



San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, January 22, 2019
1:30 P.M.
(Approved February 12, 2019)

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

Commissioners

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

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary



For information, contact the Commission Secretary at 415-554-3165
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

1. Call to Order
Vice President (VP) Caen called the meeting to order at 1:37 PM.
2. Roll Call
Present: Caen, Vietor, and Moran
Excused: Courtney and Kwon
3. Approval of the Minutes of December 11, 2018
On Motion to approve the Minutes of December 11, 2018:
Aye: Caen, Vietor, and Moran

No public comment.
4. General Public Comment
None.
5. Communications
 - a) Advance Calendar
 - b) Correspondence Log
 - c) Contract Advertisement Report
 - d) 2017 Energy Benchmarking Report
 - e) 2018 Golden Pride Employee Recognition Program Update
 - f) O'Shaughnessy Dam Reservations Quarterly Report – 4th Quarter
 - g) Revised Declaration of Emergency: Repair Southeast Treatment Plant Final Effluent Force Main
 - h) Sewer Inspection and Replacement Program Update
VP Caen thanked staff for the good work with sewer inspection progress.
 - i) Water Pipeline Assessment
 - j) Water Supply Agreement Update
 - k) Water Supply Conditions Update
Steve Ritchie, Assistant General Manager (AGM) Water, responded to a question from VP Caen regarding the snowpack amount and the Calaveras Dam level.

No public comment.
6. Other Commission Business
None.
7. Workforce Development: Policy Objectives and Practices - Wastewater Pre-Apprenticeship/Stationery Engineers Apprenticeships
Greg Norby, AGM Wastewater, introduced the item and Catherine Curtis, Workforce Reliability Manager, who presented: (1) Background; (2) Purpose (including criteria); (3) Program Components; (4) Learning Skills Assessments: (KSA's and field testing, answer keys, and process diagrams); (5) Rotation Schedules; 6 Partnerships (internal and external); (6) Tracking; (7) Keys to success; and (8) Accomplishments.

Ms. Curtis and General Manager (GM) Kelly, Jr. responded to a question from Commissioner Moran regarding increasing the scale of the program to allow for additional participants. Brief discussion ensued.

No public comment.

8. Report of the General Manager

a) Southeast Community Facility Update

Yolanda Manzone, Director, Community Benefits, presented: (1) Project timeline and outreach activities (2011 through 2016); (2) Outreach strategies (January through August 2016); (3) Community Partners; (4) Summary of community recommendations (29% renovate 1800 Oakdale; 71% build new at Third and Evans; and review of respondent demographics); (5) Project timeline and outreach activities (October 2016 to present); (6) Southeast Community Facility Arts Enrichment in Bayview (March 2017 to November 2018); (7) Education and skill building (current tenants, planning, and investments in Bayview).

Ms. Manzone and GM Kelly Jr. responded to a question from Commissioner Vietor regarding the request for proposal timeline and desired outcomes. GM Kelly provided additional information regarding the project.

GM Kelly, Jr. responded to a question from VP Caen as to the status of the City College campus located near the Southeast Community Facility.

No public comment.

b) CleanPowerSF (CPSF) Update

Barbara Hale, AGM Power, provided the update: (1) Enrollment: 2,000 accounts added in January for a total program enrollment of 111,000 accounts. Opt-out rate is 3.2% and the SuperGreen upgrade rate is 3.8%. The next auto-enrollment, of approximately 280,000 mostly residential accounts, will occur in April; (2) Rate Action: update on the Board of Supervisors hearing and their support of the Commission's rate action. Update on the implementation timeline for new rates; (3) PG&E bankruptcy: filing expected on or about January 29th. AGM Hale indicated no interruption in CPSF service to customers is expected, however, the bankruptcy could interrupt or delay the remittance of customer payments to the SFPUC. Financial consequences and mitigations are being reviewed with the Controller's office.

No public comment.

c) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements

None.

