SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, October 10, 2017
(approved October 24, 2017)

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

Commissioners
Anson Moran, President
Ike Kwon, Vice President
Ann Moller Caen
Francesca Vietor
Vince Courtney

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
   President Moran called the meeting to order at 1:52 PM.

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

   President Moran announced there would be no Closed Session.

3. Approval of the Minutes of September 26, 2017
   On Motion to approve the Minutes of September 26, 2017:
   Ayes: Moran, Kwon, Caen and Vietor

   No public comment.

4. General Public Comment
   None.

5. Communications
   a) Advance Calendar
   b) Correspondence Log
   c) Contract Advertisement Report
   d) Water Supply Conditions Update

   No public comment.

6. Other Commission Business
   a) Annual Election of Officers: Discussion and possible action to elect a new
      President and Vice President of the Commission, each to serve a one year
      term.
      Commissioner Caen nominated Commissioner Ike Kwon as President.

      On Motion to approve the nomination of Commissioner Kwon as President:
      Ayes: Kwon, Caen, Vietor and Moran

      No public Comment

      President Kwon presented Commissioner Moran with a ceremonial gavel
      and thanked him for his guidance, service, and leadership. He also
      presented him with a book titled, “The Prize”.

      Commissioners Vietor and Caen thanked Commissioner Moran for his for his
      leadership.

      Commissioner Moran stated it was an honor to serve as the Commission
      President.
General Manager (GM) Kelly thanked Commissioner Moran for his leadership and for his patience and mentorship as he became the GM.

Commissioner Moran nominated Commissioner Vince Courtney as Vice President.

On Motion to approve the nomination of Commissioner Courtney as Vice President:
Ayes: Kwon, Caen, Vietor and Moran

No public comment.

7. Report of the General Manager
   a) CleanPowerSF Update
      Barbara Hale, Assistant General Manager (AGM) Power, provided a CleanPowerSF update on the following: (1) Enrollment: 86,000 sites being served (which includes October enrollment); Opt-out rate is at 3.2%; SuperGreen upgrade rate is at 3.8%; Next enrollment begins in January with 180 on waitlist (48% requesting SuperGreen upgrades); (2) Contracting: Citywide enrollment efforts includes procuring supply and related financial support. Strong response to renewable RFO with 44 short-list projects posted. Project portfolio will be brought before the Commission; Bank credit facility work is underway to provide stand-by letters of credit; (3) Legislative: Currently between legislative sessions; Bills next session likely to affect CCA’s; and (4) Regulatory: Engaging in exit fee rulemaking activities; Bond proceeding are active at the CPUC with hearings soon; CPUC issued notice of workshop on choice, with a CCA focus.

   No public comment.

   b) Sunol Valley Golf Course Update
      Steve Ritchie, AGM Water, introduced Tim Ramirez, Manager Natural Resource and Lands Management, who provided a summary of the activities at the site (formerly Sunol Valley Golf Course). He noted in January 2016 the former tenant left the property. The first order of business for staff was to secure the property. He offered thoughts on uses for the property are consistent with the Watershed Management Plan.

      He indicated discussions have occurred with the Sunol Citizens’ Advisory Committee regarding potential site uses. He stated all suggested uses will be presented to the community for feedback. He discussed several suggested uses for the property, but indicated immediate plans are to prepare site to be grazed for vegetation management, and to move forward with a carbon sequestration study.

      Mr. Ramirez responded to questions from Commissioner Vietor regarding timing for the initial project baseline timeline, and regarding the status of the Sunol Watershed Center.
c) Report on Recent SFPUC Activities, Events, and Announcements

None.


Stefani Harrison, Project Manager, presented the Collection System Capital Improvement Strategy, which was developed during the past year to evaluate and integrate the needs of the collection system (Sewer System Improvement Program (SSIP) Level of Service (LOS) improvement drivers). She discussed: (1) Collection System Capital Improvement Strategy objectives; (2) SSIP LOS improvement drivers; synergy drivers, and phasing drivers; (3) 2016 Collection System Program baseline ($2.7B); (4) Process and Approach (category of projects); and (5) Prioritization (collection system projects, treatment system projects, and other prioritized capital projects); and 10-year CIP.

Ms. Harrison continued with a review of the four categories of collection system reliability, reviewing the need, prioritization approach, and budget summary (as compared to 2016 baseline) for the following: (1) Central Bayside System Improvement Project (no change in baseline); (2) Interceptors and tunnels (+$140M in baseline); (3) Pump stations and force mains (-$99M in baseline); and (4) Discharge structures and transport system boxes (-$156M in baseline).

Ms. Harrison reviewed stormwater management (SSIP LOS improvement drivers) and project costs for flood resilience projects to manage flooding in a LOS storm (100% risk managed); High impact flood projects SSIP phases two and three (60% risk managed); and remainder for implementation after 2031 (40% risk managed).

GM Kelly responded to a question from President Kwon regarding timing for the implementation of the remaining projects.

Ms. Harrison stated there is a $450M increase in the baseline budget for flood resilience.

She continued her presentation with a discussion of Green Infrastructure (GI) and two concepts for the management of stormwater through GI. She reviewed GI goals and outlined the prioritization approach (SSIP GI project screening metrics) to: (1) Manage flood challenges in LOS storm; and (2) Manage annual stormwater. She reviewed suggested GI project concepts for SSIP Phases two three. She discussed the GI budget summary and outlined reasons for the $84M decrease form the 2016 baseline.

