MINUTES
Tuesday, March 12, 2013
(Approved April 9, 2013)

1:30 P.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

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

Harlan L. Kelly, Jr.
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. Gavel-to-Gavel coverage available at: http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22
ORDER OF BUSINESS:

1. Call to Order
   Vice President Courtney called the meeting to order at 1:35 PM

2. Roll Call
   Present: Courtney, Caen, Vietor and Moran
   Excused: Torres

3. Approval of Minutes of February 26, 2013
   On Motion to Approve the Minutes of February 26, 2013
   Ayes: Courtney, Caen, Vietor and Moran.

4. Public Comments
   - Mr. Gollinger provided the Commission with a letter requesting that they postpone action on Item 8.
   - Mr. Dick Allen requested information on the upcoming Lake Merced Workshop.
   - Mr. Tony Lee expressed his ongoing concerns with billing issues and late notices with regard to commercial property owned by his parents. Commissioner Caen asked for resolution of the issue. Deputy City Attorney Ambrose stated that additional discussion could not continue under public comment, as the issue was not noticed. Commissioner Vietor requested that the City Attorney let the Commission know if there is a precedent for similar situations and any possible Commission options on the matter.
   - Dr. Espanola Jackson expressed her desire that the Commission fully fund GoSolarSF and noted the Mayor’s commitment to do so.
   - Mr. Josh Arce expressed his desire that the Commission fully fund GoSolarSF. Mr. Arce provided a copy of a letter signed by various organizations thanking the Mayor for his funding commitment.
   - Ms. Melissa McDermott, Luminalt Energy Corporation, expressed her excitement for the Mayor’s commitment to full funding of GoSolarSF.

5. Communications
   a) Advance Calendar
   b) Letter Summary

Commissioner Vietor expressed concern with the funding commitment for GoSolarSF and with the implications and funding source. Vice President Courtney indicated that there was brief discussion on GoSolarSF at the meeting of February 26th, and that the Commission is awaiting guidance from the General Manager. The General Manager stated that the Mayor would be making an announcement regarding funding and recommended that additional discussions take place after the
announcement. Commissioner Vietor requested that the Commission be briefed if action is to be taken or money is to be allocated for the Program. Commissioner Moran stated it was his understanding GoSolarSF was funded as a pilot project and that discussion should occur as to what remains to be proven with the pilot and if transition from a pilot project to a permanent project should occur.

Public Comments
None.

6. Other Commission Business
Commissioner Caen requested that there be regular updates as to the number of miles of water lines inspected, similar to the report provided on miles of sewer line inspections.

7. Report of the General Manager
   • 15th and Wawona Update
     Mr. Steve Ritchie, Assistant General Manager, Water Enterprise, provided an update on the main break at 15th and Wawona. Mr. Ritchie indicated that the break appears to be a result of soil and unconsolidated fill issues rather than pipe issues. He noted that the SFPUC is working closely with the neighbors and is setting up a storefront office on West Portal Avenue. In response to a question from Commissioner Moran, Mr. Ritchie stated that issues with Low Impact Design are being raised.
   • WSIP Update
     Ms. Julie Labonte, Water System Improvement Program (WSIP) Director, provided a brief update and detail on the progress being made on the comprehensive assessment on WSIP projects. She noted that in April there will be a request for budget and schedule revisions to WSIP. She stated that all but two projects will be delivered on schedule and that the budget will exceed the approved budget by one to one and one-half percent.
   • BAWSCA Announcement
     Mr. Art Jensen, BAWSCA, informed the Commission of his intent to retire on September 30, 2013. He stated that the BAWSCA board is in the early stages of the recruitment process for his replacement.

Public Comments
   • Mr. David Pilpel congratulated Mr. Jensen and offered his thoughts on 15th and Wawona.

8. Discussion and possible action to adopt Findings pursuant to the California Environmental Quality Act related to an Ordinance proposed by the San Francisco Port Commission, and introduced at the Board of Supervisors on December 11, 2012, entitled Encroachments, Public Service Easements and Vacations, Infrastructure - 8 Washington Street, concerning matters that are within the jurisdiction of the San Francisco Public Utilities Commission. (Resolution 13-0038)
Mr. Michael Carlin, Deputy General Manager, introduced the item. He stated that the 8 Washington project rests on both public (Port) and private property and that Commission approval is being requested to recommend to the Board of Supervisor (BOS) that the BOS approve an Ordinance related to the project. Mr. Carlin offered a map of the project area, detailing the easement areas and identifying locations of other SFPUC sewer infrastructure affected by the project. He noted that the design plans are preliminary and final plans, which will include a utility agreement, will be forthcoming. He reiterated that the Commission is being asked to approve CEQA findings related to the Commission’s recommendation on the BOS Ordinance that would approve an encroachment permit for the developer that includes summary vacations of public easements; and to direct the General Manager to negotiate the utilities agreement, which will be brought back before the Commission for approval.

Commissioner Vietor asked about the timing of the approval and the upcoming November election, to which Mr. Carlin responded that the Port is asking all the affected agencies to take appropriate action and that the referendum will not eliminate the project, but could change the size of the project.

