San Francisco Public Utilities Commission
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA

Regular Meeting

Tuesday, May 10, 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

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

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #47 Van Ness, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

City Hall is accessible to persons using wheelchairs and other disabilities. The Polk Street/ Carlton B. Goodlett entrance is accessible via a ramp and a wheelchair lift. The other three entrances are accessible via ramps. Assistive listening devices are available and meetings are open captioned in the hearing room and closed captioned on SFGTV .Materials in alternative formats, American Sign Language interpreters, and other accommodations will be made available upon request. Please contact Michael Housh, Commission Secretary, at (415) 554-3165 or by Email mhoush@sfwater.org to make arrangements for any of these services. Providing at least 48 hours notice prior to the meeting will help to ensure availability.

In order 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. 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.

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.

ORDER OF BUSINESS:

1. Call to Order

2. Roll Call

3. Approve the Minutes of the Regular April 12, 2011 Meeting

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.

5. Communications

   a) Letter Summary
   b) Advance Calendar
   c) Staff Reports (*written reports sent to the Commissioners*)
      1) Quarterly Audit and Performance Review Report *(Rydstrom)*
      2) Water Supply Agreement Update *(Ritchie)*
      3) Conservation Plan Update *(Ritchie)*
      4) Graywater Program Update *(Moala/Ritchie)*
      5) Urban Water Management Plan *(Ritchie)*

6. Other Commission Business

7. Report of the General Manager

   a) Quarterly Financial Report *(Rydstrom)*

   b) Art Enrichment Update *(Ellis)*

   c) Redevelopment Agency Update *(Blackwell)*

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

   a) BAWSCA Update Report

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.

   a) **Approve** and **award** Contract No. JOC-35, 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 lowest, qualified, responsible, and responsive bidder, Delta Electric, to perform lighting efficiency/lighting retrofit work in City owned municipal facilities. *(Kelly)*

   b) **Approve** and **award** Contract No. JOC-36, 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 second lowest, qualified, responsible and responsive bidder, Enlight Energy Efficient Lighting, to perform lighting efficiency/lighting retrofit work in City owned municipal facilities. JOC-36 is the second of three lighting efficiency JOC contracts issued under one bid opening; the three contracts are being awarded to the three lowest bidders. (*Kelly*)

   c) **Approve** Amendment No. 1 to Infrastructure Division, Operating Budget-funded Agreement No. CS-890, Records Management Services, with Chaves & Associates to capture and maintain evidence of and information about the business activities and transactions throughout the environmental, planning, design, construction, and close-out phases of capital programs and projects, including the Water System Improvement Program (WSIP) projects; and **authorize** the General Manager of the San Francisco Public Utilities Commission to execute this amendment increasing the agreement by $550,000, for a total not-to-exceed agreement amount of $1,750,000, and with a time extension of one year and six months, for a total agreement duration of four years and six months. (*Kelly*)

   d) **Approve** Amendment No. 1 to Wastewater Enterprise, Collection System Division, Operating Budget-funded Agreement CS-982(I), Our Water Our World (OWOW) Program Administration, with Ann Joseph Consulting to maintain and expand San Francisco's OWOW outreach program; and **authorize** the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute this amendment increasing

the agreement by $10,000, for a total not-to-exceed agreement amount of $24,444, and with a time extension of one year, for a total agreement duration of two (2) years and four (4) months. *(Moala)*

e) **Approve** Modification No. 1 to Wastewater Enterprise, Renewal and Replacement (R&R) Program-funded and Department of Public Works (DPW) Pavement Renovation Program-funded Contract No. WW-455, Various Locations Sewer Replacement & Pavement Renovation No. 1, with Precision Engineering, Inc., to replace the existing sewer and street pavement (curb-to-curb) on Hayes Street, from Stanyan Street to Clayton Street and to replace the existing street pavement (curb-to-curb) on Baltimore Way, Brazil Avenue, Guttenberg Street, Jules Avenue, London Street and Russia Avenue, increasing the contract by $1,796,024 for a total contract amount of $3,768,709 and with a time extension of 90 consecutive calendar days for a total contract duration of 320 consecutive calendar days. The existing sewer was inspected and found to have numerous critical deficiencies, which could result in failure of the sewer, severely impacting this critical and busy street as well as the MTA bus line. This modification is being added to this contract in order to coordinate with MTA's service change schedule in the same streets to minimize disturbances to the neighborhood. The sewer replacement work will replace 120 year old sewer lines at the same time that MTA replaces electric trolley buses with diesel buses during a limited 8 week window. (*Moala*)

f) **Approve** the plans and specifications, and **award** Wastewater Enterprise, Capital Improvement Program (CIP) Program-funded Contract No. WW-514R, Southeast Water Pollution Control Plant (SEWPCP) Medium Voltage System Reliability Upgrades, in the amount of $2,111,000 to the lowest, qualified, responsible and responsive bidder, NTK Construction, Inc., to increase the reliability of the aging facility. (*Moala*)

g) **Approve** Modification No. 1 to Power Enterprise,- funded Contract No. HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay, with Emcor Service/Mesa Energy Systems, Inc., to accomplish energy efficiency repair and renovation of mechanical systems in City owned municipal facilities, increasing the contract by $1,500,000, for a total not-to-exceed contract amount of $4,500,000 and with a time extension of one year for a total contract duration of three years. This contract modification will allow for continued energy efficiency repair and renovation of mechanical systems at City-owned facilities. *(Hale)*

