



March 22, 2024

Supervisor Shamann Walton
 1 Dr. Carlton B. Goodlett Place
 San Francisco, Ca. 94102

Dear Supervisor Walton,

I hope this message finds you well. I am writing to follow up on your request regarding the management and procurement of an independent third-party study, in response to Recommendation 1 of the June 2022 Civil Grand Jury Report titled "Buried Problems and a Buried Process: The Hunters Point Shipyard in the Time of Climate Change."

By September 1st, 2022, the Mayor and/or the City Administrator should direct the Office of Resilience and Capital Planning, in collaboration with the Department of Public Health, to commission and manage an independent, third-party study of Hunters Point Shipyard to predict the future shallow groundwater surface, groundwater flows, and potential interactions of groundwater with hazardous materials and planned modifications to the site under multiple sea level rise scenarios.

I appreciate your efforts in advancing this study and securing funding for it. However, during the recent discussions at the Budget and Appropriations Committee on Wednesday, March 20, 2024, there was a suggestion to shift the funding responsibility to the San Francisco Public Utilities Commission (SFPUC). While the SFPUC is open to collaboration with you and the Office of Community Investment and Infrastructure (OCII) to facilitate this study, I want to reiterate and confirm that I do not see this as an expense that can be borne by the SFPUC's ratepayers.

The California Constitution explicitly prohibits the use of utility ratepayer revenue for general government services. It mandates that rates be proportional to the cost of providing utility service and not exceed the cost of service delivery. This provision ensures that ratepayers are not burdened with funding services that should be supported by general taxation. The SFPUC's revenue is generated almost entirely through the rates charged for water, power, and sewer service and that revenue must be spent in a way that directly supports the delivery of those services.

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Anthony Rivera
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Newsha K. Ajami
 Commissioner

Sophie Maxwell
 Commissioner

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Dennis J. Herrera
 General Manager



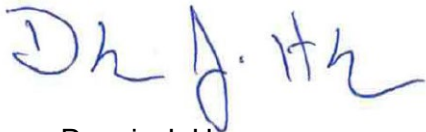
If the SFPUC were to contribute to funding for the study, it would need to be strictly limited in scope to assessing the impacts of sea level rise on the utility's infrastructure. Additionally, depending on which enterprise funded the study, the scope would need to be confined to the impacts on that specific system alone. For instance, if funding were sourced from the Wastewater Enterprise, the study would only be able to consider the impact of sea level rise on the sewer system.

The SFPUC has been engaged with citywide resilience, sea level rise, and climate change efforts for decades. We conducted a Long-Term Vulnerability Assessment in 2021 to better plan for the protection of our vital systems and adapt to a changing climate. We are moving forward with the Ocean Beach Climate Change Adaptation Project to protect the Oceanside Treatment Plant on the west side of the city and partnering closely with the Port of San Francisco as they develop the Seawall project to protect the essential infrastructure on the east side. We do not believe an additional study to analyze the impacts of water or sewer infrastructure in Hunters Point is needed at this time, and such a study would not accomplish the goals described by the Civil Grand Jury.

Given the intended scope of this study, which includes analyzing the interactions of groundwater with hazardous materials and potential modifications to the site, and the constraints on SFPUC ratepayer funds, an alternative source of funding must be identified. If the Board of Supervisors allocates resources, the SFPUC would be more than willing to collaborate with OCII and your office to procure an independent third-party consultant to carry out the study.

Thank you for your attention to this matter, and I look forward to further discussion on how we can move forward collaboratively to address the concerns outlined in the Civil Grand Jury Report.

Sincerely,



Dennis J. Herrera
General Manager

CC: President Aaron Peskin, Supervisor Connie Chan, Supervisor Rafael Mandelman, Supervisor Myrna Melgar, Sheryl Bregman, Anne Pearson