service area. (See attached service list.)

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on **July 10, 2015** in San Francisco, California.



René Anita Thomas

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda 1221 Oak Street, Room 450 Oakland, CA 94612	Alpine P. O. Box 158 Markleeville, CA 96120	Amador 810 Court Street Jackson, CA 95642
Butte 25 County Center Drive Oroville, CA 95965	Calaveras 891 Mountain Ranch Road San Andreas, CA 95249	Colusa 546 Jay Street Colusa, CA 95932
Contra Costa 651 Pine Street, Floor 10 Martinez, CA 94553	Contra Costa P. O. Box 350 Martinez, CA 94553	El Dorado 330 Fair Lane Placerville, CA 95667
Fresno 2221 Kern Street Fresno, CA 93721	Fresno 2220 Tulare, 5 th Floor Fresno, CA 93721	Glenn 525 W Sycamore Street, Ste. B1 Willows, CA 95988
Humboldt 825 5 th Street Eureka, CA 95501	Kern 1115 Truxtun Avenue Bakersfield, CA 93301	Kern 1115 Truxtun Avenue, Floor 5 Bakersfield, CA 93301
Kings 1400 W Lacey Blvd. Hanford, CA 93230	Lake 255 N Forbes Street Lakeport, CA 95453	Lassen 221 S Roop Street Susanville, CA 96130
Madera 209 W Yosemite Madera, CA 93637	Marin 3501 Civic Center Drive, #151 San Rafael, CA 94903	Marin 3501 Civic Center Drive, Ste. 342 San Rafael, CA 94903
Mariposa P. O. Box 784 Mariposa, CA 95338	Mendocino 501 Low Gap Road, #1020 Ukiah, CA 95482	Mendocino 501 Low Gap Road, #1030 Ukiah, CA 95482
Merced 2222 M Street Merced, CA 95340	Merced 2222 M Street, Room 309 Merced, CA 95340	Modoc 204 W 4 th Street Alturas, CA 96101
Monterey 168 W Alisal Street, Floor 3 Salinas, CA 93901	Monterey 168 W Alisal Street, Floor 1 Salinas, CA 93901	Napa 1195 Third Street, Ste. 310 Napa, CA 94559
Napa P. O. Box 298 Napa, CA 94559	Nevada 950 Maidu Avenue Nevada City, CA 95959	Placer 175 Fulweiler Avenue Auburn, CA 95603
Plumas 520 Main Street, Room 102 Quincy, CA 95971	Plumas 520 Main Street, Room 302 Quincy, CA 95971	Plumas 520 Main Street, Room 404 Quincy, CA 95971

Sacramento 700 H Street, Ste. 2650 Sacramento, CA 95814	Sacramento P. O. Box 839 Sacramento, CA 95812	San Benito 481 Fourth Street, Floor 2 Hollister, CA 95023
San Benito 440 Fifth Street, Room 206 Hollister, CA 95023	San Bernardino 385 N Arrowhead Avenue, Floor 4 San Bernardino, CA 92415	San Bernardino 222 W Hospitality Lane, Floor 1 San Bernardino, CA 92415
San Francisco 1 Dr. Carlton B. Goodlett Place, Room 234 San Francisco, CA 94102	San Francisco 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102	San Joaquin 44 N San Joaquin Street, Ste. 679 Stockton, CA 95202
San Joaquin 44 N San Joaquin Street, Ste. 260 Stockton, CA 95202	San Luis Obispo 1055 Monterey Street San Luis Obispo, CA 93408	San Mateo 400 County Center Redwood City, CA 94063
Santa Barbara 105 E Anapamu Street, Room 407 Santa Barbara, CA 93101	Santa Barbara 1100 Anacapa Street Santa Barbara, CA 93101	Santa Clara 70 W Hedding Street San Jose, CA 95110
Santa Clara 70 W Hedding Street, Floor 9 San Jose, CA 95110	Santa Cruz 701 Ocean Street, Room 210 Santa Cruz, CA 95060	Santa Cruz 701 Ocean Street, Room 505 Santa Cruz, CA 95060
Shasta 1450 Court Street, Ste. 332 Redding, CA 96001	Shasta P. O. Box 990880 Redding, CA 96099	Sierra P. O. Drawer D Downieville, CA 95936
Sierra P. O. Box 495 Downieville, CA 95936	Siskiyou 510 N Main Street Yreka, CA 96097	Siskiyou P. O. Box 659 Yreka, CA 96097
Solano 675 Texas Street, Ste. 6600 Fairfield, CA 94533	Solano 675 Texas Street Fairfield, CA 94533	Sonoma 575 Administration Drive, Room 105A Santa Rosa, CA 95403
Sonoma 585 Fiscal Drive, Room 103 Santa Rosa, CA 95403	Stanislaus 1010 Tenth Street, Ste. 6400 Modesto, CA 95354	Stanislaus 1021 I Street, Ste. 101 Modesto, CA 95354
Sutter 1160 Civic Center Blvd., Ste. C Yuba City, CA 95993	Sutter 433 - 2 nd Street Yuba City, CA 95991	Tehama P. O. Box 250 Red Bluff, CA 96080
Trinity P. O. Box 310 Weaverville, CA 96093	Trinity P. O. Box 1215 Weaverville, CA 96093	Tulare 2800 W Burrel Avenue Visalia, CA 93291
Tulare 2900 W Burrel Avenue Visalia, CA 93291	Tuolumne 2 S Green Street Sonora, CA 95370	Yolo 625 Court Street, Ste. B01 Woodland, CA 95695
Yolo 625 Court Street, Ste. 201 Woodland, CA 95695	Yuba 915 8 th Street, Ste. 107 Marysville, CA 95901	Yuba 915 8 th Street, Ste. 111 Marysville, CA 95901

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda 2263 Santa Clara Avenue, Ste. 280 Alameda, CA 94501	Alameda 2263 Santa Clara Avenue, Ste. 380 Alameda, CA 94501	Alameda 2263 Santa Clara Avenue Alameda, CA 94706
Albany 1000 San Pablo Avenue Albany, CA 94706	Amador City P. O. Box 200 Amador City, CA 95601	American Canyon 4381 Broadway American Canyon, CA 94503
American Canyon 4381 Broadway, Ste. 201 American Canyon, CA 94503	Anderson 1887 Howard Street Anderson, CA 96007	Anderson 1887 Howard Street, Floor 3 Anderson, CA 96007
Angels Camp P. O. Box 667 Angels Camp, CA 95222	Antioch P. O. Box 5007 Antioch, CA 94531	Arcata 736 F Street Arcata, CA 95521
Arroyo Grande 300 East Branch Street Arroyo Grande, CA 93420	Arvin P. O. Box 548 Arvin, CA 93203	Atascadero 6907 El Camino Real Atascadero, CA 93422
Atherton 91 Ashfield Road Atherton, CA 94027	Atwater 750 Bellevue Road Atwater, CA 95301	Auburn 1225 Lincoln Way Auburn, CA 95603
Auburn 1225 Lincoln Way, Room B Auburn, CA 95603	Avenal 919 Skyline Blvd. Avenal, CA 93204	Bakersfield 1600 Truxtun Avenue Bakersfield, CA 93301
Bakersfield 1600 Truxtun Avenue, Floor 4 Bakersfield, CA 93301	Barstow 220 E. Mountain View Street, Ste. A Barstow, CA 92311	Belmont One Twin Pines Lane, Ste. 340 Belmont, CA 94002
Belmont One Twin Pines Lane, Ste. 375 Belmont, CA 94002	Belvedere 450 San Rafael Avenue Belvedere, CA 94920	Benicia 250 East L Street Benicia, CA 94510
Berkeley 2180 Milvia Street Berkeley, CA 94704	Berkeley 2180 Milvia Street, Floor 4 Berkeley, CA 94704	Biggs P. O. Box 307 Biggs, CA 95917
Blue Lake P. O. Box 458 Blue Lake, CA 95525	Brentwood 150 City Park Way Brentwood, CA 94513	Brisbane 50 Park Place Brisbane, CA 94005
Buellton P. O. Box 1819 Buellton, CA 93427	Burlingame 501 Primrose Road Burlingame, CA 94010	Calistoga 1232 Washington Street Calistoga, CA 94515
Campbell 70 N 1 st Street Campbell, CA 95008	Capitola 420 Capitola Avenue Capitola, CA 95010	Carmel P. O. Box CC Carmel-By-The-Sea, CA 93921
Ceres 2720 Second Street Ceres, CA 95307	Chico P. O. Box 3420 Chico, CA 95927	Chowchilla 130 S Second Street Chowchilla, CA 93610
Citrus Heights 6237 Fountain Square Drive Citrus Heights, CA 95621	Clayton 6000 Heritage Trail Clayton, CA 94517	Clearlake 14050 Olympic Drive Clearlake, CA 95422
Cloverdale P. O. Box 217 Cloverdale, CA 95425	Clovis 1033 5 th Street Clovis, CA 93612	Coalinga 155 W Durian Avenue Coalinga, CA 93210
Colfax P. O. Box 702 Colfax, CA 95713	Colma 1198 El Camino Real Colma, CA 94014	Colusa 425 Webster Street Colusa, CA 95932
Concord 1950 Parkside Drive Concord, CA 94519	Corcoran 832 Whitley Avenue Corcoran, CA 93212	Corning 794 3 rd Street Corning, CA 96021

Corte Madera 300 Tamalpais Drive Corte Madera, CA 94925	Cotati 201 W Sierra Avenue Cotati, CA 94931	Cupertino 10300 Torre Avenue Cupertino, CA 95014
Daly City 333 90 th Street Daly City, CA 94015	Danville 510 La Gonda Way Danville, CA 94526	Davis 23 Russell Blvd. Davis, CA 95616
Davis 23 Russell Blvd., Ste. 1 Davis, CA 95616	Del Rey Oakes 650 Canyon Del Rey Blvd. Del Rey Oaks, CA 93940	Dinuba 405 E El Monte Way Dinuba, CA 93618
Dixon 600 E A Street Dixon, CA 95620	Dos Palos 1546 Golden Gate Avenue Dos Palos, CA 93620	Dublin 100 Civic Plaza Dublin, CA 94568
East Palo Alto 2415 University Avenue East Palo Alto, CA 94303	El Cerrito 10890 San Pablo Avenue El Cerrito, CA 94530	Elk Grove 8401 Laguna Palms Way Elk Grove, CA 95758
Emeryville 1333 Park Avenue Emeryville, CA 94608	Escalon 2060 McHenry Avenue Escalon, CA 95320	Eureka 531 K Street, Room 203 Eureka, CA 95501
Eureka 531 K Street, Room 208 Eureka, CA 95501	Fairfax 142 Bolinas Road Fairfax, CA 94930	Fairfield 1000 Webster Street Fairfield, CA 94533
Ferndale P. O. Box 1095 Ferndale, CA 95536	Firebaugh 1133 P Street Firebaugh, CA 93622	Folsom 50 Natoma Street Folsom, CA 95630
Fort Bragg 416 N Franklin Street Fort Bragg, CA 95437	Fortuna 621 11 th Street Fortuna, CA 95540	Foster City 610 Foster City Blvd. Foster City, CA 94404
Fowler 128 S 5 th Street Fowler, CA 93625	Fremont 3300 Capitol Avenue, Bldg. A Fremont, CA 94538	Fresno 2600 Fresno Street, Room 2031 Fresno, CA 93721
Fresno 2600 Fresno Street, Room 2133 Fresno, CA 93721	Galt 380 Civic Drive Galt, CA 95632	Gilroy 7351 Rosanna Street Gilroy, CA 95020
Gonzales P. O. Box 647 Gonzales, CA 93926	Grass Valley 125 E Main Street Grass Valley, CA 95945	Greenfield P. O. Box 127 Greenfield, CA 93927
Gridley 685 Kentucky Street Gridley, CA 95948	Grover Beach 154 South Eighth Street Grover Beach, CA 93433	Guadalupe 918 Obispo Street Guadalupe, CA 93434
Gustine P. O. Box 16 Gustine, CA 95322	Half Moon Bay 501 Main Street Half Moon Bay, CA 94019	Hanford 319 N Douty Street Hanford, CA 93230
Hayward 777 B Street Hayward, CA 94541	Healdsburg 401 Grove Street Healdsburg, CA 95448	Hercules 111 Civic Drive Hercules, CA 94547
Hillsborough 1600 Floribunda Avenue Hillsborough, CA 94010	Hollister 375 5 th Street Hollister, CA 95023	Hughson P. O. Box 9 Hughson, CA 95326
Huron P. O. Box 339 Huron, CA 93234	Ione P. O. Box 398 Ione, CA 95640	Isleton P. O. Box 716 Isleton, CA 95641
Jackson 33 Broadway Jackson, CA 95642	Kerman 850 S Madera Avenue Kerman, CA 93630	King City 212 S Vanderhurst Avenue King City, CA 93930
Kingsburg 1401 Draper Street Kingsburg, CA 93631	Lafayette 3675 Mt. Diablo Blvd., Ste. 210 Lafayette, CA 94549	Lakeport 225 Park Street Lakeport, CA 95453
Larkspur 400 Magnolia Avenue Larkspur, CA 94939	Lathrop 390 Towne Centre Drive Lathrop, CA 95330	Lemoore 119 Fox street Lemoore, CA 93245