REGULAR BUSINESS

10. Presentation and discussion of the Revenue Bond Oversight Committee Annual Report and Audit Program. (*RBOC Chair Brown*)

11. Discussion and possible action **authorizing the planned issuance of up to a principal amount of $700,000,000 in Water Revenue Bonds under Proposition E to fund the Water System Improvement Program (WSIP**) and other Water Enterprise Capital Projects**,** in one or more series of bonds and subject to the further approval of the Board of Supervisors; **approving** the form and **authorizing** the execution and delivery of related documents; **authorizing** the General Manager to sell in one or more series of bonds on either a competitive or a negotiated basis, as the General Manager determines is in the best financial interest of the San Francisco Public Utilities Commission (SFPUC); **delegating** to the General Manager authorization to award each series of bonds to the highest bidder (lowest-cost); **authorizing** the General Manager to submit a resolution to the Board of Supervisors authorizing the issuance of not to exceed $700,000,000 aggregate principal amount of Water Revenue Bonds; and with this resolution serving as an Inducement Resolution with the California Debt Limit Allocation Committee (CDLAC), **authorizing** the General Manager to submit an application to CDLAC requesting "Volume Capacity" to authorize the use of lower-cost, tax-exempt bond capacity for a portion of the private use activity associated with regional WSIP projects; provided, however, the issuance of such Water Revenue Bonds shall be subject to the terms of Proposition E (approved by the voters November 2002); and **authorize** the General Manager to request the Board of Supervisors to consider an ordinance approving the issuance and sale of additional water revenue bonds not to exceed $49,100,000 by the Commission pursuant to Proposition E of 2002 in Non-WSIP Projects and associated financing costs; and **adopting findings** pursuant to the California Environmental Quality Act. *(Rydstrom)*

PUBLIC HEARING

(Persons who are unable to attend the public hearings may submit to the City, by the time the proceedings begin, written comments regarding the subject of the hearing. These comments will be brought to the attention of the Commission and will become a part of the official public record. Written comments can be sent to Michael Housh, Commission Secretary, San Francisco Public Utilities Commission, 1155 Market Street, 11th Floor, San Francisco, California, 94103).

12. Discussion and possible action Wholesale Revenue Requirement and Water Supply Agreement Charges for FY 2011-12: **consider** and **adopt** the rate schedule to recover the projected Wholesale Revenue Requirement from 27 wholesale customers during FY 2011-12, as applied to meter readings on or after July 1, 2011, including the adoption of an untreated wholesale water rate discount factor. This rate schedule implements the terms of the 2009 Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers (WSA), which was approved on April 28, 2009 by Commission Resolution No. 09-0069. (*Rydstrom*)

13. Discussion and possible action Environmental Enhancement Surcharge beginning in FY 2011-12: **consider** and **adopt** the Environmental Enhancement Surcharge (EES) structure beginning in fiscal year 2011-12 and continuing for the duration of the Interim Supply Limitation (ISL); **authorize** the General Manager to establish and administer the EES if the Environmental Enhancement Surcharge Fund is approved by the Board of Supervisors; and **adopt findings** pursuant to the California Environmental Quality Act. Consideration and

adoption of the EES is required under the terms of the 2009 Water Supply Agreement (WSA) between the City and County of San Francisco and the Wholesale Customers ("2009 Agreement"), which was approved on April 28, 2009 by Commission Resolution No. 09-0069 (*Rydstrom*)

REGULAR BUSINESS

14. Discussion and possible action to authorize the General Manager of the San Francisco Public Utilities Commission **to execute**, on behalf of the SFPUC, **the Interagency Cooperation Agreement ("ICA")** between the City and County of San Francisco and the Treasure Island Development Authority and the **Development Agreement ("DA")** between the City and County of San Francisco and Treasure Island Community Development, LLC Relative To The Development of Naval Station Treasure Island in furtherance of the **Treasure Island/Yerba Buena Island Development Project,** subject to the approval of the Board of Supervisors, and **adopt findings, pursuant to the California Environmental Quality Act,** including a statement of overriding considerations and a mitigation monitoring and reporting program. (*Carlin*)

