

Version Approved as to Form:

- 1 Yes No
- 2 Yes No
- 3 Yes No
- 4 Yes No
- 5 Yes No

needs leg digest

Names and addresses for Charter Amendment
Departmental Letter:

Response Rc'vd:

- 1. MAYOR
- 2. CITY ATTORNEY
- 3. ETHICS COMMISSION
- 4. CITY ADMINISTRATOR
- 5. DIRECTOR, ADMINISTRATIVE SERVICES
- 6. Civil Srvc Commission
- 7. Public Utilities Commission
- 8. Planning
- 9. _____
- 10. _____
- 11. _____
- 12. _____

[Changes to Public Utilities Commission related to water and sewer]

CHARTER AMENDMENT

PROPOSITION _____

Describing and setting forth a proposal to the qualified electors of the City and County of San Francisco to amend the Charter of said City and County by creating a new Article VIII B by adding Sections 8B.120 through 8B.127, and deleting Section 9.111-1 and amending Section 16.103, to establish exclusive control of utilities; rate setting standards and methods; planning and reporting requirements; transfer of surplus funds between utilities; independence in contracting; revenue bonds or other financing methods.

The Board of Supervisors of the City and County of San Francisco hereby submits to the qualified electors of said City and County at an election to be held therein on November 5, 2002, a proposal to amend the Charter of said City and County by creating a new Article VIII B Sections 8B.120 through 8B.128, and deleting Section 9.111-1 and amending Section 16.103 to read as follows:

Note: Additions are single-underline italics Times New Roman;
deletions are ~~strikethrough italics Times New Roman~~.

Section 1. The San Francisco Charter is hereby amended by creating a new Article VIII B: Public Utilities, to read as follows:

SEC. 8B.120. PREAMBLE

The Public Utilities Commission operates the Water, Clean Water and Power Utilities of the City and County of San Francisco. Hetch Hetchy Water and Power System is an irreplaceable asset of the people of the City and County of San Francisco. The system is fundamental to the economic vitality of San Francisco and the Bay Area. The voters of the City and County of San Francisco are committed to preserving and protecting the system as well as safeguarding the extraordinary quality of the water from Yosemite and local watersheds. The voters find that the protection, maintenance and repair of the system are among their highest priorities.

San Francisco faces an unprecedented challenge: to restore its aging water system to ensure a reliable Bay Area water supply through the next century. Repairs must be accomplished as quickly as possible to avoid system outages, which could be caused by natural disasters such as earthquake. In planning for its future needs and those of its wholesale customers, the City must promote water conservation and responsible stewardship of its natural resources. The effectiveness of the City's Public Utilities Commission, which has jurisdiction over the system, is essential to achieving these goals.

In addition, San Francisco must upgrade and repair its clean water system to meet changes in state and federal water quality requirements, and to ensure reliability of the system, parts of which are outdated, aged or seismically vulnerable. The voters find that the operation of the clean water system should not unnecessarily place a disproportionate environmental burden on any community.

This measure is intended to enhance public confidence in the City's stewardship of public utilities by:

1. Clarifying that the Public Utilities Commission has exclusive control of water, clean water and power assets owned or maintained by the City and County of San Francisco;

2. Establishing rates sufficient to meet operation, maintenance and financial needs of the system based on costs and sound budgeting and auditing procedures to protect retail ratepayers and reduce interest paid on bonds and other indebtedness while ensuring public review;

3. Establishing the Public Utilities Commission as an independent revenue department not subject to undue financial pressures to contribute to the City's general fund;

4. Requiring the development of long term Capital, Financial and Strategic Plans to ensure that the utilities are operated efficiently in accordance with best public utility practice;

5. Authorizing the Public Utilities Commission to independently enter into certain contracts;

6. Giving the Public Utilities Commission the ability to finance needed capital improvements through revenue bonds or other financing methods consistent with the powers of other major public utilities in California; and

7. Promoting labor stability to ensure that the Capital Improvement Plan is completed expeditiously and efficiently.

SEC. 8B.121. PUBLIC UTILITIES COMMISSION

(a) Notwithstanding Charter section 4.112, the Public Utilities Commission shall have exclusive charge of the construction, management, supervision, maintenance, extension, expansion, operation, use and control of all water, clean water and energy supplies and utilities of the City as well as the real, personal and financial assets, that are under the Commission's jurisdiction or assigned to the Commission under Section 4.132.

(b) The Public Utilities Commission may enter into Joint Powers Agreements with other public entities in furtherance of the responsibilities of the Commission.

(c) Except to the extent otherwise provided in this Article, the Public Utilities Commission shall be subject to the provisions of Charter sections 4.100 et seq. generally applicable to boards and commissions of the City and County.

(d) The General Manager shall have the authority to organize and reorganize the department. The General Manager shall adopt rules and regulations governing all matters within the jurisdiction of the department subject to section 4.102 as applicable.

(e) Ownership or control of any public utility or any part thereof under the jurisdiction of the Public Utilities Commission may not be transferred or conveyed absent approval by the Public Utilities Commission and approval by a vote of the electors of the City at the election next ensuing not less than 90 days after the adoption of such ordinance, which shall not go into effect until ratified by a majority of the voters voting thereon. Voter approval shall not be required for sales or transfers of real property declared surplus to the needs of any utility by the Public Utilities

Commission or to leases or permits for the use of utility real property approved by the Public Utilities Commission.

SEC. 8B.122. GOALS AND OBJECTIVES RELATED TO WATER AND CLEAN WATER

(a) The Commission shall develop, periodically update and implement programs to achieve goals and objectives consistent with the following:

(1) Provide water and clean water services to San Francisco and water service to its wholesale customers while maintaining stewardship of the system by the City;

(2) Establish equitable rates sufficient to meet and maintain operation, maintenance and financial health of the system;

(3) Provide reliable water and clean water services and optimize the systems' ability to withstand disasters;

(4) Protect and manage lands and natural resources used by the Commission to provide utility services consistent with applicable laws in an environmentally sustainable manner. Operate hydroelectric generation facilities in a manner that causes no reasonably anticipated adverse impacts on water service and habitat;

(5) Develop and implement priority programs to increase and to monitor water conservation and efficiency system-wide;

(6) Utilize state-of-the-art innovative technologies where feasible and beneficial;

(7) Develop and implement a comprehensive set of environmental justice guidelines for use in connection with its operations and projects in the City;

(8) Create opportunities for meaningful community participation in development and implementation of the Commission's policies and programs; and

(9) Improve drinking water quality with a goal of exceeding applicable drinking water standards if feasible.

SEC. 8B.123 PLANNING AND REPORTING

(A) Planning and Reporting

The Public Utilities Commission shall annually hold public hearings to review, update and adopt:

(1) A Long-Term Capital Improvement Program, covering projects during the next 10-year period; including cost estimates and schedules.

