



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

Edwin M Lee
MAYOR

MINUTES

(Approved March 22, 2011)

REGULAR MEETING

Tuesday, March 8, 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: 1:36 P.M.

2. Present – President Francesca Vietor, Vice President Anson B. Moran,
Commissioner Art Torres and Commissioner Vince Courtney

Excused Commissioner Ann Moller Caen

3. Approval of Minutes
 - a) Minutes of the January 27, 2011, Budget Workshop Meeting
 - b) Minutes of the February 8, 2011, Regular Meeting

Moved by Commissioner Torres, seconded by Vice President Moran;
passed (4-0 Vietor, Moran, Caen, Torres, and Courtney).

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.

There was no public comment.

5. Communications

- a) Letter Summary
- b) Advance Calendar
- c) Staff Reports (*Written reports sent to the Commissioners*)
 1. Quarterly Wastewater Interim CIP Update
 2. Status of Major Development Projects in the Service Area

The Commission Secretary called attention to two additional late arriving letters that were distributed to the Commissioners in a revised letter summary. Regarding the staff reports, Vice President Moran requested that staff present information explaining the transition from the Interim Capital Improvement Program (CIP) since 2005 so that the ratepayers could clearly understand what changed and how this program's purposes and scope were expanded rather than it had simply expanded without control.

Additionally, Vice President Moran requested (regarding the update on major developments) information about what criteria were used to decide what to include or not include in this report. Assistant General Manager for Water Steve

Ritchie explained that as this was staff's first attempt to identify major developments in the service area and that there were no specific criteria used but rather this was based on what development projects on the horizon that staff knew about. Mr. Ritchie explained why several Cow Palace related projects were not included and reported that the upcoming urban water management plans would do more to show what actual projects were moving forward. In response to questions by Vice President Moran, Mr. Ritchie confirmed that the retail water agencies were responsible for certifying water availability under water sales agreements. Next, Vice President Moran cited the recent discussions regarding consideration being given to the development needs of East Palo Alto and observed that as this was encompassed within a single large project it should be understood therefore that their reported needs were understandable given the scale of what was being planned.

President Vietor requested information regarding proposed discussions on Real Estate, Land Use, and SFPUC funded Public Art that was listed as pending on the advance calendar. General Manager Ed Harrington noted that the land use and real estate matters were still being developed as they were involved with the Real Estate Service reorganization, but that a discussion of the art program could be tentatively set for an April meeting depending on finalizing details of the Memorandum of Understanding with the Arts Commission.

6. Other Commission Business

Vice President Moran made two requests that staff propose reasonable caps for unit costs for various kinds of uses for the Commissioners to consider. Next, Vice President Moran asked that staff develop resource portfolios to provide a framework to consider alternatives when thinking about adoption of new technologies for conservation or reclamation. Vice President Moran pointed as example to the range of cost per acre foot of water from \$500 to \$10,000 among conservation projects.

Vice President Moran asked that if developing these options seemed like it would take some time to do that staff come back with interim information. Mr. Harrington noted that if cost were the determinate factor neither recycled water nor many renewable energy projects would ever be done. Mr. Harrington also pointed out that the Commission has identified use of a triple bottom line analysis that was based on achieving wider range of goals in making decisions to support these kinds of projects even when more costly. Vice President Moran agreed that was so but noted that over the past two years projects had been approved without a clear framework to determine how to achieve the best value being in place. Vice President Moran noted he was seeking a better understanding of what kind of thresholds could provide a thoughtful structure to consider when making these decisions.

President Vietor noted that this was an interesting problem and perhaps establishing measurables and identifying goals could be a topic at the Commission's retreat this summer. Vice President Moran indicated he was comfortable with addressing this in a summer time frame but requested that staff bring forward some markers in the interim to help shape this discussion. Mr. Harrington agreed to work on this but noted it was important to avoid setting up disagreements based on artificial assumptions about cost.

7. Report of the General Manager

General Manager Ed Harrington updated the Commission on the Calaveras Dam Replacement Project reporting that an agreement would shortly be before Board with East Bay Regional Park District. Among the elements in this agreement, Mr. Harrington reported were a \$2 million payment to the District to cover lost revenue and visitors, construction of a bridge across the Alameda Creek, and use of space for their staff at the Sunol Yard during construction. In response to questions by President Vietor and Commissioner Torres, Mr. Harrington further explained the staff's rationale for these agreements with the District.

