



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 14, 2020
1:30 P.M.
(Approved January 28, 2020)

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
Sophie Maxwell
Tim Paulson

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 1:36 pm.

2. Roll Call

Present: Caen, Moran, and Maxwell

Commissioner Paulson arrived at 1:39 pm.

Vice President (VP) Vietor arrived at 1:41 pm.

3. Approval of the Minutes of December 10, 2019

On Motion to approve the Minutes of December 10, 2019:

Ayes: Caen, Moran, and Maxwell

No public comment

4. General Public Comment

- *Dave Warner displayed a graph showing “Minimum storage frequencies” He stated that the SFPUC doesn’t have or isn’t sharing probability information, and that probability analysis need to be conducted to better plan.*

Commissioner Paulson arrived at 1:39 pm.

VP Vietor arrived at 1:41 pm.

- *Peter Drekmeier, Tuolumne River Trust, displayed graphs titled “SFPUC Average Total System Delivery Per Year FYs 1971-2019”, “Water Supply Calculator” and “Tuolumne River (flow)”, and discussed each.*
- *Francisco DaCosta stated the word “Community” has been removed for the Southeast Community Facility Commission Building. He discussed the original intent of the facility for education and horticultural uses, and that those uses have been eroded. He commented on 1550 Evans. He stated the first budget hearing was boring.*

5. Communications

a) Advance Calendar

b) Correspondence Log

c) Contract Advertisement Report

d) O’Shaughnessy Dam Reservations Quarterly Report – Fourth Quarter

e) Response to Bay Area Water Supply and Conservation Agency Recommendations on the Water System Improvement Program FY 2018-19 Annual Report

f) Water Supply Conditions Update

No public comment.

6. Report of the General Manager

a) 2018 Hetchy Energy Benchmarking Report

Barbara Hale, Assistant General Manager (AGM) Power, stated the Benchmarking Report is an annual requirement per San Francisco’s 2011 Existing Commercial Building Energy Performance Ordinance, and that the data is intended to aide and

educate. She indicated the analysis includes Hetchy Power “municipal” customers and she noted customers that are excluded.

AGM Hale reviewed the U.S. Environmental Protection Agency Portfolio Manager tool which is used across the nation and rates building performance by type of facility and sets performance benchmarks. She reviewed results (declining Energy Use Intensity and carbon footprint), and displayed a figure showing benchmarked energy used by building category. She offered conclusions and provided acknowledgements.

AGM Hale responded to questions from VP Vietor regarding carbon supply and emission; from Commissioner Maxwell as to how San Francisco International Airport compares to similar sized airports; and from Commissioner Moran as to whether priorities exist for program dollars for General Fund Department that get power below cost and for those that pay a higher rate.

No public comment.

b) Bay Delta Water Quality Control Plan (BDWQP) Update

Steve Ritchie, AGM Water, noted work continues with the State Board and other entities regarding the BDWQP. He indicated raw modeling results have been released and comments were provided. He discussed the State’s Water Resilience Portfolio.

AGM Ritchie responded to a question from VP Vietor as to who the main driver of the process. Brief discussion ensued.

No public comment.

c) Update on PG&E’s Bankruptcy and City’s Acquisition Offer

AGM Hale discussed PG&E’s \$13.5M settlement, their amended Bankruptcy Plan, and AB1054. She summarized Governor Newsom’s December 13th letter in response to PG&E’s Plan and noted PG&E has not yet publicly responded. She provided an update of PG&E’s request to the bankruptcy judge to postpone a scheduled status conference.

AGM Hale reviewed regulatory activities including PG&E’s request to the Californian PUC (CPUC) to increase the cost of capital (denied); CPUC’s investigation into PG&E’s bankruptcy plan (question of compliance with AB1054). She provided an update of a Securitization Bill introduced by Senator Weiner (SB804) which will allow local public power agencies to qualify bonds for more favorable credit rating and to reduce debt services coverage required by investors for bonds used for electric infrastructure. She noted a surcharge would be placed on bills to recover funds ahead of other costs. She discussed possible uses of bond funds.

AGM Hale responded to a question from VP Vietor regarding the surcharge.

She stated she is continuing to work on refresh of the Power Business Plan and of indicative credit rating.

No public comment.

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

None.

7. Update Regarding Wildfire Risk Reduction in the SFPUC's Bay Area Watersheds
AGM Ritchie introduced Mr. Tim Ramirez, Natural Resources and Lands Management Director, who provided an update to the Bay Area Watersheds and Wildfire Risk Reduction. He stated that the intent of the Watershed Management Plan (WMP) is to maintain and improve source water quality, preserve and enhance ecological resources. He reviewed efforts for watershed and wildfire risk reduction and presented a map of Wildfire Mitigation Plan.

Director Ramirez discussed the Peninsula Watershed, which is comprised of more than 23,000 acres. He reviewed the Watershed's hazardous fire area, high hazard tree removal, roadside mowing, CalFire partnership and annual training, San Andreas controlled burn (June 2019), Watershed fire defense map, historical ecology (San Andreas Dam, San Mateo Creek, Crystal Springs), WMP educational opportunities, and public access.

