



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

Approved Minutes
(as amended)
Tuesday, September 22, 2020
1:30 P.M.

This meeting was held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Twelfth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020

Commissioners

Ann Moller Caen, President
Anson Moran
Sophie Maxwell
Tim Paulson

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary



1. Call to Order

Chair Moran called the meeting to order at 1:30 PM.

2. Roll Call

Present: Moran, Maxwell and Paulson

Excused: Caen

3. Commissioner Vacancy and Possible Election of New Vice-President:

(a) Possible Motion to Suspend Rule 6 of the Rules of Order of the San Francisco Public Utilities Commission with regard to electing a new Vice President to fill the recent vacancy of that position due to resignation

(b) If Motion under (a) fails, action to elect a new Vice-President of the San Francisco Public Utilities Commission to serve until the October 2020 officer elections as per Rule 6

Francesca Gessner, Deputy City Attorney, discussed Rule 6 of the Commission Rules of Order and the need for the Commission to consider the possible election of a new vice president due to the resignation of Vice President Francesca Vietor. She presented the two options for consideration.

On motion to Suspend Rule 6 of the Rules of Order of the San Francisco Public Utilities Commission with regard to electing a new Vice President to fill the recent vacancy of that position due to resignation:

Ayes: Moran, Maxwell, and Paulson

No Public Comment.

Chair Moran acknowledged the service of Commissioner Caen, noting her longevity and significant contributions to the Commission during her tenure. He recognized Commissioner Vietor's service and read her resignation letter. He indicated a formal recognition will take place at a future date.

Commissioner Maxwell read a statement provided by Francesca Vietor. She thanked both Commissioners for their service.

Commissioners Paulson thanked Commissioner Caen for her years of leadership, service, and guidance and for her many contributions to the SFPUC. He thanked Commissioner Vietor for her service and dedication to the Commission.

No public comment.

4. Approval of the Minutes of September 8, 2020

On motion to approve the Minutes of September 8, 2020

Ayes: Moran, Maxwell, and Paulson

No public comment.

5. General Public Comment

- *Peter Drekmeier, Tuolumne River Trust, expressed disappointment that Commissioner Vietor resigned and noted her strong advocacy and voice for the environment. He presented thoughts on the reasons for her resignation. He indicated there is a lack of response to his requests.*
- *Alita Dupree discussed the power sources she utilizes. She encouraged electrification of “heavy load” and the need to use more electricity and less fossil fuel.*

6. Communications

- a) Correspondence Log
- b) 2020 OneWaterSF Brochure
- c) CleanPowerSF Update
- d) Water Supply Conditions Update

Public Comment

- *Alita Dupree expressed appreciation for the CleanPowerSF update. She asked that heat pump water heating and energy efficiency be discussed. She encouraged new CleanPowerSF customers to enroll in SuperGreen.*

The Commission Secretary announced that public comment on the General Manager’s Report would be heard at two separate points, after item 6b, and 6d, to allow public comment on each of the previous topics covered.

7. Report of the General Manager (GM)

- a) Update on SFPUC Operations During COVID-19 Emergency
Harlan Kelly, Jr., GM, indicated that San Francisco continues the reopening process and that the SFPUC is following city and state guidelines and supports the city’s overall response efforts. He noted the SFPUC staff continue to support the Emergency Operations Center. He indicated non-essential workers will continue to work remotely through June 2021. He provided an update on the customer financial assistance programs noting more than 6,000 residential customers are participating.
- b) Non-potable Water Ordinance Update
Paula Kehoe, Water Resources Division Manager, provided an update for the Non-potable Water Ordinance (NPO), which applies to new buildings and development projects 250,000 gross feet or greater; requirement to treat and reuse graywater, rainwater, and foundation drainage to meet toilet flushing and irrigation demands onsite; and is applicable city-wide. She presented examples of NPO projects and reviewed the proposed NOP amendments.

Ms. Kehoe continued with an update to the Recycled Water Ordinance which has been in effect since 1991 and applies to new, remodeled buildings over 40,000 square feet, new and existing irrigation over 10,000 square feet, designated recycled water use areas, and requires installation of dual plumbing. She discussed planning for recycled water in San Francisco and centralized recycled water and the proposal to rescind the Recycled Water Ordinance.

