San Francisco Public Utilities Commission
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
(As approved September 13, 2011)

Regular Meeting

Tuesday, July 26, 2011
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

Commissioners
Francesca Vietor, President
Anson B. Moran, Vice President
Ann Moller Caen, Commissioner
Art Torres, Commissioner
Vince Courtney, Commissioner

Departments and Enterprises
Water Enterprise
Wastewater Enterprise
Power Enterprise
Infrastructure
Business Services
External Affairs

Ed Harrington
General Manager

Michael Housh
Secretary

ORDER OF BUSINESS:

1. Call to Order

President Vietor called the meeting to order at 1:38 P.M.

2. Roll Call

President Vietor, Vice President Moran, Commissioner Torres, Commissioner Courtney were present. Commissioner Caen joined the meeting at 1:47P.M.

3. Approval of Minutes

a) Minutes of the June 28, 2011 Special Meeting

Motion to approve the Minutes of the July 12, 2011 regular Meeting by Vice President Moran, Seconded by Commissioner Torres Passed 4-0 AYE (Vietor, Moran, Torres, Courtney) unanimously

4. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

No general public comments were offered.

5. Communications

a) Letter Summary
b) Advance Calendar
c) Staff reports (written reports sent to the Commissioner)
   1. 525 Golden Gate Avenue Project Update (*Campbell*)
   2. Water Supply Agreement Quarterly Update (*Ritchie*)
   3. Sewer Inspection/Odor Control Report (*Moala*)
   4. Sewer System Improvement Program (SSIP) Update (*Moala/Kubick*)

President Vietor requested that discussion of Agenda item #5c1 be delayed until Commissioner Caen arrived. Vice President Moran found the calendar improved and suggested that staff consider ways to structure the timing of calendaring items in the advance calendar so that they could be viewed in the larger context of what the SFPUC was doing across all three enterprises including uses of new technologies, as well as any potential impacts on rates leading up to each year's budget discussions

6. Other Commission Business

No new business items were proposed.

7. Report of the General Manager

a) Bond Sales Update (*Rydstrom*)

Chief Financial Officer and Assistant General Manager for Business Services, Todd Rydstrom, reported the successful sale of $721 million in water bonds resulted in saving $18.1 million for ratepayers over the life of these bonds. Mr. Rydstrom reported that included in this sale was a refinancing of old 2001-02 water bonds at a more favorable rate. Mr. Rydstrom presented the sales of 2011 Series A as $602.7Million, 2011 Series B&C as $63.08 Million, and 2011 Series D as $56.24 Million. Mr. Rydstrom identified the winning bidders of each type as BA Merrill Lynch, Citigroup Global, and BA Merrill Lynch. Mr. Rydstrom explained the implications of Moody's slight downgrade of the Water Enterprise rating to match Standard & Poor's AA3 as being related to continuing concerns with the revenue implications of declining water sales, but noted that these ratings still remained excellent and reflected the rate agency's appreciation of our strong reporting, stable outlook, and tight fiscal management policies.

Mr. Rydstrom then reported that $3.3 Billion of WSIP Bonds have been sold to date, locking in $383.5 Million in ratepayer savings. Additionally, Mr. Rydstrom reported that $1.3 Billion of WSIP Bonds remained to be sold with plans to sell an estimated $538 million of 40-year tax exempt water and WSIP bonds next year. Mr. Rydstrom noted that these sales were on track to match the 10-year Financial Plan and were at an average rate of 4.48%, within the expected range staff had anticipated.

b) Possible closure of Bacon Street at the University Mound Reservoir (*Jue*)

Communications Director Tyrone Jue outlined the background of this discussion of extension of Bacon Street which ran between the two basins of the University Mound Reservoir. Mr Jue reported that a community meeting to consider site security and other issues with the community was scheduled for July 28th. Mr. Jue reported that limitation of access to pedestrians and bicycles was being considered but that no decision had yet been made.