Next, in response to a press inquiry about a former employee, Mr. Harrington reported to the Commissioners regarding work performed for the SFPUC for a short period in 2009 by former Supervisor Kevin Shelley. Mr. Harrington noted that the appropriate civil service procedures were followed in the selection and hiring process for this temporary position and that the real estate related work had been completed satisfactorily. Mr. Harrington noted that roughly 70 temporary employees had been hired on to do a variety of short-term projects during the past two years. Mr. Harrington outlined the work Mr. Shelley had done related to potential development of SFPUC properties in Millbrae. Mr. Harrington explained that this may be of interest because, due to rules changes made in 2001, it allowed Mr. Shelley to buy back retirement time from his previous years of city service.

Commissioner Torres asked if this matter would be appropriate for a Closed Session discussion. Deputy City Attorney Noreen Ambrose explained that this was not an agendized personnel matter merely an informational report providing background. Commissioner Torres reported he would have to recuse himself regarding this matter as he had worked with Mr. Shelley in the state legislature. President Vietor noted should there be any need for any further discussion it could be calendared.

a) Sodium Hypochlorite (Bleach) Update

Assistant General Manager of Wastewater Tommy Moala gave an update on the use of chemical Sodium Hypochlorite (Bleach), noting this was not your typical household bleach and that it served mostly as a disinfection agent with a smaller element being used for odor control. Mr. Moala explained that this was only one

of many means used for these purposes. Mr. Moala explained how highly concentrated solutions of various chemical disinfection agents were used and that all were neutralized and removed during treatment so that they did not flow into the Bay.

Mr. Moala discussed all of the various means such as elevated vent stacks, as along the Embarcadero, in addition to regular cleaning of sewers as a main means of reducing odors, as well as the grease removal programs that were used in addition to chemical treatments. Mr. Moala noted that Wastewater staff has been constantly looking for innovative newer and non-chemical means to eliminate odors but that so far none have been proven to be as effective. Mr. Moala then outlined various areas where residential and recreation uses have moved into areas adjoining our facilities so that Wastewater has had to adapt to the new circumstances and even more aggressively take on odors. Mr. Moala reminded the Commissioners of the adopted Level of Service goal for odor control was to prevent any odor beyond our facilities fence. Mr. Moala explained that many new options and techniques were being considered. Additionally, Mr. Moala made very clear that we were strictly meeting our permit requirements and no bleach was going into the Bay. Mr. Moala explained the use of laboratory “fish” tests to make sure that the treated water was completely safe and there were no permit violations. Wrapping up Mr. Moala discussed new technologies like use of UV as a means of disinfection.

In response to a question by Commissioner Torres regarding possible impact from new federal restrictions on dog owners causing more to use our sites, Mr. Moala noted that this was the only dog park adjoining our facilities. Mr. Harrington noted however that there were informal dog walking areas around many of our properties. Mr. Moala explained further to Commissioner Torres how the laboratory “fish tests” worked as well as how the bleach was neutralized completely in the treatment plants. In response to questions by President Vietor, Wastewater Junior Engineer Natalie Sierra discussed the neutralization process and how this industry standard best practice made sure no toxics went into the Bay.

In response to questions by President Vietor, Mr. Moala and Mr. Harrington explained that the entire \$14 million amount reported for chemical purchases was a citywide total for use by the SFPUC and the Airport. President Vietor then asked about the reported role of use of low flow toilets which creating flushing issues in sewers that in turn caused increased odors. In response Mr. Moala explained that this issue was a very small element in a much bigger overall rethinking of how these systems could function on an optimal basis. President Vietor requested that staff continue to identify non-toxic ways to address these issues going forward. Mr. Moala confirmed that this was already an important focus for staff’s investigations of the best way forward.

Public Comment

Drummond Lawson, Method Products, expressed happiness that the press reports had mischaracterized what was actually going on and offered his company's assistance in addressing these disinfection and odor issues.

Mr. Eric Brooks, San Francisco Green Party, Our City, noted climate change could severely limit water supply available in the snow pack that could lead to problems flushing the sewer system. Mr. Brooks questioned whether Wastewater's use of chloramine may be causing other problems. As an alternative solution he suggested the SFPUC conduct a pilot program regarding urban use of composting toilets.

Ms. Bonnie Sherk, Living Library, reported that there were many potential ways to use natural biological process to clean water through use of "living machines" as well as treatment processes using mushrooms and other fungi.

President Vietor noted there were plans for a Living Machine at the new 525 Golden Gate SFPUC Headquarters Building now being constructed.

