

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

**Edwin M. Lee**  
MAYOR

**MINUTES**  
**Tuesday, May 22, 2012**  
(Approved June 12, 2012)

1:30 P.M.  
City Hall, Room 400  
San Francisco, CA 94102

**Commissioners**

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

**Ed Harrington**  
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/MediaPlayer.php?view\\_id=22&clip\\_id=15206](http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=22&clip_id=15206)

## **Disability Access**

The Public Utilities Commission meeting will be held in Room 400, at One 1 Dr. Carlton B. Goodlett Place, (400 Van Ness Avenue), San Francisco, CA. The closest accessible BART Station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI Lines serving this location are: Muni Metro lines J Church, K Ingleside, L Taraval, M Oceanview, N Judah and T Third at Van Ness and Civic Center Stations; F Market Line; and bus routes 19 Polk, 47 Van Ness, 49 Mission Van Ness, 5 Fulton, 6 Parnassus, 21 Hays, 9 San Bruno, 9L San Bruno Limited, 71 Haight Noriega and 71L Noriega Limited. For more information about MUNI accessible services call (415) 701.4485.

The meeting room is wheelchair accessible. Accessible curbside parking spaces have been designated on the Van Ness Avenue and McAllister Street perimeters of City Hall for mobility-impaired persons. There is accessible parking available within the Civic Center Underground Parking Garage at the corner of McAllister and Polk Streets, and within the Performing Arts Parking Garage at Grove and Franklin Streets.

To obtain a disability-related accommodation, including auxiliary aids or services, or to obtain meeting materials in alternative format, please contact Donna Hood at (415) 554-3165, or by emailing [dhood@sfgov.org](mailto:dhood@sfgov.org). Providing at least 72 hours notice will help to ensure availability.

To assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

### **Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: [sotf@sfgov.org](mailto:sotf@sfgov.org). Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.sfgov.org](http://www.sfgov.org).

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site at [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

## ORDER OF BUSINESS:

1. Call to Order

*President Moran called the meeting to order at 1:38 PM*

2. Roll Call

*Present: Anson Moran, Art Torres, Ann Caen, Francesca Vietor*

*President Moran stated that item 17, Closed Session, was removed from the calendar.*

*President Moran disclosed that, in regard to item 9H, he has a long-standing personal relationship with two of the individuals bidding on the contract. He stated that there is no professional relationship that would affect his ability to act impartially on the item.*

3. Approval of Minutes of May 8, 2012

*Commissioner Vietor requested an amendment to her comments on item 7.*

***On motion to approve the minutes of May 8, 2012 AS AMENDED:***

***ADOPTED: AYES: Moran, Torres, Caen and Vietor***

***ABSENT: Courtney***

4. Public Comments

*No public comment.*

5. Communications

a) Letter Summary

b) Advance Calendar

6. Other Commission Business

*Commissioner Caen asked staff if a plaque will be placed on the new building. Deputy General Manager Michael Carlin indicated he did not know, but would find out and report back.*

7. Report of the General Manager

a) Renewal of Service Agreement with PG&E for the Community Choice Aggregation Program

*Mr. Mike Campbell noted that the service agreement with PG&E has been extended beyond the four and one-half years of the contract.*

b) Quarterly Budget Report

*Mr. Todd Rydstrom provided the Commission with a third quarter budget status report update, detailing variances in the budget.*

c) Bond Sales Result and Update

*Mr. Todd Rydstrom stated that the most recent bond sale was held, with \$702M in Water Revenue bonds sold, with an average bond rate of 4.27 percent.*

8. BAWSCA Update

*Ms. Nicole Sandkulla, BAWSCA staff, noted that BAWSCA is pursuing the possibility of prepaying old capital debt to the Regional Water System using a provision of the 2009 Water Supply Agreement. She stated they have hired bond council to assist with a feasibility study and will keep SFPUC staff informed as to progress on the issue.*

**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, 11<sup>th</sup> 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.
- a) **Accept** work performed by A. Ruiz Construction Co. & Associates, Inc. for **Local Water Conveyance/Distribution Program-funded Contract No. WD-2430, 8-Inch Ductile Iron Main Installation on Howard, Harrison, Natoma, Clementina, Tehama and Julian Streets; Approve** Modification No. 1 (Final) for reconciling the final contract amount with the actual quantity used for unit price bid items, **decreasing the contract by \$221,163**, for a total contract amount of \$986,625, with a total contract duration of 240 consecutive calendar days; and **authorize final payment** to the Contractor, A. Ruiz Construction Co. & Associates, Inc. ([Resolution 12-0092](#))
- b) **Accept** work performed by P&J Utility Company, Inc. for **Local Water Conveyance/Distribution Program-funded Contract No. WD-2619, 8-Inch Ductile Iron Main Installation on Harrison Street from 18<sup>th</sup> Street to Cesar Chavez; Approve** Modification No. 2 (Final), for reconciling the final contract amount with the actual quantity used on unit price bid items, **decreasing the contract by \$37,707**, for a total contract amount of \$1,130,796, with a total contract duration of 240 consecutive calendar days; and **authorize final payment** to the Contractor, P&J Utility Company, Inc. ([Resolution 12-0081](#))

