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Director

**CITY AND COUNTY OF SAN FRANCISCO
COMMISSION ON THE ENVIRONMENT
POLICY COMMITTEE**

**REGULAR MEETING APPROVED MINUTES
MONDAY, JANUARY 14, 2013, 5:00 P.M.
CITY HALL, ROOM 421
SAN FRANCISCO, CA 94102**

COMMITTEE MEMBERS: Commissioners Johanna Wald (Chair), Ruth Gravanis (Vice-Chair),
Joshua Arce

ORDER OF BUSINESS

Public comment will be taken before the Committee takes action on any item.

- 1. Call to Order and Roll Call.** The Commission Policy Committee meeting convened at 5:05 p.m. Present: Commissioners Gravanis and Arce. Excused: Commissioner Wald.
- 2. Approval of Minutes of the December 10, 2012 Commission on the Environment Policy Committee Meeting.** (Explanatory Document: December 10, 2012 Draft Minutes) (Discussion and Action) Upon Motion by Commissioner Arce, second by Commissioner Gravanis, the December 10, 2012 Meeting Minutes were approved without objection (AYES: Commissioners Arce and Gravanis; Absent: Commissioner Wald).
- 3. Public Comments:** Members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda. There was no public comment at this time.
- 4. Review of Commission on the Environment Resolution 006-12-COE in support of the Monterey Bay National Marine Sanctuary Expansion.** (Explanatory Document: Resolution 006-12-COE and Proposed Amendments to Resolution) Speakers: Benjamin Grant, Public Realm and Urban Design Program Manager, SPUR and Laura Pagano, Regulatory Program Manager San Francisco Public Utilities Commission (SFPUC) (Discussion and Possible Action)

Director Nutter reported that the Commission passed a Resolution in support of the Monterey Bay National Marine Sanctuary expansion last fall. Since that time, additional issues were brought to the attention of staff that the Committee will be hearing reports about and making recommendations on.

Mr. Benjamin Grant, SPUR, project manager for the Ocean Beach Master Plan, discussed SPUR's involvement with the Ocean Beach Task Force and Ocean Beach Vision Council, which was instrumental in setting forth the grant application that funded the long-term planning process for Ocean Beach. SPUR, which has had a long-term history in open space and coastal management, has been leading a public and interagency process to review technical and jurisdictional challenges of this coastal area that has had a long-term history of erosion in order to develop a long-term policy, especially as conditions worsen when sea-level rise and climate-change set in. A long-term plan that is cited as a model of adaptation planning was developed that consists of a consensus vision that offers a way forward through at least the year 2050. The Plan deals with erosion challenges while protecting access to the coast, threatened species and existing infrastructure that protects coastal-water quality.

Mr. Grant discussed one major highlight of the plan recommendations that is to close the Great Highway south of Sloat Boulevard and through a management tree process, pull back from the coast to allow for a more natural coast to develop, and protect coastal infrastructure using sand dredged by the U.S. Army Corp. He reported on the positive aspects of the Marine Sanctuary Expansion but expressed his concern that a number of key recommendations in the Ocean Beach Master Plan are at odds with National Marine Sanctuary policy. His concerns include: (1) operation of the SFPUC wastewater facility to protect coastal water quality would be difficult to bring into compliance with marine sanctuary requirements, 2) dredging activities to enable ships to pass through the Golden Gate and placement of dredge material taking place at Ocean Beach for coastal protection would be at odds with marine sanctuary policies; and (3) the management tree would be harder to administer taking into consideration restrictions of the marine sanctuary's exclusionary boundary. Mr. Grant reported that the National Oceanic and Atmospheric Association (NOAA) is open to concerns, and discussions are being held about issuing exemptions for key activities. The concern is whether exemptions can be drawn broadly enough to allow adaptive management and what the benefit of designation would be to an already highly regulated coastal and highly used area without the evidence of an imminent threat.

Ms. Laura Pagano, Regulatory Compliance Manager, SFPUC Wastewater Enterprise, reported on the environmental benefits provided by San Francisco's combined wastewater system that treats both sanitary waste and urban storm water, thereby protecting the ocean from contaminants. She stated that in order to treat storm-water, billions of dollars have been invested in this infrastructure that consists of a deep water ocean outfall designed to take advantage of deep ocean currents and transport/storage boxes that hold vast amounts of storm-water until it is transported to the treatment plant. She explained that there are some storms too big to hold all of the storm-water, which results in discharges of wastewater which have received the equivalent of wet-weather primary treatment. The area of concern is that the current sanctuary requirements do not allow less-than-secondary-treated effluents to be discharged into a sanctuary.

