

## SFPUC Response to Proposed BLA Cuts

At the direction of the Mayor and the Board of Supervisors, the SFPUC has been extremely judicious in avoiding new headcount in this budget cycle. The agency originally proposed 65 new FTE, reduced the request to 42 in the submission to the Mayor's Office, and then further reduced the proposal to just 13 in the board submittal.

We appreciate the BLA's role in reviewing our budget and have agreed to almost all of their proposed reductions. However, we cannot agree to several recommendations that remain, including **the deletion of four vacant positions and the downward substitution of two positions. We have submitted a counterproposal to the BLA that offers equivalent savings without deleting or downgrading positions.**

Importantly, none of the remaining positions at issue add new headcount to the budget. These are existing positions that have been budgeted for years, positions currently being filled temporarily for ongoing work, or classification substitutions needed to meet evolving operational demands.

Some of the positions have been vacant for some time, but that really reflects how difficult hiring has become over the last 18 months, with hiring freezes and additional approval layers. At this point, the average civil service hire takes roughly eight months, so vacancies, unfortunately, do not reflect a lack of operational need.

The mayor's office requires that every single position the SFPUC goes to hire be subject to their approval. This process has allowed the mayor's office to hold SFPUC positions open to potentially absorb staff subject to layoffs in General Fund departments.

As an enterprise department, cuts to the SFPUC budget do not create discretionary General Fund savings for citywide addbacks. At the same time, eliminating these positions reduces flexibility to potentially absorb employees impacted by layoffs elsewhere in the City.

We would appreciate your support in rejecting the remaining proposed cuts and allowing the SFPUC to maintain the operational staffing flexibility needed to continue delivering reliable utility services.

Additional details about the specific disagreements follow below.

## Personnel Cuts

- PUB – 6: The BLA proposes to delete a vacant 0941, Manager VI in the IT Services Division. The SFPUC has offered to downgrade this to an 0933, Manager V, in lieu of deletion.
  - *Position details: This position would provide specialized IT leadership and technical expertise necessary to support the SFPUC’s growing and increasingly complex technology portfolio, including critical systems related to SCADA, public safety, billing, workforce management, AI, cybersecurity, accessibility, disaster recovery, and other City and utility operational priorities, at a time when hiring delays, retirements, and staffing constraints have significantly reduced organizational capacity.*
  
- PUB – 8: The BLA proposes to delete a vacant 0941, Manager VI in the Infrastructure Division. The SFPUC has offered to downgrade this to an 0933, Manager V, in lieu of deletion.
  - *Position details: This position will serve as the division’s deputy AGM to help manage the SFPUC’s \$12.5 billion Capital Improvement Program, reduce an unsustainable management structure with 13 direct reports to the AGM, address increasing infrastructure and regulatory demands, and support succession planning following multiple senior retirements.*
  
- HH – 2: The BLA proposes to downgrade a vacant 0933, Manager V to an 0931, Manager III. The SFPUC has offered various non-personnel savings in the counterproposal.
  - *Position details: This position would oversee the SFPUC’s highly complex electricity supply planning, procurement, regulatory compliance, and portfolio risk management functions for CleanPowerSF and Hetch Hetchy Power, managing one of the Enterprise’s largest financial and operational risk areas in an increasingly competitive and complex energy market. Recruitment and retention for this position have historically been difficult due to intense competition for experienced power supply professionals.*
  
- HH – 6: The BLA proposes to deny the proposed upward substitution from one 5602 Utility Specialist to one 1825 Principal Administrative Analyst II and delete the position. This is a temporary-to-permanent conversion with an existing employee in a temporary role. The SFPUC has offered attrition savings in the counterproposal.
  - *Position details: This position would provide advanced business and financial analysis support for Hetch Hetchy Power and CleanPowerSF, including complex forecasting, load and revenue analysis, capital planning, and evaluation of sophisticated power agreements and proposals necessary to support the rapidly expanding scale and operational complexity of the Power Enterprise.*
  
- WTR – 2: The BLA proposes to deny the proposed upward substitution of one 7250 Utility Plumber Supervisor I Position Title to one 0932 Manager IV and instead substitute the position

with one 7120 Building and Grounds Maintenance Superintendent. The SFPUC has offered attrition savings in the counterproposal.

- *Position details: This position would provide division-wide operational leadership over critical Water Division facilities, building systems, SCADA oversight, security operations, contract management, emergency coordination, and the Division's planned headquarters relocation, while supporting long-term infrastructure reliability, operational continuity, and capital planning needs that exceed the scope of the proposed classification. The 7120 proposed classification is not appropriate for the level of administrative and contract-management experience required for this role.*
- WTR – 3: The BLA proposes to deny a proposed upward substitution of one 7388 Utility Plumber to one 1824 Principal Administrative Analyst and delete the position. The SFPUC has offered attrition savings in the counterproposal.
  - *Position details: This position would provide analytical, operational, and asset management support for the Water Division's expanding preventive maintenance and infrastructure management programs, including data analysis, budget and reporting oversight, CMMS and GIS system support, and long-term planning efforts aimed at improving reliability, extending asset life, and reducing future capital costs.*

#### Non-Personnel Cuts

HH – 4: The BLA proposes rejecting a drone purchase that the SFPUC intends to use to inspect overhead lines. The SFPUC has offered alternative programmatic cuts in the counterproposal.

HH – 8: The BLA proposes deleting a replacement truck purchase for up-country operations near Hetch Hetchy. The existing truck is over 13 years old. The SFPUC has offered alternative programmatic cuts in the counterproposal.

WTR – 6: The BLA proposes rejecting one new sedan for our Water Quality team which traverses the region collecting and testing water samples. The SFPUC has offered alternative savings in the counterproposal.

WTR – 9: The BLA proposes denying replacement trucks for our Water Supply and Treatment Division, which oversees a complex water supply and treatment system stretching from the Tesla Treatment Facility in San Joaquin County to San Francisco. Staff travel the region to perform maintenance and inspections on reservoirs, tunnels, pipelines, and treatment facilities. The SFPUC has agreed to cut two of the four trucks.

## Policy Recommendations

Finally, we want to comment on the BLA Policy Recommendations highlighting all of the vacant management positions in the department.

The PUC's vacancy rate is around 10% today, although our management vacancy rate is higher – around 15%.

As noted above, this is almost entirely the result of a very challenging and constantly changing hiring process over the last 18 months. Management positions have been subject to even greater scrutiny.

In many cases, this has meant prioritizing hiring front-line staff based on when eligible lists are available while asking existing employees to fill interim roles or take on added responsibilities.

We understand the citywide focus on these management positions, and it's for that reason that in this budget, we only proposed new managers in a handful of field-based utility operations in our enterprises.

The SFPUC has committed to the mayor's office to conduct a holistic overview of management classifications across the PUC to ensure there's equity and alignment across all divisions, from management at our headquarters all the way out to our field offices across the region. We can provide updates to you all on that process in the year ahead.

We respectfully ask for your support in rejecting the policy recommendations affecting these vacant management positions at this time so that we can conduct that analysis and continue delivering safe, reliable, and financially responsible utility services.