- c) **Approve** Modification No. 1 to Water Enterprise - Local Conveyance/Distribution System Project-Funded and Operating Budget-Funded Contract No. **WD-2634, CDD As-Needed Annual Paving Contract for Services and Main Breaks**, with A. Ruiz Construction, to retroactively continue providing paving services for new service installations and main breaks while the next annual paving contract was being awarded, and extending the **contract duration by 210 consecutive calendar days** for a total contract duration of 575 consecutive calendar days. Authorize the General Manager to execute a change order to **increase the contract amount by \$110,000**, for a total contract value of \$3,320,770.  
([Resolution 12-0082](#))
- d) **Approve** the plans and specifications, and **award** Wastewater Enterprise Renewal and Replacement Program-funded and Department of Public Works Pavement Renovation Program-funded **Contract No. WW-508, Bayview/Hunters Point Districts Sewer Replacement/Rehabilitation and Pavement Renovation, in the amount of \$2,535,027** (of which \$1,738,662 is funded by WWE and \$796,366 is funded by DPW), to the lowest, qualified, responsible and responsive bidder, Shaw Pipeline, Inc., to replace the existing sewers and street pavement on various streets in the Potrero/Bayview/Hunters Point neighborhoods of San Francisco.  
([Resolution 12-0083](#))
- e) **Approve** and **award** Contract No. **JOC-39, HVAC Energy Efficiency (C-20) for San Francisco/Peninsula, for a not-to-exceed amount of \$3,000,000** to the lowest, qualified, responsible and responsive bidder, American Mechanical, Inc., **to perform heating/ventilation/air conditioning upgrades in City owned municipal facilities**. JOC-39 is the first of three HVAC JOC contracts issued under the same bid documents but with separate bid openings; JOC-38R will be awarded separately by the Commission.  
([Resolution 12-0084](#))
- f) **Approve** and **award** Contract No. **JOC-40, HVAC Energy Efficiency (C-20) for San Francisco/Peninsula, for a not-to-exceed amount of \$3,000,000** to the lowest, qualified, responsible and responsive bidder, EMCOR Service/Mesa Energy Systems, Inc., **to perform heating/ventilation/air conditioning upgrades in City owned municipal facilities**. JOC-40 is the second of three HVAC JOC contracts issued under the same bid documents but with separate bid openings; JOC-38R will be awarded separately by the Commission.  
([Resolution 12-0085](#))
- g) **Ratify the Declaration of Emergency** made by the General Manager and approved by the President of the Commission on April 30, 2012, **for immediate drilling and blasting work to address a rockfall on the road to South Fork Adit** to ensure public safety and maintain roadway availability to critical operating sites. The HH-962E work was awarded to California Drilling and Blasting, in the amount of \$319,000.  
([Resolution 12-0086](#))

- h) **CS-232R Approve** the selection and **award** of Agreement No. **CS-232R, Federal Legislative Representation and Advocacy Services to Daryl Owen Associates, Inc., to provide federal legislative representation and advocacy services to the San Francisco Public Utilities Commission;** and **authorize** the General Manager to negotiate and execute a professional services agreement with Daryl Owen Associates, Inc. **for an amount not-to-exceed \$1,250,000** with an **initial term of three years**, with two options to extend, each for a one year additional term, subject to Commission approval, for a total duration of five years. ([Resolution 12-0087](#))

***On Motion to approve item 9:***

***ADOPTED: AYES: Moran, Torres, Caen and Vietor***

***ABSENT: Courtney***

## **REGULAR BUSINESS**

10. **Authorize** the General Manager to execute on behalf of the City and County of San Francisco, acting through the San Francisco Public Utilities Commission: (i) a **Funding Agreement with Santa Clara County and The Nature Conservancy for SFPUC's contribution of an amount not-to-exceed \$900,000 toward the County's acquisition of the Nolan Ranch in the Alameda Creek Watershed** and the creation of a conservation easement on such land, and (ii) an **Endowment Agreement for SFPUC to provide \$125,000 to fund the protection of the conservation values of the land** through annual monitoring by the Conservancy as the holder of the conservation easement.