In response to questions by President Vietor concerning a recent letter from Lake Merced activists, Assistant General Manager for Water Steve Ritchie presented a brief update report concerning Lake Merced related issues.

In response to questions by Commissioner Caen, returning next to Agenda Item #5c 1 to address the art enrichment proposed for the 525 Golden Gate Headquarters, Building General Manager Herrington outlined what was proposed. Mr. Harrington explained the SFPUC was required to allocate a percentage of all construction dollars toward art

enrichment projects. Mr Harrington recalled that at a recent Commission meeting, staff was asked to present information on the art related to the building. Mr Harrington reported that there would be three art enrichment installation projects at 525 Golden Gate. The first two installations were selected by the Arts Commission early in the project under the former process that afforded them more discretion. The first artwork, "Rain Portal," by MacArthur Genius recipient Ned Kahn, features two identical water walls on either side of the stairway between the upper and lower lobbies on the ground floor. The second installation, "Firefly", also by Ned Kahn, was a monumentally scaled, kinetic sculpture on the north façade of the building. Mr. Kahn was a local artist with installations throughout the world. He was known for art that creates a direct interface between the building and the natural environment.

Mr Harrington identified the third art enrichment installation at 525 Golden Gate as a digital art wall in the lobby in recognition that the future of communications was digital technology. Mr Harrington noted that this installation would be funded by art enrichment contributions from various PUC projects and managed under the new joint PUC/Arts Commission protocols. Mr Harrington noted the media wall would serve to communicate and educate the public on the SFPUC and other issues pertaining to the environment. Mr Harrington pointed out it would also serve as a canvas for ongoing art installations by various artists. Mr Harrington explained that the decision was made to do this project at the new headquarters where the general public, particularly ratepayers, school children, and the arts community, would benefit most.

President Vietor applauded the proposed media wall. Commissioner Caen noted that she was happy the SFPUC was taking the lead and said that she was well pleased with what was being proposed.

8. Bay Area Water Supply & Conservation Agency (BAWSCA) General Manager's Report *(Jensen)*

   a) BAWSCA Update Report

BAWSCA General Manager Art Jensen presented a brief report noting the regional celebration of the beginning of tunneling for the new Bay Tunnel which was attended by BAWSCA, SFPUC, and local government dignitaries and represented the continuing good work going forward on the Water System Improvement Program (WSIP).

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED BY THE GENERAL MANAGER OF PUBLIC UTILITIES AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents provided to the Commission in connection with this agenda are available for public inspection and copying at the Office of the Commission Secretary, 1155 Market Street, 11th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-3424.

CONSENT CALENDAR

9. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be removed from the Consent Calendar and considered as a separate item.

Motion by Commissioner Caen, seconded by Vice President Moran to approve Consent Calendar items #9a though #9e Passed 5-0 AYE (Vietor, Moran, Caen, Torres, Courtney) unanimously

Public comment

No comments were offered on any Consent Calendar item.

a) **Approve** Amendment No. 1, to Power Enterprise-funded Agreement Nos.:

- CS-812B, Energy Efficiency Services, with kW Engineering, Inc.;
- CS-812C, Energy Efficiency Services, with HDR, Inc., and
- CS-812D, Energy Efficiency Services, with EMCOR Energy Services, Inc.

These amendments will be used to provide ongoing specialized energy engineering services for the implementation of Power Enterprise energy efficiency projects and programs; and **authorize** the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute these three amendments, with a time extension of two (2) years each, for a total agreement duration of seven (7) years each.. (*Hale*)
Resolution 11-0133

b) **Approve** and **award** Contract No. JOC-37, Job Order Contract, Lighting Efficiency (C-10) and Upgrade Services for San Francisco/Peninsula/East Bay Areas, for a not-to-exceed amount of $2,000,000 to the third lowest, qualified, responsible and responsive bidder, Torres Construction Corp., to perform lighting efficiency/lighting retrofit work in City owned or leased municipal facilities. JOC-37 is the third of three lighting efficiency JOC contracts issued under one bid opening; JOC Nos. 35, 36, and 37 are being awarded to the three lowest, respective bidders.. (*Kelly*)
Resolution 11-0134