15. Discussion and possible action to **approve** the terms and conditions and **authorize** the General Manager of the SFPUC to negotiate and execute an amendment to the existing Lease between City and Sustainable Agriculture Education (SAGE), a non-profit corporation, to: (i) modify the description of the leased premises to delete an approximately 0.65 acre area located at the southern end of the Premises near the Sunol Water Temple, and to add an approximately 1.5 acre persimmon orchard area located nearby and to the north of the Sunol Yard; (ii) increase the baseline for water usage from 12,000 units to 22,400 units; (iii) provide credit for Tenant's accrued water bills in an amount not to exceed $63,544; (iv) provide for additional Tenant Alterations; (v) provide to Tenant additional funding in the amount of $332,500 for implementation of a water related educational curriculum over the remaining term of the Lease; (vi) provide to Tenant a one time payment in the amount of $70,095 for conducting stakeholder outreach and preparation of a report concerning the proposed Alameda Watershed Center; and (vii) update and amend the Lease and certain Lease exhibits, including the form of Farm License. Tenant has proposed increasing the baseline for water usage from 12,000 units to 22,400 units per calendar year because the AgPark is now fully under production and additional acreage (the existing 1.5 acre persimmon orchard at the entrance to the Sunol Yard) will be added to the Premises, located on a portion of Parcel 65, in Alameda County, California. *(Ritchie)*

16. 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 (CCSF), a Memorandum of Agreement with Turlock and Modesto Irrigation Districts to allocate and manage costs for Lower Tuolumne River fish studies until the Federal Energy Regulatory Commission (FERC) issues a new license for the Don Pedro Project, and further to authorize the General Manager of the SFPUC to allocate an amount not-to-exceed $750,000 for the duration of this five year agreement between 2011 and 2016. *(Ritchie)*

17. Discussion and possible action to **authorize** the General Manager of the San Francisco Public Utilities Commission (SFPUC) to request approval from the Board of Supervisors to accept and expend grant funds totaling $970,000 from the United States Environmental Protection Agency (US EPA) for the Civic Center Sustainable District Planning Project and to execute all required agreements**.** The grant requires local matching funds of 45%, or $793,636, for a total project value of $1,763,636. *(Moala)*

18. Discussion and possible action to **approve** the selection of Real Goods Solar; **award** Power Enterprise, Clean Renewable Energy Bonds (CREBS) and U.S. Department of Energy Grant-funded Agreement No. DB-120, Solar Photovoltaic Renewable Energy Plant: MUNI Ways & Structures Facility, a Design-Build Agreement (DBA) for design, construction, and commissioning of a fully-integrated and operational Solar photovoltaic system at the aforementioned site; and **authorize** the General Manager of the San Francisco Public Utilities Commission to execute a DBA with Real Goods Solar consistent with the requirements of Section 6.61(G) of the San Francisco Administrative Code for an amount up to $1,071,622. *(Hale)*

19. Discussion and possible action to **approve** the terms and conditions and **authorize** the General Manager of the San Francisco Public Utilities Commission (SFPUC) to convey at no cost to the City of Santa Clara acting through its Electric Utility Company known as Silicon Valley Power (SVP), a non-exclusive electrical utility easement to provide the electrical power service needed to operate the SFPUC's Bay Division Pipeline Number 3 and 4 Crossover (BDPL Nos. 3 and 4) facility at the Guadalupe site in the City of Santa Clara. *(Kelly*)

CLOSED SESSION

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

21. 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:

22. 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.

23. 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.

24. 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: Mitchell Engineering vs. CCSF, Alameda Superior Court, Case No. RG07339056, filed Nov. 9, 2007; CCSF vs. Mitchell Engineering, Inc. San Francisco Superior Court, Case No. CGC-07-465520, filed July 26, 2007; CCSF vs Mitchell Engineering, Inc, San Francisco Superior Court, Case No. CGC-07-469176, filed Nov. 14, 2007; CCSF vs Mitchell Engineering, Inc, San Francisco Superior Court, Case No. CGC-07-465522, filed July 26, 2007; CCSF v Mitchell Engineering, Inc, San Francisco Superior Court, Case No. CGC-07-465524, filed July 26, 2007; CCSF v Mitchell Engineering, Inc, San Francisco Superior Court, Case No. CGC-07-468361, filed Oct. 18, 2007; and Mitchell Engineering vs CCSF, United States District Court, Northern District, Case No. CV 08 4022-SI, filed Aug. 22, 2008. *(Ambrose)*

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

25. Announcement following Closed Session.

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

27. Other New Business

ADJOURNMENT

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

NOTICE OF PUBLIC HEARING TO CONSIDER THE DRAFT 2010 URBAN WATER MANAGEMENT PLAN FOR THE CITY AND COUNTY OF SAN FRANCISCO

Notice is hereby given that the San Francisco Public Utilities Commission (SFPUC) will conduct a public hearing to consider the Draft 2010 Urban Water Management Plan (UWMP), including the SBx7-7 conservation requirement, on Tuesday, May 24, 2011 at the Commission meeting which begins at 1:30 p.m. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, California.