Lincoln 600 6 th Street Lincoln, CA 95648	Live Oak 9955 Live Oak Blvd. Live Oak, CA 95953	Livermore 1052 S Livermore Avenue Livermore, CA 94550
Livingston 1416 C Street Livingston, CA 95334	Lodi P. O. Box 3006 Lodi, CA 95241	Lompoc P. O. Box 8001 Lompoc, CA 93438
Loomis P. O. Box 1330 Loomis, CA 95650	Los Altos 1 N San Antonio Road Los Altos, CA 94022	Los Altos Hills 26379 Fremont Road Los Altos Hills, CA 94022
Los Banos 520 J Street Los Banos, CA 93635	Los Banos 520 J Street, Ste. A Los Banos, CA 93635	Los Gatos 110 E Main Street Los Gatos, CA 95030
Madera 205 W 4 th Street Madera, CA 93637	Manteca 1001 W Center Street Manteca, CA 95337	Maricopa P. O. Box 550 Maricopa, CA 93252
Marina 211 Hillcrest Avenue Marina, CA 93933	Martinez 525 Henrietta Street Martinez, CA 94553	Marysville P. O. Box 150 Marysville, CA 95901
McFarland 401 W Kern Avenue McFarland, CA 93250	Mendota 643 Quince Street Mendota, CA 93640	Menlo Park 701 Laurel Street Menlo Park, CA 94025
Merced 678 W 18 th Street Merced, CA 95340	Mill Valley 26 Corte Madera Avenue Mill Valley, CA 94941	Millbrae 621 Magnolia Avenue Millbrae, CA 94030
Milpitas 455 E Calaveras Blvd. Milpitas, CA 95035	Modesto P. O. Box 642 Modesto, CA 95353	Monte Sereno 18041 Saratoga Los Gatos Road Monte Sereno, CA 95030
Monterey 512 Pierce Street Monterey, CA 93940	Monterey 580 Pacific Street, Room 6 Monterey, CA 93940	Moraga 329 Rheem Blvd. Moraga, CA 94556
Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037	Morro Bay 595 Harbor Street Morro Bay, CA 93442	Mountain View 500 Castro Street, Floor 3 Mountain View, CA 94041
Napa P. O. Box 660 Napa, CA 94559	Nevada City 317 Broad Street Nevada City, CA 95959	Newark 37101 Newark Blvd. Newark, CA 94560
Newman 938 Fresno Street Newman, CA 95360	Novato 922 Machin Avenue Novato, CA 94945	Oakdale 280 N 3 rd Avenue Oakdale, CA 95361
Oakland 1 Frank H Ogawa Plaza Oakland, CA 94612	Oakland 1 Frank H Ogawa Plaza, Ste. 100 Oakland, CA 94612	Oakley 3231 Main Street Oakley, CA 94561
Orange Cove 633 6 th Street Orange Cove, CA 93646	Orinda 22 Orinda Way Orinda, CA 94563	Orland 815 4 th Street Orland, CA 95963
Oroville 1735 Montgomery Street Oroville, CA 95965	Pacific Grove 300 Forest Avenue, Floor 2 Pacific Grove, CA 93950	Pacifica 170 Santa Maria Avenue Pacifica, CA 94044
Palo Alto 250 Hamilton, Floor 8 Palo Alto, CA 94301	Palo Alto 250 Hamilton, Floor 7 Palo Alto, CA 94301	Paradise 5555 Skyway Paradise, CA 95969
Parlier 1100 E Parlier Avenue Parlier, CA 93648	Paso Robles 1000 Spring Street Paso Robles, CA 93446	Patterson P. O. Box 667 Patterson, CA 95363
Petaluma 11 English Street Petaluma, CA 94952	Piedmont 120 Vista Avenue Piedmont, CA 94611	Pinole 2131 Pear Street Pinole, CA 94564

Pismo Beach 760 Mattie Road Pismo Beach, CA 93449	Pittsburg 65 Civic Avenue Pittsburg, CA 94565	Placerville 3101 Center Street Placerville, CA 95667
Pleasant Hill 100 Gregory Lane Pleasant Hill, CA 94523	Pleasanton P. O. Box 520 Pleasanton, CA 94566	Plymouth P. O. Box 429 Plymouth, CA 95669
Point Arena P. O. Box 67 Point Arena, CA 95468	Portola P. O. Box 1225 Portola, CA 96122	Portola Valley 765 Portola Road Portola Valley, CA 94028
Rancho Cordova 2729 Prospect Park Drive Rancho Cordova, CA 95670	Red Bluff 555 Washington Street Red Bluff, CA 96080	Redding P. O. Box 496071 Redding, CA 96049
Redwood City P. O. Box 391 Redwood City, CA 94063	Reedley 1717 9 th Street Reedley, CA 93654	Richmond 450 Civic Center Plaza Richmond, CA 94804
Ridgecrest 100 W California Avenue Ridgecrest, CA 93555	Rio Dell 675 Wildwood Avenue Rio Dell, CA 95562	Rio Vista One Main Street Rio Vista, CA 94571
Ripon 259 N Wilma Avenue Ripon, CA 95366	Riverbank 6707 3 rd Street Riverbank, CA 95367	Rocklin 3970 Rocklin Road Rocklin, CA 95677
Rocklin 3980 Rocklin Road Rocklin, CA 95677	Rohnert Park 130 Avram Avenue Rohnert Park, CA 94928	Roseville 311 Vernon Street Roseville, CA 95678
Ross P. O. Box 320 Ross, CA 94957	Sacramento 915 I Street Sacramento, CA 95814	Sacramento 915 I Street, Floor 4 Sacramento, CA 95814
Saint Helena 1480 Main Street Saint Helena, CA 94574	Salinas 200 Lincoln Avenue Salinas, CA 93901	San Anselmo 525 San Anselmo Avenue San Anselmo, CA 94960
San Bruno 567 El Camino Real San Bruno, CA 94066	San Carlos 600 Elm Street San Carlos, CA 94070	San Francisco 1 Dr Carlton B Goodlett Place, Room 234 San Francisco, CA 94102
San Francisco 1 Dr Carlton B Goodlett Place, Room 244 San Francisco, CA 94102	San Joaquin P. O. Box 758 San Joaquin, CA 93660	San Jose 200 E Santa Clara San Jose, CA 95113
San Juan Bautista P. O. Box 1420 San Juan Bautista, CA 95045	San Leandro 835 E 14 th Street San Leandro, CA 94577	San Luis Obispo 990 Palm Street, Room 10 San Luis Obispo, CA 93401
San Luis Obispo 990 Palm Street, Room 4 San Luis Obispo, CA 93401	San Mateo 330 W 20 th Avenue San Mateo, CA 94403	San Pablo 13831 San Pablo Avenue, Bldg. 1 San Pablo, CA 94806
San Pablo 13831 San Pablo Avenue, Bldg. 2 San Pablo, CA 94806	San Rafael P. O. Box 151560 San Rafael, CA 94915	San Ramon 2226 Camino Ramon San Ramon, CA 94583
Sand City 1 Sylvan Park Sand City, CA 93955	Sanger 1700 7 th Street Sanger, CA 93657	Santa Clara 1500 Warburton Santa Clara, CA 95050
Santa Cruz 809 Center Street, Room 9 Santa Cruz, CA 95060	Santa Maria 110 E Cook Street Santa Maria, CA 93454	Santa Maria 204 E Cook Street Santa Maria, CA 93454
Santa Rosa 100 Santa Rosa Avenue, Room 8 Santa Rosa, CA 95402	Santa Rosa 100 Santa Rosa Avenue, Room 10 Santa Rosa, CA 95402	Saratoga 13777 Fruitvale Avenue Saratoga, CA 95070
Sausalito 420 Litho Street Sausalito, CA 94965	Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066	Seaside 440 Harcourt Avenue Seaside, CA 93955

Sebastopol P. O. Box 1776 Sebastopol, CA 95473	Selma 1710 Tucker Street Selma, CA 93662	Shafter 336 Pacific Avenue Shafter, CA 93263
Shasta Lake 1650 Stanton Drive Shasta Lake, CA 96019	Soledad P. O. Box 156 Soledad, CA 93960	Solvang 1644 Oak Street Solvang, CA 93463
Sonoma No. 1 The Plaza Sonoma, CA 95476	Sonora 94 N Washington Street Sonora, CA 95370	South San Francisco P. O. Box 711 South San Francisco, CA 94083
South San Francisco 400 Grand Avenue South San Francisco, CA 94080	Stockton 425 N El Dorado Street Stockton, CA 95202	Suisun City 701 Civic Center Blvd. Suisun City, CA 94585
Sunnyvale P. O. Box 3707 Sunnyvale, CA 94088	Sunnyvale 456 W Olive Avenue Sunnyvale, CA 94086	Sutter Creek 18 Main Street Sutter Creek, CA 95685
Taft 209 E Kern Street Taft, CA 93268	Tehama P. O. Box 70 Tehama, CA 96090	Tiburon 1505 Tiburon Blvd. Tiburon, CA 94920
Tracy 333 Civic Center Plaza Tracy, CA 95376	Trinidad P. O. Box 390 Trinidad, CA 95570	Turlock 156 S Broadway, Ste. 230 Turlock, CA 95380
Turlock 156 S Broadway, Ste. 240 Turlock, CA 95380	Ukiah 300 Seminary Avenue Ukiah, CA 95482	Union City 34009 Alvarado-Niles Road Union City, CA 94587
Vacaville 650 Merchant Street Vacaville, CA 95688	Vallejo 555 Santa Clara Street Vallejo, CA 94590	Victorville P. O. Box 5001 Victorville, CA 92392
Walnut Creek 1666 N Main Street Walnut Creek, CA 94596	Walnut Creek 1666 N Main Street, Floor 3 Walnut Creek, CA 94596	Wasco 746 8 th Street Wasco, CA 93280
Waterford 101 E Street Waterford, CA 95386	Watsonville 275 Main Street, Ste. 400 Watsonville, CA 95076	West Sacramento 1110 West Capitol Avenue West Sacramento, CA 95691
Wheatland 111 C Street Wheatland, CA 95692	Williams P. O. Box 310 Williams, CA 95987	Willits 111 E Commercial Street Willits, CA 95490
Willows 201 N Lassen Street Willows, CA 95988	Windsor P. O. Box 100 Windsor, CA 95492	Winters 318 1 st Street Winters, CA 95695
Woodland 300 1 st Street Woodland, CA 95695	Woodside P. O. Box 620005 Woodside, CA 94062	Yountville 6550 Yount Street Yountville, CA 94599
Yuba City 1201 Civic Center Blvd. Yuba City, CA 95993		

To: BOS-Supervisors
Subject: File 150592, 150686, 150761 and 150770 FW: memo explaining boundary edits - Rincon Hill
Attachments: Rincon Hill Amend Boundary Map 071715.pdf

From: Ausberry, Andrea
Sent: Friday, July 17, 2015 4:57 PM
To: Gosiengfiao, Rachel (BOS)
Cc: Corgas, Christopher (ECN); Major, Erica (BOS); Major, Erica (BOS); Somera, Alisa (BOS); BOS Legislation, (BOS)
Subject: RE: memo explaining boundary edits - Rincon Hill

Hi Rachel,

The attached memo regarding File No. 150592 and associated File Nos. 150686, 150761 and 150770 should be distributed to the Supervisors and their Aides.

Thank you,

Andrea S. Ausberry
Assistant Clerk
Land Use and Transportation Committee
San Francisco Board of Supervisors
Office 415.554.4442
Website | <http://www.sfbos.org/>
Follow Us! | [Twitter](#)



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From: Somera, Alisa (BOS)
Sent: Friday, July 17, 2015 12:02 PM
To: Ausberry, Andrea; Major, Erica (BOS)
Cc: Corgas, Christopher (ECN); Major, Erica (BOS)
Subject: FW: memo explaining boundary edits


Andrea,

The boundary map for the Rincon Hill CBD has been amended and OEWD is providing the attached memo and map for the Supervisors and legislative file.

The memo and map should be added to Legistar and the file. This would replace the proposed boundary map that may be in the file now. This should also be sent directly to the Supervisors and Aides for information, prior to the July 28th COW hearing, since it is different from the map previously considered.

Alisa Somera

Assistant Clerk
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
415.554.4447 direct | 415.554.5163 fax
alisa.somera@sfgov.org

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**From:** Corgas, Christopher (ECN)  
**Sent:** Friday, July 17, 2015 11:53 AM  
**To:** Somera, Alisa (BOS); Tano, Crezia (ECN)  
**Cc:** Ausberry, Andrea  
**Subject:** RE: memo explaining boundary edits

Hi Alisa,

Attached you will find the PDF version of the updated map and a revised memo to incorporate your suggestion of addressing it to the full Board. Let me know of any other changes I will need to make on that. Thank you for your help.

Regards,

Chris Corgas  
Project Manager  
Mayor's Office of Economic and Workforce Development  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 443  
San Francisco, CA 94102  
O: (415) 554-6661  
[christopher.corgas@sfgov.org](mailto:christopher.corgas@sfgov.org)

**From:** Somera, Alisa (BOS)  
**Sent:** Friday, July 17, 2015 8:38 AM  
**To:** Tano, Crezia (ECN)  
**Cc:** Corgas, Christopher (ECN); Ausberry, Andrea  
**Subject:** RE: memo explaining boundary edits

Crezia,

Yes, that looks good, except I would address the memo to the full Board for distribution and the file.

*Alisa Somera*

Assistant Clerk  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
415.554.4447 direct | 415.554.5163 fax  
[alisa.somera@sfgov.org](mailto:alisa.somera@sfgov.org)

 Click [HERE](#) to complete a Board of Supervisors Customer Service Satisfaction form.

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~~~~~

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From: Tano, Crezia (ECN)
Sent: Thursday, July 16, 2015 5:05 PM
To: Somera, Alisa (BOS)
Cc: Corgas, Christopher (ECN); Ausberry, Andrea
Subject: memo explaining boundary edits

Alisa - Let me know if you think this is sufficient.

Chris – can you get a PDF version of the revised Boundary Map and send it to Alisa and Andrea for the file. Hold on to the 18 x 22 for now.