c) **Approve** the plans and specifications, and **award** Water Enterprise, Water System Improvement Program (WSIP)-funded Contract No. WD-2606, Forest Hill Pump Station Upgrade, in the amount of $3,651,050, to the lowest, qualified, responsible and responsive bidder, NTK Construction Inc., to demolish the existing. (*Labonte*)
Resolution 11-0135

d) **Approve** the plans and specifications, and **Award** Wastewater Enterprise, Renewal and Replacement (R&R) Program-funded Contract No. WW-418, Various Locations Sewer Replacement No. 2, to replace the existing sewers on 10th, 14th, 30th, 35th, 46th and 48th Avenues, Constanso Way, and Kirkham and Vicente Streets; for a total contract amount of $2,530,737, to the lowest, qualified, responsible, and responsive bidder, J. Flores Construction.
Resolution 11-0136 (*Moala*)

e) **Approve** the plans and specifications, and **Award** Wastewater Enterprise, Renewal and Replacement (R&R) Program-funded and Department of Public Works (DPW)

Pavement Renovation Program-funded Contract No. WW-433, Buchanan/Pierce/Filbert/Sacramento Streets and Marina Boulevard Sewer Replacement, to replace the existing sewers on Buchanan, Pierce, Filbert, and Sacramento Streets, and replace the existing sewer and pavement on Marina Boulevard, for a total contract amount of $1,791,000 ($1,422,975 in sewer work funded by the WWE R&R Program and $368,025 in paving work funded by the DPW Paving Program) to the lowest, qualified, responsible, and responsive bidder, M Squared Construction (*Moala*)
Resolution 11-0137

REGULAR BUSINESS

10. Public Hearing and possible action to **amend Rule #6 Nomination and Election of Officers** of SFPUC Rules of Order to change the date for the annual election of officers from the first meeting following the 1st day of August of each year to the first meeting following the 1st day of October of each year. Notice of this proposed change of the Commission's Rules of Order was posted on July 8, 2001 as required by City Charter Sec. 4.104. Boards and Commissions – Rules and Regulations. (*Housh*)

SFPUC Secretary Michael Housh outlined the purpose of this rule change, noting the Charter permitted a 60-day holdover period for expiring Commission appointments after Prop E (2008), which mandated the August 1st beginning of term in office date to elapse before the Commissioners elected their new officers.

Motion by Commissioner Caen, seconded by Commissioner Courtney to approve amending Rule #6 of the Commission's Rules of Order changing the date for the annual election of officers Passed 5-0 AYE (Vietor, Moran, Caen, Torres, Courtney) unanimously.

Public comment

No comments were offered.

11. Discussion and possible action to **Authorize the General Manager of the San Francisco Public Utilities Commission (SFPUC) to continue working on a Community Choice Aggregation Program, the CleanPowerSF Program, and to negotiate a contract consistent with the parameters set forth in the "Term Sheet Parameters for Program and Contract Negotiations" document attached.** The attached resolution authorizes the General Manager to continue negotiations with Shell Energy North America (Shell Energy) for power supply consistent with the program and terms described in the attached "Term Sheet Parameters for Program and Contract Negotiations", and to submit the attached term sheet to the Board of Supervisors for consideration. (*Hale*)

General Manager Ed Harrington began with a summary and overview of the lengthy process, beginning in 2002 when the State authorized creation of community choice aggregation programs. These CCA programs allowed communities to provide electric

generation services for customers within their territory. Mr. Harrington explained that delivery of energy, metering, and billing would continue to be provided by PG&E and reported that State law mandated an opt-out process be used it provided potential CCA customers with multiple no-cost opportunities to opt out of the program. Additionally, Mr. Harrington explained that these programs allowed customers the ability to choose their supplier based on environmental impact and pricing. Mr. Harrington emphasized that as staff had close to a final term sheet for a program with Shell Energy, he thought it best to get the Commissioners' approval to continue and complete this process.