He continued with discussion of the Alameda Watershed, which is comprised of more than 37,000 acres. He reviewed annual disking along property boundaries and CalFire partnership an annual training.

AGM Ritchie responded to a question from Commissioner Maxwell regarding steps taken to reduce fuel in the watersheds.

No public comment.

8. New Commission Business

None.

9. Consent Calendar:

- a) Approve Amendment No. 4 to Agreement No. CS-203.A, Wastewater and Stormwater Technical Services, with CH2M Hill and Avila Associates, Joint Venture, to continue to provide as-needed specialized and technical services and complete existing projects for the Wastewater Enterprise; and authorize the General Manager to execute Amendment No. 4, extending the agreement duration by one year, for a total agreement duration of eight years, with no change to the contract amount. ([Resolution 20-0001](#))
- b) Approve Amendment No. 2 to Agreement No. CS-203.C, Wastewater and Stormwater Technical Services, with F.E. Jordan Associates, Inc., to continue to

provide as-needed specialized and technical services and complete existing projects for the Wastewater Enterprise; and authorize the General Manager to execute Amendment No. 2 extending the agreement duration by one year, for a total agreement duration of eight years, with no change to the contract amount. ([Resolution 20-0002](#))

- c) Approve Amendment No. 1 to Agreement No. CS-380, Specialized Groundwater Monitoring Services, with Northgate-AGS Joint Venture to continue to implement existing groundwater monitoring and management programs including the Mitigation Monitoring and Reporting Programs required by the Environmental Impact Reports for the San Francisco Groundwater Supply Project and the Regional Groundwater Storage and Recovery Project; and authorize the General Manager to execute this amendment, extending the contract duration by two years for a total duration of six years and 11 months, with no change to the agreement amount. ([Resolution 20-0003](#))
- d) Approve the selection of Catalyst Consulting Group, Inc. (Catalyst) and Guidepost Solutions LLC (Guidepost); award Agreement Nos. PRO.0072.A-B, Security Consulting and Design Services to Catalyst (PRO.0072.A) and Guidepost (PRO.0072.B) to provide technical expertise in security program/project management, security design support during construction, contract administration, and project engineering design for security related projects; and authorize the General Manager to negotiate and execute two professional services agreements, one with Catalyst (PRO.0072.A), and one with Guidepost (PRO.0072.B), each for an amount not-to-exceed \$2,000,000, and each for a duration of five years. ([Resolution 20-0004](#))
- e) Approve the plans and specifications, and award Contract No. WD-2811, 8-Inch and 16-Inch Ductile Iron Water Main Replacement on 17th Street from Clayton Street to Douglass Street, and Various Side Streets, in the amount of \$6,300,314, with a duration of 775 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, M Squared Construction, Inc., to install approximately 12,000 feet of ductile iron water conveyance pipe and ancillary water service pipe, curb ramps, and pavement restoration work. This action constitutes the Approval Action for the project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04 (h) of the San Francisco Administrative Code. ([Resolution 20-0005](#))
- f) Approve the plans and specifications, and award Contract No. WW-677, Various Locations Sewer Replacement No. 6, in the amount of \$4,240,437, with a duration of 400 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Precision Engineering, Inc., to replace the existing sewers on specified streets in the Richmond, Sunset, and Western Addition neighborhoods of San Francisco. 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 20-0006](#))

*On Motion to approve Consent Calendar items 9a through 9f:
Ayes: Caen, Vietor, Moran, Maxwell, and Paulson*

10. Adopt a Resolution authorizing the General Manager to execute a Second Amendment to the employment contract for the position of Assistant General Manager for Infrastructure, with Kathryn How, pursuant to Charter Section 8b.126(b), to (1) extend the term of the contract by two years to January 2022, (2) provide a two percent (2%) base wage increase, and (3) update contract terms. ([Resolution 20-0007](#))

GM Kelly, Jr. stated that AGM How's contract has expired, and the contract extension is needed to retain her employment. He also requested approval of a 2% wage increase, which is in line with the Local 21's negotiated wage increase.

GM Kelly responded to a question from Commissioner Paulson question regarding the wage increase.

*On Motion to approve item 10:
Ayes: Caen, Vietor, Moran, Maxwell, and Paulson*

11. Approve the selection of HDR Engineering, Inc. (HDR) and AECOM Technical Services, Inc. (AECOM); award Agreements Nos. PRO.0138A & C, Engineering Services for Dams and Reservoirs, to HDR (PRO.0138A) and AECOM (PRO.0138C), to provide planning and specialized engineering design services; and authorize the General Manager to negotiate and execute two professional services agreements, each in an amount not-to-exceed \$11,000,000 and each with a duration of 11 years, subject to Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 20-0008](#))

AGM How introduced the item and discussed the RFP process for the hiring of three consultants to help with dam assessments and improvements. She indicated a protest was received by Stantec against GEI Consultants. Therefore, the request is for approval of the other two highest ranks firms, HDR and AECOM, which did not receive any protests.

AGM How responded to a question from Commissioner Maxwell as to the nature of the protest, and from President Caen as to what will happen next.

