

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Edwin M. Lee MAYOR

MINUTES

(Approved March 13, 2012)

Regular Meeting

Tuesday, February 28, 2012

1:30 P.M.

City Hall, Room 400 1 Dr. Carlton B. Goodlett Place

Commissioners

Anson B. Moran, President Art Torres, Vice President Ann Moller Caen, Commissioner Francesca Vietor, 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:

Call to Order

President Moran called the meeting to order at 1:39pm

2. Roll Call

Present were: President Moran, Commissioner Caen, and Commissioner Courtney. Commissioner Vietor was reported excused attendance.

Vice President Torres joined the meeting at 1:50pm.

3. Approval of Minutes

a) Minutes of the February 14, 2012 Regular Meeting

Motion by Commissioner Caen, 2nd by Commissioner Courtney to approve Passed 3-0 AYE (Moran, Caen, 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.

Mr. Dick Allen noted his longtime interest in Lake Merced and asked that a chart showing the Lake level be reported on the SFPUC's website. Mr. Allen expressed satisfaction with the current water levels at Lake Merced but expressed concern about the potential impact of pumping from the Lake Merced-Westside Basin Aquifer asking that a similar chart showing what was proposed to be pumped from both the North and South Basin also be made available. Mr. Allen noted that through recycling Daly City had addressed its issues in this regard. Mr. Allen also urged that the Lake Merced Boathouse be rehabilitated and suggested contacting the Irving High School Rowing Team as another potential user of the renovated facility.

Mr. Bill McLaughlin, Surf Rider Foundation, reported and showed slides on his organization's ongoing involvement with San Francisco Planning & Urban Research's (SPUR) efforts to address Ocean Beach erosion issues and presented a addressing the issues that posed a risk to the existing South Sloat Lake Merced Wastewater infrastructure and especially the Tunnel.

Mr. David Pilpel, SFPUC CAC, commented on a press report concerning the resolution of discovered SFPUC employee misconduct and applauded the General Manager and staff's taking forceful action to recover the financial losses and take steps to prevent a

reoccurrence of this kind of situation as well as steps taken by Cole Hardware to address this problem created by its related employee misconduct.

Mr. Harrington noted that the SFPUC was actively involved in SPUR's visioning process for Ocean Beach and that a future presentation on these issues could be brought to the Commission.

5. Communications

- a.) Letter Summary
- b.) Advance Calendar
- c.) Staff Reports (written reports sent to the Commissioners)

1. Hunter's Point Development Phase I Update Report

(Hale)

2. Residential Graywater Program Update

(Ritchie)

3. Community Garden Irrigation Meter Grant Program

(Ritchie)

4. Quarterly Construction Change Order Report

(Labonte)

There were no questions concerning any item in Communications.

6. Other Commission Business

7. Report of the General Manager

a) Water System Improvement Program (WSIP) Quarterly Update Report (Labonte)

WSIP Director Julie Labonte presented a brief <u>overview</u> of the current Quarterly Report; including current status of local and regional projects, outlined challenges, especially related to the tunneling projects, challenges regarding the Bay Division Pipelines projects, and noted completion of three key projects during this reporting period.

b) Update on Shore Side Power at Pier 70

(Hale)

Assistant General Manger Barbara Hale outlined the ongoing discussion with the Port concerning the Port of San Francisco (Port) noting that they would have to remove the shoreside power facility at Pier 29 for the construction of the new Cruise Ship Terminal. The terminal structure will be used as a venue for the America's Cup. Ms. Hale noted that the Port was proposing to install a shoreside power facility at Pier 70. Ms. Hale explained that this new Shoreside power facility would serve as mitigation for the loss of the facility at Pier 29 while the new Cruise Ship Terminal was under construction. The Pier 70 shoreside power facility would continue to operate after the Pier 29 shoreside power facility was re-installed, post-construction resulting to two such facilities. Ms. Hale noted that the prospect of additional shoreside power facilities represented additional customer demand, as well as provided air quality benefits to the city, since more polluting onboard generation would be avoided. Ms. Hale recalled that the

