



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, April 23, 2019

1:30 P.M.

(Approved May 14, 2019)

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

Commissioners

Ann Moller Caen, President
Francesca Vietor, Vice President
Anson Moran

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
President Caen called the meeting to order at 1:32 PM.

2. Roll Call
Present: Caen, Vietor and Moran

3. Approval of the Minutes of April 9, 2019
*On Motion to approve the Minutes of April 9, 2019:
Aye: Caen, Vietor and Moran*

No public comment.

4. General Public Comment
- Spreck Rosekrans, Restore Hetch Hetchy, referenced a San Francisco Chronicle article discussing tourist experiences in Yosemite and Yosemite Valley. He stated there is a lack of tourists at Hetch Hetchy due to the reservoir.

5. Communications
 - a) Advance Calendar
 - b) Correspondence Log
 - c) Contract Advertisement Report
 - d) Streetlight Program Update
In response to a question from President Caen, Barbara Hale, Assistant General Manager (AGM) Power, confirmed PG&E will convert their poles to LED, and indicated who has jurisdiction of above and below ground wires.
 - e) Water Supply Agreement Update
 - f) Water Supply Conditions Update
No public comment.

6. Other Commission Business
 - a) Recognition of Gerard Murphy upon his retirement for 36½ years of distinguished service to the San Francisco Public Utilities Commission
Michael Carlin, Deputy General Manager (DGM) introduced Mr. Murphy and summarized his exceptional career and service to the SFPUC.

Mr. Murphy thanked the Commission for the recognition and discussed his career.

No public comment.

7. Annual Revenue Bond Oversight Committee (RBOC) Report and Audit Findings
Mr. Travis George, RBOC Chair, presented the report. He noted the RBOC was created in 2003 to provide transparency and accountability for the

expenditure of revenue bonds. Chair George reviewed RBOC's scope of work and stated RBOC's sunset date has been extended to 2025. He indicated a new Fund Balance Management Policy was created to guide the RBOC on how to use the funds provided. He stated RBOC's focus in 2019 is to hire a third-party contractor to audit bond expenditures.

Commissioner Moran thanked Mr. George and the RBOC for their work and for maintaining the trust of the bond programs.

No public comment.

8. Report of the General Manager

a) CleanPowerSF (CPSF) Update

AGM Hale provided the update: (1) Enrollment: 400,000 customer accounts by the end of April; 2.8% opt-out rate and 1.4% SuperGreen upgrade rate; (2) Customer Programs: Staff is addressing gaps in customer programs (item 13 related). AGM Hale discussed the peak-day pricing pilot program launch for commercial customers who wish to participate in peak-day pricing; (3) PG& E Rates: PG&E's July 1 exit fee (PCIA) is expected to be more favorable than was projected in December: residential customers exit fee will decrease by 11.5%; small commercial customers exit fee will increase by 18.1%; medium commercial customers exit fee will increase by 22%; and large commercial customers exit fee will increase by 33%. AGM Hale stated PG&E has requested an increase to generation rates: cumulative increases to residential of 8%; small commercial 8%; medium commercial 4.2%; and large commercial 7.5%.

Vice President (VP) Vietor requested an updated chart showing rate change impacts by sector to monthly bills.

AGM Hale responded to a question as to how the PG&E rate changes, if approved, will affect the SFPUC.

No public comment.

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

None.

No public comment.

9. Bay Area Water Supply and Conservation Agency (BAWSCA) Update

Nicole Sandkulla, BAWSCA Chair, provided the update beginning with a discussion of the Water System Improvement Program's (WSIP) two remaining projects - Alameda Creek Recapture Project (ACRP) and Regional Groundwater Storage and Recovery Project (GSR), both of which are critical to achieving Water Level of Service goals (LOS).

CEO Sandkulla discussed the ARCP goals and actions and requested that following completion of ARCP's revised environmental effort, a written report be provided to the Commission on the need, if any, to revise the scope and possible impacts of any scope changes on the project's availability to meet WSIP LOS goals.