Crezia Tano
OEWD
Senior Project Manager
O : 415.554.4984



MEMORANDUM

TO: Eric Mar, District 1 Supervisor; Mark Farrell, District 2 Supervisor; Julie Christensen, District 3 Supervisor; Katy Tang, District 4 Supervisor; London Breed, District 5 Supervisor; Jane Kim, District 6 Supervisor; Norman Yee, District 7 Supervisor; Scott Wiener, District 8 Supervisor; David Campos, District 9 Supervisor; Malia Cohen, District 10 Supervisor; John Avalos, District 11 Supervisor

FROM: Crezia Tano, Senior Project Manager

DATE: July 10, 2015

RE: Proposed Establishment of Greater Rincon Hill Community Benefit District

Dear Supervisor Kim,





Enclosed for your review and legislative submittal are the materials related to the proposed establishment of the Greater Rincon Hill Community Benefit District. Since the approval of the Resolution of Intention, minor amendments to the boundary of the District have been made to exclude 2 parcels, APN 3769-001 and APN 3770-001. The 2 parcels are open space parcels, which do not contain physical structures on the premises. Therefore the parcels will not benefit from the full suite of cleaning services that will be provided by the CBD. Additionally, the 2 parcels will not be receiving any improvement or maintenance funds from the parks and greenspace budget. Furthermore, the services from communication and development program will not apply or provide benefit to these 2 parcels. Because of this lack of benefit, OEWD has deemed that the elimination of these parcels from the proposed boundaries is reasonable.

The attached Resolution to Establish summarizes the above edits to the Boundary, and the attached Management Plan and Engineer's Report also reflect the amendments discussed in this memo.

If you should have any questions regarding the materials enclosed or the formation process please do not hesitate to contact me. I look forward to the introduction of the Resolution on Tuesday July 14th.

**PROPOSED BOUNDARIES OF
GREATER RINCON HILL COMMUNITY BENEFIT DISTRICT,
SAN FRANCISCO, STATE OF CALIFORNIA
SHEET 1 OF 3**

LEGEND:

-  CBD Boundary
-  Lot Boundary
-  Block Number
-  Lot Number

A Property and Business Improvement District
Proposed in the City and County of San Francisco, State of California, Under
Part 7 of the California ST.s and Highways Code
("Property and Business Improvement District Law of 1994," §§36600 et seq.)
and Article 15 of the San Francisco Business and Tax Regulations Code



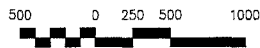
1) FILED IN THE OFFICE OF THE CLERK OF THE BOARD
THIS _____ DAY OF _____, 20____.

ANGELA CALVILLO
CITY AND COUNTY OF SAN FRANCISCO





2) I HEREBY CERTIFY THAT THE MAP SHOWING THE
PROPOSED BOUNDARIES OF THE GREATER
RINCON HILL COMMUNITY BENEFIT DISTRICT OF
THE CITY AND COUNTY OF SAN FRANCISCO, STATE
OF CALIFORNIA, WAS APPROVED BY THE SAN
FRANCISCO BOARD OF SUPERVISORS AT A REGULAR
MEETING, HELD ON THE _____ DAY OF _____,
20____, BY ITS RESOLUTION NO. _____.

3) FILED THIS _____ DAY OF _____, 20____, AT THE
HOUR OF _____ O'CLOCK AND _____ MIN IN BOOK
_____ OF MAPS OF ASSESSMENTS OF COMMUNITY
FACILITIES DISTRICTS AT PAGE _____, IN THE
OFFICE OF THE COUNTY RECORDER IN THE
COUNTY OF SAN FRANCISCO, STATE OF
CALIFORNIA.

CARMEN CHU, ASSESSOR-RECORDER,
CITY AND COUNTY OF SAN FRANCISCO



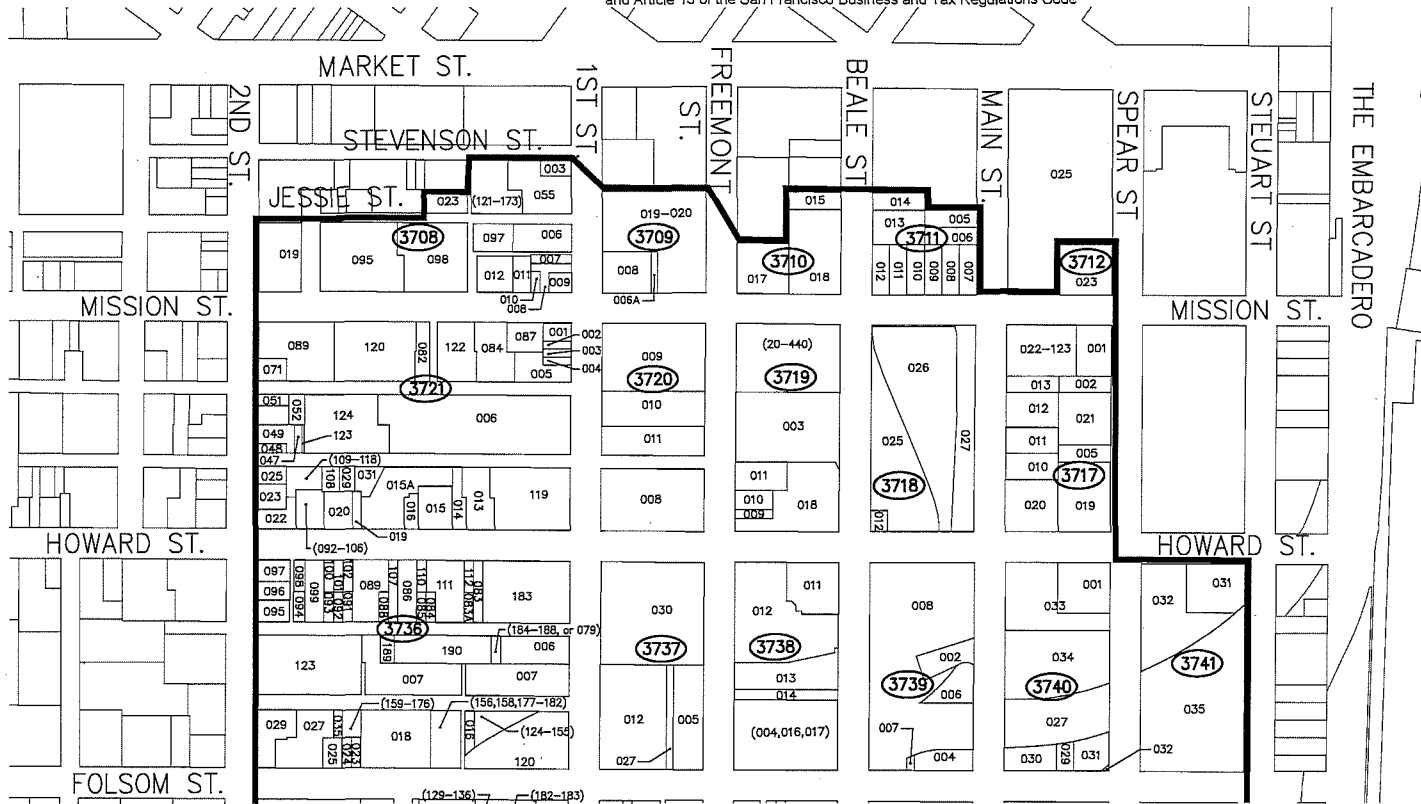
LEGEND

-  CBD Boundary
-  District Parcel
-  Block Number
-  Lot Number

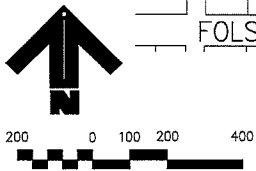
PROPOSED BOUNDARIES OF GREATER RINCON HILL COMMUNITY BENEFIT DISTRICT, SAN FRANCISCO, STATE OF CALIFORNIA

SHEET 2 OF 3

A Property and Business Improvement District
Proposed in the City and County of San Francisco, State of California, Under
Part 7 of the California ST.s and Highways Code
("Property and Business Improvement District Law of 1994," §§36600 et seq.)
and Article 15 of the San Francisco Business and Tax Regulations Code



SEE SHEET 3








PROPOSED BOUNDARIES OF GREATER RINCON HILL COMMUNITY BENEFIT DISTRICT, SAN FRANCISCO, STATE OF CALIFORNIA

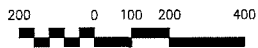
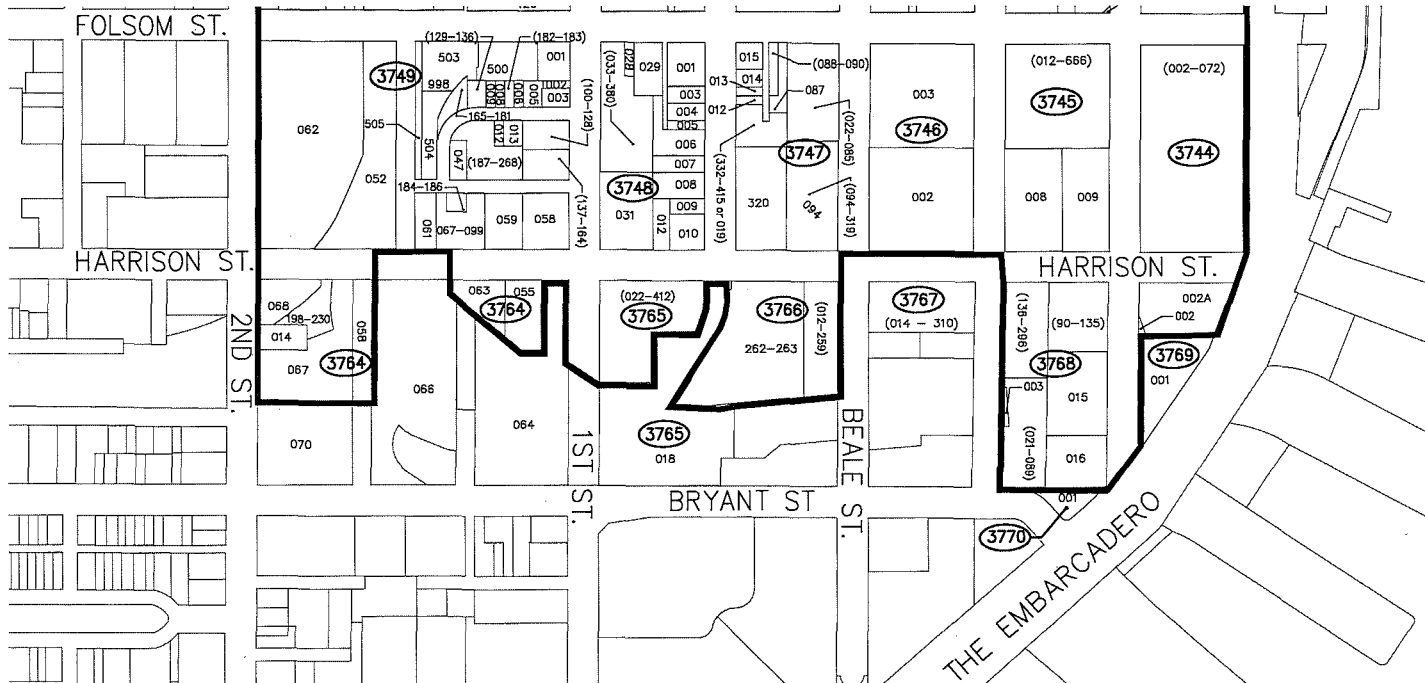
SHEET 3 OF 3

A Property and Business Improvement District
Proposed in the City and County of San Francisco, State of California, Under
Part 7 of the California ST.s and Highways Code
("Property and Business Improvement District Law of 1994," §§36600 et seq.)
and Article 15 of the San Francisco Business and Tax Regulations Code

LEGEND

-  CBD Boundary
-  District Parcel
-  24 District Parcel
-  3012 Block Number
-  24 Lot Number

SEE SHEET 3



File 150638

BOS-11, COB, Ln clerk
BOS- Leg. Les DPW (Prag)

SIRKINLAW APC

388 Market Street • Suite 1300 • San Francisco • California • 94111 • 415.738.8545(v) • 707.922.8641 (f)
dasirkin@earthlink.net • www.andysirkin.com

July 17, 2015

Members of the San Francisco Board of Supervisors
c/o The Clerk of the Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 17 PM 12:32

RE: 158-162 Linda Street; Block 3597, Lot 49; 6-Unit ECP Conversion

Distinguished Board Members:

The above-referenced property was the subject of a condominium conversion application submitted under the Expedited Conversion Program or "ECP" (SF Subdivision Code §1396.4). The Department of Public Works ("DPW") found the conversion to be incomplete, and the building owners are appealing under Government Code §65943(c).

The property at 158 Linda contains six units, each of which has been owner-occupied continuously since October 2008. Due to various family and work circumstances, only one of the original 2008 owners remains. The other five current owners moved in on various dates between January 2010 and April 2014. There have been no interruptions in occupancy in any of the six units; each time an owner moved out, a replacement owner moved in the same or the following day.

DPW explained its finding that the conversion application was incomplete by stating: "The allowance to transfer years from one owner-occupant to the next can only occur for one unit on a one-time basis". The applicants disagree with this interpretation of the ECP law. They contend that there is no limitation on the transfer of years from one owner to another so long as each owner-occupancy is continuous and uninterrupted, meaning there is no gap between when an owner moves out and when a replacement owner moves in.

Your interpretation of this provision of the ECP law will affect many owners, particularly in 5-6 unit buildings. These buildings must satisfy six-year owner occupancy requirements in at least three units, and will not be eligible to convert when the conversion lottery resumes. If these buildings are disqualified because they have had owner-occupancy changeovers, they will never be eligible for conversion.