Public Comment – Items 7a and 7b

- *Alita Dupree (7a) expressed appreciation for the continued focus on COVID-19. She stated the opportunity to work remotely should be the new normal as employees are more productive and that it saves money. She stated there needs to be ways for customers to pay bills without in-person contact.*
- *Alita Dupree (7b) expressed advocacy for conservation. She thinks the affordable housing and health care exemptions need to be examined as those entities should be able to participate.*

c) Update on Voluntary Agreement Negotiations Regarding the Water Quality Control Plan for the San Francisco Bay/Sacramento–San Joaquin Delta Estuary (Bay-Delta Plan)

Michael Carlin, Deputy General Manager (DGM) began by thanking Commissioners Caen and Vietor for their service.

He provided an update on meetings with the state team and on discussions concerning habitat restoration, predator control, gravel augmentation, and woody debris. He noted discussions are occurring regarding critical year water.

DGM Carlin responded to a question from Commissioner Maxwell regarding the discrepancy on the amount of restoration.

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

GM Kelly expressed appreciation for the service of Commissioners Caen and Vietor and spoke to his relationship with them. He thanked them for their service.

Public Comment – Items 7c and 7d

- *Peter Drekmeier, Tuolumne River Trust (7c), discussed the letter provided to the Commission by environmental and fishery groups regarding the peer review of the fish model. He requested that additional discussions take place.*

8. Results and follow-up actions for COVID-19 Employee Pulse Survey #2, which includes content related to COVID-19 response and recovery, and Diversity, Equity, Inclusion, and Belonging

Justine Hinderlitner, Chief People Officer, thanked Alyssa Vu and Jenny Rice for their work on the Pulse Survey #2.

She presented (1) Survey goals and timeline, (2) Actions since the Pulse Survey #1 in May (all employees, onsite employees and remote employees), (3) Results trends and highlights (safety, communication, employee wellbeing, onsite and remote employee challenges), (4) Equity Pillar in Business Continuity Plan, (5) Overall SFPUC results in Diversity, Equity, Inclusion, and Belonging (DEIB), (6) Ethnicity differences in survey items, (7) Gender differences in DEIB items, (8) Onsite/ remote differences in COVID items, and (9) In-progress and next steps.

The Commissioners thanked Ms. Hinderlitner for a job well done and for a thorough presentation and thought process.

No public comment.

9. Workforce Diversity and Equity Update

Justine Hinderlitner presented the update: (1) Human Resources Services (HRS) current approach to discipline (new supervisor training, process for when new disciplinary issues are brought for HRS for inquiry, public sector disciplinary process protections, competency model framework, ongoing advice and consolation to guide/coach supervisors and managers). She reviewed HRS plan for discipline (probationary period performance management framework, case management system for holistic analysis, and develop more specific tools/procedures), (2) Current on-going approach to management/ leadership development and retention, and (3) Management/leadership development and retention plans.

Ms. Hinderlitner responded to a question from Commissioner Paulson as to whether the information provided is being shared with union representatives as related to collective bargaining.

Ms. Hinderlitner responded to a question from Commissioner Maxwell as to whether everybody has an opportunity to be heard.

Steve Ritchie, Assistant General Manager (AGM) Water, discussed City Distribution Division (CDD) safety culture and workplace conduct. He reviewed CDD safety, job site traffic control, workplace conduct expectations (developed by CDD staff), and efforts moving forward on workforce diversity and equity.

No public comment.

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

Nicole Sandkulla, BAWSCA CEO, discussed AGM Ritchie's update to the BAWSCA Board regarding the new Alternative Water Supply Planning Program. She noted the Board's interest in the program. She stated the Board discussed their continued participation in the Los Vaqueros Reservoir Expansion Project. She indicated the Contra Costa County Water District, who owns the Reservoir, is asking the existing partner agencies in the Los Vaqueros project to adopt a second amendment to the multi-party agreement, which will enable further planning work through December 2021. She noted BAWSCA's intent to acquire additional dry year supplies, which will be supplemental to SFPUC dry year supplies. She indicated the BAWSCA board decided not to move forward independently in the Los Vaqueros expansion project, and she detailed reasons for the decision. She noted BAWSCA's continued support for the expansion project. She said BAWSCA strongly urges the SFPUC to remain engaged in the expansion project.