Public Comments

- Mr. Tim Colen, San Francisco Housing Action Collation, expressed his support for the project and stated it will bring financial and design benefits and housing affordability to the City.
- Ms. Sandy Bernhard stated that the Commission is responsible for the sewer infrastructure and encouraged them to think about the sewer problems.
- Ms. Emily DiLaura expressed her support for the project and stated that the project has approval, and it is appropriate for the Commission to continue to negotiate easement locations.
- Mr. Alec Bash stated that the easements for consideration are desirable for the site and supports the project, noting that the action sought is preliminary and that final approval would be sought in the future.
- Mr. Manuel Flores, Carpenters Local 22, expressed support for the project.
- Mr. Jim Chappell, SPUR, stated that the actions being sought are appropriate and indicated that SPUR supports the project.
- Mr. David Pilpel questioned the obligations of the sponsor if the November measure fails, and what happens if the Commission fails to act.
- Ms. Sue Hestor stated she did not receive environmental hearing notice of the meeting and questioned when the Commission received the EIR documents and how they read them.
- Mr. Aaron Peskin, Neighbors to Preserve the Waterfront, expressed his thoughts and read from the consultant report. He stated that there was adequate time to act and that no action needed to be taken at the meeting. He concurred with the Comments of Ms. Hestor.
• Mr. Danny Campbell, Sheetmetal Workers' Union, Local 104, expressed support for the project and urged Commission action.

Commissioner Moran requested clarification from the City Attorney regarding noticing issues and offered his thoughts on the AECOM report.

In response to the noticing, Ms. Nanni Turrell, Planning Department, stated that copies of the Addendum were sent via email and U.S. Mail on February 26, 2013. She indicated that those who provided comments on the draft EIR, and those whose comments were included in the Response to Comments were sent a copy of the Addendum. She noted that the Planning Commission, the Board of Supervisors, the SFPUC, and other City officials were sent the Addendum, and stated that the Addendum was posted on the Planning Department website.

Deputy City Attorney Noreen Ambrose stated that the SFPUC noticed the meeting according to standard noticing requirements, and that the Commission Secretary sent the Commissioners documents in advance of the meeting, first the EIR and then Addendum. She stated that with regard to the notice on the vacation of the easement, the Commission is not vacating any easements and that the BOS has the sole authority to approve the sale/transfer of City Real Estate. She noted that the Commission is recommending to the BOS that subject to conditions, the Commission is okay with the Board Ordinance. She noted that the agreement is dealing with public easements only, not private easements.

Commissioner Moran asked if there were any defects in noticing that would prevent the Commission from acting, to which Ms. Ambrose stated “no”.

Ms. Hestor questioned noticing of the CEQA findings to which Ms. Ambrose stated that there are no additional noticing requirements, other than the standard meeting notice, to adopt CEQA findings.

In response to a question from Commissioner Moran, the General Manager offered comments on the AECOM Report. Discussion ensued on the timing of the report and potential consequences of non-action, stating if the Commission chose not to act, they would have no recommendation to offer the Board of Supervisors on the Ordinance. Discussion continued on action versus non-action. In response to a question from Commissioner Courtney, Mr. Brian Henderson, SFPUC, offered brief comments on the seismic activity issues noted in the AECOM report.

Final comments on the item and a review of the Commission action being requested were presented.

On Motion to Approve Item 8
Ayes: Courtney, Caen, Vietor and Moran
9. Approve Modification No. 1 to the Agreement between the United States Forest Service and the City and County of San Francisco regarding acquisition of the 25.2 acres of land at Camp Mather, Tuolumne County, increasing the Agreement by $21,722 for a total Agreement amount of $77,167. The increase reflects higher than anticipated costs for value consultation and land title services being performed by the Forest Service. (Resolution 13-0039)

Mr. Carlin introduced the item.

Public Comments
• Ms. Ann Clark, Friends of Camp Mather, asked where the land is located.

Mr. Carlin stated that the exact location of the property has not yet been identified by the U.S. Forest Service but that he will report back once it has been determined.

On Motion to Approve Item 9
Ayes: Courtney, Caen, Vietor and Moran

10. Approve an increase in the construction contract cost contingency for Contract No. WW-483RR, North Shore to Channel Force Main Drainage Improvement, with KJ Woods Construction, in the amount up to $15,324,000, for a total revised contract amount up to $32,360,800, and an increase in the contract duration contingency of up to 466 consecutive calendar days, for a total revised contract duration up to 1,019 consecutive calendar days. (Resolution 13-0040)

Mr. Emilio Cruz, Assistant General Manager, Infrastructure, introduced the agenda item and provided a summary of the project.

Brief discussion ensued on clarification of the costs for the contract and work to be done to complete the project.

Public Comments
• Mr. David Pilpel expressed his thoughts on environmental review in the staff report and comments on planning review changes to the project.