Because so many people are affected, the issue of owner-occupants replacing other owner-occupants became the subject of discussion and debate among the "working group" negotiating the ECP law. In early May, 2013, the discussion led to a compromise amendment introduced by Supervisor David Chiu in the Land Use Committee hearing on May 20, 2013. In the notes he submitted with his proposed amendments, he wrote that the proposed owner tacking amendment "allows existing TIC owners waiting to apply for the expedited conversion process to transfer ownership of their units without losing eligibility for conversions."

During the May 20 Land Use Committee hearing, several of the speakers made similar comments and observations:

Supervisor Scott Weiner: "This amendment as I understand it allows transfers of ownership for that pool of years 3 to 6 TIC conversions. In other words the owner occupancy can be comprised of a succession of ownership and I think that's a very positive amendment and I'm appreciative of it."

Supervisor Jane Kim: "It does allow existing TIC owners waiting to apply for the expedited conversion program to transfer ownership of their units without losing eligibility for conversion."

Ben Fujioka, Chinatown Community Development Center: “We think that in particular the idea of allowing transfers of ownership within the context of the six or seven year conversion process makes sense given that these are units that have already been converted, they are now ownership units, and allowing those transfers will not fuel further speculation.”

Significantly, none of the legislative notes or hearing testimony mentions allowing only one changeover per building. In fact, such a limitation would undermine the goal that Supervisor Chiu cites in his legislative notes, the goal mentioned as the basis for support of the amendment expressed by the Supervisors and community members.

More importantly, the language of the amendment, which was later included verbatim in the ECP law, does not impose a one-change-per-building limit on owner tacking. The text has two sentences on the issue:

Sentence #1: “For applications for conversion pursuant to Subsections (3)-(7) only, a unit that is “occupied continuously” shall be defined as a unit occupied continuously by an owner of record for the six year period without an interruption of occupancy and so long as the applicant owner(s) occupied the subject unit as his/her principal place of residence for no less than one year prior to the time of application.” (Emphasis supplied.)

Sentence #2: “Notwithstanding the occupancy requirements set forth above, each building may have one unit where there is an interruption in occupancy for no more than a three month period that is incident to the sale or transfer to a subsequent owner of record who occupied the same unit.” (Emphasis supplied.)

If the intention were to allow only one changeover, there would be no need to distinguish between “an owner” and “the applicant owner” in Sentence #1. That sentence could simply have said that the applicant owner needs to live in the unit for six years. The second sentence could then provide the exception to that general rule, allowing one changeover in the unit.

The most natural and logical interpretation of the distinction between “owner” and “applicant owner” in Sentence #1 is that there is intended to be a difference between changeovers without an interruption in occupancy, and changeovers with an interruption. The former, changeovers without an interruption, are not limited to one per building; the only limitation is that the last owner occupant(s) must be live in the unit(s) for at least one year prior to application. It is only changes with an interruption in owner-occupancy that are subject to the one-per-building limit.

In short, the applicants believe that DPW’s interpretation represents an unnatural reading of the ECP law, and one that would undermine the intent of the Supervisors who drafted and approved the owner tacking amendment. Moreover, DPW’s interpretation would severely impact a large number of owners, while benefitting no one (since the affected units have already been off of the rental market for many years). We therefore respectfully request that the Board overturn DPW’s finding of incompleteness, and find that the application is complete as submitted.

Thank you for your consideration of this matter.

Respectfully,



D. Andrew Sirkin
SirkinLaw APC
Applicant’s Attorney

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; Ausberry, Andrea
Subject: File 150646 FW: oppose rent-control proposal

From: Judith Robinson [mailto:judyrobo@pacbell.net]
Sent: Thursday, July 16, 2015 1:27 PM
To: Board of Supervisors, (BOS)
Subject: Fwd: oppose rent-control proposal

To Clerk of the Board of Supervisors, for dispersal to all Board members.
J. Robinson

----- Forwarded Message -----

Subject: oppose rent-control proposal
Date: Thu, 16 Jul 2015 13:25:57 -0700
From: Judith Robinson <judyrobo@pacbell.net>
To: Julie.Christensen@sfgov.org

Judith Robinson

562 B Lombard Street

San Francisco, California 94133-7057

415 788 9112

e-mail: judyrobo@pacbell.net

16 July, 2015

Supervisor Julie Christensen

via e-mail: Julie.Christensen@sfgov.org

S. F. Board of Supervisors

RE: Oppose Kim amendment

City Hall

San Francisco, CA. 94102

Dear Supervisor:

I strongly urge a no vote on Supervisor Jane Kim's proposed amendment to the Residential Rent Stabilization and Arbitration Ordinance (file 150646).

It would penalize property owners beyond limitations now imposed on landlords respecting protection of their property and financial interests.

It particularly would work hardships on small property owners like myself who have one rental unit, are on fixed income and rely on rent for income. It would make it even more difficult to oust problem renters and limit the ability to base rent on market rates as stipulated by existing law and regulations.

Please reject this punitive and unfair proposal entirely.

Thank you for considering my views.

Judith Robinson

cc: Clerk, Board.of.Supervisors@sfgov.org

Supervisor Jane Kim

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; Wong, Linda (BOS); Caldeira, Rick (BOS)
Subject: File 150765 FW: Disposal of San Francisco's Municipal Waste
Attachments: Municipal_waste1.doc

File 150712, 150765

From: Rebecca Evans [mailto:rebecae@earthlink.net]
Sent: Saturday, July 18, 2015 1:15 PM
To: Breed, London (BOS); Board of Supervisors, (BOS)
Cc: Debbie.Raphael@sfgov.org; Joshua Arce; johanna wald; Victoria Brandon
Subject: Disposal of San Francisco's Municipal Waste

Hon. London Breed & Members of the San Francisco Board of Supervisors:

Attached is a Sierra Club letter regarding the disposal of San Francisco's municipal waste.

Rebecca Evans
Chair, San Francisco Bay Chapter, Sierra Club.



**SIERRA
CLUB**
FOUNDED 1892

San Francisco Bay Chapter

Serving Alameda, Contra Costa, Marin and San Francisco counties

July 18, 2015

Hon. London Breed, President
San Francisco Board of Supervisors
#1 Dr. Carlton Goodlett Place
San Francisco, CA 94102

Re: Municipal Solid Waste Disposal

Dear President Breed &
Members of the Board

The Sierra Club San Francisco Bay and Redwood Chapters urge the San Francisco Board of Supervisors to reconsider the City's plan for disposing of its municipal solid waste at the Hay Road landfill in Solano County and to reopen the bidding for continued waste disposal at the Altamont landfill in Alameda County.

The Club has several reasons why disposal at Altamont is the preferred choice. First, in Alameda County a fee is levied per ton of waste to help mitigate the environmental harm that landfilling imposes on the natural environment. Most of the mitigation fee is used to permanently protect land in eastern Alameda County needed by plant and animal species at risk of extinction. Internalizing some of the environmental and social costs of an activity is an important way to reduce its impact. No such mitigation fee is levied in Solano County. Despite the added fee imposed in Alameda County, our understanding is that Waste Management's latest proposal for continued disposal at Altamont is competitive with Recology's bid for disposal in Solano County.

Second, Recology's Hay Road landfill is 20 miles farther from San Francisco than Waste Management's Altamont landfill (40 miles round-trip). Given the number of trucks involved, this works out to 2,000 more truck-miles per day or 400,000 more truck-miles per year compared to Altamont disposal. Those additional truck-miles in turn mean additional greenhouse gas and other air pollutant emissions, despite Recology's claims that they are not significant.

Moreover, the truck route to Solano County goes through the City of Richmond. Richmond is a city with a large disadvantaged population of primarily minority residents. According to the U.S. Census Bureau, the median income per household in Richmond is \$54,600, with 18.5 % of the population below the poverty level. In San Francisco by contrast, the median household income is \$75,600 (almost 40 percent greater), with 13.5% of the population below the poverty level. The residents in Richmond are significantly poorer than the residents of San Francisco. As a matter of social justice, San Francisco should not expose poorer Richmond residents to any more unnecessary air pollutants.





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San Francisco Bay Chapter

Serving Alameda, Contra Costa, Marin and San Francisco counties

Finally, if Recology receives a disposal fee in addition to a collection fee, it will have an economic incentive to maintain a garbage flow to its own landfill and less incentive to help San Francisco reach its goal of zero waste by 2020. If new diversion programs are required to attain zero waste, San Francisco ratepayers would pay yet an additional fee to Recology in addition to its collection and disposal fees, which would further reduce its incentive to reduce the waste flow (they will get more money for services and they will get money from the tons of waste disposed at its landfill).

For a city that prides itself on its progressive values, San Francisco should help protect endangered species, should not add unnecessary greenhouse gas emissions to the atmosphere, should not expose a disadvantaged community to additional air pollution, and should not give a corporation, local or not, an economic incentive to retard attainment of the laudable goal of reaching zero municipal solid waste as soon as possible.

The Sierra Club respectfully urges San Francisco to reopen its waste disposal contracting process and to continue using the Altamont landfill in Alameda County for its disposal needs.

Sincerely,

Rebecca Evans
Chair, San Francisco Bay Chapter

cc: Deborah Raphael; Joshua Arce; Johanna Wald; Victoria Brandon



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2015 JUL 16 PM 2:49

AMB

COB, Leg Dep,
BOS Leg.
Pelosi Law Group Dep City
File: *atty.*
150723
150724
150726
Alexis M. Pelosi
415-290-4774
alexis@pelosilawgroup.com
CProof

July 12, 2015

Clerk of the Board of Supervisors
City Hall San Francisco
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: 645 Texas Street, San Francisco (Project ID: 8633) Appeal

Clerk:

Our firm represents Trumark Urban, the developer of the above referenced project at 645 Texas Street ("Project"). On **June 25, 2015**, the San Francisco Department of Public Works gave final approval to a Tentative Map for the Project ("Final Approval"). On **July 6, 2015**, the owner of 635 Texas Street submitted an appeal of that final approval ("Appeal").

The purpose of this letter is to request that the Appeal not be heard as scheduled at the Board of Supervisors meeting on July 28, 2015 because the Appeal was not timely filed with the Clerk of the Board of Supervisors, as is required under the San Francisco Municipal Code.

Specifically, pursuant to San Francisco Subdivision Code Section 1314(a), "any such appeal must be filed in writing with the Clerk of the Board within 10 days of release of the decision appealed (emphasis added)." The Board of Supervisors received the Appeal on July 6, 2015 at 3:41pm, as is clearly stamped on the Appeal, which is **11 days** after the June 25, 2015 Final Approval. Furthermore, the Appeal letter itself concedes that it was filed "one day outside of the 10 day window." As the Appeal was filed on the 11th day after the Final Approval, the Appeal is invalid and should not be heard on July 28, 2015.¹

¹ Irrespective of the timing of the Appeal, the basis of the Appeal is defective. A Community Plan Exemption (CPE) was issued for the Project on July 24, 2014 and a Large Project Authorization (LPA) approving the Project and relying on the CPE was granted by the Planning Commission on August 14, 2014. Any challenges to the CPE under the California Environmental Quality Act (CEQA) needed to be filed in an appeal to the Board of Supervisors within thirty (30) days of the CPE approval and any challenge to the LPA approval needed to be filed with the Board of Appeals with ten (10) days of the LPA approval. **No such appeal or challenge to those approvals**

Please confirm that the Appeal will not be heard on July 28, 2015 and that the appropriate steps will be taken to ensure that the Appeal Notice from the Board is withdrawn. Should you have any questions about this letter or require additional information, please feel free to contact me.

Very Truly Yours,



Alexis M. Pelosi
Pelosi Law Group

was filed and those actions or approvals are now final. The Appeal of the Tentative Map references concerns about “shadows” and “trees.” These are environmental and planning concerns that should have been raised during the appeal periods of the CPE and LPA. They are not appropriate in the context of the approval of a Tentative Map. The Appeal of the Tentative Map must focus on the Tentative Map itself and whether it conforms with the San Francisco Subdivision Code and the California Subdivision Map Act. The Appeal filed fails to meet that standard and is therefore substantively defective and without merit.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Please Forward
Attachments: 20150713160306932.pdf

150704

From: rmhashimoto@aol.com [mailto:rmhashimoto@aol.com]
Sent: Monday, July 13, 2015 4:23 PM
To: Board of Supervisors, (BOS)
Subject: Please Forward

Dear Madam Clerk,

I would sincerely appreciate if you would be kind enough to forward the attached letter to the board of supervisors.

Thank you,
Richard Hashimoto
President
Japantown Merchants Association
1759 Sutter Street
San Francisco, CA 94115



July 13, 2015

Board of Supervisors
c/o Clerk of the Board of Supervisors
City and County of San Francisco
One Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94109

Dear Supervisors,

It is my understanding that a very delicate issue will be discussed at tomorrow's board of supervisors meeting regarding a wartime atrocity.

I am confused and troubled that this sensitive matter is even being considered for introduction and that it may be presented to a committee or for a future vote in support of it.

I know that you do not need to be reminded that this was an incident of a wartime atrocity that happened decades ago but does not say anything about what the American soldiers did to the Japanese women. These occurrences should only be told in text books and not be reminded of past acts of war.

If this controversial subject is raised, you will create racism and anger among San Francisco's ethnic community. You will again create anger and hatred against the Japanese people like when the Japanese were blamed for taking away American jobs during automobile manufacturing conflicts. It is not a subject to be discussed at this time because of the current race issues between African American and Caucasian communities and the recent decision to permanently lower the Confederate flag.

Your decision may decimate an entire community. Not to mention, jeopardize the stable relationship between two nations that have benefited from each other.