She extended her appreciation to Commissioners Caen and Vietor for their service to customers, both in San Francisco and to the wholesale customers.

No public comment.

11. New Commission Business

None.

12. Consent Calendar:

- a) Approve Amendment No. 2 to Agreement No. CS-366, Emergency Planning, Technical Assistance, and Training Support, with AECOM Technical Services, Inc., to provide continuing emergency operations planning, training, and exercises for all SFPUC enterprises and bureaus; and authorize the General Manager to execute this amendment extending the agreement duration by two years, for a total agreement duration of eight years, with no change to the agreement amount. ([Resolution 20-0200](#))
- b) Accept work performed by A. Ruiz Construction for Contract No. WD-2783, As-Needed Water Main Replacement at Various Locations, for a total contract amount of \$8,596,901, and with a total contract duration of 1,052 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 20-0201](#))
- c) Approve an increase in the amount of \$1,942,300 to the existing contract cost contingency and an increase of 90 calendar days to the existing duration contingency for Contract No. WD-2820R, San Francisco Local Water As-Needed Paving (FY16-19); and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$19,077,000 and a total contract duration of up to 1,294 consecutive calendar days. ([Resolution 20-0202](#))
- d) Accept work performed by Blocka Construction, Inc., for Contract No. WW-570, Oceanside Water Pollution Control Plant and Westside Pump Station HVAC Upgrades; approve Modification No. 3 (Final), decreasing the contract amount by \$60,218 for a total contract amount of \$6,264,356, with no change to the agreement duration; and authorize final payment to the contractor. ([Resolution 20-0203](#))

No public comment.

On motion to approve Consent Calendar items 12a through 12d

Ayes: Moran, Maxwell, and Paulson

13. Approve proposed modifications to the San Francisco Public Utilities Commission Floodwater Management Grant Assistance Program Grant Requirements and Terms as follows: (1) for owner-occupied, residential property owners who demonstrate financial hardship (a) provide up-front payment of up to \$1,000 for contractor deposits to secure work and (b) allow reimbursement for the final installment payment to be based on invoice only (not proof of payment); (2) for small businesses and non-profit organizations with a maximum of 50 full-time employees (a) provide up-front payment for contractor deposits, (b) allow reimbursement for the final installment payment based on invoice only (not proof of payment) and (c) reduce the grantee cost-share

from 20% to 0%; and (3) remove existing eligibility criterion requiring proof of prior flooding and replace with approximately 6 inches of flooding in a 100-Year Storm. (Resolution 20-2004)

Greg Norby, AGM Wastewater, provided brief background and general information on the Floodwater Grant Program, challenges faced, and feedback received from the public. He turned the presentation over to Sarah Minick who discussed specific changes in the grant program requirements.

Ms. Minick discussed the purpose of the grant program and the efforts to make the grant program more accessible to low-income residents. She discussed the changes: (1) provide up-front funding so low-income participants can secure a contractor to start work. She noted that those who show they are in a hardship will get 10% or \$1,000 up front (whichever is less) to secure a contractor to begin work, (2) She discussed the desire of non-profits and small businesses to participate in the grant program as they have the same difficulty with up-front payment, and indicated that those organizations have now been included in the program, and (3) to reduce grantee cost-share from 20% to 0% in hardship situations.

Commissioner Maxwell thanked staff for their work.

Commissioner Moran discussed a proposed amendment to introduce eligibility criteria. At the request of the Commission Secretary, Ms. Minick read the amendments that were made to the resolution.

Commissioner Moran responded to a question from Commissioner Maxwell as to why there is a one-year limit (sunset).

No public comment.