*Mr. Tim Ramirez introduced the item and noted that it is the third and the largest land acquisition in the Alameda Watershed.*

*Public Comment: No public comment*

***On Motion to approve item 10:***

***ADOPTED: AYES: Moran, Torres, Caen and Vietor***

***ABSENT: Courtney***

([Resolution 12-0088](#))

11. **Approve** Amendment No. 1 to **Water Enterprise, Water System Improvement Program-funded Agreement No. CS-914, Bay Division Regional Construction Management Services**, with Jacobs Engineering Group Inc. for additional project-specific construction management services; and **authorize** the General Manager to execute this amendment, **increasing the agreement by \$1,500,000**, for a total not-to-exceed agreement amount of \$26,500,000; subject to the Board of Supervisors approval pursuant to Charter Section 9.118, in lieu of the action previously authorized under Resolution No. 11-0129.

*Mr. Harlan Kelly stated that additional funds were needed for work required to dig beneath an unexpected burial site at the project, which, as a result, increased in the contract duration.*

Public Comment: No public comment

**On Motion to approve item 11:**

**ADOPTED: AYES: Moran, Torres, Caen and Vietor**

**ABSENT: Courtney**

[\(Resolution 12-0089\)](#)

**12. Authorize** the General Manager to execute a Memorandum of Understanding with the San Francisco Recreation and Parks Department, setting forth the conditions under which the SFPUC shall operate and maintain an existing sewer easement and an access easement in, under, and over an RPD property commonly known as Cayuga Park.

*Ms. Rosanna Russell presented this item and noted that it is necessary to protect the SFPUC's access and rights to operate, repair and replace our wastewater facilities and regulates how Recreation and Park Department can plant trees and shrubs near the facilities.*

Public Comment: No public comment

**On Motion to approve item 12:**

**ADOPTED: AYES: Moran, Torres, Caen and Vietor**

**ABSENT: Courtney**

[\(Resolution 12-0090\)](#)

**13. WORKSHOP - Water Supply Options:** Discuss updated Retail and Wholesale demand projections and potential water supply options to meet projected 2035 demands.

**Commissioner Courtney arrived at 2:23 PM**

*Mr. Steve Ritchie gave a brief presentation on retail and wholesale water demand projects and discussed options to meet those demands. He detailed preliminary conclusions; provided a brief background on water supply; noted the decisions that need to be made by December 2018; discussed supply shortfall regulatory requirements and policy choices; supply, demand and risk; and water supply options.*

*Mr. Ritchie presented and discussion ensued on the proposed water supply project timeline and the on different projects noted in the timeline.*

*Mr. Ritchie presented the methodology for comparison of water supply options. He discussed a matrix on water supply option comparisons. He noted it was created not to*

say one project was better than another, but rather to provide the commission with a way to look at each project in relation to community interests, needs and support. Commissioners Moran and Vietor requested that Mr. Ritchie show the quantitative and qualitative criteria used to determine the comparisons. Mr. Ritchie indicated that when the item comes back to the Commission at the annual planning workshop, it will include that detail as requested.

Public Comment: Mr. Peter Drekmeier, Tuolumne River Trust, stated that he though the presentation was pessimistic and encourages the Commission to include conservation measures in the matrix.

14. **Authorize** the General Manager to execute a **Memorandum of Understanding with the City of South San Francisco** for the purpose of funding a study to establish the roles and responsibilities of up to seven participating agencies in the proposed **South San Francisco Recycled Water Project**, and to develop a plan for sharing Project capital costs, in an **amount not to exceed \$27,725, and with a duration of approximately six months**. The SFPUC's 50% cost share of the proposed study will not exceed \$13,863.

Mr. Ritchie introduced this agenda item and noted we have been working with the City of South San Francisco and participating agencies on the project.

Public Comment: No public comment

**On Motion to approve item 14:**

**ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney**  
[\(Resolution 12-0091\)](#)

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

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

## **CLOSED SESSION**

THE PUBLIC UTILITIES WILL GO INTO CLOSEDS SESSSION TO DISCUSS THE FOLLOWING ITEMS:

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

Existing Litigation:

Paulette Adams-Irving v. CCSF,  
San Francisco Superior Court Case No. CGC 11-509216

Date Filed: March 15, 2011

(Fairgrieve)



**ITEM 17 was removed from the calendar.**

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

18. Announcement following closed session

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

20. Other new business

**ADJOURNMENT 3:02 PM**