Ms. Pagano reported that SFPUC is in support of the environmental benefits that a sanctuary provides and is working with sanctuary staff to address concerns raised about implications to infrastructure. Alternatives are being sought that would solve these difficulties such as having a designation that would be a special type of sanctuary that allows multiple uses. She discussed her concern with endorsement of the expansion of the sanctuary boundaries without taking into account the extensive infrastructure that would take multi-billions of dollars

to change or move to meet the Sanctuary's current requirements that are stated now. Ms. Pagano reported that the Wastewater Enterprise is heavily regulated through the Environmental Protection Agency (EPA) and state and regional water boards and has done an extensive amount of monitoring which has shown no adverse effects from the discharges. She suggested that the Commission Resolution be amended to take into account concerns about wastewater infrastructure use, maintenance and protection.

Ms. Maria Brown, Superintendent, Gulf of the Farallones National Marine Sanctuary, National Oceanic and Atmospheric Administration, reported on public comment received on the proposed expansion ranging from support to comments heard today. She stated that at this time there are no boundary options being considered, there are no proposals, and is at a preliminary stage as to whether to proceed. Based on public comment received, it was decided to move forward to determine what boundary options are possible and what issues to address. Next steps are to develop a Draft Environmental Impact Statement (EIS) and meet with different agencies to identify proposals that will be included in the EIS. She reported that it is hoped that a suite of alternatives with different boundary options and different ways of dealing with the issue will be presented and brought to the public for input. That would be the time for the Commission to become involved and provide feedback about alternatives and boundaries. She stated that there is flexibility to do what is best for the community and the environment and to celebrate San Francisco's successes as well as consider opportunities for and protect the ocean environment.

Commissioner Arce confirmed with Ms. Brown that there is flexibility in the type of dredging that can be accomplished to allow for the flow of commerce and shipping activities, but not run contradictory to the goals of the sanctuary. He inquired whether there is accommodation for having a wastewater discharge system that would not run contradictory to the goals of the sanctuary. Ms. Brown reported that the situation in San Francisco is new in that it is a combined sewer overflow system, and all other systems that have been worked with are just separate sewage treatment. There will be exploration as to whether this is a better system because surface water off the street is being treated resulting in better water quality flowing into a sanctuary, as opposed to a community where they don't treat the surface water and only the sewage.

Commissioner Gravanis read into the record her proposed amendments to Resolution 006-12-COE to address concerns heard today (reference Explanatory Document Amended Draft Resolution). Ms. Pagano suggested further amending the Resolution to be inclusive of the geography of the existing infrastructure. She asked that the Commission also consider SFPUC concerns that there would not be any prohibition for increased discharges through the Southwest Ocean Outfall (SWOO).

Public Comment:

Mr. Eric Brooks, Sustainability Chair, San Francisco Green Party, stated that a combined system may or may not be better, but that it does overload at times and sewage is released into natural areas. In the previous century, San Francisco's issue was separating solid waste and reaching zero waste. He suggested that in this new century, San Francisco should use urban composting toilets and start water recycling. San Francisco should start separating liquid waste and street waste that gets in through storm-water into the system and consider the possibility of not having a combined system and instead treating storm-water and sewage in

different places. There should be a timeline in which SFPUC should be expected to evolve their system so it does not overload and cause discharges. Mr. Eric Brooks discussed his concern with the supply of sand in the bay and the sale of sand by commercial entities.

Ms. Danielle Murray, Renewable Energy Program Manager, Department of the Environment, inquired about how renewable energy development would be addressed within the new sanctuary expansion. Commissioner Gravanis reported that the Resolution contains a clause that states that the Commission does not view the environmental protection goals as inconsistent with the potential development of potential renewable energy resources accompanied by environmental review.

Unidentified speaker stated that his understanding is that the baseline policy is that renewable energy production is permitted but renewable energy research and development (R&D) is not, and in the case of wind and tidal energy, it is all R&D. Ms. Brown reported that it is the reverse--R&D is permitted if it is proved that it works and does not hurt the environment.

Ms. Brown reported that the initial public scoping is complete. The next opportunity for public comment would be when the Draft Environmental Impact Statement (DEIS) is published, which at the earliest would not be until the summer, at which time additional input could be provided into the EIS. Director Nutter suggested that the Policy Committee review and make recommendations to amend the Resolution at its February 11 meeting for recommendation to the full Commission at its March 26 meeting.