Therefore, I urge you to reconsider any further discussion until you have carefully thought this through and consider the impacts that it would have on us.

Respectfully,

Richard Hashimoto
President

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation (BOS)
Subject: File 150764 FW: Resolution Based on Propaganda

-----Original Message-----

From: KATO Ken [mailto:kenkato.hra@nifty.com]
Sent: Monday, July 20, 2015 7:50 AM
To: Board of Supervisors, (BOS)
Subject: Resolution Based on Propaganda

Dear Dr. Carlton B. Goodlett Place,

I have learned that the Board of Supervisors is going to adopt a resolution tomorrow that urges the City and County of San Francisco to establish a memorial for so called "comfort women."

<https://sfgov.legistar.com/View.ashx?M=F&ID=3866247&GUID=1B765573-9914-45FE-8F03-B40036DAF02D>

Regrettably, the issue is riddled with propaganda and I urge that you refer to reliable official documents, such as U.S. Army report written in 1944, in order to ascertain the veracity of the claims and avoid defaming U.S. ally on false charges. The issue has become a major human rights problem for the Japanese people who have been suffering from defamation campaigns.

Many South Korean people, influenced by fictional TV dramas and cartoons, believe the women were forced to become sex workers, however, documentary evidence show that there was no Korean woman forced to become a sex worker by the Japanese authorities. They were very well paid and according to a U.S. Army document, some even married to Japanese soldiers.

In a reply to a parliamentary question, the Japanese government stated on 16 March 2007 that they found no evidence of coercion by the Japanese authorities in recruiting "comfort women". Until now, there is no evidence to the contrary despite extensive and thorough researches conducted by various actors.

Testimonies made by former "comfort women" change from time to time and sometimes contradict historical facts. For example, one of the most famous former "comfort women" Ms Kim Hak-sun told the media and the Tokyo District Court in Japan that she was sold to a Korean brothel by her mother, and then three years later her step father sold her to a brothel used by Japanese soldiers. However, she later changed her testimony and told the media: "A commissioned officer took me to the next room which was partitioned off by a cloth. Even though I did not want to go he dragged me into the room. I resisted but he tore off all of my clothes and in the end he took my virginity. That night, the officer raped me twice." She accused Japan of making her a sex slave.

It is true that many Korean "comfort women" had hard time after the Second World War. In 1992 a former "comfort woman" Ms Moon Ok-ju sued the Japanese government demanding to pay back her postal savings she deposited in just a few years until 1945 and the amount was 26,145 Japanese Yen which is equivalent to US\$1,000,000 today. Many Japanese people, including ethnic Korean Japanese, lost their savings after the war owing to hyperinflation and I feel sympathy for "comfort women" who endured the hardship.

However, the Japanese government cannot compensate for their losses. Japan and South Korea signed the Treaty on Basic Relations on 22 June 1965 and in the Agreement on the Settlement of Problems Concerning Property and Claims and on Economic Co-operation between Japan and the ROK, both countries agreed that it has been "settled completely and finally."

<http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/JPKR/19650622.T9E.html>

After receiving tens of billions of dollars (in current value) from the Japanese government, South Korea's military government led by the incumbent president Park Geun Hye's father paid only a small amount to individuals seeking reparations, but Japan cannot intervene on South Korea's legal affairs and cannot be responsible for the action of the military government. This is basically South Korea's internal affairs.

An interrogation report by the U.S. Office of War Information Psychological Warfare Team in 1944 tells us the truth about "comfort women". You can see it on the website of Mr. Tony Marano in Texas who received it from the National Archives.

<http://texas-daddy.com/comfortwomen.htm>

It says very clearly: "A 'comfort girl' is nothing more than a prostitute or 'professional camp follower'"

Their lifestyle was: "They lived in near-luxury in Burma in comparison to other places. This was especially true of their second year in Burma. They lived well because their food and material was not heavily rationed and they had plenty of money with which to purchase desired articles. They were able to buy cloth, shoes, cigarettes, and cosmetics to supplement the many gifts given to them by soldiers who had received 'comfort bags' from home.

While in Burma they amused themselves by participating in sports events with both officers and men, and attended picnics, entertainments, and social dinners. They had a phonograph and in the towns they were allowed to go shopping."

It was amazing for me to find out that: "However there were numerous instances of proposals of marriage and in certain cases marriages actually took place."

However, for humanitarian grounds, the Japanese government cannot announce the fact that "comfort women" were well-paid prostitutes, and Japan's consideration for the old women has been taken advantage of by North and South Korea.

I hope you would understand that the Japanese government's position is based on the rule of law. Japan already made an unlawful compromise and paid a huge amount in the 1990s and 2000s, and cannot bend the Treaty or deny historical facts anymore.

South Korean media estimated that there are about 100,000 South Korean sex workers in the U.S., the EU, Australia and Japan and hundreds of thousands in their home country nowadays, but they cannot save one million dollars in just a few years like "comfort women". In 2011, South Korean sex workers threatened to set themselves on fire in a demonstration to protect their brothels and one protestor complained her earnings have plunged from as much as \$9,200 a month to about \$3,700 after police crackdown.

http://www.nbcnews.com/id/43650531/ns/world_news-asia_pacific/t/s-korean-sex-workers-threaten-set-themselves-fire-protect-their-brothels/

Decades later, South Korean sex workers in San Francisco might demand apology and compensation from the U.S. government.

Finally, I would like to point out that raising the issue of military prostitution is not in the interest of the U.S. In 1945 when the U.S. military occupied Japan, something called the Recreation and Amusement Association was established in Japan for U.S. soldiers. I do not want to go further and I hope you will not ignite a row over it.

Thank you for your consideration,

Yours truly,

Ken Kato

Director, Human Rights in Asia

P.S. If evidence emerged that "comfort women" were forced to become sex workers by the Japanese authorities, the Japanese government will certainly make a formal apology. I will be the first one to strongly demand it.

Until such evidence emerges, accusations based on inconsistent testimonies are defamation.

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation (BOS)
Subject: File 150764 FW: Letter in support of Resolution #72
Attachments: SF_CW_support.pdf

From: yukoyukoyukoyuko@gmail.com [mailto:yukoyukoyukoyuko@gmail.com] **On Behalf Of** SANS Nuclear
Sent: Monday, July 20, 2015 8:09 AM
To: Board of Supervisors, (BOS); Lee, Mayor (MYR)
Subject: Letter in support of Resolution #72

July 20th, 2015

Mayor Edwin Lee
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Dear Mayor Lee and the Members of the Board of Supervisors,

We are writing to you in support of the San Francisco Board of Supervisors for building a memorial to commemorate of the victims of "Comfort Women" system.

We are NYC-based group of activists and researchers organizing educational programs and actions for social and environmental justice. We are deeply troubled by Japanese Nationalists in Japan as well as in the US who are attempting to revise the history of "Comfort Women" system. They claim that the memorial is an attack on Japanese Americans, and that similar memorials elsewhere in the U.S. have resulted in widespread hate crimes against Japanese residents, even though no such incident has been reported to authorities.

We are sure that you are already receiving a great number of messages from Japanese far-right groups in opposition to the proposed memorial. We want to assure you that these antagonistic nationalists and historical revisionists do not speak for the Japanese-American communities.

We appreciate your interest in addressing this very important issue, and we recognize your efforts as one of the important steps to learn lessons from the atrocities advanced by colonialism. We hope that the Board of Supervisors will express full support for the victims and survivors of the women harmed in the "comfort women" system.

Sincerely,

Members of Sloths Against Nuclear State

Sloths Against Nuclear State
227 E 7th Street Apt 7G
Brooklyn, NY 11218

July 20th, 2015

Mayor Edwin Lee
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

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Sincerely,
Members of Sloths Against Nuclear State

From: Board of Supervisors, (BOS)
To: BOS-Supervisors; BOS Legislation (BOS)
Subject: File 150764 FW: Anti-Japanese Racism By SF Board of Supervisors
Attachments: ltr-comfort%20women-1.docx

From: Dana Sack [mailto:ds@sackrosendin.com]
Sent: Sunday, July 19, 2015 6:10 PM
To: Board of Supervisors, (BOS)
Subject: Anti-Japanese Racism By SF Board of Supervisors

Dana Sack
One Kaiser Plaza, Suite 340
Oakland CA 94612
510-286-2200
ds@sackrosendin.com

July 16, 2015

Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco CA 94102

Re: Resolution No. 130632 – Bashing Japanese Citizens Over WWII

Dear Supervisors:

Please vote No on the racist anti-Japanese motion regarding the war crimes committed by the fascist government which took over Japan and drove its people to war. That government was conquered. That government is gone. The current people of Japan have had a constitution dedicated to peace ever since, and have abided by the literal terms and the principles which it represents.

Why do members of the Board of Supervisors believe that it is alright to insult the current peaceful people of Japan, and not pass similar resolutions and build similar monuments to the Native Americans and Africans slaughtered and enslaved by Americans, or the Tibetans and Uighurs attacked by the Chinese, or the Native Americans slaughtered and enslaved by the Spanish throughout Central and South America, or Christians and Jews slaughtered and exiled throughout the Arab world? Why single out the Japanese living today for conduct by people long dead and a government conquered, its leaders imprisoned and executed?

I am a native San Franciscan and the product of San Francisco schools and one of its universities. I majored in Chinese history and politics in college.

This resolution will not solve any problem and will not promote better relations among any of the parties. It will encourage anti-Japanese passions in Korea and China, and it will insult and demean the peaceful people of Japan. It could even promote and encourage a fascist movement in Japan which has been a fringe element since the war. This resolution will make the problem and the bad feelings in that part of the world worse.

Please do the right thing and vote no.

Very truly yours,

Dana Sack

Dana Sack

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: Limiting rentals

From: Edward Naritomi [mailto:ekn@prodigy.net]
Sent: Saturday, July 18, 2015 2:53 PM
To: Board of Supervisors, (BOS)
Subject: Limiting rentals

Dear Honorable Sirs:

I rent a bedroom to students attending UCSF Med Center. These students, mainly doctors, stay generally for one year. The proposed ordinance limiting the days of rental should allow an exception for students.

Sincerely,

Edward Naritomi
6115 Geary Blvd. #403
San Francisco, CA 94121
415-3737288

From: Board of Supervisors, (BOS)
To: BOS-Supervisors
Subject: FW: SF Homeless Problem

From: John Frost [mailto:jcfhrf@gmail.com]
Sent: Thursday, July 16, 2015 9:20 AM
To: Board of Supervisors, (BOS)
Subject: SF Homeless Problem

As a 62 year resident of SF Bay Area through 2006, coming back to house hunt this month has been disappointing for us - & we're sure, for you, the govt. Many people sleeping & sick on your streets is the worst we've seen. Much debris on your streets with garbage & urine smells - the worst. How you can improve this situation is not easy - but the Chron shows you're trying. Along with housing should come the mental health treatments so that homeless see the logic of following the rules to stay in shelters. We must believe that in the long term outlook, most homeless will want to improve their lot as most immigrants do. Many of us seniors want to see this improve & will donate, especially if tax-deductible. Hopefully, we'll be back again. Sincerely,
John & Rosemarie Frost, 332 Mystic Falls Dr, Apollo Beach, FL 33572. Ph: 813-331-3295.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 17 PM 2:50

OPINION

Follow Chronicle Editorial Writers on Twitter

@JohnDiazChron, @lkazakoff, @marshallkilduff, @caillemillner, @DebraJSaunders, @spencewhitney

S.F.: Avert your eyes and hold your nose

Downtown San Francisco feels like a large public toilet without enough janitors. More than once this year, I've seen men drop their pants in public places — including at Fifth and Market — in order to leave a smelly mess on the sidewalk. You can walk for blocks and never escape the stench of stale urine. At lunchtime, I see street people passed out on high-traffic sidewalks, and I am afraid to walk around them.

The homeless have been a problem in San Francisco for as far back as anyone remembers, but to me it seems this year is the worst. There's a sense among people who work downtown that City Hall doesn't care about cleaning up San Francisco's Summer of Muck.

If this year is worse, two culprits are the drought and the city's booming economy. The drought means "there's no rain washing down the streets," San Francisco Public Works spokeswoman Rachel Gordon told me. The city's housing and office building boom has filled in alleyways and once-neglected pockets where the homeless used to be able to hide.

Jim Lazarus of the San Francisco Chamber of Commerce told me businesses have more complaints about the homeless. "We are a live-and-let-live town genetically," quoth Lazarus, "but we're also letting people live on the streets who shouldn't be living on the streets."

DEBRA J. SAUNDERS



What can be done? Increase the number of uniformed officers on the street. The chamber supports Mayor Ed Lee's 18-month plan to add 300 police officers and bring SFPD to its authorized maximum of 1,971, as well as Supervisor Scott Wiener's proposal to hire an additional 200 cops. "Not that that means you want police out arresting homeless people," said Lazarus, but their presence alone should "encourage more civil behavior."

Lazarus also suggested more public toilets in places like city

parking garages. BART is looking at reopening bathrooms in its underground stations — and erecting canopies to prevent homeless people from using escalators as toilets. It says something about how dysfunctional Bay Area politics are that these common-sense solutions did not happen years ago.

Mayor Lee implemented a Pit Stop program that set up staffed public bathrooms in neighborhoods, starting with the Tenderloin. "It's not going to fix the stink in the city," said Gordon, but requests for sidewalk, alley and street steam cleanings are down near the four Pit Stops. First, I caution, the city has to send the message that it's not OK to eliminate in public.

S.F. homeless czar Bevan Dufty is big on the city's new Navigation Center on 16th Street. Some homeless adults are reluctant to go to a shelter because it means giving up

their possessions or splitting with a partner or pet. With services and space to accommodate shopping carts and dogs, the center is designed to transition street people off the street for good.