9. Update on State Water Board's December 12, 2018 adoption of amendment to the Bay-Delta Plan
AGM Ritchie provided the update: (1) Summary; (2) State Water Board Action; (3) State Water Board Hearing presentation by Department of Water Resources (DRW) and Department of Fish and Wildlife; (4) Tuolumne River Proposal: (functional flows, spill management and habitat improvements, Tuolumne River Partnership Advisory Committee, and environmental water); (5) Inter-basin Collaborations; (6) Overall framework details to be developed; (7) State Water Board action; (8) New actions for the SFPUC: (water supplies to develop now); (9) Potential project timelines; (10) Moving forward; (11) Policy considerations: (water supply level-of-service and environmental stewardship level-of-service).

AGM Ritchie responded to a question from Commissioner Moran regarding the inter-basin map and what elements are in place or required, and what is new content in the Voluntary Settlement Agreement (VSA). Discussion ensued.

AGM Ritchie responded to a question from Commissioner Vietor regarding the strategy and plan for Early Implementation. She requested specifics on the process be presented at the next meeting.

AGM Ritchie responded to a question from Commissioner Vietor as to when peer review will happen.

AGM Ritchie responded to a question from Commissioner Vietor regarding the are initial feasibility study's implementation being subject to mutual agreement of the parties, and who the "parties" are. AGM Ritchie responded to a follow-up question regarding stakeholder/NGO input into the VSA. She requested as much VSA information as possible be provided. She asked about mandated projects that may be in the VSA. Brief discussion ensued.

Public Comment

- *Heinrich Albert, Sierra Club Bay Chapter, expressed disappointment with the VSA. He distributed and discussed a document produced by Barry Nelson: "Initial Analysis of the VSA Framework presented to the State Water Board".*
- *Dave Warner, Palo Alto, discussed Commissioner Vietor's proposed resolution, the VSA, and the lawsuit.*
- *Jeralyn Moran, Unitarian Universalist Church of Palo Alto, expressed disappointment with the lawsuit and asked that the SFPUC drop out.*
- *Nicole Sandkulla, BAWSCA, discussed the VSA and expressed support.*

10. Bay Area Water Supply and Conservation Agency (BAWSCA) Update
Nicole Sandkulla, BAWSCA CEO, provided the update: (1) BAWSCA Board authorized the new Regional Water Demand and Conservation Study which will update demand and conservation projections through 2045. She noted the study will provide critical information to inform decisions and will include stakeholder outreach; (2) BAWSCA Board authorized participation in the next planning phase of Los Vaqueros expansion project; (3) BAWSCA November 2018 total

potable water use eight percent less than November 2013; and (4) BAWSCA created a short video about BAWSCA and the results it has delivered for water customers.

No public comment.

11. Consent Calendar:

- a) Approve Amendment No. 2 to Agreement No. CS-291.J, Communications Support for Community Benefits with Davis & Associates Communications, Inc., for continued planning, development, and marketing of a comprehensive communications strategy; and authorize the General Manager to execute this amendment increasing the agreement by \$115,000, for a total not-to-exceed agreement amount of \$1,115,000, and extending the term by nine months, for a total agreement duration of four years and three months. ([Resolution 19-0001](#))
- b) Approve an increase of \$490,000 to the existing \$587,538 cost contingency, and an increase of 68 consecutive calendar days, to the existing 26-day duration contingency for Contract No. HH-991, 2018 Mountain Tunnel Interim Repairs; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to \$6,952,924 and a total revised contract duration of up to 350 consecutive calendar days. ([Resolution 19-0002](#))
- c) Accept work performed by Gordon N. Ball, Inc. for Contract No. WD-2652, Bioregional Habitat Restoration - San Antonio Creek; approve Modification No. 29 (Final) decreasing the contract amount by \$37,881 for a total contract amount of \$16,158,467 and increasing the contract duration by 65 consecutive calendar days, for a total contract duration of 2,018 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0003](#))
- d) Approve an increase of 150 consecutive calendar days to the existing 385-day construction contract duration contingency for Contract No. WW-622, Haight-Ashbury/Tenderloin/Diamond Heights Districts Sewer Replacement and Pavement Renovation; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration of up to 895 consecutive calendar days, with no change to contract amount. ([Resolution 19-0004](#))
- e) Approve an increase of 130 consecutive calendar days to the existing construction contract duration contingency for Contract No. WW-625, Oceanside Water Pollution Control Plant Flare Control and Stack Upgrade; and authorize the General Manager to approve future modifications to the contract duration for a total duration of up to 880 consecutive calendar days, with no change in contract amount. ([Resolution 19-0005](#))