Ms. Harrison touched on integrated performance goals in SSIP: (1) Manage flood challenges in LOS storm (flood resilience, and capital GI); and (2) Manage annual stormwater (capital GI, GI grants, and Stormwater Management Ordinance).
Ms. Harrison concluded with a summary of the 2016 baseline and the capital strategy (revised as presented), indicating the largest increases are in the categories of interceptors and tunnels, and in flood resilience. She noted increases are offset by savings in other categories, but that there is an overall increased need of $239M above 2016 baseline budget for the collection system. She discussed next steps and upcoming decisions that will need to be made.

Public Comment
- Josie Ahrens, Senior Community Organizer, Walk San Francisco, expressed support for the item and for the Green Connections Plan and for Green Infrastructure. She encouraged partnerships with other city agencies.

Commissioner Vietor expressed support for the Green Infrastructure projects and greener streets.

The Commission Secretary read the Consent Calendar summary. She stated a comment letter regarding item 9a was received from Alvin Ja, and was provided to the Commission and was made available for public review.

9. **Consent Calendar:**
   a) Approve Amendment No. 1 to Agreement No. CS-229C, As-Needed Specialized and Technical Services, with AECOM/WRE Joint Venture, to provide continued assistance with specialized and technical services to the Water Enterprise; and authorize the General Manager to execute this amendment, extending the term by one year and six months, for a total agreement duration of six years, six months, with no change to the agreement amount. ([Resolution 17-0210](#))

   b) Accept work performed by Sierra Mountain Construction Inc., for Contract No. HH-986, 2017 Mountain Tunnel Interim Repair; Approve Modification No. 6 (Final), decreasing the contract amount by $329,269, for reconciliation of actual labor and materials required to complete the work under bid item allowances, for a total contract amount of $5,611,460; and authorize final payment to the Contractor. ([Resolution 17-0211](#))

   c) Approve the plans and specifications, and award Contract No. WW-642, Southeast Water Pollution Control Plant Gas Holder Evacuation System, in the amount of $3,247,000, to the lowest, qualified, responsible and responsive bidder, Cal State Constructors, Inc., to rehabilitate and replace multiple components of the emergency Gas Holder Evacuation System at Southeast Plant. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 17-0212](#))

   d) Approve an increase to the existing 14-day construction contract duration contingency by an additional 22 consecutive calendar days for Contract No. WW-649, Paul Avenue Sewer Replacement, with Shaw Pipeline, Inc.; and authorize the General Manager to approve future modifications to the
contract for a total revised contract duration of up to 181 consecutive calendar days. (Resolution 17-0213)

On Motion to approve the Consent Calendar:
Ayes: Kwon, Caen, Vietor and Moran

No public comment.

10. Approve Amendment No. 1 to Agreement No. CS-298, Conservation Easement Planning and Conveyance Agreement, with the Center for Natural Lands Management; Authorize the General Manager to execute this amendment, extending the term by two years, three months, and 11 days, for a total agreement duration of four years, two months, and nine days, with no change to the agreement amount. (Resolution 17-0214)
AGM Ritchie introduced the item and request approval.

On Motion to approve Item 10:
Ayes: Kwon, Caen, Vietor and Moran

No public comment.

11. Approve Amendment No. 1 to Agreement No. CS-1053, Interpretive and Archaeological Services, with the Muwekma Ohlone Tribe, to assist the San Francisco Public Utilities Commission with interpretive display development, archaeological monitoring, culturally appropriate treatment of human remains, and report writing for the Alameda Creek Watershed Center, the Sunol Yard rehabilitation, and the Watershed Nursery projects; and authorize the General Manager to execute this amendment, increasing the agreement amount by $150,000, for a total not-to-exceed amount of $358,000, and with a time extension of one year and eight months, for a total agreement duration of four years and eight months. (Resolution 17-0215)
AGM Ritchie introduced the item and requested approval. He noted the excavation of Native American remains at the site, which has on-going monitoring by Muwekman Ohlone representatives.

On Motion to approve Item 11:
Ayes: Kwon, Caen, Vietor and Moran

No public comment.

President Kwon announced there would be no Closed Session.

12. Public Comment on matters to be discussed during Closed Session.

13. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.
14. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective 6/30/15.
Case No.: ER15-702-000/Date Filed: December 23, 2014

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

Existing Litigation:
Pacific Gas & Electric
Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective 6/30/15.
Case No.: ER15-703-000/Date Filed December 23, 2014

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

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Transmission Owner Tariff Replacement Agreements to be effective 7/1/15
Case No.: ER15-705-000/Date Filed: December 23, 2014

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

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Wholesale Distribution Tariff Replacement Agreements to be effective 7/1/15
Case No.: ER15-704-000/Date Filed: December 23, 2014

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

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco
19. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Complaint under Sections 206 and 306 of the Federal Power Act.

Case No.: ER15-735-000/Date Filed: December 23, 2014

20. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code Section 67.10 (a)

21. Announcement following Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session pursuant to S.F. Administrative Code Section 67.12(a).

23. Other New Business
None.

24. Adjournment
President Kwon adjourned the meeting at 3:01 PM.