(2) A Long-Range Financial Plan, for a 10-year period, including estimates of operation and maintenance expenses, repair and replacement costs, debt costs and rate increase requirements.

(3) A Long-Term Strategic Plan, setting forth strategic goals and objectives and establishing performance standards as appropriate.

The Capital Improvement Program and Long-Range Financial Plan shall serve as a basis and supporting documentation for the Commission's capital budget, the issuance of revenue bonds, other forms of indebtedness and execution of governmental loans under this Charter.

(B) Citizens' Advisory Committee

The Board of Supervisors, in consultation with the General Manager of the Public Utilities Commission, shall establish by ordinance a Citizens' Advisory Committee to provide recommendations to the General Manager of the Public Utilities Commission, the Public Utilities Commission and the Board of Supervisors.

SEC. 8B.124. WATER AND CLEAN WATER REVENUE BONDS

Notwithstanding, and in addition to, the authority granted under Charter Section 9.107, the Public Utilities Commission is hereby authorized to issue revenue bonds, including notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing, expanding, repairing or improving water facilities or clean water facilities or combinations of water and clean water facilities under the jurisdiction of the Public Utilities Commission.

Any legislation authorizing the issuance of revenue bonds (except for refunding bonds) under this section shall be subject to the referendum requirements of Section 14.102 of this Charter. The ordinance authorizing the issuance of such revenue bonds shall not become effective until 30 days after its adoption.

Notwithstanding any other provision of this Charter or of any ordinance of the City and County, the Board of Supervisors may take any and all actions necessary to authorize, issue and repay such bonds, including, but not limited to, modifying schedules of rates and charges to provide for the payment and retirement of such bonds, subject to the following conditions:

(a) Certification by an independent engineer retained by the Public Utilities Commission that:

(1) the projects to be financed by the bonds, including the prioritization, cost estimates and scheduling, meet utility standards; and

(2) that estimated net revenue after payment of operating and maintenance expenses will be sufficient to meet debt service coverage and other indenture or resolution requirements, including debt service on the bonds to be issued, and estimated repair and replacement costs.

(b) Certification by the San Francisco Planning Department that facilities under the jurisdiction of the Public Utilities Commission funded with such bonds will comply with applicable requirements of the California Environmental Quality Act.

Except as expressly provided in this Charter, all revenue bonds may be issued and sold in accordance with state law or any procedure provided for by ordinance of the Board of Supervisors.

SEC. 8B.125. RATES

Notwithstanding Charter sections 2.109, 3.100 and 4.102 or any ordinance (including, without limitation, Administrative Code Appendix 39), the Public Utilities Commission shall set rates, fees and other charges in connection with providing the utility services under its jurisdiction, subject to rejection -- within 30 days of submission - - by resolution of the Board of Supervisors. If the Board of Supervisors fails to act within 30 days the rates shall become effective without further action.

In setting retail rates, fees and charges the Commission shall:

1. Establish rates, fees and charges at levels sufficient to improve or maintain financial condition and bond ratings at or above levels equivalent to highly rated utilities of each enterprise under its jurisdiction, meet requirements and covenants under all bond

resolutions and indentures, (including, without limitation, increases necessary to pay for the retail water customers' share of the debt service on bonds and operating expenses of any state financing authority such as the Regional Water System Financing Authority), and provide sufficient resources for the continued financial health (including appropriate reserves), operation, maintenance and repair of each enterprise, consistent with good utility practice;

2. Retain an independent rate consultant to conduct rate and cost of service studies for each utility at least every five years;

3. Set retail rates, fees and charges based on the cost of service;

4. Conduct all studies mandated by applicable state and federal law to consider implementing connection fees for water and clean water facilities servicing new development;

5. Conduct studies of rate-based conservation incentives and/or lifeline rates and similar rate structures to provide assistance to low income users, and take the results of such studies into account when establishing rates, fees and charges, in accordance with applicable state and federal laws;

6. Adopt annually a rolling 5-year forecast of rates, fees and other charges; and

7. Establish a Rate Fairness Board consisting of seven members: the City Administrator or his or her designee; the Controller or his or her designee; the Director of the Mayor's Office of Public Finance or his or her designee; two residential city retail customers, consisting of one appointed by the Mayor and one by the Board of Supervisors; and two city retail business customers, consisting of a large business

customer appointed by the Mayor and a small business customer appointed by the Board of Supervisors. The Rate Fairness Board may:

- i. Review the five-year rate forecast;
- ii. Hold one or more public hearings on annual rate recommendations before the Public Utilities Commission adopts rates;
- iii. Provide a report and recommendations to the Public Utilities Commission on the rate proposal; and
- iv. In connection with periodic rate studies, submit to the Public Utilities Commission rate policy recommendations for the Commission's consideration, including recommendations to reallocate costs among various retail utility customer classifications, subject to any outstanding bond requirements.

These provisions shall be effective January 3, 2003 for the setting of retail rates, fees and charges related to the clean water system. If the voters approve bonds for the Public Utilities Commission's Capital Improvement Program at the November 5, 2002 election then the provisions of this section shall take effect on July 2, 2006 for the setting of retail rates, fees and charges related to the water system. If the voters do not approve such bonds then this section will take effect on January 3, 2003.

SEC. 8B.126. PERSONNEL AND MERIT SYSTEM

(a) The General Manager shall be selected under the provisions of Charter sections 3.100 and 4.102. The General Manager may be employed under an individual contract. His or her compensation shall be comparable to the compensation of the chief executive officers of the public water, wastewater and/or power systems in the

United States that the Commission, after an independent survey, determines most closely resemble the Public Utilities Commission in size, mission, and complexity. In addition, the Public Utilities Commission may provide an incentive compensation bonus plan for the General Manager based on performance goals established by the Commission.

(b) The General Manager may negotiate an individual contract with the employee appointed to perform the duties of general infrastructure management and oversight of the Capital Improvement Program subject to approval by the Commission and notwithstanding Charter Section A8.409 et seq.

(c) For purposes of approving individual employment contracts the Public Utilities Commission may exercise all powers of the City and County, the Board of Supervisors, the Mayor, and the Director of Human Resources under Article XI of this charter. Individual employment contracts shall utilize and shall not alter or interfere with, the Retirement or Vacation provisions of this Charter or the Health Plans established by the City's Health Service Board; provided however, that the Commission may contribute toward defraying the cost of the employee's health premiums and retirement pick-up.

SEC. 8B.127. CONTRACTING AND PURCHASING

Notwithstanding Charter Section 9.118 or any ordinance, the Public Utilities Commission shall have the sole authority to enter into agreements for the purchase of water; the sale of water to wholesale customers; and agreements necessary to implement Joint Powers Agreements with any wholesale water customer.

