



San Francisco  
Water Power Sewer

Services of the San Francisco Public Utilities Commission

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
City and County of San Francisco

**Edwin M. Lee**  
MAYOR

**MINUTES**  
**Tuesday, March 10, 2015**  
(As approved on March 24, 2015)

1:30 P.M.  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 400  
San Francisco, CA 94102

**Commissioners**

Ann Moller Caen, President  
Francesca Vietor, Vice President  
Vince Courtney  
Anson Moran  
Ike Kwon

**Harlan L. Kelly, Jr.**  
General Manager

**Donna Hood**  
Secretary



For information, contact the Commission Secretary at 554-3165.  
Minutes and other information are available on the SFPUC web site:

[www.sfwater.org](http://www.sfwater.org)

Gavel-to-Gavel coverage available at:

[http://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=22](http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22)

1. Call to Order

*President Caen called the meeting to order at 1:35 PM.*

2. Roll Call

*Present: Caen, Vietor, Courtney, Moran and Kwon*

*President Caen welcomed Commissioner Kwon.*

3. Approval of the Minutes of February 24, 2015

*On Motion to Approve:*

*Caen, Vietor, Courtney, Moran and Kwon*

Public Comment

*None.*

4. General Public Comment

*None.*

5. Communications

a) Advance Calendar

b) Letter Summary

c) 2014 Wastewater Enterprise Biosolids Management System Annual Report

*Commissioner Moran stated that he will speak to staff off-line regarding the memorandum responding to his audits question.*

*In response to question from President Caen, Ms. Marla Jurosek, Wastewater Enterprise, indicated she would ask staff to report back on the progress of the Wastewater Enterprise Biosolids Management System Annual Report's 2015 goal for reducing the amount of waste going to landfill.*

*Vice President (VP) Vietor requested that the response include a high level refresher on biosolids and how they are distributed.*

Public Comment

*None.*

6. Other Commission Business

*None.*

7. Report of the General Manager

*Mr. Harlan Kelly Jr., General Manager (GM), informed the Commission of the recent water quality situation. Mr. Dave Briggs, Water System Manager, provided additional information and noted there was no public health emergency.*

a) Drought Update

*Ms. Ellen Levin, Deputy Director, Water Enterprise provided an update on the drought. Ms. Levin noted the 9-county Bay Area lowest per capita consumption as of January 2015. She discussed total reservoir storage levels; Cumulative precipitation; Upcountry 6-station precipitation; Bay Area 7-station precipitation index; and Snowpack and statewide snowpack history. She discussed Tuolumne River water available to the City; Historic water available to San Francisco; Total deliveries; and Total system water savings. Ms. Levin noted State Water Resources Control Board activities, and provided a brief summary.*

Public Comment

- *Mr. Eric Brooks, SF Green Party/Our City/SF Clean Energy Advocates spoke on CleanPowerSF.*

*Commission Secretary Hood read the Consent items.*

8. Consent Calendar

- a) Approve Modification No. 1 to JOC-44, General Building (B-License), for San Francisco/Peninsula/East Bay, with GECMS, Inc., dba Giron Construction, to perform general building and construction tasks for all SFPUC Enterprise Operations and Bureaus, increasing the contract by \$500,000, for a total contract amount of \$1,500,000, and with a time extension of 365 consecutive calendar days, for a total contract duration of 1095 consecutive calendar days. ([Resolution 15-0059](#))
- b) Approve the plans and specifications, and Award Contract No. WD-2750 Site Remediation at 520 John Muir Drive, in the amount of \$9,210,716, to the lowest, qualified, responsible and responsive bidder, Engineering/Remediation Resources Group, Inc. The contractor will excavate and off haul approximately 46,500 cubic yards of contaminated soils, replace the excavated soils with clean fill, and restore the site to its original grade. Following completion of earthwork, the contractor shall install new fencing and gates, re-vegetate the site, and construct various items as shown in the restoration plans and specifications. The contractor is required to comply with mitigation measures adopted by the Commission. ([Resolution 15-0060](#))
- c) Accept work performed by Harty Pipelines, Inc., for Contract No. WW-546R, 15th/16th/18th/19th/20th Avenues and California/Clement Streets Sewer Replacement and Pavement Renovation, for a total contract amount of \$4,046,362 (of which \$3,399,842 is funded by WWE and \$646,520 is funded by DPW), and with a total contract duration of 299 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 15-0061](#))
- d) Accept work performed by Precision Engineering for Contract No. WW-547, Alhambra/ Bay/Beach Streets and Mallorca/Retiro/Toledo Way Sewer Replacement; Approve Modification No. 1 (Final), decreasing the contract by

\$128,575, for a total contract amount of \$2,497,985, and with a time reduction of 25 consecutive calendar days, for a total contract duration of 226 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 15-0062](#))

- e) Accept work performed by J. Flores Construction for Contract No. WW-568, 18th/25th/35th/47th Avenues and Delancey/Felton/Fern/Hawes/Madrid/Steiner Streets Sewer Replacement; Approve Modification No. 4 (Final), increasing the contract by \$94,448, for a total contract amount of \$2,918,767; and authorize final payment to the contractor. ([Resolution 15-0063](#))