On Motion to Approve Item 10
Ayes: Courtney, Caen, Vietor and Moran

11. Approve revised Real Estate Services Guidelines to reflect changing SFPUC policies and real estate practices. (Resolution 13-0041)

Ms. Rosanna Russell, Director of Real Estate provided a brief introduction of the item and revisions to the Guidelines.
Public Comments

- Mr. David Pilpel requested a track changes document be provided for subsequent revisions.

On Motion to Approve Item 11
Ayes: Courtney, Caen, Vietor and Moran

12. Presentation of the CleanPowerSF Survey Results and updated timeline.

Ms. Barbara Hale, Assistant General Manager, Power Enterprise introduced Mr. Dave Metz, who provided a presentation on the February 2013 Customer Survey.

Mr. Metz began with a review of the Research Methodology, noting 2,798 random ratepayers were selected for telephone interviews. He offered cautions for year-to-year data comparisons, noting that current data may not be directly compared to prior year’s polls. Mr. Metz proceeded through the presentation and discussed the questions asked to participants, their subsequent responses, and analysis of their responses. Discussion ensued on the various customer tiers’ participation likelihood under two rate levels and resulting monthly premiums.

Mr. Jason Fried, LAFCo staff, provided thoughts on the data and his disagreement with the phrasing of the question asking if residents would stay with CleanPowerSF or opt out and switch back to PG&E, and his belief that the survey results understate the likelihood of customer participation because of the treatment of those who indicate that they are undecided.

Commissioner Courtney asked Ms. Hale about Mr. Fried’s concerns. Ms. Hale indicated that since the findings are applied to heat map/modeling exercise, assumptions will be made to factor in the undecideds to get a better picture, and stated that staff is being intentionally conservative.

In response to a question by Commissioner Courtney, Ms. Hale discussed thoughts on financing a build-out, to which Ms. Hale described options and scenarios. In response to a question from Commissioner Vietor, Ms. Hale touched on GoSolarSF in relation to local-build-out. Ms. Hale noted an implementable resource plan could be presented in January 2014, if the program launches on time.

Commissioner Caen expressed concern with the survey and discussion ensued on the questions and how they were posed to survey participants.

Commissioner Courtney requested and received clarification on the difference between the GoSolarSF, GoSolarSF/CCA, and the CleanPowerSF programs in structure and funding.
Commissioner Moran offered his thoughts on the survey and associated numbers. He expressed concern with the GoSolarSF Program and the installation of publicly funded assets on private property for the benefit of private home owners, and would like to see the GoSolarSF asset placed on public property. Discussion ensued on Not-to-Exceed rates, funding and rate options and local build-out.

Ms. Hale stated that various funding and REC mix options will be presented to the Commission at the March 25, 2013 meeting.

Public Comments
- Mr. Michael Zumbrano, Sierra Club, expressed his support for Phase I of CleanPowerSF and a local build-out.
- Ms. Jennifer Fong, Sierra Club, expressed her support for CleanPowerSF and the economic and jobs benefit.
- Mr. Eric Brooks, San Francisco Green Party and Local Grass Roots organization “Our City”, stated that the stakeholders do not support the direction the staff is taking, and expressed his support for local build-out.
- Ms. Jess Dervin-Ackerman expressed her thoughts on the outreach campaign.
- Mr. David Pilpel provided his thoughts on the stakeholders views on the Program and what he would like to see in the March 25, 2013 presentation.

13. Public Comments on matters to be discussed in Closed Session.
   - None.

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

   On Motion TO Assert:
   Ayes: Courtney, Caen, Vietor and Moran

15. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10 (d) (1). (Resolution 13-0042)

   Existing Claim:
   Martin v. City and County of San Francisco
   San Francisco County Superior Court, Case No. 436930
   City Attorney File No. 041822; Date Filed: January 31, 2005

16. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10 (d) (1). (Resolution 13-0043)

   Existing Claim:
Lloyds and Zurich North America v. City and County of San Francisco  
San Francisco County Superior Court, Case No. CGC-13-528071  
Claim No. 12-02957; Date Complaint Filed: January 17, 2013

17. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(c) and San Francisco Administrative Code Section 67.10 (d) (2).  
Anticipated Litigation - As Plaintiff

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10 (d).  
Existing Litigation:  
Pacific Gas & Electric Company, v. City and County of San Francisco  
Court of Appeal of the State of California, First Appellate District, Division Five  
Case No. A127554; Filed January 29, 2010  

Commissioner Moran requested to be excused from discussions regarding item 16, noting he has business relationship with an organization that is partially owned by one of the insurance companies involved.

On Motion to EXCLUDE Commissioner Moran from discussions related to item number 16:  
Ayes: Courtney, Caen, Vietor

Commissioner Moran left the meeting while Item 16 was discussed.

19. Announcement following closed session.  
Vice President Courtney stated settlements were approved on items 15 and 16; and no action was taken on items 17 and 18.

20. Motion regarding whether to disclose the discussions during Closed Session.  
On Motion NOT to Disclose:  
Ayes: Courtney, Caen, Vietor and Moran

21. Other new business.  
None.

Vice President Courtney adjourned the meeting at 4:28 PM