Commission has supported the Pier 29 shoreside power project, contributing \$1.8 million towards its construction. Ms. Hale further explained that consistent with that approach, staff was engaged with the Port to assist in the development of shoreside power facilities at Pier 70. Ms. Hale reported that a letter of intent between Port and SFPUC had been developed, and noted staff was preparing a memorandum of understanding detailing the roles and responsibilities of the Port and SFPUC that would be presented to the SFPUC for review and approval. Ms. Hale explained that the Port staff was seeking the approval of the Port Commission today (February 28). Ms. Hale reported that staff would be bringing the matter to the SFPUC Commission for its consideration once the Port Commission had acted. Ms. Hale explained that an element of this was a proposal that the SFPUC would support the shoreside power project by committing to pay the Port \$1.5 million by 2017 if the demand at Pier 70 increases by 65,625,000 kWh by 2017. In response to questions by Presdient Moran, Ms. Hale outlined why we were assuming a portion of the costs due to their ineligibility to pursue grant funding and outlined the extensive financial and environmental benefits of having two shoreside per facilities.

c) New Site for Proposed Westside Recycled Water Project

(Ritchie)

AGM for Water Steven Ritchie presented an <u>overview</u> of staff's proposed change of the location for the Westside Recycled Water Plant from Golden Gate Park to a site within and adjoining the Oceanside Treatment Plant. In answer to questions by Commissioner Caen, AGM Ritchie reported there would be additional costs to pipe the water from the new site to its proposed uses in Golden Gate Park and the golf courses but also pointed out that this provided opportunities to identify new customers for the recycled water as well.

Public comment

Ms. Nancy Wuerfel, Golden Gate Park Preservation Alliance, recalled the past history of efforts to protect the Park and cited a longstanding promise to close the old sewage treatment facility that had been made when the Oceanside Plant was built. Ms. Wuerfel strongly supported the proposed change in location as restoring the integrity of Golden Gate Park, making these 5 acres available for park uses, as well as finding a much more appropriate location for the needed recycled water facility on the proposed site adjacent to the Oceanside treatment Plant.

Ms. Katherine Howard, Golden Gate Park Preservation Alliance, also strongly supported the change in the proposed location for this facility as this restored 5 acres to the park, which was a precious resource, and provided a solution that best served everyone.

Ms. Ann Clark, a San Francisco Ratepayer, noted that the Bay Area Water Stewards (BAWS) supported this proposed change in location and also strongly supported this change as beneficial noting that it demonstrated that General Manager Harington and SFPUC staff actually listened to community concerns and responded creatively to find a

solution that provided a good result for the entire community while restoring land to the park. She noted she was often cynical about how government served the community but this was a case that amply showed that it did do so in an exemplary manner.

Mr. David Pilpel SFPUC CAC recommended that the Citizens' Advisory Committee be involved in helping with community engagement regarding the consideration of the proposed route for the new service pipelines, and expressed an interest in learning what if any impacts this might have on meeting the mandated potable water offset that the city was under obligation to create.

Mr. Harrington called particular attention to the outstanding work done by Water Resources Planning Manager Paula Kehoe and Citizen Involvement Coordinator Suzanne Gautier in working though countless community meetings to facilitate moving this process forward.

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

(Jensen)

a) BAWSCA Update Report

BAWSCA General Manger Art Jensen presented a brief report outlining ongoing BAWSCA activities in particular noting and applauding the point that that Ms. Labonte's WSIP Quarterly Report had specifically addressed concerns and issues raised in a letter that BAWSCA had sent to the SFPUC reflecting the continuing close cooperation between BAWSCA and the SFPUC in addressing issues of mutual concern. Additionally, Mr. Jensen discussed BAWSCA's ongoing water supply planning and reported efforts to expand water conservation through a landscape management program available to their members. Mr. Jensen also reported that it was envisioned that these programs, including one that provided an edible as well as water saving landscaping model, would be ongoing in the coming months.

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.

Commissioner Caen requested that Agenda Item #9b be addressed separately,

Motion by Vice President Torres, 2nd by Commissioner Courtney to approve Consent Calendar Items #9a, #9c, #9d, and #9e. Passed 4-0 Aye (Moran, Torres, Caen, Courtney) unanimously

In response to questions by Commissioner Caen, Mr. Harrington explained that agenda item #9b constituted only a three month extension until a new, longer contract could be put out to bid and brought to the Commission for its consideration.