Next, Mr. Harrington recounted how the very ambitious goals set for this program had been changed since it was originally conceived to meet the actual requirements of the energy market. Mr. Harrington in particular focused on staff's efforts since 2009 Request for Proposals (RFP) to engage the market that had in the previous iterations not proven workable. Mr. Harrington outlined the process to date, including 21 meetings, as well as 10 joint SFPUC-SF LAFCO meetings, focused on creating a Community Choice Aggregation Program. Mr. Harrington explained that since the Commissioners had authorized him to begin negotiations with a creditworthy counterparty in February 2010 (Res. 11-0027); negotiations had been underway with Shell Energy for supply and with Noble Americas for customer account management.

Mr. Harrington then recapped the presentations concerning the identified potential customer base and program approach, discussed at the joint meeting with the SF-LAFCo on May 10th. Mr. Harrington reported that now staff felt the program details were firm enough to seek the Commission's guidance and to continue within this framework to develop a program based on the term sheet being presented. Mr. Harrington noted that while there were aspects of the program that were still under negotiation, the term sheet set out a program that staff believed was ready to be presented to the Board for its consideration.

CleanPowerSF Manager Mike Campbell began by recalling the original 2007 goals set forth by the Board of Supervisor's ordinance. He identified the goals from the 2007 CCA Ordinance (Ord. 147-07) as: rates: "meet or beat" PG&E rates for all rate classes; stability with a commitment to long term rate stability; renewables: 51% renewable mix by 2017; development: 360 MW including in-city generation and efficiency; enrollment: all customers enrolled in program at one time; contract duration: expected to be 15 years or longer; single supplier: all services provided by single supplier; risk allocation: supplier takes all risk – zero risk to city; and no financial liability to city: Supplier to demonstrate financial stability and provide security.

Mr. Campbell then presented an update of the ongoing Community Choice Aggregation Activities (CCA) of CleanPowerSF, outlined the proposed program, and presented an overview of a proposed draft term sheet with Shell Energy. Mr. Campbell reported going to the market had demonstrated that CleanPowerSF should offer a premium product with a rate premium; that generation rate uniform across all usage; and that low income customers would remain eligible for bill discount as was applied to the distribution portion of their bills. Mr. Campbell reported that the current proposal addressed rate stability by setting energy supply costs and volumes fixed for 4.5 years, noting rates charged to customers include line item to fund a rate stabilization reserve account. Mr. Campbell

noted that AGM Rydstrom would explain in detail what that involved. In response to questions by Commissioner Caen, Mr. Campbell explained the customers would fund the reserve as part of the rates. Additionally, Mr. Campbell reported that the energy supply costs were still to be established and determined in an executed contract.

Mr. Campbell reported that from day one, CleanPowerSF proposed to offer a product comprised of 100% renewable portfolio standard eligible resources, compared with the early goal of 51%. In reply to questions by President Vietor, Mr. Campbell then explained how the energy supply was proposed to be managed, and explained that the contract would specify energy types supplied and that this would be done in accordance to California Independent System Operator (CALISO) rules.

Mr. Campbell then outlined the proposed customer enrollment strategy as targeting 75,000 customers for the 30MW program launch. Mr. Campbell explained this would be done to avoid a risk of underestimating the initial opt-out responses by sending opt-out notices to 230,000 out of 340,000 eligible residential accounts. In response to questions by Vice President Moran, Mr. Campbell explained the rationale behind sizing the program appropriately to help assure its success with an appropriate customer base and a reasonable size energy purchase. Mr. Harrington noted the goal would be to reach out to those most likely to respond favorably. Vice President Moran observed that in this was a key area where there could be a sizable unknowable risk.

Explaining further, Mr. Campbell reported these notices were to be sent to geographic regions across the city. Mr. Campbell also noted that all residential and business customers were also eligible to opt-in. Mr. Campbell observed that taking this approach allowed for the opportunity to send additional opt-out notices if initial opt-outs are higher than expected. Also Mr. Campbell observed that bringing in customers over time allowed the program to plan for new resources to meet further added loads.