In response to a request by President Vietor, Mr. Moala discussed some challenges in use of composting toilets especially in regard to collecting and removing the regular quantities of compost byproducts that they produced. Mr. Harrington described traditional composting toilets as a hole in the ground with sawdust to neutralize the waste which becomes fertilizer to use in your garden making a sort of immediate recycling. Mr. Harrington explained that there were newer closed system contemporary types of composting toilets that were used in mainly rural areas but that again the collection of compost would pose a practicality problem in the City's high-rise dense urban areas. Mr. Moala also discussed the ongoing investigation of use of the "Living Machine" as a treatment process.

setting.

b) Climate Change Update

David Behar, Climate Program Director, noted that a key advantage that the SFPUC had in addressing climate change was that this was fact and that appropriate response to it was needed was widely accepted in our community. Mr. Behar then discussed the resulting of the inexorable warming trend its related precipitation, and storm frequency and intensity and sea level rise. Mr. Behar explained how all of this related to our need to address changes in the hydrological cycle in our long-term planning over the next 30 years. Mr. Behar noted that at this point we were assessing our vulnerabilities, and trying to understand the uncertainties.

Mr. Behar pointed out that the SFPUC was a leader in the Water Utility Climate Alliance composed of some of the major water utilities in the country currently being chaired by General Manager Harrington. Mr. Behar then outlined our role in national climate modeling research in order to develop useful state of the art models through the PUMA Project to better understand the implications of climate change. Mr. Behar explained the climate modeling process and what pitfalls were inherent in such modeling and how this could process be usefully married to non-modeling tools to better understand the data that eventually could prove useful in our system. Mr. Behar expressed hope for some results from this research would be ready by the end of this year. Mr. Behar then related this to the hydrological circumstances in modeling the Hetch Hetchy basin to allow programming of various scenarios to better understand what could happen. Mr. Behar noted our calibration model was based on 10 years of work already done by the Modesto and Turlock Irrigation Districts to create our own new model. Mr. Behar reported this would be based on understanding the sensitivity of our system to changes in precipitation and temperature changes that could offer insights as to how this could impact our operations in both best and worst case scenarios. Mr. Behar noted this was not a water supply model as that would require yet another complete process in a step by step method that in the end would hopefully produce useful information.

Next, turning to Wastewater, Mr. Behar, addressed the implications principally related to sea level rise for our wastewater system resulting in increased risk of saltwater inflow compromising the treatment biological processes. Mr. Behar reported there had been 7 or 8 inflows in recent years and this problem could be expected to increase as the anticipated level of sea rise occurred, especially when in conjunction with pre-existing patterns of annual peak tidal events. Mr. Behar explained the various processes for backflow adaptation such as use of duck bills and baffles being considered to address the impact of climate change as part of the Sewer System Improvement Program (SSIP). Mr. Behar noted that the SSIP offered great opportunities to incorporate climate change adaptation in a conjunction with this extensive capital infrastructure program to maximize benefits.

In response to questions by President Vietor about storm related issues, Mr. Behar noted that currently the climate modeling did not have the sensitivity to be of much use as yet. Providing some additional background, Ms. Kubick noted that in planning SSIP more than 70 years of climate data had been reviewed to look at both storm impact and sea level rise. In response to a question by President Vietor regarding the proposed siting of our facilities, Wastewater Capital Planning Director Kubick noted careful consideration of this concern was already being done, pointing out as especially challenging the new Treasure Island treatment facility.

In response to a question by Commissioner Torres about the role desalinization played in all of this, Mr. Behar explained that it was seen by water utilities as an

element in a “no regrets strategy” to develop additional potential sources of water. Mr. Ritchie explained that the SFPUC was a part of a regional coalition to support a pilot desalinization facility in Contra Costa County to evaluate the potential. Mr. Ritchie proposed to keep Commissioner Torres informed as this pilot program went forward. President Vietor noted that perhaps desalinization could be discussed in greater depth at a future meeting. In response to President Vietor’s additional questions about salt water incursion, Mr. Moala and Ms. Kubick discussed several of the proposed responses to address this issue being considered for incorporation in the SSIP.