Motion by Vice President Torres, 2nd by Commissioner Caen to approve Consent Calendar Item #9b Passed 4-0 Aye (Moran, Torres, Caen, Courtney) unanimously

- a) Approve Amendment No. 2 to Legislative Affairs Funded Agreement No. CS-850, State Legislative Representation and Advocacy Services for the San Francisco Public Utilities Commission (SFPUC), with Edelstein, Gilbert, Robson, and Smith to provide state legislative representation and advocacy services for the SFPUC and authorize the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute this amendment increasing the agreement by \$50,000, for a total not-to-exceed agreement amount of \$1,050,000, and increasing the agreement duration by up to three (3) months for a total agreement duration of five (5) years, three (3) months. Reso 12-0030
- b) Approve Amendment No. 2 to Legislative Affairs Funded Agreement No. CS-851, Federal Legislative Representation and Advocacy Services for the San Francisco Public Utilities Commission (SFPUC), with Daryl Owen Associates to provide federal legislative representation and advocacy services for the SFPUC and authorize the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute this amendment increasing the agreement by \$83,333, for a total not-to-exceed agreement amount of \$1,333,333, and increasing the agreement duration by four (4) months for a total agreement duration of five (5) years, four (4) months. Reso 12-0034

- c) Approve Modification No. 1 to Enterprise-funded Contract No. JOC-21, Job Order Contract (JOC), General Construction (B-License), San Francisco/Peninsula/East Bay/Hetch Hetchy, with Southwest Construction and Property Management, to accomplish general building construction work for all San Francisco Public Utilities Commission (SFPUC) Enterprise Operations and Bureaus, increasing the contract by \$2,500,000, for a total contract amount of \$7,500,000, and with a time extension of three years for a total contract duration of five years, as allowed for JOC contracts under the SF Administrative Code. Modification of this contract will complete ongoing facility improvements such as roofing, fencing, security monitoring, erecting pre-fabricated buildings, plumbing and electrical work.

 Reso 12-0031 (Kelly)
- d) Accept the work performed by, Mountain Cascade, Inc. for Water Enterprise, Water System Improvement Program (WSIP)-funded Contract No. WD-2513, San Andreas Pipeline No. 3 Replacement; approve Modification No. 1 (Final), increasing the contract by \$521,001 for a total contract amount of \$16,857,351 with a time extension of 63 consecutive calendar days for a total contract duration of 673 consecutive calendar days; and authorize the final payment to the contractor. Modification No 1 (Final) is comprised of twenty-eight (28) change orders, which address credits for design changes due to differing site conditions and workarounds due to unforeseen weather conditions. The total of all change orders represents a 3.19% increase over the original contract amount and 10.33% of the original contract duration. Reso 12-0032 (Labonte)
- e) Accept the work performed by J. Flores Construction for Wastewater Enterprise (WWE) Capital Improvement Program-funded (CIP) Contract No. WW-521, Spot Sewer Repair Contract No. 25; approve Modification No. 2 (Final), to account for additionally required sewer repair work, increasing the contract by \$690,204, for a total contract amount of \$3,908,939; and authorize final payment to the contractor. Modification No. 2 is being requested to address costs related to 1) the additional length and level of damage discovered upon excavation; and 2) the amount of repair work performed along streets with MUNI trolley bus service. Due to OSHA requirements, the MUNI overhead trolley lines either needed to be offset temporarily or de-energized in order to perform the repair work. Reso 12-0033 (Moala)

REGULAR BUSINESS

10. Presentation and discussion of the <u>2011 Revenue Bond Oversight Committee</u> (<u>RBOC</u>) <u>Annual Report</u> (*Brown*)

Ms. Brown recalled her years of work with the Revenue Bond Oversight Committee and noted that Kevin Cheng would assume the Chair as her term in office was concluding. Then Revenue Bond Oversight Committee Chair Aimee Brown presented an extensive <a href="https://example.com/oversight-chair-align: center.com/oversight-chair-align: center.com/ove

that the SFPUC was expending bond funds in manner consistent with its requirements, and that the SFPUC had adopted "best practices, and outlined the RBOC's recommendations for some improvements in checking and updating some reporting.

Next, Dr. William Ibbs, the Independent Observer, reported on the findings of the independent Review Panel which were also largely favorable and briefly outlined its four recommendations for areas of program and project reporting improvements.

President Moran applauded Ms. Brown's outstanding contributions during her 8 years of safeguarding the public's trust while serving on the RBOC and commended for her service.

Public comment

No comments were offered

11. Discussion and possible action to approve the selection of MWH/URS, Joint Venture (MWH/URS JV); award Wastewater Enterprise, Sewer System Improvement Program (SSIP) funded Agreement No. CS-169, Central Bayside System Improvements Project, to provide project planning and engineering services; and authorize the General Manager of the San Francisco Public Utilities Commission to negotiate and execute a professional services agreement with MWH/URS JV for an amount not-to-exceed \$30,000,000, with a duration of up to nine (9) years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. Reso 12-0035

Public comment

No comments were offered

Vice President Torres asked and was informed by AGM Kelly as to who else had bids on this work. Vice President Torres then requested that he be recused from voting on this matter to due to a previous relationship with a contracting party.