Ms. Sandkulla reviewed the GSR project goals and actions. She requested that staff meet with BAWSCA to discuss the project and provide a status update. She asked that a written report be provided to the Commission following that meeting containing a detailed plan and schedule and timeline for assessment of project yield and ability to meet WSIP LOS goals.

CEO Sandkulla mentioned state legislation, SB 699, introduced by Senator Hill to extend state oversight of WSIP to January 1, 2026, and for the San Francisco Bay Area Regional Water System Financing Authority the ability to issue revenue bonds through December 2020 for repairs to the SF Regional Water System.

She concluded noting that BAWSCA February 2019 total potable water use was 22% less than during February 2013.

VP Vietor requested Ms. Sandkulla provide information showing water use by each city in the service area and how it has changed over time.

Commissioner Moran requested that a report be provided to the Commission upon the completion of the meeting between BAWSCA and staff regarding the GSR Project.

President Caen thanked CEO Sandler for her presentation and for providing clear explanations.

No public comment.

10. Consent Calendar

- a) Authorize the General Manager to execute a First Amendment to the Memorandum of Understanding with County of Alameda, Community Development Agency, Department of Agriculture/Weights and Measures to continue to assist the San Francisco Public Utilities Commission with invasive weed control and rodent control at selected sites within the SFPUC Alameda Creek Watershed, increasing the agreement amount by \$120,000, for a total not-to-exceed agreement amount of \$195,000, and increasing the agreement duration by three years for a total agreement duration of six years. ([Resolution 19-0071](#))
- b) Approve Amendment No. 1 to Agreement No. CS-1000, As-Needed Green Infrastructure Design and Engineering Services with MWH-AGS, JV, extending the contract term by one year, for a total term of five years, to continue providing specialized green infrastructure planning, design, and

engineering services on an as-needed basis; and authorize the General Manager to execute this amendment with no change in contract amount. ([Resolution 19-0072](#))

- c) Approve Amendment No. 2 to Agreement No. CS-1007, Structural Engineering Services for 525 Golden Gate with SOHA Engineers, for continued structural engineering services including support during bid, award, and construction phases; and authorize the General Manager to execute this amendment, increasing the agreement by \$40,000, and extending the duration by one year, for a total not-to-exceed agreement amount of \$200,000 and a total agreement duration of five years. ([Resolution 19-0073](#))
- d) Approve Modification No. 1 to Job Order Contract, JOC-65R, General Engineering (A-License) for San Joaquin, Stanislaus, and Tuolumne Counties, with Robert E. Boyer Construction, Inc. to perform General Engineering construction tasks for SFPUC Enterprise Operations and Bureaus, increasing the contract amount by \$2,500,000, for a total contract amount not-to-exceed \$7,500,000, as allowed under the San Francisco Administrative Code Chapter 6.62, with no change in the contract duration. ([Resolution 19-0074](#))
- e) Approve Modification No. 1 to Job Order Contract, JOC-67, Micro-LBE, Landscaping (C-27 License), for San Francisco, San Mateo, Santa Clara and Alameda Counties, with San Francisco Conservation Corps, to construct, maintain, repair, and install landscaping systems on SFPUC watersheds and other SFPUC-owned property, increasing the contract duration by three years, for a total contract duration of five years, with no change to the contract amount, as allowed under the San Francisco Administrative Code Chapter 6.62. ([Resolution 19-0075](#))
- f) Approve the plans and specifications, and award Contract No. WW-654, Southeast Water Pollution Control Plant Buildings 040, 041, 044, 060, 061, 062, 925, and 960 Mechanical Improvements, in the amount of \$7,027,000, with a duration of 660 consecutive calendar days, to the lowest qualified, responsible, and responsive bidder, Cal State Constructors, Inc., to improve the service and reliability of the equipment and processes at Southeast Plant. ([Resolution 19-0076](#))
- g) Approve the plans and specifications, and award Contract No. WW-655, As-Needed Main Sewer Replacement No. 7, for a total amount not-to-exceed \$6,705,115, to the lowest qualified, responsible, and responsive bidder, Precision Engineering, Inc. to perform as-needed manhole to manhole segment main sewer replacements on short notice in locations to be determined throughout San Francisco. ([Resolution 19-0077](#))
- h) Approve the plans and specifications, and award Contract No. WD-2797, San Francisco Westside Recycled Water Pump Station and Reservoir, in the amount of \$15,633,200, with a duration of 690 consecutive calendar days, to the lowest qualified, responsible, and responsive bidder, JMB

Construction, to construct a new recycled water treatment pump station and reservoir within Golden Gate Park. ([Resolution 19-0078](#))

No public comment.