In order to promote labor stability and to ensure the Capital Improvement

Program is completed expeditiously and efficiently, the Public Utilities Commission is authorized, to the extent legally appropriate, to enter into project labor agreements, with appropriate Building Construction and Trades Councils, covering significant capital projects.

Section 2. The San Francisco Charter is hereby amended by deleting Section 9.111-1 as follows:

~~SEC. 9.111-1. ENVIRONMENT PROTECTION LOANS~~

~~Notwithstanding any other provision in the Charter, the City and County and its commissions shall have the authority to enter into loans (or other indebtedness) directly or indirectly with, or have any of its indebtedness guaranteed or subsidized by, the State of California or United States of America. All loans or other indebtedness must comply with the following provisions:~~

- ~~a. — proceeds must be used for projects which protect, preserve, or enhance water resources or the environment; and~~
- ~~b. — must be the most cost effective method of financing a project; and~~
- ~~c. — shall be subject to the approval of the Board of Supervisors; and~~
- ~~d. — (i) — cannot increase the amount of approved debt; or~~
 - ~~(ii) — in the case of a refinancing of revenue or general obligation bonds of the City and County or any commission, must result in net debt service savings to the City and County or commission, calculated as provided by ordinance.~~

~~For purposes of this Section 9.111-1, the determination of what constitutes the most cost-effective method of financing shall be certified by the Controller.~~

Section 3. The San Francisco Charter is hereby amended by amending Section 16.103 as follows:

SEC. 16.103. UTILITY REVENUES AND EXPENDITURES

(a) Receipts from each utility operated by the Public Utilities Commission shall be paid into the City and County treasury and maintained in a separate fund for each such utility. Appropriations from such funds shall be made for the following purposes for each such utility in the order named, ~~viz~~:

1. For the payment of operating expenses, pension charges and proportionate payments to such compensation and other insurance and accident reserve funds as the Commission may establish or the Board of Supervisors may require;
2. For repairs and maintenance;
3. For reconstruction and replacements as hereinafter described;
4. For the payment of interest and sinking funds on the bonds issued ~~for acquisition, construction or extension by the Public Utilities Commission pursuant to this charter;~~
5. For extensions and improvements; and
6. For a surplus fund.

For any utility with outstanding bonds for which the indenture requires different payment priorities, the bond priorities will control over the priorities set forth in this section.

(b) For the purpose of providing funds for reconstruction and replacements due to physical and functional depreciation of each of the utilities under the jurisdiction of the Commission, the Commission must create and maintain a reconstruction and replacement fund for each such utility, sufficient for the purposes mentioned in this section, and in accordance with an established practice for utilities of similar character, which shall be the basis for the amount necessary to be appropriated annually to provide for said reconstruction and replacements.

~~1. (c) If, at the end of any fiscal year, the Controller certifies that excess surplus funds of a utility exist, then such excess surplus funds may be transferred by the Board of Supervisors to the General Fund of the City and County, and shall be deposited by the Commission with the Treasurer to the credit of such General Fund. For the purposes of this subsection, excess surplus funds shall exist if the utility has unappropriated, unencumbered funds from hydropower assets or water or clean water assets in excess of 25 percent of the total expenditures of such utility in the previous fiscal year for costs of operation, repair and maintenance, maintenance and debt service coverage and required debt service reserves, the Public Utilities Commission may transfer that surplus revenue, in whole or in part, to any other utility system under the Commission's jurisdiction on the operative date of this section.~~

~~(2) (d) Any surplus revenue which the Public Utilities Commission unanimously finds is not required for utility purposes pursuant to sections (a) and (b) of this section may be transferred to the General Fund by the Public Utilities Commission with the concurrence of If, as part of the budgeting process, the Controller estimates that there will exist, at the end of the budget year, excess surplus funds of a utility, three-fourths of~~

the Board of Supervisors ~~may budget such excess as revenue to the General Fund for that budget year. During the budget year, the Commission shall deposit with the Treasurer a pro rata portion of the then estimated excess surplus funds no less frequently than quarterly. For the purposes of this subsection, excess surplus funds shall exist if the utility has unappropriated, unencumbered funds in excess of 25 percent of the total expenditure of such utility in the previous fiscal year for costs of operation, repair and maintenance.~~

~~3. At any time, the Commission may, with the concurrence of two-thirds of the Board of Supervisors, authorize the transfer of any portion of a utility's surplus funds to the General Fund upon making all of the following findings of fact and judgment:~~

~~(A) (a)~~ That a surplus exists or is projected to exist after meeting the requirements of this section;

~~(B) (b)~~ That there is no unfunded operating or capital program or required reserve that by its lack of funding could jeopardize bond ratings, health, safety, water supply or power production;

~~(C) (c)~~ That there is no reasonably foreseeable operating contingency that cannot be funded without General Fund subsidy; and

~~(D) (d)~~ That such a transfer of funds in all other respects reflects prudent utility practice.

The Commission shall make such findings having received reports ~~from the manager of utilities and a public hearing and an affirmative recommendation from the General Manager and a public hearing~~, which shall have received no less than 30 days of public notice.

4-(e) The provisions of subsection ~~(b)~~(c) above shall not be applied in a manner that would be inconsistent with the provisions of any outstanding or future indentures, resolutions, contracts or other agreements of the City and County relating to bonded indebtedness issued in connection with the utility, or with any applicable state or federal laws.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:


Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Charter Amendment

File Number: 020887

Date Passed: July 22, 2002

Charter Amendment (Fifth Draft) to create a new Article VIII B to add Sections 8B.120 through 8B.127, deleting Section 9.111-1 and amending Section 16.103, to establish exclusive control of utilities; rate setting standards and methods; planning and reporting requirements; transfer of surplus funds between utilities; independence in contracting; revenue bonds or other financing methods.

June 17, 2002 Board of Supervisors — SUBSTITUTED

July 15, 2002 Board of Supervisors — AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

Absent: 1 - Leno

July 15, 2002 Board of Supervisors — AMENDED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

Absent: 1 - Leno

July 15, 2002 Board of Supervisors — AMENDED

Ayes: 8 - Ammiano, Daly, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee
Noes: 2 - Gonzalez, Hall

Absent: 1 - Leno

July 15, 2002 Board of Supervisors — CONTINUED AS AMENDED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee


July 22, 2002 Board of Supervisors — ORDERED SUBMITTED

Ayes: 8 - Ammiano, Daly, Gonzalez, Leno, Maxwell, McGoldrick, Peskin, Sandoval

Noes: 3 - Hall, Newsom, Yee

File No. 020887

I hereby certify that the foregoing Charter Amendment was ORDERED SUBMITTED on July 22, 2002 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

Changes to Public Utilities Commission related to water and sewer.**LEGISLATIVE DIGEST**

[This measure is intended to restore public confidence in the City's stewardship of public utilities by: 1. Clarifying that the Public Utilities Commission has exclusive control of water and clean water assets of the City and County of San Francisco; 2. Establishing rate setting sufficient to meet operation, maintenance and financial needs of the system to protect retail ratepayers and reduce interest paid on bonds while ensuring public review; 3. Establishing the Public Utilities Commission as an independent revenue department with the ability to transfer funds from one utility to another prior to any transfer to the General Fund; 4. Permitting the Public Utilities Commission to exercise greater independence in contracting; 5. Requiring the development of long term Capital, Financial and Strategic Plans; and 6. Providing the ability to finance needed capital improvements through revenue bonds or other financing methods.]