I love the idea, but I want to see — or not smell — something for it. The city's 2014 homeless services budget was \$167 million — to serve 6,355 homeless people. The new homeless census will be out shortly. Dufty told me, "The number is going up, but not significantly up." So you've got about the same number of homeless people passed out, peeing and pooping in the crowded city.

San Francisco is such a beautiful city. Why do we let people poop all over it?

Debra J. Saunders is a San Francisco Chronicle columnist.
E-mail: dsaunders@sfchronicle.com Twitter: [@DebraJSaunders](https://twitter.com/DebraJSaunders)

Board of Supervisors,

I am a 50 year resident of San Francisco, and am appalled at what has happened to our beautiful city. I ride Muni daily, and as a senior citizen, I must rest in the muni bus shelter if there is a long wait. Very often there is a homeless person sitting and talking loudly, smelling like he/she hasn't bathed in weeks. And the

stench of urine in some bus shelters is so strong, it is hard to sit even if there is a seat available. Is this the quality of life you want for the citizens of your city? I am beginning to think that the leaders of this city don't have, or won't pursue, a solution to this problem, although other cities do not have the homeless problems we are experiencing. How much longer do decent citizens have to be exposed to this unhealthful, dangerous behavior?

Ms. Valerie Konkle
1907 Severnworth St. #9
San Francisco 94133

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From: brad gentry <brad_gentry@hotmail.com>
Sent: Tuesday, July 14, 2015 5:29 PM
To: Board of Supervisors, (BOS)
Subject: Kate Steinle

I am writing to you to let you know that my family and I will no longer visit your city. As a lifelong Oakland Raider fan, my wife and I usually attend two homes games per season. We have always stayed in San Francisco as my wife enjoys shopping and the restaurants are nicer. Those days are over.

Your defiance on taking any responsibility for Kate Steinle's death is shocking to me. And your unwillingness to reevaluate the City's Sanctuary policy shows that you place your political ideology above the safety of your citizens.

I try to be nice to people so I will not tell you what I think of you personally. I had best stop writing now

From: Adeline and John Corry <acgc@iglide.net>
Sent: Tuesday, July 14, 2015 5:31 PM
To: Board of Supervisors, (BOS)
Subject: Spend a lot of money in San Fran...Want an Answer

Please tell me why I am seeing on the news your Executives that curse on TV -- extremely unprofessional -
- and duck questions, w/o care, about an illegal alien killing a citizen. Do you not care about Americans?!

From: Sidney <shank2@netzero.com>
Sent: Tuesday, July 14, 2015 5:33 PM
To: Board of Supervisors, (BOS)
Subject: Kate Stienle

Your policies have made San Francisco and unsafe city. Your job is to protect its citizen and you have failed miserable. You all have Kate's blood on you hands.

Want to place your ad here?
Advertise on United Online
<http://thirdpartyoffers.netzero.net/TGL3231/55a5aa35a870e2a3558ccst03vuc>

From: Sims Propst <sims.propst@gmail.com>
Sent: Tuesday, July 14, 2015 4:15 PM
To: Board of Supervisors, (BOS)
Subject: Sanctuary City

I am hopeful that the family of that poor young lady will be able to extract some sort of settlement from San Francisco. You folks have turned a blind eye to the overall issue and are directly responsible for Kathryn's death. Moreover, your arrogance in thumbing your noses at federal law shows just how irresponsible your position really is.

We are a country of laws and you simply cannot pick and chose which ones you want to obey. What do you reckon would happen if we all did that? I know you've received millions of similar notes. Hopefully they will hit home and get the attention it deserves.

--

Sims Propst
319 Meyers Drive
Greenville, SC 29605
864.242.6671
864.751.9029 (office)
864.275.1956 (cell)

From: Drew O'Neill <drewoneillis@gmail.com>
Sent: Tuesday, July 14, 2015 4:17 PM
To: Board of Supervisors, (BOS)
Subject: Thoughts?

Just wanted to see how all of you are doing today? Still digging the sanctuary policy? Looking forward to your thoughts - just one will do as I know they are all the same.

Sincerely,
Drew O'Neill

Sent from my iPad

From: Cal Wheeler <ccwheel@aol.com>
Sent: Tuesday, July 14, 2015 5:14 PM
To: Board of Supervisors, (BOS)
Subject: A real town?

Just wanted to let you and Scott Wiener that San Francisco, Scott Wiener and California are not real. Give me a break. No wonder we used to say don't Californicate Oregon. I had to leave the O state to get a way from your type of people.



This email has been checked for viruses by Avast antivirus software.
www.avast.com

From: Catherine Warren <catherinew73@bellsouth.net>
Sent: Tuesday, July 14, 2015 5:24 PM
To: Board of Supervisors, (BOS)
Subject: Fox News appearance of Scott Wiener

Dear Supervisors,

Scott Wiener's flight from the reporter representing Fox News was a very interesting deflection/flight mechanism from the issue at hand. To insult the millions of Americans who watch Fox by saying Fox News is not real news is very insulting and condescending. News is what is happening all around us. Reporting it and documenting it makes it a record. Even TMZ is news in that regard and definition. To turn tail and run and hide in an office does not make the questions of the recent murder disappear. As a representative of your city, you can do better. San Franciscans and fellow Americans deserve better. Kate Steinle's family definitely deserves better. Please revisit and uphold your mission statement.

Catherine Warren

Sent from my iPad

From: kenneth k <kkjfkp@hotmail.com>
Sent: Tuesday, July 14, 2015 5:27 PM
To: Board of Supervisors, (BOS)
Subject: Hello,

I used to live in Noe Valley, but now own a home in Concord.

What an embarrassment you are to a Bay Area resident. FOX news was trying to interview you and I saw on TV how rude many of you are. I am not surprised. Looks like an arrogant bunch, of self-awarded importance. You have an obligation to answer reporters. You look like cowards.

That young woman died in part because of your sanctuary city policy. A policy intended to curry favor with a certain demographic. You don't care if criminals get into our nation, or people with diseases that could be contagious.

You are a disgrace and a detriment to people's safety.

Ken Kasalis

Sent from Windows Mail

From: Amelie Black <amelie@mscourthouse.com>
Sent: Tuesday, July 14, 2015 5:35 PM
To: Board of Supervisors, (BOS)
Subject: gun control

I would love to know how gun control would have actually kept an illegal immigrant from smuggling or illegally purchasing a gun and killing that woman.

I do not understand the logic that someone who obviously does not follow the law and has 7 felonys, would somehow be compelled to follow gun control laws.

Sanctuary for illegal immigrants is a bad idea.

From: John Travers <diepolder2003@gmail.com>
Sent: Tuesday, July 14, 2015 5:51 PM
To: Board of Supervisors, (BOS)
Subject: Sanctuary city

Just watched 2 members on the local news. One refused to talk to FOX,he said they are not a news organization and the other one said this women being killed was about gun control.Ive been on this earth 60 yrs and have seen a lot but what I have seen from your members is beyond description. Your behavior only reinforces the country's opinion that San Fran is,has been and will probably always be one of the most screwed up cities in the country.Your board members are all spineless and a disgrace. I bet they would have something to say if one of their family members was murdered by an illegal alien.

Sent from my iPad

From: 515 <hunter515@hotmail.com>
Sent: Tuesday, July 14, 2015 9:28 PM
To: Board of Supervisors, (BOS)
Subject: Murder?

Hello BofS,

Isn't BS a fitting title for your office? I am sure all of you would make us want to puke our guts out, but specifically Scott Weiner, Katy Tang, and Jane Kim.

Jane Kim- 'Gun control'? Your head is so far up somewhere that you are worthless.

Katy Tang- Foul-mouthed and an embarrassing representative of yourself; nothing intelligent to say.

Scott Weiner- "Fox News is not real news. Fox news is not real news. Fox News is not real news." -Spoken in a whiny, spoiled little baby voice- You are a fool.

Kate Steinle's murder is on YOUR heads.

From: Patricia Wooley <pwooley@sbcglobal.net>
Sent: Tuesday, July 14, 2015 5:42 PM
To: Board of Supervisors, (BOS)
Subject: Moving to San Francisco

So, Scott Weiner doesn't think Fox News isn't "real news"?? What an ignorant, narrow minded comment. I was going to transfer there with my job at American Airlines. I had my apt lined up. I've changed my mind. As a democrat voter, I am disgusted with my (almost) home city.

Patricia Wooley

Sent from my iPad

From: M1CAL@aol.com
Sent: Tuesday, July 14, 2015 5:43 PM
To: Board of Supervisors, (BOS)

none of you should be in office

Sent from Windows Mail

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Sent: Tuesday, July 14, 2015 5:51 PM
To: Board of Supervisors, (BOS)
Subject: Sanctuary city

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Sent from my iPad

From: sallyacohen@verizon.net
Sent: Tuesday, July 14, 2015 6:49 PM
To: Board of Supervisors, (BOS)
Subject: YOU ARE NOT FOLLOWING THE LAWS OF THIS COUNTRY

You call yourselves a Board -- you should be protecting the citizens of your city; you should not be using swear words when any news outlet is trying to interview ANY OF you -- you should be saying that sanctuary cities are wrong; your comments about Fox News were despicable. I get the truth from FOX not a bunch of lies perpetrated by the far left. Unfortunately, San Francisco is one city most of us will never visit.

SHAME ON ALL OF YOU FOR ALLOWING KATE TO DIE AT THE HANDS OF A PERSON WHO SHOULD HAVE BEEN IN YOUR JAILS.

YOU WILL BE HELD UP AS EXAMPLES OF THE ARROGANT -- NOT THE COMPASSIONATE, NOT THE CARING.

Sally Cohen

From: jack hausen <jackbqwk@gmail.com>
Sent: Tuesday, July 14, 2015 7:03 PM
To: Wiener, Scott; Board of Supervisors, (BOS)
Subject: A National Disgrace

Just to ensure Mr Wiener and the rest of the Board of Supervisors understands that due to your callous disregard for civilian life in SF I have chosen to discontinue my quarterly trips to your city and to make certain that all of my employees friends and associates do the same. Maybe when it impacts your city economically you might learn to make measured decisions rather than those based only on far left ideology.

P.S. Mr Wiener you might want to check your opinions with facts related to "news" organizations as it is far left nut jobs like you that have fed from the government teat your entire professional life that fail to see the value of human life and simple respect for your position of trust given by the people. I will be donating significant sums to every opponent that challenges you in every race in the future.

From: William Bendel <wbendel23@aol.com>
Sent: Tuesday, July 14, 2015 7:43 PM
To: Board of Supervisors, (BOS)
Subject: REALLY??

I am a 65 year old retired police officer from New York. I worked 37 years in law enforcement.. I simply cannot believe how hard your supervisors have worked to avoid ANY questions relating to your "sanctuary city" status and the tragic AND AVOIDABLE death of that young lady. Not to mention the mayor blaming the sheriff... The sheriff blaming ICE... Everybody blaming everybody else... How convenient.....If your city is any indication of where this country is headed.... this country is doomed.... Is there NO responsibility??? I am fully aware that nobody there has the guts or the decency to respond to this, but I just had to let you know how MOST people are feeling....

From: Gwyn Petrick <gwyn.petrick.c9of@statefarm.com>
Sent: Tuesday, July 14, 2015 8:19 PM
To: Board of Supervisors, (BOS)
Subject: Disgusting

My name is Gwyn Petrick and thankfully I am a resident of Los Angeles.

I say your board meeting on Bill O'Reilly the other night and I have to say I have never seen such a bunch of cowardly losers.

Since you can't protect the residents of your city, I won't be visiting you anytime soon.

From: Dean Zemple <dzemple@hotmail.com>
Sent: Tuesday, July 14, 2015 8:34 PM
To: Board of Supervisors, (BOS)
Subject: Please

I have watched you on the news the last few nights.

Please take some accountability and fix the problems of S.F. by getting rid of the sanctuary status.

Sincerely,

Dean Zemple

PS Please speak to the reporters when they ask you questions.

From: dferg_60@verizon.net
Sent: Tuesday, July 14, 2015 9:18 PM
To: Board of Supervisors, (BOS)
Cc: oreilly@foxnews.com
Subject: Why

SF Board Members,

I'd like to know why the board is so lacking in compassion for the murdered young lady by the illegal immigrant?

I'd like to know why when the illegal immigrant stated he found the weapon under a bench one of your members stated this issue was about gun control laws

I'd like to know why you constantly break the law by ignoring federal law

I'd like to know if this illegal immigrant had murdered one of YOUR children who you still be so dismissive of THEIR life as you openly are of hers

I'd like to know why you think more highly of ILLEGAL immigrants than you do of American citizens

I'd like to know why your sheriff, who was convicted of domestic violence, first said this wasn't an issue and then due to public pressure stated it was "The Feds Fault"

I'd like to know why you individually and collectively lack the conviction to do the right thing rather than make excuses for murders

I'd like to know if this were a person of color and your city was rioted, looted and burned to the ground as in Ferguson would you still not care simply based on the fact that only selective life is important to you

I'd like to know when questioned by FOX news two representatives were unable to act like professionals and attacked legit questions by legit reporters, the Asian female said "you're interviewing the wrong FUCKING person" and the other mentally unstable man stated FOX news wasn't real news.