- f) Accept work performed by Monterey Mechanical Co. for Contract No. WW-626, Southeast Water Pollution Control Plant Primary and Secondary Clarifier Upgrades, for a total contract amount of \$25,795,341, and with a total contract duration of 860 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0006](#))
- g) Approve an increase of \$44,640 to the existing \$740,461 construction cost contingency for Contract No. WW-629, Various Locations Sewer Replacement and Pavement Renovation No. 1; and authorize the General Manager to approve future modifications to the contract amount for a total revised contract amount of up to \$8,189,706, with no change to the contract duration. ([Resolution 19-0007](#))
- h) Approve an increase of 60 consecutive calendar days to the existing 198-day construction duration contingency for Contract No. WW-631, Crocker Amazon/Excelsior/Ingleside Districts Sewer Replacement and Pavement Renovation; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration of up to 763 consecutive calendar days, with no change to contract amount. ([Resolution 19-0008](#))
- i) Approve an increase of 90 consecutive calendar days to the existing 180-day construction contract duration contingency, for Contract No. WW-633, Various Locations Sewer Replacement No. 2; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration of up to 730 consecutive calendar days, with no change to contract amount. ([Resolution 19-0009](#))
- j) Approve an increase of 60 consecutive calendar days to the existing 60-day construction duration contingency for Contract No. WW-636, Various Locations Sewer Replacement and Pavement Renovation No. 4; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration of up to 534 consecutive calendar days, with no change to contract amount. ([Resolution 19-0010](#))

No public comment.

*On Motion to approve Consent Calendar items 11a through 10j:
Aye: Caen, Vietor, and Moran*

12. Retroactively approve and ratify original not-to-exceed contract amount of \$3,342,840 in Agreement No. CS-318, Software and Equipment Maintenance for the Wastewater Enterprise's Distributed Control Systems; retroactively approve and ratify Amendment No. 1, reflecting Invensys Systems, Inc.'s name change to Schneider Electric Systems, USA Inc., and adding \$578,582 for a total not-to-exceed contract amount of \$3,921,422; approve Amendment No. 2, extending the term by two years for a total agreement duration of seven years,

with no change in contract amount; and authorize the General Manager to execute this amendment. ([Resolution 19-0011](#))

No public comment.

*On Motion to approve item 12:
Aye: Caen, Vietor, and Moran*

13. Approve Amendment No. 3 to Agreement No. CS-991, Preliminary Design and Environmental Services, Power Transmission Project, with URS Corporation Americas, to provide continuing technical support services during construction of the substructure work for the Bay Corridor Transmission and Distribution Project; and authorize the General Manager to execute this amendment to extend the Agreement by five months for a total contract duration of nine years, with no change to the agreement amount; and retroactively approve and ratify the initial executed contract duration of three years, seven months. ([Resolution 19-0012](#))

No public comment.

*On Motion to approve item 13:
Aye: Caen, Vietor, and Moran*

14. Approve the plans and specifications, and award Contract No. WD-2822R2, Lower Crystal Springs Dam (LCSD) Stilling Basin Connecting Channel, in the amount of \$4,784,700 and with a duration of 485 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, Anvil Builders Inc., to construct a channel between the LCSD Stilling Basin and downstream Pond 2, make other upgrades to valves below LCSD, and perform revegetation in the San Mateo Creek riparian zone. ([Resolution 19-0013](#))

No public comment.

*On Motion to approve item 14:
Aye: Caen, Vietor, and Moran*

15. Approve the plans and specifications, and award Contract No. WD-2829R, San Andreas Pipeline No. 2 Replacement, in the amount of \$32,087,200, with a duration of 730 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, Ranger Pipelines Inc., to replace four segments, approximately 6,500 linear feet, of 54" diameter of San Andreas Pipeline No. 2 in the City of San Bruno. ([Resolution 19-0014](#))

No public comment.