Existing Law

Surplus Revenues. If the Controller certifies that surplus funds exist for any utility, the PUC can, with the concurrence of 2/3 of the Board of Supervisors, transfer any portion of the excess funds to the General Fund, upon making certain findings. The PUC cannot transfer surplus funds from one utility (e.g. power) to another (e.g. water or clean water).

Planning and Reporting. The annual appropriations ordinance is required to include multi-year budgets for capital improvements and facilities. The Board of Supervisors may – by ordinance - require multi-year budget plans and other budget planning strategies by City departments, including the PUC.

Citizen Advisory Committees. No charter requirement exists for a citizen's advisory committee for the PUC.

Hiring and Personnel. The Civil Service Commission sets the policies, rules and procedures governing the merit system, and the Department of Human Resources (DHR) operates in accordance with those provisions and related charter provisions.

- DHR administers labor relations, including negotiation of labor contracts.
- The Mayor oversees and directs the labor relations function.

Contracting and Purchasing. Board of Supervisors approval is required for all non-construction contracts in excess of \$10,000,000 or 10 years in duration, or for any amendment or modification to such a contract having an impact of more than \$500,000.

Rate Setting. The PUC recommends to the Mayor a schedule of rates, fees and other charges. The Mayor submits the rate schedule to the Board of Supervisors. The Board of Supervisors has the power to accept or reject the proposed rate schedule within 30 days.

Administrative Code Appendix 39 (Prop H) prohibits increases in water and clean water rates through July 1, 2006, with certain limited exceptions.

Financing. Revenue bonds can be issued with majority approval of the voters. Revenue bonds can also be issued with a $\frac{3}{4}$ approval of the Board of Supervisors

- (1) for water and clean water to comply with a state or federal order; or
- (2) for water if used for the reconstruction or replacement of existing water facilities.

The PUC, with Board of Supervisors approval, can issue water or clean water refunding bonds so long as issuance results in net debt service coverage savings. The PUC, with Board of Supervisors approval, can enter into loans with the State or Federal Government to protect, preserve or enhance water resources or the environment, subject to a number of conditions, including a requirement that the loan must either not increase the amount of voter approved debt or refund existing bonds and result in net debt service savings.

The Charter specifies the flow of funds for water and clean water revenues. The Charter priorities do not conform to the priorities required by existing bond indentures.

Amendments to Current Law

Surplus Revenues. Grants authority to the PUC to capture all surplus funds certified by the Controller from hydropower assets (i.e. Hetch Hetchy) or water and clean water assets (i.e. the sale of real property or revenues from leases), to the extent allowable by any bond covenants, for the costs of operation, repair, and maintenance of the power, water and clean water systems. In this way the PUC must use surplus revenues from power to meet the needs of its water and clean water utilities before the money could be used for any other purpose. Only if the PUC unanimously, upon the recommendation of the General Manager, and with the concurrence of $\frac{3}{4}$ of the Board of Supervisors, determines the surplus is not needed for any such utility purposes, and makes the findings currently required under the Charter, could any portion of the surplus be transferred to the General Fund.

Planning and Reporting. Adds a new requirement that the PUC annually update, review, conduct public hearings on, and adopt a 10-year capital improvement program and a long-range financial plan. This review and public process would serve ultimately as the basis for the PUC to issue revenue bonds, enter into loans, or issue other forms of indebtedness. Adds a new requirement that the PUC develop and approve a long-term strategic plan – after public review - and update it periodically.

Citizen Advisory Committee. Adds a new provision in the Charter providing that the Board of Supervisors – upon consultation with the General Manager of the PUC shall establish a citizen's advisory committee.

Hiring and Personnel. The PUC would have the authority to enter into an individual employment contract with the General Manager. The General Manager would have the authority to enter into one individual employment contract, subject to Commission approval, with the employee assigned to oversee the Capital Improvement Program.

Contracting. The PUC would have authority to enter into agreements for purchase of water, sale of water to wholesale customers and Joint Powers agreements with wholesale customers without Board of Supervisors' approval. The PUC would have the authority to enter into Project Labor Agreements as legally appropriate.

Rate Setting. The PUC would retain the power to set rates, fees and other charges in connection with providing the utility services under its jurisdiction. The PUC would be required to:

Establish retail rates and charges at levels sufficient to improve the financial condition and bond ratings of each enterprise under its jurisdiction, meet requirements and covenants under all bond resolutions, indentures and loan agreements, and provide sufficient resources for the continued operation, adequate maintenance and repair and financial health of such enterprises, all in accordance with good utility practice;

Set retail rates and charges based on the cost of providing service to customers; conduct all studies mandated by applicable state and federal laws to implement connection fees for water and clean water facilities servicing new development;

Conduct studies of rate-based conservation incentives and lifeline rates and similar rate structures to provide assistance to low income users, and take such factors into account when establishing rates and charges, in accordance with applicable state and federal laws;

Retain an independent rate consultant to conduct rate and cost of service studies for its utilities at least every five years.

The PUC General Manager would be required to annually prepare a rolling 5-year forecast of rates, fees and other charges. A Rate Fairness Board which would be created. It would consist of seven members: the Treasurer (or designee), the Controller (or designee), the Director of the Mayor's Office of Public Finance (or designee); two residential customers, one appointed by the Mayor and one by the Board of Supervisors; and two business customers, a large business customer appointed by the Mayor, and a small business customer appointed by the Board of Supervisors. The Rate Fairness Board would

- Annually review the PUC General Manager's five-year rate forecast and rate recommendations;
- Conduct one or more public hearings with respect to annual rate recommendations;
- Provide a report and recommendations to the Commission with respect to the General Manager's rate recommendations; and
- May, in connection with periodic rate studies, submit to the Commission rate policy recommendations for its consideration, including recommendations to reallocate costs among various utility customer classifications.
- Change the annual ratemaking process by having the proposed rate schedule be subject to approval or rejection of the Board of Supervisors by resolution (rather than by ordinance.)

This rate setting process would replace the current Prop H effective January 3, 2003 for sewer charges and July 2, 2006 for water charges if the voters approve a bond for the PUC's Capital Improvement Program at the November election. If the voters do not approve the bond, the rate setting provisions would also take effect for water on January 3, 2003.