Turning next to the Power Enterprise, Mr. Behar outlined on going energy efficiency, and renewable energy resources development activities. Mr. Behar then reported on the Community-wide Climate Action Plan. Mr. Behar then discussed the designed community-wide emissions factor used to track progress in reducing carbon footprint (electricity) and reported that these plan to be updated by Department. of Environment by May 2011. Mr. Behar next discussed the Mayor’s Departmental Climate Action Plan noted that SFPUC data would be provided to the Department of the Environment during March 2011. Mr. Behar then discussed some state, regional, and national climate action activities. Mr. Behar then discussed the costs associated with some of the proposed system adaptations designed to deal with the impacts from climate change emphasizing the importance of being able to clearly demonstrate to our ratepayers the necessity for taking these action. Commissioner Torres urged that this be done in as transparent a process as was possible. In response to questions by President Vietor, Mr. Behar briefly addressed the and called attention to ongoing collaborative climate change related efforts among four Bay Area agencies: the Association of Bay Area Governments (ABAG), Bay Area Air Quality Management District, the Bay Conservation and Development District, and the Metropolitan Transportation Commission.

Public comment

Mr. Eric Brooks, SF Green Party, noted the important work being done by Bay Conservation and Development District (BCDC) to foster use of natural systems in response to the impact of sea level rise, and urged that the SFPUC become involved in this effort. Mr. Brooks also noted in his view the likely degree of sea level rise was being significantly underestimated. Mr. Brooks also noted that local environmentalists would be opposed to desalinization because of the brine issue as well as the amount of energy required. Mr. Brooks suggested staff investigate contemporary composting toilets that were now a viable option in urban as well as rural areas.

Commissioner Torres noted he was aware of some of the issues related to desalinization. President Vietor noted her longstanding support for looking into constructed wetlands opportunities suggesting staff actively pursue that as a possible program option.

Ms Jennifer Clary, Clean Water Action, explained why local environmentalists were opposed to desalinization. Ms. Clary applauded the SFPUC for funding a climate change impacts modeling report that she said she had been attempting to get a copy of for a year. Ms. Clary noted that she remained very interested in seeing this report when it was available. Ms Clary noted the only information so far was a projected 7% reduction in flow in the WSIP Program Environmental Impact Report. Ms. Clary also cited a recent SF Chronicle article concerning problems at Ocean Beach noting that there was a major sewer line under the Great Highway and the risks inherent in this situation needed to be looked into. Ms. Clary also raised a concern with the proposed use of baffles to block saltwater inflow that in turn might cause flooding in low lying areas.

President Vietor suggested that efforts be made to make information on climate change be given a higher profile in our outreach and communications activities. .President Vietor also noted that consideration of a Precautionary Principle was warranted in this situation. Mr. Behar explained the timing for the various reports and clarified that the WSIP PEIR reference related to changes in the timing of flows rather than their amounts.

Mr. Art Jensen, BAWSCA, expressed frustration at the lack of good information about what climate change impact was already occurring. Mr. Jensen observed that while there were many ongoing efforts to identify useful data on which to plan but that currently there was no real information from which we could base decision making we had to do now.

Mr. Harrington noted that there was widespread frustration that there was as yet a lack of hard science and that that was why the WSIP had been based on a “no regrets” strategy that assumed a worst case scenario.

c) Closure of Potrero Power Plant

Assistant General Manager of Power Barbara Hale reported that on at Midnight on February 28, 2011, Potrero Plant was finally closed. Ms Hale reported that the plant’s operator had received the necessary permission from the California Independent System Operator (CAISO), and the Federal Energy Regulatory Commission (FERC) which allowed it to cease operation. Ms. Hale reported that the next steps would be in regard to the neighborhood improvements related to reuse of the former power plant site.

Public Comment

Mr. Eric Brooks, San Francisco Green Party, Our City, recalled the many years of community struggle to build power plants in Hunters Point and noted that SFPUC

had been convinced to join in these efforts and had become powerful partner in making low awaited this result possible.

REGULAR BUSINESS

8. Discussion and possible action to endorse the goals, objectives and general strategies in the update to the 2002 Electricity Resource Plan. (Continued from February 8th)

AGM for Power Barbara Hale noted that this fourth presentation on the plan represented the summing up of previous Commission discussions based on the 2002 Electricity Resource Plan. Ms. Hale explained that in 2002, San Francisco endorsed an Electricity Resource Plan (2002 ERP), and that in 2009 the Board of Supervisors had urged SFPUC to update the plan (Ordinance 94-09). Ms. Hale reported that to develop the new plan incorporating guidance from City Ordinances and policies the SFPUC had retained the Rocky Mountain Institute (RMI), authors of the original 2002 ERP, to determine the feasibility of achieving a GHG-free electric system by 2030. Ms. Hale pointed out in addition that the SFPUC had convened a Green Technical Advisory Committee (Green TAC) in conjunction with the Power Plant Task Force, and sought public comment on draft report through a wide variety of forums.