*On Motion to approve item 15:
Aye: Caen, Vietor, and Moran*

16. Approve the Southeast Community Center at 1550 Evans Project and the selection of Charles Pankow Builders, Inc.; award Contract No. WW-682R, Southeast Community Center (SECC) at 1550 Evans, a Construction Manager/General construction services for the Project; and authorize the General Manager to execute a CM/GC agreement with Pankow, consistent with the requirements of Section 6.68(b)(2) of the San Francisco Administrative Code, for an amount up to \$71,181,251 and with a duration of 1,157 consecutive calendar days. ([Resolution 19-0015](#))

Shelby Campbell, Senior Project Manager, presented the update: (1) Project Timeline; (2) Planning (community priorities at SECC, facility space and grounds); (3) Architectural Design: (concepts and features, materials and elevations, landscape concepts, and landscape design); (4) Next steps:

Ms. Campbell responded to a question from VP Caen as to why the CM/CG was re-advertised. GM Kelly, Jr., provided additional comment.

Commissioner Vietor indicated she would like as many sustainability features included during construction to achieve the highest LEED rating.

No public comment.

*On Motion to approve item 16:
Aye: Caen, Vietor, and Moran*

17. Approve the terms and conditions of, and authorize the General Manager to seek approval by the Board of Supervisors and Mayor to execute, a Termination of Lease between the City and County of San Francisco, through its Public Utilities Commission as Landlord, and Orchard Supply Company, LLC as Tenant, for a portion of SFPUC Parcel 29, representing approximately 4.438 acres of land, in Millbrae, California at a ground rental rate of approximately \$1,304,915 per year over the remaining five-year term of the lease. ([Resolution 19-0016](#))

No public comment.

*On Motion to approve item 17:
Aye: Caen, Vietor, and Moran*

18. Approve the San Francisco Public Utilities Commission Wildfire Mitigation Plan dated December 2018, in accordance with Public Utilities Code § 8387. ([Resolution 19-0017](#))

Commissioner Moran asked that staff move with a sense of urgency and asked that close attention be paid to regulations.

No public comment.

On Motion to approve item 18:

Aye: Caen, Vietor, and Moran

19. Approve the terms and conditions of, and authorize the General Manager to execute a five-year lease with a four-year option to extend the term, with 2725 Oakdale, LLC, for the San Francisco Public Utilities Commission's Wastewater Enterprise to use warehouse and office space and one small parking lot located at 2725 Oakdale Avenue in San Francisco at an initial annual rent of \$808,090.80, with annual rental adjustments based on the Consumer Price Index. ([Resolution 19-0018](#))

No public comment.

*On Motion to approve item 19:
Aye: Caen, Vietor, and Moran*

20. Authorize the General Manager to execute a first amendment to the Memorandum of Understanding by and between the San Francisco Public Utilities Commission and the Aquatic Science Center to provide technical support for watershed management and interpretation for the Alameda Creek Watershed and the Bay Area Ridge Trail in an amount not-to-exceed \$1,184,389. ([Resolution 19-0019](#))

AGM Ritchie responded to a question from VP Ann as to whether open trails are involved.

No public comment.

*On Motion to approve item 20:
Aye: Caen, Vietor, and Moran*

21. Approve Amendment No. 1 to the Memorandum of Agreement with the San Francisco Unified School District (CS-1081), increasing the agreement by \$600,000 and extending the term by four years and one month, for a total agreement amount of up to \$1,050,000 and a total duration of six years and one month, to continue integration of SFPUC-specific project-based and work-based curriculum into all grades at John O'Connell High School, and to foster student awareness and career readiness for SFPUC careers; and authorize the General Manager to execute this amendment. ([Resolution 19-0020](#))

Public Comment

- *Susan Ryan, Principal, John O'Connell High School, discussed the program and noted the benefits to staff and students.*

*On Motion to approve item 21:
Aye: Caen, Vietor, and Moran*

22. Authorize the General Manager to negotiate and execute a Purchase and Sale Agreement and any related documents with the State of California Department

of Transportation (Caltrans) for the purchase of approximately 1.7 acres of unimproved real property located at 2 Rankin Street in San Francisco, California, also known as Assessor's Parcel Number 5215/016, for \$8,991,000 to be used for the Sewer System Improvement Program; authorize payment of a 5% deposit of \$449,550 to be applied to the purchase price at closing, pending execution of a Purchase and Sale Agreement; retroactively ratify and authorize the SFPUC's holdover tenancy at 2 Rankin Street since December 1, 2018 pursuant to the SFPUC's existing lease with Caltrans; and authorize the SFPUC to continue its holdover tenancy until the property is conveyed to the SFPUC, for a period not to exceed one year expiring on November 30, 2019 and an additional rent amount of up to \$200,000, for a total not-to-exceed lease amount of \$875,000. This action constitutes the Approval Action for the property purchase for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 19-0021](#))

No public comment.