- Financing. The PUC would be
 - Authorized, with 2/3 vote of the Board of Supervisors by ordinance, to issue revenue bonds, notes or other evidences of indebtedness which would be subject to referendum.
 - Enter into loans with the State or Federal Government;
 - Required to secure an independent engineer's analysis before issuing revenue bonds;
 - Required to comply with all bond covenants and contractual provisions necessary to issue debt or enter into government loans validly;
 - Required to comply with all applicable environmental laws, including CEQA.
- From the flow of funds that the Charter specifies, there would be added an exception that provides that if a utility has a pre-existing bond indenture that specifies a different priority of funds, the priority specified in the bond indenture would control.
- The PUC would be authorized to enter into agreements with other governmental entities, including the proposed San Francisco Bay Area Regional Financing Authority, in connection with financing and constructing capital projects that benefit San Francisco and its regional customers. Such agreements may provide for the issuance of debt on behalf of San Francisco.

Item 4 - File 02-0887

Note: This item was continued by the Rules and Audits Committee at its meeting of June 25, 2002.

Proposed Ballot Measure:

A proposal to the qualified electors of the City and County of San Francisco to amend the Charter of said city and county by creating a new Article VIII B by adding Sections 8B.120 through 8B.128, amending Section 9.111-1 and 4.112, and deleting Section 16.103 to establish exclusive control of water and clean water utilities; rate setting standards and methods; transfer of surplus funds between utilities; independence in contracting, purchasing, hiring and selection of providers; reporting and planning requirements; revenue bonds or other financing methods.

Draft: Second

Sections Affected: Sections 9.111-1, 4.112, and 16.103.

Description: According to Ms. Vicki Clayton of the City Attorney's Office, the proposed Charter Amendment, if approved by the voters, would:

- (a) Clarify that the Public Utilities Commission (PUC) has exclusive control of the City's water and clean water assets. These utility assets comprise the Hetch Hetchy water and power system, and the City's sewerage system.
- (b) Modify the annual PUC budget process. Under existing law, the PUC budget is subject to Mayoral and Board of Supervisors approval. The Board of Supervisors may amend the proposed annual appropriation so long as it does not increase the total expenditures for any fund. Under the proposed Charter Amendment, the PUC would propose a budget that the Mayor would be obligated to include in the annual appropriation ordinance and the Board of Supervisors would be limited to approving or rejecting, but could not modify, so long as the budget did not require any General Fund monies. However, if the

BOARD OF SUPERVISORS
BUDGET ANALYST

proposed budget did require General Fund monies, then both the Mayor and the Board of Supervisors could modify the budget so that no General Fund monies are required. The PUC would be able, at any time, to adopt a supplemental budget to modify the base budget based upon utility revenues, if there was no need for General Fund monies. The same approval process as above would apply to such supplemental budgets, meaning that the Board of Supervisors could not modify such supplemental budgets.

- (c) Establish rate setting sufficient to meet the water and clean water systems' operational, maintenance, and financial needs while protecting retail ratepayers, reducing the interest paid on bonds and other indebtedness, and ensuring public review. Under existing law, the PUC recommends a schedule of rates, fees, and other charges to the Mayor who, in turn, submits the schedule to the Board of Supervisors for approval. Under the proposed Charter Amendment, the PUC would retain the power to set rates, fees, and other charges, but would also be required to establish retail rates and charges based on the cost of providing services to customers, with the goal of improving the financial condition and bond ratings of each enterprise under the PUC's jurisdiction. Each year, the PUC would be required to prepare a rolling five-year forecast of rates, fees, and other charges to be reviewed by a newly constituted Rate Fairness Board.¹ The proposed Charter Amendment would change the annual rate-setting process by having the proposed rate schedule be subject to approval or rejection by the Board of Supervisors by resolution, rather than ordinance. The PUC would also be required to (a) study rate-based conservation incentives and how best to provide assistance to low income users, and (b) retain an independent rate consultant to conduct rate and cost of service studies for PUC utilities at least every five years.

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- (d) If the Charter Amendment is approved, it would supercede Proposition H which freezes water and clean water rates through July 1, 2006, with certain exceptions.
- (e) Establish the PUC as an independent revenue department with the ability to transfer funds from one utility to another prior to any transfer to the General Fund. Under existing law, the PUC cannot transfer funds from one utility (for example, power) to another (for example, water or clean water). It can only, with the concurrence of two-thirds of the Board of Supervisors, transfer surplus funds to the General Fund. According to Ms. Clayton, the proposed Charter Amendment would grant the PUC authority to capture (a) all Hetch Hetchy surplus funds certified by the Controller, (b) the proceeds from property sales, and (c) lease revenues, to the extent allowable by bond covenants, for the costs of operating, repairing, and maintaining the water and clean water systems. In this way, the PUC may, for example, use surplus revenues from power to meet the needs of its water and clean water utilities before the surplus funds can be used for any other purpose, according to Ms. Clayton. Only if the PUC unanimously determines, with the concurrence of three-quarters of the Board of Supervisors, that surplus funds are not needed for any such utility purpose, could any portion of the surplus be transferred to the General Fund. The intent of this proposed Charter change is to provide the PUC with greater flexibility to fund the needs of each of the utilities under its jurisdiction as well as to protect the PUC from undue financial pressures to contribute to the City's General Fund, according to Ms. Clayton.
- (f) Permit the PUC to exercise greater independence in contracting, purchasing, and selecting the providers of goods and services. Under existing law, the Civil Service Commission approves temporary professional services contracts, and the Board of Supervisors approves all non-construction contracts in excess of \$10,000,000 or ten years in duration, and any contract amendments which have an impact of more than

BOARD OF SUPERVISORS
BUDGET ANALYST

\$500,000. Under the proposed Charter Amendment, the PUC would have the authority, without Board of Supervisors approval, to enter into (a) water purchase and sale agreements and joint powers agreements, (b) construction-related personal services contracts for up to \$50,000,000 or a ten-year term, and contract amendments for up to \$1,000,000 or 40 percent of the original contract, whichever is greater, and (c) contracts to purchase construction materials and equipment. With regard to construction materials and equipment contracts, the PUC would not be required to obtain the Purchaser's approval. The intent of this proposed Charter change is to allow the PUC to enter independently into contracts and to purchase supplies and equipment without delay, according to Ms. Clayton.

- (g) Require the development of long-term capital, financial, and strategic plans. Under existing law, the PUC is only required to include multi-year budgets for capital improvements and facilities in its annual appropriations ordinance authorized by the Board of Supervisors each fiscal year. Under the proposed Charter Amendment, the PUC would be required to annually update, review, conduct public hearings on, and adopt a ten-year capital improvement program and a long-range financial plan. The PUC would also be required to periodically develop, review, and approve a long-term strategic plan.
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ensure that the PUC's capital improvement plan is completed expeditiously, according to Ms. Clayton.