*On Motion to Approve consent items 8a through e:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

9. Approve Amendment No.5 to Agreement No. CS-820, New Irvington Tunnel Project Engineering Services, with URS Corporation, to continue as design engineer-of-record for the construction of the tunnel; and authorize the General Manager to execute this amendment, increasing the agreement by \$1,000,000, for a total not-to-exceed agreement amount of \$15,873,561, with no change to the contract duration, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 15-0064](#))

*On Motion to Approve item 9:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

10. Approve Amendment No. 4 to Agreement No. CS-893, Systems Engineering Services, with CH2M Hill to provide continued systems engineering services for the WSIP; and authorize the General Manager to execute this amendment, extending the agreement duration by one year, for a total agreement duration of eight years, with no increase to the agreement amount. ([Resolution 15-0065](#))

*On Motion to Approve item 10:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

11. Terminate for Convenience, in the best interest of Contract No. HH-974(E), Lower Cherry Aqueduct Emergency Rehabilitation with Flatiron West Inc., for a total not-to-exceed contract amount of \$14,000,000 and a total contract duration of 468

consecutive calendar days; Authorize the General Manager to terminate and issue final payment. ([Resolution 15-0066](#))

*Mr. Emilio Cruz, Assistant General Manager (AGM), Infrastructure, provided an update on the contract status. He noted there was a revised resolution which included new language delegating authority to the GM to terminate the contract.*

*Commissioner Moran expressed thanks to staff for closely watching costs.*

*On Motion to Approve item 11:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment

*None.*

12. Approve an increase in the construction contract duration contingency for Contract No. WD-2629, Seismic Upgrade of BDPL 3 & 4 at the Hayward Fault Project, of up to 86 consecutive calendar days; and Authorize the General Manager or his designee to approve future modifications to the contract for a total revised contract duration up to 1029 consecutive calendar days. The increase is due to potential delays related to differing site conditions encountered during the installation of the Alameda County Water District 12-inch and 30-inch pipeline work; and weather. The additional construction contract duration requested is within the overall construction duration contingency included in the Project revised budget and schedule approved by this Commission on April 22, 2014. ([Resolution 15-0067](#))

*AGM Cruz introduced the item and responded to a question from President Caen regarding the resolution of issues related to the bonding of plates.*

*On Motion to Approve item 12:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment

*None.*

13. Approve an increase in the construction contract cost contingency for Contract No. WD-2641R, Bioregional Habitat Restoration – Homestead Pond, San Andreas Reservoir Wetlands and Adobe Gulch Grasslands Creek, in the amount of \$522,328, and an increase in the contract duration of up to 376 consecutive calendar days; and authorize the General Manager or his designee to approve future modifications to the contract, if appropriate, for a total revised contract amount up to \$7,669,451, and for a total revised contract duration up to 2,223 consecutive calendar days. The increases are due to emergency watering of restored plantings and additional plantings required by an exceedingly dry construction period. ([Resolution 15-0068](#))

*AGM Cruz introduced the item.*

*On Motion to Approve item 13:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

14. Discussion and possible action to authorize the use of State Revolving Fund (SRF) Loans for ratepayer savings, in addition to Wastewater revenue bonds, for an aggregate principal amount not to exceed \$819,035,941, to finance the costs of all or a portion of certain Wastewater Enterprise capital projects; Authorize the reimbursement of associated project costs, including but not limited to planning and design with SRF loan proceeds. Request Commission action to satisfy State SRF requirements for Reimbursement and Pledge Revenue Resolutions. Direct the General Manager to submit to the Board of Supervisors a proposed Ordinance authorizing: (1) the amendment of previously authorized debt issuance ordinance in an amount not to exceed \$819,000,000 for FY 2014-15 and FY 2015-16, to include SRF loans; and (2) delegation of authority to the Commission to execute installment sales agreements for SRF loans. Authorize the General Manager, or his designee, to execute and deliver such Installment Sales Agreements for State Loans, subject to Commission approval of the terms of any Installment Sales Contract prior to execution and delivery. ([Resolution 15-0069](#))

*Mr. Charles Perl, Deputy CFO, introduced the item and discussed authorization for the prior bond issuance. He provided clarification regarding the current action being requested of the Commission. Brief discussion ensued.*

*On Motion to Approve item 14:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

15. Public hearing under California Water Code Section 10723 and action to establish the San Francisco Public Utilities Commission as the “Groundwater Sustainability Agency” for the Downtown, Marina, Lobos, and South San Francisco Groundwater Basins, and the northern portions of the Westside, Islais Valley, and Visitacion Valley Groundwater Basins, located within the City and County of San Francisco. ([Resolution 15-0070](#))

*Ms. Levin introduced the item.*

*On Motion to Approve item 15:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment  
*None.*

16. Adopt a Resolution of Intent to prepare a Groundwater Sustainability Plan for the North Westside Groundwater Basin, located within the City and County of San Francisco. ([Resolution 15-0071](#))