Mr. Campbell then explained that experience gained from the 2007 Request for Information and responses to both supplier RFPs had demonstrated that no single creditworthy entity was willing to provide full range of services needed. So Mr. Campbell reported staff is currently in negotiations with Shell Energy for energy supply and scheduling coordinator services, and with Noble Americas for customer care and account management. Mr. Campbell explained that the proposed 4.5 year term offered both rate stability and flexibility for development. Mr. Campbell reported that Shell was a creditworthy counterparty, and would take on price exposure for changes in market prices for energy by providing fixed price.

Next, Mr. Campbell reported that further Power Enterprise appropriations would be needed to get the program started, but that all of these amounts were still under negotiation/evaluation.

Mr. Campbell reported that the key outstanding issues still to be resolved before final execution of contract were contingent upon a favorable outcome regarding the required California Public Utilities Commission (CPUC) performance bond. In response to a question by Vice President Moran, Mr. Campbell noted there were numerous options

being considered. Mr. Harrington indicated the actual amount of this bond might in the end be small but was still unknown without a CPUC decision on this matter.

Next, Mr Campbell outlined the timeline showing the next steps going forward toward to the Board of Supervisors having an estimated 75,000 initial customer account based CCA Program up and running, including the initial op-out process beginning in spring and summer of 2012.

Chief Financial Officer and Assistant General Manager for Business Services Todd Rydstrom then presented five slides showing a very detailed financial overview of how staff proposed to accomplish establishment of the financial aspects of the proposed CleanPowerSF Program. In response to questions by Commissioner Torres, Mr Rydstrom emphasized that the goal was to provided the lowest cost service available and that that this was the case all of the rates would have to be justified just like water and wastewater rates by the Rates Fairness Board.

Mr Rydstrom then discussed energy use among the various tiers of energy users and how these energy use patterns had been factored into the Program's development. As example, Mr Rydstrom noted at the base level the increased cost would be an additional $7 dollars each moth with this amount rising with greater energy use into Tier 2, and Tier 3 users. Mr Rydstrom showed the likely minimal family budget impact of using the proposed 100% green energy product proposed to be offered by CleanPowerSF, reporting amounts similar to a basic phone bill, or monthly video or cable rentals. Mr Rydstrom explained that the amount would be roughly .70 cents more per day to participate in the Program. In response for Commissioner Courtney, Mr Rydstrom explained how this would be reported on the typical PG&E bill. Mr Harrington clarified that this would only change one line on the typical monthly bill and that the bulk of the energy charges would continue to be paid to PG&E.

In response to questions by President Moran concerning how increased demand would be addressed should the program grow beyond what was anticipated, Mr. Harrington noted that the Program opt-out phasing could be timed to match identified demand. Additionally, Mr. Harrington explained that the rate setting process, annually or some other model would be up to the Commission to determine. Also, Mr. Campbell clarified that under the contract Shell would be responsible for managing its responsibilities and any resulting liabilities under the proposed contract. Vice President Moran asked to see information about how the use of Hetch Hetchy hydropower could be configured into this system thereby providing a means to recover the costs and revenue losses due to energy conservation. Mr. Campbell noted that the agreement allowed for substitution of power, but that at this point we could not identify a fixed amount of Hetch Hetchy Power to include in it. In answer to questions by President Vietor about advance marketing effort raising the profile of the program and limiting opt-outs, Mr. Campbell reported a very strong marketing and education program was envision managed by SFPUC Communications and preliminary efforts were already ongoing in educational outreach. Additionally, a very detailed opt-out program was envisioned.