- (i) Permit the financing of needed capital improvements through revenue bonds or other financing methods. Under existing law, revenue bonds require either voters' majority approval or, under certain circumstances, approval of three-quarters of the Board of Supervisors². The PUC, with Board of Supervisors approval, can (a) issue water or clean water revenue bonds so long as issuance results in net debt service coverage savings, and (b) enter into State or Federal loans to protect or enhance water resources or the environment, subject to a requirement that the loan not increase the amount of voter-approved debt or refund existing bonds and result in net debt service savings. Ms. Clayton states that the Charter specifies the flow of funds for water and clean water revenues but such Charter priorities do not conform to the priorities required by existing bond indentures. Under the proposed Charter Amendment, an exception would be added that provides that if the utility has a pre-existing bond indenture that specifies a different priority of funds, then the priority specified in the bond indenture would predominate. The PUC would be required to secure an independent engineer's analysis before issuing such revenue bonds. The PUC would be authorized to enter into agreements with other governmental entities, including the proposed San Francisco Bay Area Regional Financing Authority³, in connection with financing and constructing capital projects that benefit San Francisco and its regional customers. Such agreements may provide for the issuance of debt on behalf of San Francisco.
- (j) Give the Board of Supervisors the ability to establish a Citizen Advisory Committee if it is not duplicative of

² Three-quarters approval of the Board of Supervisors is required for (a) compliance with State or Federal water and clean water orders, and (b) reconstruction or replacement of existing water facilities.

³ Ms. Clayton states that the proposed San Francisco Bay Area Regional Financing Authority is currently being set up by the State Legislature (Spier 1870).

other existing committees. Existing law does not provide for such a committee.

Comments:

1. Attachment I, provided by the PUC, summarizes the PUC's analysis of the costs and benefits of the proposed Charter Amendment.
2. Proposed Section 8B.121(e)(1) would provide for the General Manager to be appointed by the PUC, rather than by the Mayor choosing from a shortlist of three candidates chosen by the PUC as is the current practice⁴, and to be employed under an individual contract, rather than as a member of the Municipal Executives Association, as is currently the case. The General Manager's compensation would be comparable to the compensation of United States chief executive officers of public water, waste water, and/or power systems, after an independent survey determines which positions most closely resemble the PUC. The proposed Charter Amendment does not specify by whom the independent survey would be conducted. In addition, the PUC shall provide an incentive compensation bonus plan for the General Manager based on performance goals established by the Commission.
3. The Budget Analyst notes that under this Charter Amendment, the PUC may not transfer surplus Hetch Hetchy funds to the City's General Fund. The last six years' transfers from Hetch Hetchy to the General Fund, were as follows:

⁴ Under the Charter's existing Section 3.100(18), the Mayor has the power to appoint departmental heads, and under the Charter's existing Section 4.102(5), the PUC has the authority to submit three qualified candidates to the Mayor from which he can select the PUC General Manager.

| <u>Year</u> | <u>Hetch Hetchy Transfer to General Fund</u> |
|--------------------------|--|
| FY 1996-97 | \$37,703,000 |
| FY 1997-98 | \$45,703,000 |
| FY 1998-99 | \$42,703,000 |
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| FY 2000-2001 | \$29,850,000 |
| FY 2001-2002 | \$0 |
| FY 2002-2003 (projected) | \$0 |

4. The Budget Analyst notes that the subject Charter Amendment's proposal to permit the PUC to exercise greater independence in contracting, purchasing, and selecting providers of goods and services would permit the PUC to enter into certain contracts without Board of Supervisors review or approval.

5. In Attachment I, the PUC estimates costs for periodic cost-of-service based rate studies (up to \$200,000 every five years), increased legal counsel (approximately \$300,000 annually), and miscellaneous expenditures necessary to organize and run PUC meetings (approximately \$10,000 annually). The PUC notes that there are various personnel matters for which costs cannot be readily quantified at this time.

6. As of the writing of this report, the Controller's Office has not completed its estimates of the cost of the proposed Charter Amendment pending amendments to the proposal. As stated in Attachment II, the Controller will prepare a cost estimate when the major provisions of this Charter Amendment are finalized.

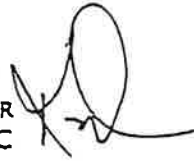
Recommendation:

Approval of the proposed Charter Amendment is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

DATE: JUNE 20, 2002

TO: BOARD OF SUPERVISORS BUDGET ANALYST
FROM: BILL BERRY, ASSISTANT GENERAL MANAGER
FOR FINANCE & ADMINISTRATION, SFPUC



SUBJECT: RE: FILE 02-0887 - COSTS AND BENEFITS OF THE PROPOSED CHARTER AMENDMENT FOR WATER AND CLEAN WATER SERVICES

The Charter Amendment, which would establish a new article VIII B by adding Sections 8B.120 - 128, amend sections 9.111-1 and 4.112, and delete section 16.103, articulates new and changed PUC oversight responsibilities, and ongoing administrative and management framework. From the perspective of SFPUC management, the following are the anticipated costs and benefits of this Charter Amendment.

COSTS

While the proposed changes would provide significant benefits as outlined below, they would nonetheless entail additional costs to effect a new PUC business model. It should be noted that the costs outlined herein do not represent an exhaustive list, but rather a compilation of certain known and obvious costs at this time. There are some items that the SFPUC cannot adequately quantify at this time, and potentially other unanticipated costs that could materialize in the future. The projected costs are as follows:

☒ **PERIODIC COST OF SERVICES STUDIES**

The estimated cost of conducting a cost-of-service based rate study every five years is within a range of \$120,000 to \$200,000 per study.

☒ **INCREASED LEGAL COUNSEL COST**

It is anticipated that legal counsel cost would increase by approximately \$300,000 annually, consistent with the anticipated level of various contracts and agreements pursuant to the Charter Amendments.

☒ **RATE FAIRNESS BOARD**

An annual cost of \$10,000 is projected for miscellaneous expenditures necessary to organize and run the meetings of this board.

☒ **PERSONNEL COSTS**

There are various other personnel related matters with costs that cannot be readily quantified at this time. The PUC will engage in a study and review of these personnel matters to come up with cost estimates. These include but not limited to; (a) benchmarking executives and managers salaries and bonuses to industry standards, (b) personnel cost of executing individual employment contracts, and (c) setting up and managing separate workers compensation program.

BENEFITS

The benefits of this proposed Charter Amendment would be significant, including:

☒ **IMPLEMENT BEST PRACTICE**

The amendment provides the SFPUC with an efficient, effective and streamlined operating framework to conduct the water and clean water business consistent with best practice in the industry.