Ms. Hale reported the new plan recognizes San Francisco's limited control over our main electricity providers pointing out that 83% of City's electricity was provided by PG&E or direct access providers. Ms. Hale also reported that PG&E and TransBay Cable own most of our transmission/distribution system except at Hunters Point and on Treasure Island; and furthermore that State and federal regulation pre-empt City from regulating many aspects of energy service. Ms. Hale noted that the new plan recognizes role of CCA as a catalyst to achieving San Francisco's goals. Ms. Hale outlined that the new plan proposed three broad strategies to reduce Green House Gas, (GHG) emissions. Ms. Hale reported that the new plan would empower San Francisco residents and businesses to reduce their GHG emissions as well as increase the amount of zero-GHG electricity supplied to the City's customers from the wholesale energy market. Ms. Hale reported this would be done to ensure SFPUC continued to offer/expand reliable service. Ms Hale explained that the 2011 updated ERP identified necessary actions, funding opportunities, and potential timelines for achieving each of the strategies. These were reported as: improve and expand Energy Efficiency (EE) programs; promote the development of cost-effective Behind-the-Meter resources that reduce GHG emissions such as roof-top solar and cogeneration; make San Francisco a "Green Test Bed" to promote and test new energy technologies; advance and support community scale energy systems, both privately-owned and through increased use of City-provided infrastructure. Additionally, Ms. Hale reported the new plan would improve Building Standards to promote energy efficiency; promote back-up storage deployment; increase the amount of zero-GHG electricity supplied to the City's customers from the

wholesale energy market, and focus on implement Community Choice Aggregation (CCA) consistent with Board/LAFCO guidance. Also Ms Hale explained the new plan called for expanded efforts to evaluate/develop new city-owned transmission projects to increase the delivery of Hetch Hetchy and renewable power to San Francisco (Res. 414-07/299-08).as well as develop an optional “green pricing” program through CleanPowerSF and/or PG&E.

In order to accomplish this, Ms Hale reported that the SFPUC would participate in regulatory proceedings before the California Public Utilities Commission (CPUC) and the Federal Energy Regulatory Commission (FERC) to promote GHG reduction strategies and CCA. Additionally, Ms Hale reported that efforts would be made to ensure SFPUC continued to offer/expand reliable service, develop a rate structure for the SFPUC that reflects the cost of-service, increase the use of municipal load that displaces fossil-fuel use (e.g. shore side docking, electric transit, recharging electric vehicles in City-owned parking lots), and renegotiate the Interconnection Agreement (IA) with PG&E that expires after June 2015. Additional steps, Ms. Hale explained were: to continue to implement the SFPUC’s recently adopted Environmental Justice and Community Benefits policies. Ms Hale again reported that throughout this process that the SFPUC has sought extensive public comment on the 2011 Updated Electricity Resource Plan (ERP).

In conclusion Ms Hale asked that the Commission: endorse the goals, objectives, and general strategies in “San Francisco’s 2011 Updated Electricity Resource Plan: Achieving San Francisco’s Vision for Greenhouse Gas Free Electricity” (2011 Updated ERP); and direct the General Manager to forward the 2011 Updated ERP to the Board of Supervisors for its consideration and endorsement, as requested by Ordinances 94-09 and 81-08. Furthermore, Ms. Hale requested that the Commission direct the General Manager to develop the recommendations contained in the 2011 Updated Electricity Resource Plan (ERP) and to return to the Commission with further details, requisite environmental assessments, and alternatives once the recommendations were developed. Wrapping up her presentation, Ms. Hale reported that the 2011 Updated Electricity Resource Plan (ERP) was available on the sfwater.org website

There followed an extensive discussion of the various aspects of the proposed plan among the Commissioners with questions by President Vietor concerning the proposed power resources, Vice President Moran concerning possible costs and budgets associated with aspects of the plan, and Commissioner Torres concerning how this plan responded to the Board of Supervisors concerns and about interactions with the regulatory agencies involved with these issues.

President Vietor then proposed an amendment to the final resolved clause to add in “including a financial and operational implementation plan”, so that it would read: RESOLVED, That this Commission directs the General Manager to return

to the Commission with further details “including a financial and operational implementation plan”, requisite environmental assessments, and alternatives once the recommendations are developed. Vice President Moran and Commissioner Torres agreed that this language expressed their intentions as well. This amendment was accepted without objection.