Are you individually and collectively that immature, unprofessional cowards that you won't stand by your positions

If you're supposedly right WHAT ARE YOU AFRAID OF

I think it highly unlikely any of you will have the integrity, character or professionalism to respond so I'd simply like to know WHY YOU HATE AMERICAN citizens and you constantly disrespect them and spit in their face

You were elected to do the work for ALL the people, not force your personal agenda and attack those who disagree with you

Regards

Dave Ferguson

Winchester, CA

From: John Eldridge <jeldridge2@bak.rr.com>
Sent: Tuesday, July 14, 2015 9:21 PM
To: Board of Supervisors, (BOS)
Subject: Killing of innocent victim

You all should step down including your so called sheriff, and to have a sanctuary city I will never go to San Francisco again. Thanks for nothing worthless democrats. John Sent from my iPad

From: Julie Hall <kraigjulie@sbcglobal.net>
Sent: Tuesday, July 14, 2015 9:50 PM
To: Board of Supervisors, (BOS)
Subject: death of Kate Steinle

Board members,

I am sickened and astonished at your behavior at the shooting death of Kate Steinle. Where you stand on this issue is certainly not as important as the compassion you have to feel for this family. Certainly you can find it in yourselves to express your sympathy at this terrible situation to the family. Are you happy this has happened? Your silence says so.

I will stay away from SF, and tell my family and friends to do the same.

Julie Hall
Danville, CA

From: David W Schoffstall <dwschof62@verizon.net>
Sent: Wednesday, July 15, 2015 4:42 AM
To: Board of Supervisors, (BOS)
Subject: Kate Steinle Murder

The responses by Wiener, Tang and Lee to a Fox News reporter's questions (broadcast July 15) were shameful. Yes, Fox News is real news to some residents Wiener. Your smugness is despicable as a public official being asked questions constituents have about the situation. Don't recall whether it was Tang or Lee with the filthy mouth response but, whichever one it was, you are the right "fuc----" person to ask. Don't you help pass laws in the city?

Also, again I don't recall whether it was Tang or Lee but, your attempt to blame gun control as the reason this murder occurred is ridiculous. Trying to rationalize Kate's murder by saying the murderer is a criminal and shouldn't have had a gun shows the utter stupidity of your position. No he shouldn't have had a gun. He also shouldn't have murdered someone with the stolen gun either. Try telling the Feds they shouldn't have guns either especially since they can't keep track of them. I know it makes you feel better to point to gun control as the problem. Clearly, the existence of a Sanctuary City is the problem. But, you can't admit that because you would have to take responsibility for making it possible for Kate to be murdered. Yes, you are the right "fuc----" person. Change the law stupid.

If the three of you are a fair representation of the attitudes of the Board of Supervisors it's a shame such ignorant morons are in charge.

You need to re-evaluate your City's willingness to provide sanctuary to illegals involved in crime. You're basically saying the rights of those people trump American citizens rights. How dumb are you!

From: Drew O'Neill <drewoneillis@gmail.com>
Sent: Wednesday, July 15, 2015 5:17 AM
To: Board of Supervisors, (BOS)
Subject: Good morning

Hi,

Thank you for the entertainment! Watching you guys run and hide from a reporter was hilarious. Very childlike on your part but that's to be expected from the likes of you. Please advise Scott Weiner that he is not a real man but a simple coward - like the rest of you.

Have a lovely day and keep up your proud support of your sanctuary city status that led to the death of Ms. Steinle.

Sincerely,
Drew O'Neill

Sent from my iPad

From: Eileen Hargrove <omaeileen@icloud.com>
Sent: Wednesday, July 15, 2015 5:43 AM
To: Board of Supervisors, (BOS)
Subject: Interview Reaction

Shame on your members blaming FOX News for your incompetency and harboring illegals, criminals and murderers. Typical liberal progressive to NEVER take responsibility and place blame on others. It is YOU people with blood on your hands for the death of Kate Steinle. None of you even showed any sympathy or compassion for her loss to her family and friends. All you could say is FOX is not real news. What absolute immaturity. Every one of you should resign out of SHAME!!!

From: David Welch <david.welch@bellsouth.net>
Sent: Wednesday, July 15, 2015 5:46 AM
To: Board of Supervisors, (BOS)
Subject: Unfair, Unbalanced and Unsafe

Board of Supervisors,

My family and I were planning to visit the Bay area for a two week vacation this year. Based on the lack of public safety in your city reported on CNN we have decided to go to Chicago instead.

David Welch
Chapel Hill, NC
919-933-4800

From: Mike Duvall <duvallboise@aol.com>
Sent: Wednesday, July 15, 2015 6:01 AM
To: Board of Supervisors, (BOS)
Subject: Ignorance

Dear supervisor,

Please relay to the board, my profound dissatisfaction with not only their views but also their illegal acts. I am checking into making a citizens arrest against the entire board but also the mayor, chief of police, and city attorney. You and they have all broken federal laws in regards to the young lady's recent murder.

I am disgusted with all of you to allow this to occur and your cocky ignorance.

To supervisor Weiner, your statement that Fox News isn't real news. There is about 30 million+- people in this country alone that disagree with you. But of course you know better. You are a ignorant bastard. It's idiots like you that have separated the citizens of this country. Although I'm not in your district, as a citizen of the u.s. I demand you resign immediately.

Michael Duvall
3321 E. Red Stone Drive
Boise Idaho 83712
208-573-0475
[Duvallboise@aol.com](mailto:duvallboise@aol.com)

From: laurel stimler <lstimler@hotmail.com>
Sent: Wednesday, July 15, 2015 6:26 AM
To: Board of Supervisors, (BOS)
Subject: Scott Weiner and Ms. Tang

To Whom It May Concern;

I was appalled by the comments that Mr. Weiner and Ms. Tang made on national television when reporters from Fox News attempted to interview them.

For Mr. Weiner to state that "Fox News is not real news" and that its reporters are not "real reporters" is offensive and the idea that he truly believes this is disturbing.

As to Ms. Tang - when the reporter attempted to interview her she could have simply replied "no comment". Instead she chose to dodge the question with "you're talking to the wrong f*\$%ing person". Completely inappropriate and also completely offensive.

If these are an example of the people who represent the City of San Francisco then it is a sad commentary on your city government.

Sincerely,

Laurel Stimler
Sharpsburg, GA

From: Rick Killam <rickillam1@gmail.com>
Sent: Wednesday, July 15, 2015 6:54 AM
To: Board of Supervisors, (BOS)
Subject: We the people
Attachments: 001-001.jpg

I saw a few clippings of your members 'refusing' to talk to Fox news reporters. Because, as one member stated; "Fox News is not real news'. So, if CNN, MSNBC, and other MSM had asked the same questions your members would have answered them?

I have read many news articles and none of them appear to show any members of the city government referring to the victim by her name.

Are you proud to be responsible for the death of this young women?

Do you realize that many Americans hold SF city government responsible for her death?

How would you feel if your major industries were boycotted because of your reckless arrogance and disregard for the lives of innocent people who could have been killed by 'ILLEGAL' immigrants on your watch?

You, the city leaders, of San Francisco are responsible in so many ways for the death of that young woman. Not the people of San Francisco. But, you leaders.

BTW: Her name is Kate Steinle.

May she rest in peace.

I pray you can live with the very guilt you deserve for allowing a criminal the opportunity to kill once again.

Rick Killam

From: Michael Kuntz <mike@mikekuntz.com>
Sent: Wednesday, July 15, 2015 7:05 AM
To: Board of Supervisors, (BOS)
Subject: Tourism

Importance: High

To the Board of Supervisors,

I recently saw the sad news of the woman shot by the illegal alien in the city and I've also saw how 3 of the supervisors have responded to the news media about it. As a city that welcomes and looks the other way when illegals are held and ICE has a hold on them or you just refuse to turn people over I have decided that my tourism dollars can be spent in other parts of the United States. The city itself is beautiful but it's nothing for me to get KILLED over.

~ Mike Kuntz ~
(513) 543-1376

From: Jerome O'Neill <romeone7@yahoo.com>
Sent: Wednesday, July 15, 2015 9:04 AM
To: Board of Supervisors, (BOS)
Subject: The weak link

Dear Board Members,

I realize you did not want this man to come to your city, fatally shoot a woman, and use the status of the city as his defense for 'being there' in the first place.

But moving forward, realize that every group has a 'weak link,' someone who really offers the least talent, someone who fails to think outside the box, gets by on the minimum amount of ability.

Perhaps his or her mother told her child repeatedly how everything he did was 'the best' and 'most awesome' ever, and that the child was the smartest in everything. By doing so, she enabled the child to not try hard yet always think 'special' was a fitting description to every thought and action that child had and performed.

Unfortunately, the identity of that 'weak link' on your board has been revealed for the entire country to see...Mr. Scott Wiener from District 8.

Scotty, as he was probably referred to by his friends in grade school, doesn't know that 21st Century Fox made an 80 Billion dollar offer to buy Time Warner?

He thinks Time Warner is "Real News" and he only talks to "Real News" people?

Poor little misguided, yet special, Scotty Wiener.

Working with him must be cause for some chuckles when he tries to make a point in a discussion...continue to tell him he has 'good ideas' and 'that was well thought out Scotty...I mean Scott' because that will keep him happy...thinking he's special.

I applaud your efforts to work with such an infantile brain...but hey, district 8 is district 8...right? What more could they possibly do?

Anyway, let's just hope and pray (well, maybe not pray) that another sanctuary San Francisco immigrant doesn't shoot another non-sanctuary San Francisco non-immigrant...because that silly little fake news operation may actually be able to get another fake reporter with a fake microphone to expose "special Scotty" to the entire nation as a scared, weak kneed little smarty-pants that the rest of you have to placate at your next board meeting.

Good luck to all, and yes, Scotty, you are indeed the smartest....(just placate him people ;)

- Jerome O'Neill

From: Steven Dailey <swd.dailey@gmail.com>
Sent: Wednesday, July 15, 2015 10:31 AM
To: Board of Supervisors, (BOS)
Subject: Pier 14 Shooting

Thank all of you for your support of Mr.Sanchez. You are true champions of diversity, inclusion, and humanity. Mr. Sanchez is a true symbol of what you people believe. Thank you for your support..VIVA LA RAZA VIVA LA RAZA VIVA LA RAZA VIVA LA RAZA. You people are true champions of ridding this world of white racism.

Sent from my iPad

G

From: mike@eyedealinteriors.com
Sent: Wednesday, July 15, 2015 10:42 AM
To: Board of Supervisors, (BOS)

please wake up and keep america safe look in the mirror poor kate walking with her father and killed . you people are responsible damn you people what happened to we the people not we the illegal you people should be replaced and ashamed

MIKE CALDWELL
EYEDEAL INTERIORS, INC.
310.643.9006

From: bo.lange30@gmail.com on behalf of Bo Lange <bolange@charter.net>
Sent: Wednesday, July 15, 2015 1:10 PM
To: Board of Supervisors, (BOS)

Friends,

You need to have a good talk with the Supervisor who spoke "his mind" about FOX NEWS the other day, telling that Fox News does not report News.

It is a disgrace to your Department that someone so high up is so ignorant about what's going in the world. I question what kind of professionalism you exercise.

Millions of us normal Americans turn daily to Fox News to get the news without political correctness and your department shows your disrespectful to us all.

Sincerely,

Bo Lange
616 South 8th St.
Escanaba, MI 49829
Home Tel: (906) 789-2782

From: John Travers <diepolder2003@gmail.com>
Sent: Wednesday, July 15, 2015 3:08 PM
To: Board of Supervisors, (BOS)
Subject: Sanctuary city

Just watched 2 members on the local news. One refused to talk to FOX,he said they are not a news organization and the other one said this women being killed was about gun control.Ive been on this earth 60 yrs and have seen a lot but what I have seen from your members is beyond description. Your behavior only reinforces the country's opinion that San Fran is,has been and will probably always be one of the most screwed up cities in the country.Your board members are all spineless and a disgrace. I bet they would have something to say if one of their family members was murdered by an illegal alien.

Sent from my iPad

From: Steven Dailey <swd.dailey@gmail.com>
Sent: Wednesday, July 15, 2015 3:09 PM
To: Board of Supervisors, (BOS)
Subject: Pier 14 Shooting

Thank you for all your support of Mr.Sanchez who is the true hero. Stand up to white racism.Please us-be mister Sanchez. Stop white racism. Never there be slavery of blacks, never will Asians be locked up for executive order of 9066 the torture and rape of Japanese citizens.,zPlease help the naked Jews.
Sent from my iPadagain.

From: James Scott <jcsuopfac96@comcast.net>
Sent: Wednesday, July 15, 2015 5:14 PM
To: Board of Supervisors, (BOS)
Subject: Everyone Happy!

Am sure that all of you "leaders" are delighted that YOUR LAWS were enforced, an illegal was set free, and a young woman is dead because YOU ALL FOLLOWED YOUR CONSCIENCE!

Glory Hallelujah!!

Are you all happy for yourself?

Oh,... goody!

This will certainly increase YOUR self-esteem!

You people can bath in your self-righteousness, WHILE A WOMAN IS DEAD BECAUSE OF YOU!

YOU ARE ALL MURDERERS!

From: Dd <ddgrumpo@gmail.com>
Sent: Wednesday, July 15, 2015 6:54 PM
To: Board of Supervisors, (BOS)
Subject: Sanctuary

The sanctuary idea is not working. A father and his sons were shot, and a young woman as well. Get rid of this law, or I'm afraid your people will vote you out. It is not popular for you, and it is not safe for us. David Dill

Sent from my iPad

From: Randy <rlwilde@aol.com>
Sent: Wednesday, July 15, 2015 9:18 PM
To: Board of Supervisors, (BOS)
Subject: "only talk to real news"?

I guess the San Francisco Board of Supervisors won't talk to reporters they can't trust to be anything but left wing lapdogs?

Pathetic.