Unidentified Speaker suggested that the Commission provide comments sooner than later in order to provide time to analyze comments more thoroughly and then to provide additional comments to the Environmental Impact Statement when it becomes available in early summer.

This agenda item was continued to the February 11, 2013 meeting for the Committee to consider an amended version of the Resolution for recommendation to the full Commission.

5. Briefing on Financing Mechanisms for Renewable Energy and Energy Efficiency Programs.
(Explanatory Documents: Energy Efficiency and Renewable Energy Financing Update and Understanding Solar Purchasing Options) Speakers: Danielle Murray, Renewable Energy Program Manager and Richard Chien, GreenFinanceSF Program Manager (Informational Report and Discussion)

Mr. Richard Chien provided a briefing on financing mechanisms for energy-efficiency programs discussing the benefits of retrofits, risks, the state of the market, need for innovation, Property Assessed Clean Energy (PACE) program as a financing mechanism, new efforts, and emerging opportunities. Presentation topics included (reference presentation):

- The benefits of energy-efficiency retrofits to building owners, tenants/occupants, the public, and contractors.
- Credit, performance, asset, and programmatic risks of energy-efficiency financing.
- State of the market and a need for innovation.
- Property Assessed Clean Energy (PACE) key features and outstanding questions.
- New efforts: American Recovery and Reinvestment Act programs; California Public Utilities Commission financing pilot programs; BayREN (Regional Energy Networks).

- Other emerging opportunities: Proposition 39 and AB1532 (cap and trade revenues).
- GreenFinanceSF Pier One Case Study.

Ms. Danielle Murray provided a briefing on local, state and federal government renewable energy-efficiency incentives, solar and municipal renewable energy financing options, and opportunities. Presentation topics included (reference presentation):

- Local rebate, state incentives, and federal tax credits for projects.
- Solar financing options for businesses and homeowners.
- Municipal renewable energy financing options through bonds.
- Opportunities for the City and County of San Francisco to support private renewable energy project financing through feed-in tariffs through the Community Choice Aggregation program and pension fund investments.
- Renewable energy financing resource list.

Director Nutter discussed Department efforts to create new ideas and models and identify new financing mechanisms to support future renewable energy and energy-efficiency work. Commissioner Arce inquired about the Energy Watch program's relationship to energy-efficiency and renewable-energy incentives. Mr. Chien reported that the Energy Watch team at the Department of the Environment works with contractors, businesses, and building owners presenting on rebates to implement the program and on installation of projects.

Commissioner Arce inquired about the status of the GoSolarSF program. Ms. Murray reported that in order to accommodate more anticipated demand than funding available, the program has moved to system quarterly allocations by sector and lottery for each quarter. Commissioner Arce suggested that the Department work with the San Francisco Public Utilities Commission to smooth out project design issues and identify financing mechanisms to support the program. Ms. Murray and Commissioner Arce discussed the Department's work with SFPUC on development and outreach plans for CleanPowerSF, the local buildout option, and potential for financing future solar programs. Ms. Murray reported on an upcoming program that is scheduled to launch in March called San Francisco **SunShares** that is a solar installation group-buy in program that will be offered to City employees and members of BC3 companies.

Public Comment:

Mr. Eric Brooks discussed the potential for residential and commercial customers to access energy-efficiency and renewable-energy projects through the implementation of CleanPowerSF and local build-out. He suggested that the Commission on the Environment at its January 22 meeting request a presentation by Local Power on its final draft model that will be presented to the SFPUC on the same date.

- 6. Briefing on EcoDistricts Neighborhood Plan:** Description of planning activities related to developing EcoDistricts in neighborhoods throughout the city. Speaker: Cal Broomhead, Energy Manager (Informational Report and Discussion)

Mr. Cal Broomhead provided a briefing on the EcoDistricts Neighborhood Plan discussing the idea to publish a Request for Proposals whereby a neighborhood identifies and organizes itself to partake in sustainable neighborhood-scale projects working in conjunction with designated City departments. He reported on the formation of a group that includes the City

Administrator's Office, Planning, and Environment Departments that will be tasked with outreach and marketing of benefits to all neighborhoods. Plans are to start work with one to three neighborhoods on a higher level of planning and development. He discussed potential challenges that may be initially faced by the first set of neighborhoods in acquiring project approvals, such as requesting building code amendments, street closures, and expense. The focus will be on identifying neighborhoods that have interested parties that are able to bring in time and personal resources and are able to attend all commission and regulatory meetings. Mr. Broomhead discussed the availability of a grant from the Summit Foundation that would be allocated to this effort. The target date for identifying neighborhoods and holding meetings in neighborhoods is March 2013.