Public comment

Mr. Eric Brooks, SF Green Party, Our City, praised the new plan as the result of extensive efforts to truly engage with and gather input from community. Mr. Brooks commended General Manager Harrington and Assistant General Manager for Power Hale for their inclusive approach. However, Mr. Brooks also expressed his view that it was necessary to bring Local Power into a central role in going forward if this were to be successful. Mr. Brooks also urged that efforts to use outdated technologies such as steam loops be discouraged.

Mr. Joe Boss, Power Plant Task Force, recalled his eleven years of work to see the achievement of such a plan building on the knowledge and experience gained since the first plan was developed in 2022. Mr. Boss commented that it provided an outline rather than a directive to move the City toward achieving its goals. Additionally, Mr. Boss observed that consideration be given to micro-turbines that could efficiency update steam loops.

Moved as amended by Commissioner Torres, seconded by Vice President Moran; passed 4-0 (Vietor, Moran, Torres, and Courtney) unanimously.
Resolution No. 11-0035

9. Staff presentation and discussion of *Development of an Urban Watershed Framework for San Francisco*, a proposed process to determine appropriate solutions (collection system improvements, stormwater control, and low impact design) to minimize flooding throughout the City.

Wastewater Capital Programs Director Karen Kubick reported that the Urban Watershed Framework described a proposed process to determine appropriate solutions (collection system improvements, stormwater control, and low impact design) to minimize flooding throughout the City. Ms. Kubick explained that the objectives of the framework include safety, permit compliance, environmental water quality, water supply and greening. Ms. Kubick reported that an integrated watershed management approach would be used to evaluate each of the City's eight drainage basins to determine problem areas and potential solutions. Ms. Kubick noted that a prioritization tool, utilizing a triple bottom line approach, would be developed for use during the planned extensive public outreach process to evaluate the most logically beneficial solutions for each drainage basin.

Ms. Kubick described the drivers as being to: address flooding; maintain permit compliance; adapt to Sea Level Rise, eliminate combined Sewer Discharges; preserve a non-potable water supply, and achieve greening goals. Ms. Kubick noted that while some of these results could be achieved with pipelines, that staff was also looking at more sustainable solutions to address these needs

Next, Ms Kubick reported that the 10-year Capital Program includes \$1.5 billion for the Sewer System Improvement Program, for collection system improvements, flood control upgrades and Low Impact Design (LID) projects. Ms. Kubick reported the Commission endorsed Levels of Service gave direction on desired watershed performance, and that staff anticipated that the solutions would, after further consideration of specific needs and conditions in each basin and public input, result in use of a mix of grey and green alternatives. Ms Kubick then described the City's two drainage areas, the East draining into the Bay and West into the Pacific Ocean, and eight specific water basins within San Francisco Ms Kubick pointed to use of gravity to facilitate flows whenever possible with the topography and described many of the larger issues in each of the eight basins.

Ms. Kubick then reported on how Urban Watershed Management worked to manage stormwater with constructed elements to prevent system overloads, flooding as well as encourage potable water reuse and promote urban greening based on sound engineering. Ms Kubick noted that there was still a lot to be learned about this and that it would require a rigorous approach and careful study to understand. Ms Kubick explained how the absorption of storm flows differed in the hardscape urban environment in contrast to what happens in nature. Ms. Kubick identified the flood prone areas, and then addressed the various factors shaping watershed performance in San Francisco. Ms. Kubick discussed the work of the new "Stormwatch" group to calibrate what occurred in storms as it happened so that our models more accurately reflected what was actually occurring. Ms. Kubick then discussed how staff looked at various basins to identify the best ways to minimize flooding. Ms Kubick also noted that permit compliance required that the S.F.P.U.C. look into low impact development as well as use of other green techniques. In response to questions by President Vietor, Ms. Kubick explained how the transport boxes functioned provide primary treatment and that effort were underway through greening to eliminate risk of outflows.

Ms Kubick then explained how the proposed SSIP Stormwater Management Improvements could provide multiple benefits in areas beyond addressing flood risks including education, recreation and local employment. Ms. Kubick next, discussed how the proposed Urban Watershed Framework would detail the steps to developing balanced implementation with strategies for each watershed and consideration of possible alternatives. Ms. Kubick next discussed examples of existing successful projects, citing a Leland Avenue project, and noted that staff was learning more about what worked best as each of several existing projects

were continually being monitored and evaluated to see how effectively they performed.