*On motion to approve Item 13 as amended:
Ayes: Moran, Maxwell, and Paulson*

14. Discussion and possible action to establish performance goals for Fiscal Year 2020-21 for the General Manager pursuant to the General Manager's employment contract and San Francisco Charter Section 8B.126(a).

GM Kelly discussed his proposed work plan and performance goals for FY 2020-21. He indicated that outcomes will be submitted to the Commission for evaluation at the end of the fiscal year. He indicated his last submission of performance goals was in FY 2018-19, but due to competing priorities that year the goals were not evaluated and new goals were not approved.

He noted five major areas of responsibility as per his employment contract: (1) General Management, (2) Policy Implementation, (3) Audit Response, (4) Transparency, and (5) Year-Specific Goals. He indicated that President Caen requested that goals related to the Sewer Inspection Improvement Program be added to section five. GM Kell read the addition of 5.9 "Continue to execute the Biosolids and Headworks construction on time and on budget while ensuring safety and community

engagement". He indicated there are five sub-sections to 5.9, which he provided, along with associated due dates.

Commissioner Moran noted a numbering problem under section #2.

Commissioner Moran requested the following additions:

- 5.2 – Alternative Water Supplies: Substantially complete feasibility studies for at least 3 water supply projects, and a general plan for meeting consumptive and environmental demands through 2050.
- 5.3 – Power- Hetch Hetchy: Continue to work to obtain reasonable access to distribution services for our new and existing customers through negotiation and, as necessary, litigation with PG&E and through strategic investment in PUC-owned distribution, as we improve our operational readiness to own, operate, and maintain distribution services and grow our customer base and provide an update to the Power Enterprise Business Plan.

Public comment

- *Dick Allen asked for goals related to the Lake Merced Watershed Report, Lake Merced Memorandum of Understanding with the San Francisco Recreation and Park Department (RPD), RPD issuance of the 2015 Lake Merced RFP, and the Tuolumne River ecosystem and habitat.*

At the request of Commissioner Maxwell, GM Kelly responded to Mr. Allen's comments. Commissioner Moran provided additional comment as to the development of the Performance Goals. Brief discussion ensued.

*On motion to approve Item 14 as amended:
Ayes: Moran, Maxwell, and Paulson*

15. Public comment on matters to be addressed during Closed Session
None.

16. 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
Ayes: Moran, Maxwell, and Paulson*

The Commission entered Closed Session at 4:30 PM.

Item 17 Attendees:

*Commissioners Anson Moran, Sophie Maxwell, Tim Paulson
Staff: Harlan Kelly, Jr., General Manager; Michael Carlin, Deputy General Manager;
Eric Sandler, CFO, AGM Business Services; Francesca Gessner, Deputy City
Attorney, Lee Sayao, IT Engineer Technical Services; Donna Hood, Commission
Secretary*

17. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2) Existing Litigation
James Neidel v. City and County of San Francisco
Unlitigated Claim No.: 20-01268 / Date Filed: December 11, 2019
Proposed settlement of unlitigated claim with claimant's release of all claims and the City to pay claimant \$67,917.
(Resolution 20-0205)

Item 18 Attendees:

Commissioners Anson Moran, Sophie Maxwell, Tim Paulson
Staff: Harlan Kelly, Jr., General Manager; Michael Carlin, Deputy General Manager; Barbara Hale, AGM Power Enterprise; Eric Sandler, CFO, AGM Business Services; Deputy City Attorney Teresa Mueller, Deputy City Attorney; Lee Sayao, IT Engineer Technical Services; Donna Hood, Commission Secretary

18. Conference with Legal Counsel – Pursuant to California Government Code, Section 54956.9(a), and San Francisco Administrative Code, Section 67.10(d)(1) Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: In re: PG&E Corporation and Pacific Gas & Electric Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38-000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18-1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006, filed January 10, 2019; and California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019

The Commission exited Closed Session at 4:57 PM.

19. Announcement following Closed Session
Chair Moran announced that the Commission recommends sending item 17 to the Board of Supervisors for consideration. No other action was taken.

20. 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: Moran, Maxwell, and Paulson

21. Adjournment
Adjourned the meeting at 4:58 PM.