Motion to recuse Vice President Torres from voting on this item by Commissioner Courtney, $2^{\rm nd}$ by Commissioner Caen Passed 3-0 AYE (Moran, Caen, Courtney) unanimously

Motion by, 2nd by Commissioner Caen, 2nd by Commissioner Courtney to approve the Item Passed 3-0 Aye (Moran, Torres, Caen, Courtney) unanimously

12. Discussion and possible action to **authorize** the General Manager of the San Francisco Public Utilities Commission (SFPUC) to negotiate and execute a

Memorandum of Understanding (MOU) with California Pacific Medical Center (CPMC) to perform sewer improvements related to and under the Wastewater Enterprise, Cesar Chavez Street Sewer System Improvement Project (the Project); authorize the General Manager to accept and expend funds from CPMC in the amount of \$3,729,893 to issue a Contract Modification in the amount of \$2,847,758, increase the construction contingency by \$284,776 and authorize staff to provide \$597,359 of support related to the MOU agreement, subject to Board approval of a supplemental appropriation of those funds; and approve Modification No. 1 to Wastewater Enterprise Contract No. WW-410, Cesar Chavez Street Sewer Improvement Project, with JMB Construction Inc., to modify sewer facilities on Cesar Chavez Street, 27th Street, San Jose Avenue, Valencia Street, and Duncan Street, increasing the contract by \$2,847,758 for a total contract amount of \$18,175,297 and with a time extension of 98 consecutive calendar days, for a total contract duration of 598 consecutive calendar days; and increasing the construction contingency by \$284,776 for a total contingency amount of \$1,817,530, subject to Board approval of a supplemental appropriation of those funds; and adopt environmental findings under the California Environmental Quality Act. (Moala)

Mr. Harrington explained that this contract change allowed for the inclusion of necessary work relocating sewer facilities for St Luke's Hospital as part of the ongoing upgrade and renovations of the sewer systems in that area.

Vice President Torres also requested that he be recused from voting on this matter to due to a previous relationship with a contracting party.

Motion to recuse Vice President Torres from voting on this item by Commissioner Courtney, 2nd by Commissioner Caen Passed 3-0 AYE (Moran, Caen, Courtney) unanimously

Motion by, 2^{nd} by Commissioner Courtney, 2^{nd} by Commissioner Caen to approve the Item Passed 3-0 Aye (Moran, Caen, Courtney) unanimously

CLOSED SESSION

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

No comments were offered on any closed session items

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

Motion by, 2nd by Vice President Torres, 2nd by Commissioner Caen to assert the attorney-client privilege Passed 4-0 Aye (Moran, Torres, Caen, Courtney) unanimously

The Commissioners retired into a closed session at 2:46pm

Present in closed session were: President Moran, Vice President Torres, Commissioer Caen, Commissioner Courtney, General Manager Harrington, CFO & AGM for Business Services Rydstrom, AGM for Wastewater Moala, Deputy City Attorney Ambrose, and Commission Secretary Housh. Candidates for the position of Commission Secretary were interviewed during the closed session.

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

 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 Legal Counsel – Pursuant to California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10 (d) (2) (Rothschild)

Existing Litigation: As Defendant

Donna Murray v City & County of San Francisco

San Francisco Superior Court Case: No. CGC-10-503853

Filed: September 9, 2010

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

City and County of San Francisco, Office of City Attorney Dennis Herrera, as Civil Prosecutor and the People of the State of California et al. v Alexander Deanda, Gerald T. Lyons, and Sheldon Morris

Existing Litigation: As Plaintiff

San Mateo Superior Court Case No. CIV 482-138

Filed: November 24, 2008

18. Public Employee Appointment/Hiring - Pursuant to California Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b). (Moran)

Position: 0922 Administrative Secretary, Public Utilities Commission

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

The Commissioners returned to open session at 3:25pm

19. Announcement following Closed Session.

President Moran announced that there was no action on Agenda Item #15, and that Agenda Items #16 and #17 were settled.

President Moran then announced that Ms. Donna Hood had been unanimously chosen by the Commissioners for appointment as the new SFPUC Commission Secretary.

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

Motion by, 2nd by Commissioner Courtney, 2nd by Commissioner Caen not to disclose the closed session discussions Passed 4-0 Aye (Moran, Torres, Caen, Courtney) unanimously

21. Other New Business

No new business matters were proposed

There being no further business President Moran adjourned the meeting at 3:25pm.

ADJOURNMENT