On Motion to approve Consent Calendar items 10a through 10h:

Aye: Caen, Vietor and Moran

11. Accept work performed by U.S. Electric Technologies, Inc. for Contract No. WW-559R, Fixed Gas Monitoring System Upgrades; approve Modification No. 5 (Final), decreasing the contract amount by \$46,945, for a total contract amount of \$2,583,283, and a total contract duration of 1,640 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 19-0079](#))
AGM How introduced and requested approval.

No public comment.

On Motion to approve Item 11:

Aye: Caen, Vietor and Moran

12. Approve the plans and specifications, and award Contract No. WW-686, As-Needed Spot Sewer Replacement No. 38, in an amount not-to-exceed \$9,205,823, and with a duration of 400 consecutive calendar days, to the sole, qualified, responsible, and responsive bidder, J. Flores Construction Company, Inc., as permitted under San Francisco Administrative Code 6.23(c)(3), to replace sections of existing sewer piping, on an as-needed basis, at locations to be determined throughout the City of San Francisco. ([Resolution 19-0080](#))

No public comment.

On Motion to approve Item 12:

Aye: Caen, Vietor and Moran

13. Approve the terms and conditions of, and authorize the General Manager to seek approval by the Board of Supervisors to execute, a 10-year lease term extension with William H. Banker, Jr., Successor Trustee of The Banker Trust dated April 20, 1992, Fillmore C. Marks, Trustee of The Fillmore and Barbara Marks 1992 Trust, Fillmore Douglas Marks, William C. Marks, and Bradford F. Marks, tenants in common, for the San Francisco Public Utilities Commission's continued occupancy of warehouse, yard, and office space located at 651 Bryant Street, San Francisco, for an initial annual rent of \$577,920, with 3% annual rental increases thereafter. ([Resolution 19-0081](#))

Rosanna Russell, Real Estate Director, introduced the item and requested approval.

No public comment.

On Motion to approve Item 13:

Aye: Caen, Vietor and Moran

14. Approve the project delivery method of Design-Build-Operate for Project No. CWP11001, New Treasure Island (TI) Wastewater Treatment Plant and for the operation, maintenance, training, and transfer of the Treasure Island collection system; and authorize the General Manager to seek approval by ordinance from the Board of Supervisors to use this alternative project delivery method for the proposed design, build, operation, maintenance, training, and transfer of the project, and to customize the procurement to deliver the project in a manner that is most efficient and cost-effective. ([Resolution 19-0082](#))

Greg Norby, AGM Wastewater, began the presentation with a discussion of the Wastewater Enterprise's current responsibilities on TI versus available resources.

Tom Birmingham, Project Manager, and Michael Carlin, Deputy General Manager (DGM), responded to a question from VP Vietor regarding conveyance of the current treatment plant.

Mr. Birmingham continued with a review of: (1) New TI Development, which will eventually include up to 8,000 new homes and 300 acres of open space; (2) New TI Water Resource Recovery Facility; (3) New TI Water Resource Recovery Facility wetlands concept; and (4) New TI Water Resource Recovery Facility flows and technology.

AGM Norby proceeded with an outline of SFPUC's project delivery objectives and project delivery method – Design Build Operate (DBO), and concluded with a review of next steps.

Mr. Birmingham responded to a question from VP Vietor as to whether the Treasure Island Development Authority will have a role in selecting the DBO contract.

Mr. Birmingham responded to a question from Commissioner Moran regarding the status of the Master Water System Plan and Master Recycled Water Plant, as is included the development plan. Commissioner Moran also asked about the status of the conceptual engineering report and the collection system.

DGM Carlin responded to a question from Commission Moran on how SFPUC services fit into the overall TI utilities plan. Brief discussion ensued.