There followed a discussion of how to address this matter given the number of unanswered questions among the Commissioners. Mr. Harrington noted staff would

continue to negotiate given the Commission's previous grant of authority to negotiate. It was the general sense of the Commission that the Commissioners found that they needed more information on a range of issues. Vice President Moran noted modifications to the term sheet he would prefer being: first that the funded reserves be structured to cap liability; that a more conservative roll out for the program be considered to lessen the misjudging the opt –out level risk; to put into the term sheet an escrow mechanism so that everything would be considered after being finalized before going into effect; and to make information available as to how embarking on this program would impact our ability to address our already existing capital needs for Hetch Hetchy.

President Vietor suggested forwarding the term sheet on to LAFCo and perhaps the Board to get their input without further delay moving this entire process forward while answers to the Commissioners' questions were researched. Commissioner Torres said he strongly supported a CCA Program going forward but as with Vice President Moran and Commissioner Caen he wanted these serious questions answered before making a decision. President Vietor expressed her continued strong support for getting this Program underway and requested staff address these questions and bring back information to enable the Commissioners to go forward with the next steps in this effort.

Public comment

Mr. Eric Brooks, SF Green Party, Our City, expressed happiness that questions were being asked about the important financial questions that needed to be answered but that he thought that approval of an amended version of the next item would go far toward promoting a rapid local build out of renewables that would resolve most of these questions. Mr. Brooks suggested that a robust build out of local renewable assets in the first ten years of the program was the kind of CCA Program activists had envisioned and that he thought could actually be accomplished. Mr. Brooks emphasized that, in his view, the next item was critical and ought to be amended, as the activists had requested to have an informed product available by January so that this build out could be included in the program from its beginning.

Ms. Jean Brashears, Global Exchange, expressed concern that the program as envisioned did not encompass the scale of local build out of renewables and the creation of local jobs that activists expected. Ms. Brashears suggested that if the Commissioners were undecided as to how to proceed that they should send this matter on to the Board of Supervisors so that the activists' wishes could be addressed there.

Mr. Eddie Ong, Brightline Defense Project, commented on what he thought were still unanswered questions about the actual creation of needed local jobs through an expanded build out of renewables.

Mr. Jason Fried of SF LAFCo, on behalf of SF LAFCo Executive Director Nancy Miller, requested that this item be forwarded on to the Board so that the CCA Program could continue to move forward. Additionally, Mr. Fried pointed out that staff had been having discussions regarding Vice Presdeint Moran's point concerning the initial sizing the program and that this moving this matter to the Board would facilitate continuing progress

toward getting the program finalized. Mr. Fried noted moving this forward without further delays was a matter of great importance to the Supervisors.

Commission action

President Vietor continued discussion of this item to the call of the Chair.

12. Discussion and possible action to **Approve** two (2) Power Enterprise, Community Choice Aggregation (CCA) Project-funded amendments to Agreement Nos:

    - CS-920(R)A, Monitoring and Advisory Services on Behalf of the San Francisco Public Utilities Commission for the Community Choice Aggregation Program, with George E. Sansoucy, PE, LLC, and
    - CS-920(R)B, Monitoring and Advisory Services on Behalf of the San Francisco Public Utilities Commission for the Community Choice Aggregation Program, with Local Power, Inc.

    These amendments will be used to provide ongoing consulting services to assist in the development of the Community Choice Aggregation (CCA) program; and **authorize** the General Manager of the San Francisco Public Utilities Commission to execute these two amendments, each with a time extension of one (1) year, for total agreement duration of four (4) years each. (*Hale*)
    Resolution 11-0138

President Vietor expressed strong support for a build-out of local renewable energy resources and reiterated that the SFPUC and the LAFCo were partners in moving this program forward. President Vietor expressed dismay at the adversarial tone taken in an activists' letter requesting modifications to this contract.

Public comment

Mr. Eric Brooks, S.F. Green Party, Our City, attempted to clarify what the advocates wanted in their proposed amendment, which was to identify specific work tasks to be included in the existing contract for Local Power. Mr. Brooks reported that the activists and SFPUC staff had disagreed as to what these tasks should be and therefore the Commission should amend this item to direct staff to carry forward the tasks identified by the activists.