Ms Kubick next addressed how this entire process would be conducted with a triple bottom line analysis. Ms. Kubick reported that the proposed Urban Watershed Framework would identify meaningful standard metrics to evaluate specific opportunities in each of the basins. Ms Kubick noted that these projects were closely involved in neighborhoods and it was necessary to engage with the neighbors to get input to go forward so that what gets proposed meets their needs as was done with the Digester Task Force. In response to a query by Vice President Moran, Ms. Kubick explained that performance was the plus that was necessary in addition to the triple bottom line. Vice President Moran noted that he hoped to see a ranked choice available when considering which projects to go forward. President Vietor urged staff to work with Vice President Moran to flesh out how this might be most effectively done. Ms. Kubick noted a real challenge was that each need was specific to its area. Ms. Kubick explained that this was a new way of approach in for doing these kinds of projects. Ms. Kubick strongly emphasized that it was essential to not only consider the capital costs of this work but also the lifecycle and maintenance needs that they would require.

Ms. Kubick reported that informational interviews were conducted to initiate communication and identify areas for collaboration with SFPUC staff, public stakeholders like Clean Water Action, other city departments, and specialist consultants to get the widest range of input. Ms. Kubick emphasized that a key component to making this a success would be an ability to prioritize, and maintain a transparent public process that would be necessary for project development and analysis. Ms. Kubick summarized where this process was at this point and indicated the next steps, expecting to return to the Commission with a document in August.

Ms. Kubick reported on automated stormwater data gathering, monitoring how effectively existing low impact development (LID) installations were working, looking at ways to use the existing systems to move water around, respond to increased storm surges, and closely consider ways to prevent saltwater incursions.

Public comment

Ms. Jennifer Clary Citizens Advisory Committee, applauded Ms. Kubrick's hard work, expressing happiness at hearing this presentation as this had been for a long time her primary area of focus. Ms. Clary echoed concerns earlier expressed by the CAC in resolutions sent to the Commission that greening efforts could be misused and suggested use of a Seattle model for cost benefit. Ms. Clary emphasized that something much broader, like a "watershed council" would be a more effective model than that provided by the more narrowly

focused Digester Task Force. Ms. Clary hoped that the public would be fully integrated into the ongoing development and implementation activities and urged that efforts should be targeted to quickly take action on readily available opportunities such as greening median strips.

Ms. Bonnie Sherk, Living Library, expressed concern that the emphasis on responding to flooding was too narrow an approach. MS Sherk proposed instead that the ways could be seen through use of this process to maximize a wide array of benefits. Ms. Sherk noted lack of mention of creeks and creek daylighting and many other opportunities for benefits. Ms Sherk in particular criticized putting a large pipe under Chavez Street thus in essence limiting options throughout the Islais Creek Watershed. Ms Sherk suggested that all of this information should be readily available so that community members such as herself can work with the SFPUC to achieve a wider range community benefits beyond just flood control.

Commission discussion

President Vietor emphasized that staff needed to continue to expand and refine public engagement and outreach activities as a central element of this process. Mr. Harrington agreed noting that this was already the identified highest priority.

President Vietor asked if perhaps identifying means of avoidance of any stormwater going into the system might be given a higher level of focus. Ms. Kubick noted that approach was addressed within the Level of Service goal "reduce peak flows into the system". Mr. Harrington also noted that as we went forward these initial levels of service goals would in order to be useful to measure projects, become better defined as more specific responses to better defined needs were put forward.

10. Discussion and possible action to **approve** the plans and specifications, and **award** Wastewater Enterprise CIP Program-funded Contract No. WW-410, Cesar Chavez Street Sewer System Improvement, in the amount of \$15,327,539, to the lowest, qualified, responsible and responsive bidder, JMB Construction to install new sewers or replace/rehabilitate existing sewers on Cesar Chavez Street, Harrison Street, Valencia Street, Fair Avenue, and Coleridge Street.

Mr. Moala provided a background update on this project, noting there had been archeological delays. Mr. Moala explained that addition of low impact design elements was a key purpose in the second phase of this project. Mr. Moala emphasized that this pipe was essential to convey sewage.

Public comment

Ms. Bonnie Sherk, Living Library, discussed the convergence of three creeks in this area and said that there was the beginning of a community process to restore use of this water. Ms. Sherk commented that this large pipe precluded and limited that ability. Ms. Sherk described the planned pipe as holding onto an old way of addressing these issues instead of embracing the new that actually valued this resource.