No public comment.

*On Motion to approve item 11:
Ayes: Caen, Vietor, Moran, Maxwell, and Paulson*

12. Approve the plans and specifications, and award Contract No. WD-2739, Pavement Renovation, Sewer Replacement, and Water Main Replacement on Castro Street and 26th Street, in the amount of \$14,919,291, with a duration of 730 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Cratus Inc., to replace and install approximately 15,600 feet of ductile iron water conveyance pipe and ancillary water service pipe, replace and install approximately 4,500 feet of sewer

pipe, construct curb ramps, and perform pavement restoration work. 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 20-0009](#))
AGM How introduced the item and requested approval.

On Motion to approve item 12:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

13. Approve the plans and specifications, and award Contract No. WW-687, Force Main Rehabilitation at Embarcadero and Jackson, in the amount of \$5,986,222, with a duration of 630 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Anvil Builders, Inc., to rehabilitate a portion of the existing North Shore Force Main; and approve the terms and conditions and authorize the General Manager to execute a permit with Hudson One Ferry Operating, L.P. as Permitter, and the San Francisco Public Utilities Commission as Permittee, allowing the SFPUC to enter and use Seawall Lot 351 for construction activities related to the Project, with a total permit fee not to exceed \$535,000 and a total term of up to 20 months. ([Resolution 20-0010](#))

Bessie Tam, Project Manager, introduced the item and requested approval.

Public Comment

- *Francisco DaCosta asked about force mains and asked what will happen with flooding that will take place.*

On Motion to approve item 13:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

14. Conditionally approve the issuance of up to \$3,065,395,000, inclusive of the proposed \$2,500,000,000 acquisition cost and other acquisition-related costs and bond financing costs, of Power Enterprise Revenue Bonds to acquire certain Pacific Gas and Electric Company electric distribution and transmission assets to provide affordable, safe, and reliable electric service throughout the City and County of San Francisco, subject to the future satisfaction of six specified conditions, including future, additional approvals by this Commission and the Board of Supervisors. ([Resolution 20-0011](#))

Eric Sandler, CFO, introduced the item and discussed the purpose of the issuance of the Power Revenue Bonds, which are subject to future satisfaction of six specified conditions.

Public Comment

- *Francisco DaCosta discussed his time at the Presidio and negotiations with PG&E. He discussed the Raker Act.*

Commissioner Paulson stated he was under impression that the item is driven by the Board of Supervisor and the Mayor and that he will reluctantly vote in the affirmative. He stated he intends to look at how it will get done and how the workforce will be taken care of as it moves forward.

On Motion to approve item 14:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

15. Retroactively authorize the Assistant General Manager of the Water Enterprise to apply for a California Climate Investments Fire Protection Grant from the California Department of Forestry and Fire Protection, in the amount of \$366,881, to conduct a fuel break project between Priest Reservoir and the Moccasin Powerhouse in Tuolumne County; and authorize the General Manager to seek approval from the Board of Supervisors to accept and expend the grant, if awarded. This action constitutes the Approval Action for the project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 20-0012](#))

No public comment.

On Motion to approve item 15:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

16. Approve the Water Supply Assessment for the proposed One Vassar Project to construct new buildings at 400 Second Street and 657 Harrison Street and a vertical addition to the existing building at 645 Harrison Street, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 20-0013](#))
AGM Ritchie introduced the item and requested approval. He noted the request is not for approval of the project, but as to the availability of water supply for the project.

No public comment.

On Motion to approve item 16:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

17. Approve the terms and conditions of, and authorize the General Manager to execute, a no-fee, five-year revocable license to replace an existing license with Tuolumne County to use approximately 41 cubic feet within a San Francisco Public Utilities Commission (SFPUC) building, and use space on two existing appurtenant radio antenna towers on SFPUC Parcel No. 187-1 in Tuolumne County, California, for operation and maintenance of four existing radio repeaters and five antennas used for emergency services communications throughout Tuolumne and Calaveras Counties, and waiving the requirements of Section 5.3.1 of the SFPUC Real Estate Guidelines for this license. ([Resolution 20-0014](#))

No public comment.

On Motion to approve item 17:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

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 the attorney-client privilege:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

The Commission entered Closed Session at 3:03 pm.

20. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (d)(1) and San Francisco Administrative Code Section 67.10 (d)(1)

Existing Litigation

Pacific Gas & Electric Corporation

Case No. 19-30088/Date Filed: January 29, 2019

Case No. 19-30089/Date Filed: January 29, 2019

United States Bankruptcy Court, Northern District of California

21. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (d)(1) and San Francisco Administrative Code Section 67.10 (d)(1)

Existing Litigation

City and County of San Francisco v. Pacific Gas & Electric Company

Docket No. EL19-38-000/Date Filed: January 28, 2019 Federal Energy Regulatory

Commission

22. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (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 3:23 pm.

23. Announcement following Closed Session

President Caen announced that no action was taken during Closed Session.

24. 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 discussions:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

25. Adjournment

President Caen adjourned the meeting at 3:32 pm.