*On Motion to approve item 22:
Aye, Caen, Vietor, and Moran*

23. Approve the terms and conditions of, and authorize the General Manager to execute, a five-year lease, with a single three-year option to extend the term, with Raul and Denise Arriaza, husband and wife, as to an undivided fifty (50%) interest and Linda Lee Olson and Carl Edward Olson, husband and wife, as to an undivided fifty (50%) interest, collectively as Landlord, for the SFPUC to use office space and parking located at 1325A Evans Avenue in San Francisco at an annual rent of \$118,332 for the first three years and annual rent of \$121,882 for the fourth and fifth years of the term. ([Resolution 19-0022](#))

No public comment.

*On Motion to approve item 23:
Aye: Caen, Vietor, and Moran*

24. Approve and authorize the General Manager to execute Amendment No. 1 to the September 28, 2015 Memorandum of Agreement with the Alameda County Water District, the Alameda County Flood Control and Water Conservation District - Zone 7, the Bay Area Water Supply and Conservation Agency, Contra Costa Water District, East Bay Municipal Utility District, Marin Municipal Water District, and Santa Clara Valley Water District for the Bay Area Regional Reliability Drought Contingency Plan, extending the agreement by 36 months (three years) until December 31, 2021, for a total duration of 75 months (approximately six years, three months), and add provisions for developing a Regional Water Market Program to help facilitate regional water transfers and exchanges, with no change in agreement amount. ([Resolution 19-0023](#))
At his request, AGM Ritchie provided clarification for Commissioner Moran as to who are parties to the agreement.

No public comment.

On Motion to approve item 24:

Aye: Caen, Vietor, and Moran

25. Adopt a conditional finding of surplus for SFPUC sewer and streetlight easements encumbering San Francisco Assessor's Blocks 6310, 6311, 6312, 6313, 6314, and 6315 and future interim reserved public utility easements in the Sunnydale Hope SF Project site; Authorize the General Manager to negotiate and execute Quitclaim Deeds transferring the SFPUC's interest in the Easements to the San Francisco Housing Authority, subject to Board of Supervisors' and Mayor's Approval. ([Resolution 19-0024](#))

No public comment.

On Motion to approve item 25:

Aye: Caen, Vietor, and Moran

The Commission read the Closed Session items.

26. Public Comment on matters to be addressed during Closed Session
None.
27. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel

On Motion to assert attorney-client privilege.

Aye: Caen, Vietor, and Moran

The Commission entered Closed Session at 3:46 PM.

28. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Unlitigated Claim
Antera Investments & Trading LLC v. City and County of San Francisco
Unlitigated File No.: 19-00710
Date Filed: September 21, 2018
Proposed settlement of claim with claimant's release of all claims and the City to pay claimant \$45,848.25
(Resolution 19-0025)
29. 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

San Joaquin Tributaries Authority, et al v. California State Water Resources Control Board
Tuolumne Superior Court Case No.: CU62094
Date Filed: January 10, 2019

30. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (4) and San Francisco Administrative Code Section 67.10 (d) (4)
Anticipated Litigation as Plaintiff*
*Creditor/Claimant
31. 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
32. 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
33. 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
34. 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

35. 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
Case No.: ER15-735-000/Date Filed: December 23, 2014

36. 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.: EL15-3-000/Date Filed: October 9, 2014

The Commission exited Closed Session at 5:15 PM.

37. Announcement Following Closed Session
VP Caen announced that the settlement was approved for item 28 and no other action was taken.
38. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12 (a)

On Motion not to disclose:
Aye: Caen, Vietor, and Moran

39. Other New Business
None.

40. Adjournment
President Courtney adjourned the meeting at 5:15 PM.