Commissioner Moran asked that as efforts proceed with the utility plan and the conceptual engineering report that the Commission be involved in discussions.

Commissioner Moran expressed concern with the DBO and contracting for such a long period of time. He touched on labor and workforce development efforts and wants to make sure contractors fully integrate job development and offer career path opportunities. Staff provided brief response to his concerns.

Commissioner Moran indicated he wants to ensure project design complies with SFPUC's environmental objectives and the adopted One Water Policy. He

requested that the Commission be involved in the review and approval of designs, and deal with various labor issues.

VP Vietor concurred with Commissioner Moran's comments regarding environmental objectives and components.

No public comment.

On Motion to approve Item 14:

Aye: Caen, Vietor and Moran

15. Approve a form agreement allowing CleanPowerSF customers to receive SuperGreen 100% renewable energy service under a multi-year service agreement; and Authorize the General Manager to offer this service agreement to any eligible CleanPowerSF (CPSF) customer. This agreement would allow CleanPowerSF customers to become eligible for points toward Leadership in Energy and Environmental Design certification of their building projects. ([Resolution 19-0083](#))

Julie Allman, Utility Specialist, introduced the item and reviewed the program background, LEED certification requirements, and program goals. She outlined the multi-agreement commitments and termination fees.

Mike Hyams, CPSF Director, responded to a question from Commissioner Moran regarding the five-year commitment required to receive LEED points and the termination requirements. Commissioner Moran questioned if there is a way to "time limit" the program, to monitor termination history for any early termination trend, and to terminate the program or change the offering if necessary. Director Hyams indicated staff can report annually as to customer participation and activity. Commissioner Moran requested that if any unusual activity or concerns are noted that staff report back to the Commission.

Ms. Allman responded to a question from President Caen as to whether there is any program benefit to residential customers.

Ms. Allman and Director Hyams responded to a question from VP Vietor as to what happens to the agreement upon the sale of property.

Commissioner Moran proposed an amendment to the resolution to include an annual reporting requirement.

On Motion to approve the proposed amendment:

Aye: Caen, Vietor and Moran

No public comment.

On Motion to approve the Item 15 as amended:

Aye: Caen, Vietor and Moran

No public comment.

16. Approve Project No. CUH10101, Reliable Power Project, adopt the required California Environmental Quality Act Findings and Final Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program; and authorize the General Manager to implement the Project. (Resolution 19-0084)
Steve Ritchie, AGM Water, introduced the item and requested approval.

No public comment.

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

17. Approve the selection of AECOM Technical Services, Inc. to provide construction management services for the proposed Mountain Tunnel Improvement Project; award Agreement No. PRO.0096, Mountain Tunnel Improvements Construction Management Services; and authorize the General Manager to negotiate and execute a professional services agreement for a total not-to-exceed amount of \$24,500,000, with a duration of eight years, subject to the Board of Supervisors' approval pursuant to Charter Section 9.118. (Resolution 19-0085)
The Commissioner Secretary noted copies of two additional letters which were received and provided to the Commission: (1) Ivy Fine dated April 19, 2019, and (2) Steve Wang, EPC Consultants, dated April 21, 2019.

AGM How introduced the item emphasized the importance of the work. She discussed the Request for Proposal process and stated AECOM was the highest ranked bidder. She noted the protest received from EPC Consultants.

No public comment.

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

The Commission Secretary read the Closed Session Items.

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

*On Motion to assert:
Aye: Caen, Vietor and Moran*

The Commission entered Closed Session at 3:05 PM.

20. 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:
Joseph Alvarado v. City and County of San Francisco
San Francisco Superior Court Case No.: CGC-18-569501/Date Filed September 6, 2018
(Resolution 19-0085)

21. 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

22. 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

23. 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

24. 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

25. 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

26. 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 3:42 PM.

27. Announcement Following Closed Session

President Caen announced that a settlement was reached on item 20.

28. 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

29. Other New Business

President Caen questioned why the Commission has not received a stipend increase in years.

30. Adjournment

President Caen adjourned the meeting at 3:45 PM.