Randy Wilde
Long Beach, CA

From: Bob Hersey <bob@bobhersey.com>
Sent: Thursday, July 16, 2015 7:20 AM
To: Board of Supervisors, (BOS)
Subject: Vacation Plans Canceled

To The Honorable Board of Supervisors for the City of San Francisco,

Ladies and gentlemen of the Board, it with deep regret that I must inform you that due to the recent events in your sanctuary city, that my family has just cancelled our two weeks' vacation to San Francisco. We cannot in good conscience visit and spend money in a city that wantonly flouts federal laws by harboring and protecting illegal aliens, as well as condoning the murder of innocent United States citizens by illegal aliens.

While one families cancelled vacation may not amount to much revenue in the grand scheme, it is the principal for which we are boycotting your city that counts. Until San Francisco reverses its sanctuary city status, my family, and anyone else who will listen, will NOT be visiting The City by the Bay. The late, great Harvey Milk would be ashamed of the way your board is handling this issue.

Very Respectfully,

Robert E. Hersey, MSW
Staff Sergeant, US Army Retired.

From: pete stanton <stanton.pete@gmail.com>
Sent: Thursday, July 16, 2015 8:52 AM
To: Board of Supervisors, (BOS)
Subject: Kate Steinly

Supervisors, I have never been so upset with a group of supervisors as I am with you today! Your callous response to the murder, by an illegal alien, of Kate Steinly, is incredible! I have talked to many friends and they all agree they will never visit your city again, for any reason. Your support of a sanctuary city, is causing the death of many innocent people. You people are totally out of touch with reality. You and Obama won't even apologize for causing her death. The accused said the only reason he was in SF was because it was a sanctuary city. He had 7 felonies and had been across the border 5 times. How any of you can get up in the morning and look in the mirror is beyond me! I have never written a letter like this, but everyone I know feels you all should resign. Great job! It must be fun backing up every two weeks to collect your paycheck. Shame on all of you!
Pete Stanley, Livermore, Ca.

From: ROBERT <rebuck99@comcast.net>
Sent: Thursday, July 16, 2015 10:50 AM
To: Board of Supervisors, (BOS)
Subject: Kate Steinle and sanctuary city

Dear San Francisco Board of Supervisors

We have lived in the East Bay city of Pleasanton for 26 years and have spent many days in San Francisco with family and visitors over those years.

We believe strongly your Sanctuary City policy resulted in the death of Kate Steinle at the hands of a

previously deported felon who should never have been on the streets.

This is such an outrageous policy that we need to express our anger in whatever form we can.

For us that means to never plan to visit the city/spend one dime of our money there in the future.

We will suggest to friends and visitors who come to see us to plan to see other wonderful areas Northern California

has to offer and explain why.

We are sure you enjoy your sanctuary status and don't expect you to change but for us this is one small

way to let you know.

Bob and Jenny Buck

Pleasanton

From: John Travers <diepolder2003@gmail.com>
Sent: Thursday, July 16, 2015 10:59 AM
To: Board of Supervisors, (BOS)
Subject: Sanctuary city

Just watched 2 members on the local news. One refused to talk to FOX,he said they are not a news organization and the other one said this women being killed was about gun control.Ive been on this earth 60 yrs and have seen a lot but what I have seen from your members is beyond description. Your behavior only reinforces the country's opinion that San Fran is,has been and will probably always be one of the most screwed up cities in the country.Your board members are all spineless and a disgrace. I bet they would have something to say if one of their family members was murdered by an illegal alien.

Sent from my iPad

From: Alex Triggs <watriggs.jr@gmail.com>
Sent: Thursday, July 16, 2015 12:33 PM
To: Board of Supervisors, (BOS)
Subject: Scott Weiner - Fox News is not Real News

To Whom It May Concern: If anybody, I doubt it!

All of you supporting sanctuary city views, ignoring federal law, should be ashamed of yourselves. You know that a beautiful young woman was murdered in direct correlation to your political views. Don't blame this on gun laws. You know how this illegal alien got the gun. And this quote, from Scott Weiner? Who is he to decide? Just a jerk, attempting to dodge a question with a smug answer. I hope all of you are brought into court and held responsible for your actions! Disgusting! Despicable! Shameful!

Alex Triggs, A concerned Citizen of the U.S.

From: Dan Swanson <danswanson1965@icloud.com>
Sent: Thursday, July 16, 2015 1:15 PM
To: Board of Supervisors, (BOS)
Subject: Gun control

So you let the same individual come back to the City how many times and he kills an innocent citizen. Your answer is gun control?

How about criminal control or jail? San Francisco should protect its own citizens from people who just want to hurt other people. But for some stupid reason letting non-citizens reside here because that is the nice thing to do is just plain moronic. You have blood on your hands and the citizens of San Fran will not let this go.

From: Evan Homer <eastbayevan@gmail.com>
Sent: Thursday, July 16, 2015 3:12 PM
To: Board of Supervisors, (BOS)
Subject: Accountability of the Board

Hello,

I have lived in the city and work in the city and have spent a lot of time and money there my entire life. I am completely appalled at what our beloved city has become with you people in charge. Was it not enough that your unproven sanctuary policy is responsible for allowing Edwin Ramos to take the lives of 3 in the same family but now your policy is directly responsible for another life being taken.

The felon said that he was in SF because he knew your policy would allow him to roam free. Scott Wiener in particular has shown complete cowardice and callousness towards the Steinle family. Running from questions like a child because of the network asking the questions. What a joke, he touts his record on public safety on his website but he and all the rest of you should be held accountable for the negligence you have engaged in that led to the murders of multiple people.

It is a sad state of affairs when a young woman like that is murdered and instead of contacting the family to express condolences or just simply saying you are sorry that this man found freedom in SF to commit this crime, Scott Weiner is running from cameras because he doesn't like the network.

Sincerely,
Evan Edwards

From: mijalbanese@aol.com
Sent: Friday, July 17, 2015 8:52 AM
To: Board of Supervisors, (BOS)
Subject: Great job letting illegals run amuck! Just admit you screwed up and will get back on the right track. Stop pandering for votes. So far your actions have been disgraceful.

Sent from Windows Mail

From: Dyan Martin <dymart@sbcglobal.net>
Sent: Friday, July 17, 2015 9:00 AM
To: Board of Supervisors, (BOS)
Subject: Visitors

We have retired in the last year and love to travel but will no longer be visiting San Francisco since you are a sanctuary city. Between illegals and the homeless San Francisco is no longer safe to travel too. We are sad to come to the conclusion that your city cares more about illegals than citizens. D Martin

Sent from my iPad

From: Sam TC <schesnutt@gmail.com>
Sent: Friday, July 17, 2015 10:08 AM
To: Board of Supervisors, (BOS)
Subject: Vacation

To Whom It May Concern,

My wife and I have canceled plans to visit with friends in San Francisco the week of August 22nd through the 29th.

The recent murder of Kate Steinle was the sole reason for this decision.

Regards,

Sam Chesnutt
Columbia, SC

From: jack mcnuttt <jackdmcnuttt@gmail.com>
Sent: Sunday, July 19, 2015 12:09 PM
To: Board of Supervisors, (BOS)
Subject: I my very concerned about the use of sanctuary cities

Please take the time to seriously consider changes to sanctuary city law.

Innocent citizens who live in san francisco need to be protected from illegals who are convicted felons who repeatedly re-enter our city to commit serious crimes.

Maybe there can be limit to repeated felons who have criminal history, for example Mr. Sanchez who came into our city to deliberately commit a crime.

Ms. Steinle should Not have been murdered while she was innocently walking with her father.

Respectfully yours, jack mcnuttt/ 7-19-15. We Need San Francisco to be a place where visitors/residents feel safe walking, etc.

From: Jerry <jvhonbass@gmail.com>
Sent: Monday, July 20, 2015 3:12 PM
To: Board of Supervisors, (BOS)
Subject: you've got company in Boston

Dear geniuses,

I would like to thank you for your complacency in the death of Kate Steinle even though you're all in a collective state of denial.

Make no mistake though the fault lies in your office and its misguided policies. But

as you can see it happens on the East Coast too. I'm sure the community's leaders also have absolutely nothing to do with this poor woman's murder.

Maybe when it happens to one of your loved ones you will snap out of your collective hypnosis. Please note the news link below is not from Fox News which according to someone in your group is not real news.

http://www.bostonherald.com/news_opinion/local_coverage/2015/07/deportations_revolving_door_suspects_in_lawrence_shooting

Jerry

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BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 20 PM 2:55
AK

July 15, 2015

Mayor Edwin Lee,

The true character of San Francisco as a self-proclaimed sanctuary city continues to reflect terribly on your home turf. The stain of Kate Steinle's murder on you, the board of supervisors and the city won't go away as long as a criminal illegal alien has more rights to life than a U.S. citizen enjoying a walk with her father. This murder is a direct consequence of your sanctuary city policies that subvert U.S. immigration laws and release felons to roam San Francisco and beyond.

Mayor Lee, how does it feel to know that your perverted policies contributed to a savage murder? Have you spoken to Kate Steinle's father or family yet? No. I didn't think so. That will be tough won't it!

We will be visiting near San Francisco soon. Rest assured that we will not set foot in your blighted city. After all, who wants to be the victim of a criminal illegal alien that you released.



Richard Warnock

Dana Point, CA

✓ Cc: San Francisco Board of Supervisors

From: Gil Chisholm <chisholmgil@gmail.com>
Sent: Tuesday, July 14, 2015 5:23 PM
To: Board of Supervisors, (BOS)
Subject: Embarrassing actions!

I could hardly believe how rude and vulgar two of your members were when a Fox News reporter requested interviews! One lady cursed on National TV, a man repeated again and again "fox is not real news" what a nimrod...I have news for you! Billions only watch FOX NEWS! You disgrace AMERICA with this low life attitude! Your Mayor should teach YOU how to act professional!

Sent from my iPad

From: Board.of.Supervisors@sfgov.org
Sent: Monday, July 13, 2015 7:09 PM
To: Board of Supervisors, (BOS)
Subject: Clerk of the Board Customer Satisfaction Form

To:Board.of.Supervisors@sfgov.org
Email:Board.of.Supervisors@sfgov.org
DIVISION_AGENCY:COB
TREATED_YOU:Strongly_Disagree
VOICEMAIL:Strongly_Disagree
EMAIL_RESPONSE:Strongly_Disagree
QUESTIONS:Strongly_Disagree
ACCURATE_INFORMATION:Strongly_Disagree
BEHAVED_ETHICALLY:Strongly_Disagree
ANSWER_RESPONSE:Strongly_Disagree
COMFORT_LEVEL:Unacceptable
ADDITIONAL_COMMENTS:Your creation of the sanctuary city makes everything else you may do unacceptable. How many of you went to Kate Steinle's funeral and begged her family to forgive you. Your social experiment is killing the families in your city. We can only wish that you were on Pier 14 that afternoon with your daughters! Robert Weise
NUMBER:2153400872
MAILING_ADDRESS:21 WINDOVER LN
CONTACT_EMAIL:rweise31@verizon.net

From: David Brown <dr.davidallenbrown@gmail.com>
Sent: Monday, July 13, 2015 5:26 PM
To: Board of Supervisors, (BOS)
Subject: Kate Steinle

The death of Kate Steinle is a tragedy that could have been avoided were it not for the policy of your government. "Sanctuary City" policies are an abomination, and an insult to law and order and peaceful citizens.

I will not come to your city for any reason, business or pleasure, nor will any member of my family, until such time as you repeal all "Sanctuary City" policies and ordinances. I refuse to provide any economic benefit to a municipality as reckless and misguided as yours.

If it is right and proper to boycott Indiana for passing non-murderous religious freedom legislation then it is all the more proper to boycott your city as a truly dangerous place.

Dr. David Allen Brown
Mobile: (517) 526-3754

From: Ken <kenz456sx@yahoo.com>
Sent: Monday, July 13, 2015 12:07 PM
To: Board of Supervisors, (BOS)
Subject: Your policies

Dear Board of Supervisors,
Your policies are destroying this once great city. Due to the homeless problem and the filth they generate, I have requested my company not have there convention in San Francisco. Now that your sanctuary policies have lead to murder You should resign in disgrace.

Ken Eaton

ESTILL RANCHES LLC

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 JUL 13 PM 3:59

Handwritten initials

to San Francisco Board of Supervisors
from JOHN ESTILL

My family has been in Calif
since the 1840's. I recently moved to
Reno NV.

We have always looked forward
to visiting your city, especially to see
the Giants, the 49's, and the Cow
Palace Rodeo. My family has always
went to the Skeraton Palace at Christmas
time, like an annual family vacation.

I just heard of the murder of
the young lady by a 7x convicted felon
illegal alien. You must do away with this
illegal alien refuge business in order for
myself and my family to return

Thanks
Handwritten signature

Mayor Lee .. members on the Board of
Supervisor .. Sheriff Mirkarimi

Everyone of you are Complicite in
this beautiful young woman's DEATH!
All of you, SO ARROGANT!

HER BLOOD IS ON YOUR HANDS !!

Kate Steinle was killed because of
your Sanctuary City. YOUR Rules!

YOU CARE MORE ABOUT Illegals
rights, than Americans rights!

How will you feel if someday,
someone you love is hurt, Raped,
or murdered by a "Sanchez" ?

There is a special place in Hell
for each one of you!

Oh, I forgot! you liberal (Demirats),
don't believe in God ..

God Bless Kate Steinle & her
family!

Denise Butler

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

016 JUL 13 PM 3:08

EBB

From: Ronald Hart <rjhart1948@gmail.com>
Sent: Tuesday, July 14, 2015 6:36 AM
To: Board of Supervisors, (BOS)
Subject: My family is boycotting you unsafe city

Chamber of commerce has been notified that we have stopped all payments to your city and financially future payments have been withdrawn.

Sent from my iPhone