Mr. Broomhead provided examples of potential community-scale projects that may include energy-efficiency projects, neighborhood tree plantings, creating a community park or garden, bike and car sharing, district interconnected energy and solar systems. Commissioner Gravanis suggested identifying those projects that have the least bureaucratic challenges so that more projects can be accomplished with available funding. Mr. Broomhead discussed work in progress to develop outreach material and presentations to neighborhoods.

Commissioner Gravanis suggested taking advantage of existing efforts led by organizations such as Friends of the Urban Forest on neighborhood tree plantings and the SAFE (Safety Awareness for Everyone) block-based security programs. Mr. Broomhead stated that the intersection of existing efforts, what the City has already accomplished, and future projects will be reviewed to identify opportunities.

Commissioner Arce suggested that the Commission hold a community meeting as a way to engage with local communities and invite representatives from partner neighborhoods to discuss the EcoDistricts proposal. Mr. Broomhead stated that the first step would be to identify viable neighborhoods and then call a meeting to engage in a more in-depth conversation. Director Nutter suggested holding a neighborhood meeting to engage in the Climate Action Strategy that is scheduled for publication in the near future.

Public Comment: Unidentified Speaker suggested that the EcoDistricts program take on an effort as was done for the recycling and composting program whereby representatives are sent to buildings to outreach to people who may want to become involved in the project.

Meeting Recessed at approximately 6:50 p.m. Meeting Reconvened 6:58 p.m.

- 7. Director's Report and Updates.** (Explanatory Document: Director's Report) Speaker: Melanie Nutter, Director (Informational Report and Discussion). Director Nutter provided a written report and highlighted upcoming events at the Department that includes (1) Farewell to 11 Grove Street Open House on Thursday, January 24 at the Department's Eco Center; (2) Safe Medication and Disposal Appreciation event on January 29; and (3) tentative date for the Mayor's Earth Day Breakfast on April 24. She reported that the Department's tentative move date to 1455 Market Street is March 4.

Public Comment: Mr. Brooks inquired whether the Department had considered moving into the same building as the SFPUC as a way to develop a more cohesive working relationship. Director Nutter reported that there was no space available at the SFPUC worksite.

- 8. Communications.** (Information and Discussion) Commission Secretary Monica Fish reported on communications received from (1) Ms. Denise D'Anne on opposition to the use of plastic water bottles, (2) Mr. Michael Russom on environmental issues at Park Merced, and (3) a letter from the Urban Forestry Council requesting the Commission's support in securing adequate administrative support. She reported that Deputy Director Assmann is scheduled to provide a report at the Council's Committee or full Council meeting in February.

Public Comment: Mr. Brooks suggested that the Commission's response on Park Merced environmental issues be calendared for the next Policy Committee or Commission meeting so that members of the public may provide input. Director Nutter reported that the Committee would be discussing a new process for correspondence handling at the next Policy Committee meeting.

- 9. Announcements.** (Discussion) There were no announcements made at this time.

- 10. New Business/Future Agenda Items.** (Discussion) Future agenda topics were identified throughout the course of the meeting and include (1) Amendments to the Monterey Bay National Marine Sanctuary Expansion Resolution and (2) Commission correspondence handling process. Commissioner Arce inquired whether a presentation by Local Power could be agendaized for the January 22, 2013 Commission meeting.

Public Comment: Mr. Brooks asked that the Commission either schedule a presentation by Local Power at its next meeting or to review Local Power's recent report. Commissioner Gravanis suggested that Mr. Brooks forward Local Power's documentation to the Commission or Committee for review.

- 11. Public Comments:** Members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda. There was no public comment at this time.

- 12. Adjournment.** The Commission Policy Committee meeting adjourned at 7:05 p.m.

Respectfully submitted by Monica Fish, Commission Secretary
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** Copies of explanatory documents are available at (1) the Commission's office, 11 Grove Street, San Francisco, California between the hours of 9 a.m. and 5 p.m., (2) on the Policy Committee's website <http://www.sfenvironment.org/commission/agendas> with each set of minutes, or (3) upon request to the Commission Secretary at telephone number 415-355-3709, or via e-mail at Monica.Fish@sfgov.org. The meeting audio can be reviewed at this website link by meeting date <https://sites.google.com/a/sfenvironment.org/commission/environment-commission/audio-archives>.

Approved: February 11, 2013