Mr. Harrington noted staff disagreed and recommended against adding the task list as requested by the activists. In response to questions by Commissioner Torres, Mr. Harrington pointed to where these tasks conflicted or departed altogether from the program as outlined. In response to a follow up question by President Vietor, Mr. Harrington discussed the challenges in actually developing a program for a renewables build-out as proposed without having first identified financing resources.

Ms. Jean Brashears, Global Exchange commented that she had been participating in these discussions since February and felt that the SFPUC staff had not presented a program that activists found acceptable. Ms. Brashears expressed a sense of urgency

that a plan be put into place to get movement going forward on actually creating renewable resources and that the program as planned by staff might end up being unaffordable for many low income residents.

Mr. Eddie Ong, Brightline Defense Project, suggested that the Commissioners did not understand the point of the activists concerns in this matter and that in his view we would not have a comprehensive community choice aggregation program without creation of local jobs through build out of local renewable energy resources. In response to a question by Commissioner Courtney, Mr. Ong said there was no information about any numbers of real jobs being created in what had been presented so far.

Commission discussion

President Vietor requested that the General Manager continue to seek ways to work with stakeholders to provide information and identify ways to move forward on developing local renewable energy resources. Vice President Moran noted that it was important that whatever work was done be focused on sustaining our programs.

Motion by Commissioner Torres, seconded by Commissioner Courtney to approve this item Passed 5-0 AYE (Vietor, Moran, Caen, Torres, Courtney) unanimously

CLOSED SESSION

13. Public comments on matters to be discussed in Closed Session.

No comment was offered on any closed session item

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

Motion by Commissioer Torres, seconded by Vice President Moran to assert the attorney-client privilege and retire into a closed session Passed 5-0 AYE (Vietor, Moran, Caen, Torres, Courtney) unanimously.

The Commission went into closed session at 4:27P.M.

Present in this closed session were: President Francesca Vietor; Vice President Anson B. Moran; Commissioner Ann Moller Caen; Commissioner Art Torres; Commissioner Vince Courtney; General Manager Ed Harrington; Deputy General Manager Michael Carlin; CFO & Assistant General Manager Todd Rydstrom, Assistant General Manager Steve Ritchie, Rosanna S. Russell, Real Estate Assets Manager; Deputy City Attorney Noreen Ambrose; Deputy City Attorney Donn Furman; and Commission Secretary Michael Housh.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

15 Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code Section 67.10(a).(*Ambrose*)

Consultation with: Agency Chief of Security concerning security of S.F.P.U.C. Water and Power Systems.

16. Conference with Real Property Negotiator - Pursuant to California Government Code Section 54956.8 and San Francisco Administrative Code Section 67.8 (a)(2). Property: Lease between SFPUC and San Antonio Center Associates, as Tenant, of SFPUC Parcels 218 and 219, for 2.70 acres of land in Mountain View California, dated September 12, 1995.
(*Carlin*)

Parties Negotiating: Representatives of San Antonio Center

Under Negotiation: Terms of a proposed Sublease of a portion of the lease hold from San Antonio Associates to Merlone Geier Partnership

17. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10 (d) (2).*(Furman)*

Anticipated Litigation: As Defendant.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN OPEN SESSION

The Commission reconvened in open session at 5:01 P.M.

18. Announcement following Closed Session.

President Vietor reported no action on Agenda Items #15 and #17 and that direction was given on Agenda Item #16 during the Closed Session.

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

Motion by Commissioner Courtney, seconded by Vice President Moran not to disclose the closed session discussions Passed 5-0 AYE (Vietor, Moran, Caen, Torres, Courtney) unanimously.

25. Other New Business

No new Business items were proposed.

The meeting was adjourned by President Vietor at 5:02 PM as there was no further business to address.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 11th Floor
San Francisco, CA 94103

Notice: the San Francisco Public Utilities Commission will hold a special meeting on Tuesday, August 9, 2011 beginning at 9:30A.M. at the South Beach Harbor Community Room, Pier 40A – The Embarcadero.