*Ms. Levin introduced the item. She responded to a question from VP Vietor on regulation requirements.*

*On Motion to Approve item 16:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment

- *Mr. Peter Drekmeier, Tuolumne River Trust, expressed his support for the Groundwater Basin and the opportunities it provides.*
- *Mr. Eric Brooks, SF Green Party/Our City/SF Clean Energy Advocates expressed his support for the item, noting the need for a public education campaign.*

17. Adopt a Resolution supporting the Job Training Academy at Gleneagles Golf Course, a San Francisco Recreation and Park facility located in the Southeastern area of San Francisco. As a result of a partnership between organized labor, community, non-profit, business, and civic leaders, the Gleneagles Golf Course Job Training Academy was established with the goal of providing good-paying jobs that lead to careers for economically disadvantaged San Francisco residents, while making the game of golf a more environmentally sustainable activity. The purpose of the Gleneagles Job Training Academy is to develop a training center that links job seekers with career pathways and apprenticeship opportunities in a variety of skill sets and occupations, while developing new best practices for sustainable golf and elevated environmental awareness through decreased water and pesticide usage. ([Resolution 15-0072](#))

*Mr. Michael Carlin, Deputy General Manager, introduced the item. He discussed the partnerships involved in the creation of the Academy as well as the opportunities it would provide.*

*Commissioner Courtney noted his professional relationship with Laborers' Community Training Foundation. He discussed the need for the Academy and the work done that has been done by all of the partners to establish it. He thanked SFPUC staff and all involved for their work.*

*On Motion to Approve item 17:  
Caen, Vietor, Courtney, Moran and Kwon*

Public Comment

- *Mr. Shaman Walton, Young Community Developers, expressed his support for the Academy and described the opportunities it will provide.*



- *Mr. Jesus Villalobos, Local 261, expressed his support for the Academy and the training and educational opportunities it will provide.*
- *Mr. Eric Brooks, SF Green Party/Our City/SF Clean Energy Advocates expressed his support for the Academy, and the need for union labor in CleanPowerSF.*

*Mr. Carlin responded to a question from VP Vietor regarding the Academy's goal of making the game of golf a more environmentally sustainable activity. Brief discussion ensued; and Commissioner Courtney provided additional information.*

*VP Vietor requested that as the program develops, staff return with updates on environmental issues.*

*Commission Secretary Hood read Closed Session item 20, and stated items 21 through 30 would not be heard.*

18. Public Comments on Matters to be discussed in Closed Session.

*None.*

19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

*On Motion to assert:*

*Caen, Vietor, Courtney, Moran and Kwon*

*The Commission entered Closed Session at 2:36 PM.*

20. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:

*Arturo Torres et al. v. City and County of San Francisco*  
 San Francisco Superior Court Case No.: CGC-13-536200  
 Date Filed: 12/17/2013  
 (Resolution 15-0073)

21. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:

*City and County of San Francisco v. Pacific Gas & Electric*  
 San Francisco Superior Court Case No.: CGC-13-529309  
 Date Filed: March 6, 2013: Served June 6, 2013

22. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:

*City and County of San Francisco v. Pacific Gas & Electric*



San Francisco Superior Court Case No.: CGC-13-529310  
Date Filed: June 6, 2013

23. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation:  
*Pacific Gas & Electric Company, v. City and County of San Francisco*  
Court of Appeal of the State of California, First Appellate District, Division Five  
Case No.: A127554/Date Filed: January 29, 2010
24. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation:  
*City and County of San Francisco v. Pacific Gas & Electric*  
Federal Energy Regulatory Commission  
Case No.: EL15-3-000/Date Filed: October 10, 2014
25. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation:  
*Pacific Gas & Electric*  
Federal Energy Regulatory Commission  
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF  
Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective  
June 30, 2015.  
Case No.: ER15-702-000/Date Filed: December 23, 2014
26. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation:  
*Pacific Gas & Electric*  
Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge  
Agreement for Moscone to be effective June 30, 2015.  
Case No.: ER15-703-000/Date Filed December 23, 2014
27. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation:  
*Pacific Gas & Electric*  
Federal Energy Regulatory Commission  
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco  
Transmission Owner Tariff Replacement Agreements to be effective July 1, 2015  
Case No.: ER15-705-000/Date Filed: December 23, 2014
28. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:

*Pacific Gas & Electric*

Federal Energy Regulatory Commission

§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Wholesale Distribution Tariff Replacement Agreements to be effective July 1, 2015

Case No.: ER15-704-000/Date Filed: December 23, 2014

29. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:

*Pacific Gas & Electric*

Federal Energy Regulatory Commission

Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco

Case No.: ER15-735-000/Date Filed: December 23, 2014

*The Commission exited Closed Session at 2:40 PM.*

31. Announcement following Closed Session.

*President Caen announced a settlement was reached on item 20.*

32. Motion regarding whether to disclose the discussions during Closed Session.

*On Motion Not to Disclose:*

*Caen, Vietor, Courtney, Moran and Kwon*

33. Other new business.

*None.*

*President Caen adjourned the meeting at 2:41 PM.*