☒ **FUNDING FOR THE SFPUC'S CAPITAL IMPROVEMENT PROGRAM**

The Charter Amendment would provide authorization, with Board of Supervisors approval, to issue Revenue Bonds and other forms of indebtedness to fund the SFPUC's recently approved CIP.

☒ **ENDING THE PROPOSITION H RATE FREEZE**

The Charter Amendment would replace the rate freeze with a new mechanism for approving future rate increases. This is necessary to reverse the financial deterioration (low and declining reserve, potential deficit, and declining bond rating) that has particularly affected the Clean Water Enterprise.

☒ **MANAGEMENT FLEXIBILITY**

The Charter Amendment would provide a number of specific reforms that would enhance the SFPUC's control over its operations, the ability to undertake the capital program, to efficiently manage operational and financial affairs, and to insure a high level of accountability in the performance of PUC business. It is expected that many of these reforms would enable the SFPUC to streamline the time and costs required to undertake hiring, contracting and other business activities, however, it is not possible to quantify the costs or potential savings at this time.

SUMMARY

As outlined, the foregoing represents SFPUC management projection of known costs and anticipated benefits of the Charter Amendments. These are by no means an exhaustive list as SFPUC is continuing to study the potential costs and benefits accruing to each enterprise and our customers as a result of these changes. SFPUC will update the BOS Budget Analyst and the members of the BOS with any new findings as additional information becomes available.

☒ ☒ ☒

If you have any questions or desire additional information, please email me at wberry@puc.sf.ca.us or call me at (415) 554-2457.

Enclosures



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

June 21, 2002

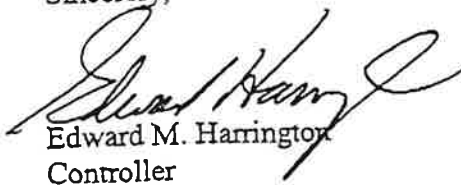
Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 020887
Charter Amendment to create a new Article VIII B to add Sections 8B.120 through 8B.128, amend Section 9.111-1 and 4.112 and delete Section 16.103 to establish exclusive control of water and clean water utilities; rate setting standards and methods; transfer of surplus funds between utilities; independence in contracting, purchasing, hiring and selection of providers; reporting and planning requirements; revenue bonds or other financing methods.

Dear Ms. Young:

It is my understanding that amendments to this proposal are being prepared at this time. When the major provisions of this Charter proposal are known, my office will prepare a cost estimate.

Sincerely,


Edward M. Harrington
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

Item 7 - File 02-0887

**Proposed Ballot
Measure:**

A proposal to the qualified electors of the City and County of San Francisco to amend the Charter of said city and county by creating a new Article VIII B by adding Sections 8B.120 through 8B.128, amending Section 9.111-1 and 4.112, and deleting Section 16.103 to establish exclusive control of water and clean water utilities; rate setting standards and methods; transfer of surplus funds between utilities; independence in contracting, purchasing, hiring and selection of providers; reporting and planning requirements; revenue bonds or other financing methods.

Draft: Second

Sections Affected: Sections 9.111-1, 4.112, and 16.103.

Description: According to Ms. Vicki Clayton of the City Attorney's Office, the proposed Charter Amendment, if approved by the voters, would:

- (a) Clarify that the Public Utilities Commission (PUC) has exclusive control of the City's water and clean water assets. These utility assets comprise the Hetch Hetchy water and power system, and the City's sewerage system.
- (b) Modify the annual PUC budget process. Under existing law, the PUC budget is subject to Mayoral and Board of Supervisors approval. The Board of Supervisors may amend the proposed annual appropriation so long as it does not increase the total expenditures for any fund. Under the proposed Charter Amendment, the PUC would propose a budget that the Mayor would be obligated to include in the annual appropriation ordinance and the Board of Supervisors would be limited to approving or rejecting, but could not modify, so long as the budget did not require any General Fund monies. However, if the proposed budget did require General Fund monies, then both the Mayor and the Board of Supervisors could modify the budget so that no General Fund

monies are required. The PUC would be able, at any time, to adopt a supplemental budget to modify the base budget based upon utility revenues, if there was no need for General Fund monies. The same approval process as above would apply to such supplemental budgets, meaning that the Board of Supervisors could not modify such supplemental budgets.

(c) Establish rate setting sufficient to meet the water and clean water systems' operational, maintenance, and financial needs while protecting retail ratepayers, reducing the interest paid on bonds and other indebtedness, and ensuring public review. Under existing law, the PUC recommends a schedule of rates, fees, and other charges to the Mayor who, in turn, submits the schedule to the Board of Supervisors for approval. Under the proposed Charter Amendment, the PUC would retain the power to set rates, fees, and other charges, but would also be required to establish retail rates and charges based on the cost of providing services to customers, with the goal of improving the financial condition and bond ratings of each enterprise under the PUC's jurisdiction. Each year, the PUC would be required to prepare a rolling five-year forecast of rates, fees, and other charges to be reviewed by a newly constituted Rate Fairness Board.¹ The proposed Charter Amendment would change the annual rate-setting process by having the proposed rate schedule be subject to approval or rejection by the Board of Supervisors by resolution, rather than ordinance. The PUC would also be required to (a) study rate-based conservation incentives and how best to provide assistance to low income users, and (b) retain an independent rate consultant to conduct rate and cost of service studies for PUC utilities at least every five years.

(d) If the Charter Amendment is approved, it would supercede Proposition H which freezes water and

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- (j) Give the Board of Supervisors the ability to establish a Citizen Advisory Committee if it is not duplicative of other existing committees. Existing law does not provide for such a committee.

² Three-quarters approval of the Board of Supervisors is required for (a) compliance with State or Federal water and clean water orders, and (b) reconstruction or replacement of existing water facilities.

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Comments:

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Memo to Rules and Audits Committee
June 25, 2002 Special Rules and Audits Committee Meeting


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6. As of the writing of this report, the Controller's Office has not completed their estimates of the cost of the proposed Charter Amendment. The Controller will be providing such estimates directly to the Rules and Audits Committee.

Recommendation:

Approval of the proposed Charter Amendment is a policy matter for the Board of Supervisors.

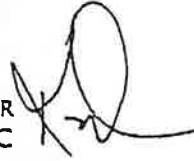


Harvey M. Rose

cc: Supervisor Hall
Supervisor Gonzalez
Supervisor Sandoval
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

DATE: JUNE 20, 2002

TO: BOARD OF SUPERVISORS BUDGET ANALYST
FROM: BILL BERRY, ASSISTANT GENERAL MANAGER
FOR FINANCE & ADMINISTRATION, SFPUC



SUBJECT: RE: FILE 02-0887 - COSTS AND BENEFITS OF THE PROPOSED CHARTER AMENDMENT FOR WATER AND CLEAN WATER SERVICES

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✧ ✧ ✧

If you have any questions or desire additional information, please email me at wberry@puc.sf.ca.us or call me at (415) 554-2457.