Ms. Jennifer Clary noted that what this pipe actually was Precita Creek and if we really wanted to save this creek, staff should continue to consider ways to do so as this project goes forward. Ms. Clary also suggested that the Phase Two LID program actually had no real hydrological purpose and seemed to be spending money on window dressing instead of doing anything to recapturing this resource for use.

Commission Discussion

In response to a question if all of the appropriate environmental reviews had been done by Commissioner Torres, Project Manager Bessie Tam explained that this project had been approved by City Planning using the appropriate Mitigated Negative Declaration Process. Mr. Harrington observed that it was likely that in 10 years we might do this project differently but that given a lack of workable alternative options and needs before us now, going forward seemed the best option. In reply to a question by President Vietor regarding the risks from a delay in going forward, Mr. Harrington reported that he had requested staff to look at options and found that if we missed this opportunity while the street was open, it could be a very long time, with a constant risk of flood damage, before we to address it. Addressing a question by Commissioner Courtney, Ms Tam identified a minimum number of various kinds of trades working as well as several associated jobs during the 500 day duration proposed for this project. Ms. Tam explained that this area was highly prone to flooding, resulting in claims against the city, and that this project has gone through an extensive process since its inception in 2005. Then Ms. Kubick responded with additional background on the planning for this project besides the condition of the existing 100 year old pipe, frequent flooding incidents, and the very dense impacted nature of this particular segment of Chavez Street.

In response to questions by President Vietor, Mr. Harrington noted that addressing the needs of this the largest basin in San Francisco would be a matter of many years of investigation and likely billions of dollars and that at base there was always going to be a need for a pipe to convey sewage here. Vice President Moran observed that it was perhaps, given some of the issues previously addressed in the climate change presentation, that having excess capacity in our collection system was not a bad thing. Additionally, Vice President Moran pointed to the risk that should this project be delayed or reduced and we

later discover that it was indeed necessary, the costs could be significant. . President Vietor urged that staff continue to look into innovative ways to resolve issues like this.

Moved by Commissioner Torres, seconded by Commissioner Courtney; passed 4-0 (Vietor, Moran, Torres, and Courtney) unanimously.

Resolution No. 11-0036

11. Discussion and possible action to authorize **the** General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute on behalf of the City and County of San Francisco, an amendment to a Memorandum of Agreement (Forest Service Collection Agreement, No. 08-CO-11272138-024) with the United States Forest Service to continue Sudden Oak Death research that informs land management decisions, increasing the funding authorization payable to the USFS to (not exceed) \$1,000,000, and extending its duration to a term limit of March 1, 2017 (from the March 1, 2008 start date).

Public comment

No comments were offered

Moved by Commissioner Torres, seconded by Vice President Moran; passed 4-0 (Vietor, Moran, Torres, and Courtney) unanimously.

Resolution No. 11-0037

12. Discussion and possible action to terminate for convenience Wastewater Enterprise, CIP-funded Contract No. WW-483R, North Shore to Channel Force Main Improvement with A&B Construction in the amount of \$6,271,514; Accept work performed by A&B Construction prior to termination; approve Modification No. 3 (Final), decreasing the contract by \$4,814,171, for a total contract amount of \$1,457,343; and with a decrease in time of 101 consecutive calendar days for a total contract duration of 171 consecutive calendar days; **authorize** final payment, in the amount of \$145,734 to A&B Construction; **authorize** the General Manager of the SFPUC to re-advertise the contract as Contract No. WW-483RR, North Shore to Channel Force Main Improvement at a future date; and authorize the General Manager to seek reimbursement from private utility companies for their failure to timely relocate their utilities thus necessitating the contract termination. To date, all the identified utilities have agreed to relocate by January 2012, and SFPUC staff is working on issuing a new construction contract for installation of the force main starting in February 2012.

Public comment

No comments were offered

Moved by Commissioner Courtney, seconded by Commissioner Moran; passed 4-0 (Vietor, Moran, Torres, and Courtney) unanimously.

Resolution No. 11-0038

At the suggestion of the General Manager, President Vietor took the all of Closed Session items off calendar and moved to Agenda #19, Other New Business.

CLOSED SESSION

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

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

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

Anticipated Litigation: As Defendant.

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

17. Announcement following Closed Session.

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

19. Other New Business

No new business items were proposed.

There being no further business to discuss, the meeting was adjourned at 5:30 P.M.

Michael Housh
Commission Secretary