Enclosures



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street, Suite 500 San Francisco, California 94103-2414

MAIN NUMBER
(415) 558-6378

DIRECTOR'S OFFICE
PHONE: 558-6411
4TH FLOOR
FAX: 558-6426

ZONING ADMINISTRATOR
PHONE: 558-6350
5TH FLOOR
FAX: 558-6409

PLANNING INFORMATION
PHONE: 558-6377
MAJOR ENVIRONMENTAL
FAX: 558-5991

COMMISSION CALENDAR
INFO: 558-6422
INTERNET WEB SITE
WWW.SFGOV.ORG/PLANNING

MEMO

Date: July 10, 2002

To: Debra Muccino, Board of Supervisors, Rules Committee Clerk

From: Darwin L. Helmuth, Planner III

Re: Proposed Charter Amendments

I have reviewed the following draft Charter Amendment versions and have determined that they are exempt from environmental review pursuant to State CEQA Guidelines, Section 15378(b)(2). The draft Charter Amendments reviewed were:

- File No. 011656 – Second Draft
- File No. 012056 – Third Draft
- File No. 020805 – Second Draft
- File No. 020882 – Third Draft
- File No. 020884 – Third Draft
- File No. 020885 – Second Draft
- File No. 020886 – Third Draft
- File No. 020887 – Third Draft
- File No. 020888 – Fourth Draft

If you have any questions regarding the above determinations, please contact me at 558-5971.

Deborah Muccino

To: Ed Harrington/CON/SFGOV@SFGOV

cc:

07/08/2002 07:42 PM

Subject: New versions of charter amendments for 7-10-02 meeting.

Attached are copies of all the charter amendments which were revised on 7/5/02 and will be re-heard on 7/10/02 at the Special Rules meeting beginning at 2:30 p.m.

Please note: 020938 (retirement benefits, miscellaneous employees) did not change, while 011957 (Daly's version of the Public Advocate) was filed.

Please call me if you have any questions.

Deborah Muccino
Rules Committee Clerk
554-4447

 020884-3 Supervisors Salaries Civil Service Comm..doc

 020805-2 Entertainment Commission.doc


 020882-2 Public Advocate.doc

 020885-2 Paid Parental leave.doc

 020888-4 Role of City Employees in Elections.doc

 020887-3 Municipal Water and Power Agency.doc

 011656-2 Public Utilities Commissioners.doc

 012056-3 Energy Changes to PUC.doc



Edward Harrington
Controller

June 21, 2002

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

RE: File Number 020887
Charter Amendment to create a new Article VIII B to add Sections 8B.120 through 8B.128, amend Section 9.111-1 and 4.112 and delete Section 16.103 to establish exclusive control of water and clean water utilities; rate setting standards and methods; transfer of surplus funds between utilities; independence in contracting, purchasing, hiring and selection of providers; reporting and planning requirements; revenue bonds or other financing methods.

Dear Ms. Young:

It is my understanding that amendments to this proposal are being prepared at this time. When the major provisions of this Charter proposal are known, my office will prepare a cost estimate.

Sincerely,


Edward M. Harrington
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

JUN-21-2002 14:56

CIVIL SERVICE COMMISSION



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

DONALD A. CASPER
PRESIDENT

MORGAN R. GORRONO
VICE PRESIDENT

ADRIENNE PON
COMMISSIONER

LINDA RICHARDSON
COMMISSIONER

ROSABELLA SAFONT
COMMISSIONER

KATE FAVETTI
EXECUTIVE OFFICER

Date: June 21, 2002

To: Gloria Young
Clerk of the Board

From: Kate Favetti
Executive Officer, Civil Service Commission

Subject: **Civil Service Commission Immediate Response to Proposed Charter Amendments**

Charter Amendment – Municipal Water and Power: Charter Amendment (Ammiano) Charter Amendment to add a new Chapter 8B to eliminate the Public Utilities Commission and to form a Municipal Water and Power Utilities Commission (BOS File 012056)

Charter Amendment – Municipal Water and Power: Charter Amendment (Ammiano) eliminating the Public Utilities Commission and forming a Municipal Water and Power Utilities Commission (BOS File 020887)

The Civil Service Commission acted on June 17, 2002 (Vote of 4-0) to direct the Executive Officer to respond to the proposed Charter amendments on salaries of Member, Board of Supervisors with the following points:

The Civil Service Commission underscores the necessity to maintain a merit system for the employment of qualified persons performing functions funded through public funds.

The Civil Service Commission further directed the Executive Officer to continue discussion with various parties on the proposed amendments.

Should you have any questions or concerns I am available at 252-3250.

cc: Donald A. Casper, President, CSC
Morgan R. Gorrone, Vice President, CSC
Adrienne Pon, Commissioner
Linda Richardson, Commissioner
Rosabella Safont, Commissioner
Marie Corlett Blits, City Attorney
Debra Newman, Budget Analyst Office



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street, Suite 500 San Francisco, California 94103-2414

MAIN NUMBER
(415) 558-6378

DIRECTOR'S OFFICE
PHONE: 558-6411
4TH FLOOR
FAX: 558-6426

ZONING ADMINISTRATOR
PHONE: 558-6350
5TH FLOOR
FAX: 558-6409

PLANNING INFORMATION
PHONE: 558-6377
MAJOR ENVIRONMENTAL
FAX: 558-5991

COMMISSION CALENDAR
INFO: 558-6422
INTERNET WEB SITE
WWW.SFGOV.ORG/PLANNING

MEMO

Date: July 22, 2002

To: Debra Muccino, Board of Supervisors, Rules Committee Clerk

From: Darwin L. Helmuth, Planner III

Re: Proposed Charter Amendments

I have reviewed the following final draft Charter Amendment versions and have determined that they are exempt from environmental review pursuant to State CEQA Guidelines, Section 15378(b)(2). The draft Charter Amendments reviewed were:

File No. 012056 – Sixth Draft
File No. 020887 – Fifth Draft
File No. 021253 – Second Draft

If you have any questions regarding the above determinations, please contact me at 558-5971.



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MEMO

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MEMO

Date: July 15, 2002

To: Debra Muccino, Board of Supervisors, Rules Committee Clerk

From: Darwin L. Helmuth, Planner III

Re: Proposed Charter Amendments

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File No. 020805 – Third Draft
File No. 020886 – Fourth Draft
File No. 020887 – Fourth Draft
File No. 020888 – Fifth Draft
File No. 021253 – First Draft
File No. 021254 – First Draft

If you have any questions regarding the above determinations, please contact me at 558-5971.