



**SAN FRANCISCO PUBLIC UTILITIES
COMMISSION**

City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, January 26, 2021
1:30 P.M.
(Approved February 9, 2021)

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

During the Coronavirus Disease (COVID-19) emergency, the San Francisco Public Utilities Commission's (SFPUC) regular meeting room, City Hall, Room 400, is closed. Commissioners and SFPUC staff will convene Commission meetings remotely by teleconference.

Commissioners

Sophie Maxwell, President
Anson Moran, Vice President
Tim Paulson
Ed Harrington

Michael Carlin
Acting General Manager

Donna Hood
Secretary



1. Call to Order

President Maxwell called the meeting to order at 1:30 PM.

2. Roll Call

Present: Maxwell, Moran, Paulson and Harrington

The Commission Secretary announced that Item 17 would not be heard.

3. Approval of the Minutes of December 22, 2020

On Motion to approve the Minutes of December 22, 2020

Ayes: Maxwell, Moran, Paulson and Harrington

Public Comment

- *David Pilpel stated he would communicate non-substantive changes to the Commission Secretary.*
- *Ali Altaha noted discussions regarding the construction management selection process and alleged fraud.*

4. General Public Comment

- *Francisco DaCosta mentioned a recent community benefits report. He questioned how the taxpayer money is being spent.*
- *Dave Warner, Palo Alto, provided his clarification of different uses of “adaptive management” between the proposed Tuolumne River Voluntary Agreement and the State Water Board’s Bay Delta Plan. Written comments provided.*
- *Peter Drekmeier, Tuolumne River Trust, discussed the irrigation districts’ petition for the Federal Energy Regulatory Commission to deny the State Water Board’s authority to issue a water quality certification in the licensing process.*
- *Ali Altaha began to speak to item 10a on the Consent Calendar and was asked to dial-in when public comment for that item is called.*
- *Aleta Dupree expressed concern for the removal of item 17 and requested that it be brought before the commission for public consideration soon. She asked the conversation regarding electrification of restaurants and other cooking facilities and buildings continue.*
- *John (inaudible) discussed a 1906 scandal regarding rate setting and the current situation with the former General Manager. He stated it cannot be fixed from within and that the new General Manager needs to be hired from the outside.*

5. Communications

- Advance Calendar
- Contract Advertisement Report
- Correspondence Log
- Notice of CleanPowerSF Generation Rate Change
- Contract Monitoring Division LBE Goals and Performance for Construction Contract WW-656
- Water Supply Conditions Update

Public Comment

- *David Pilpel (5a) noted former staff names are listed on the Advance Calendar; (5d) questioned cost of power acquisition which varies by time-of-use (TOU) and suggested it could be defaulted or be required to promote conservation and reflect cost of service; and (5f) thanked Assistant General Manager (AGM) Ritchie for the report.*
- *Ali Altaha (5e) stated CMD division has not been doing their work and is illegally certifying companies for their construction/construction management work without required California license in accordance with government code 45.25 and AB605. He discussed previous comments made by AGM How.*
- *Aleta Dupree (5d) stated CleanPowerSF rates are slightly more expensive than PG&E and that acquisition costs need to be reduced. She noted her participation in TOU service.*

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

Nicole Sandkulla, BAWSCA CEO, noted BAWSCA is nearing its 20-year anniversary. She discussed the principal, strategic and operational responsibility of BAWSCA and the Commission going forward, especially considering challenges faced. She discussed BAWSCA's challenges to protect the health, safety and economic well-being of their water users, by ensuring them a reliable supply of high-quality water at a fair price when and where needed. She briefly noted BAWSCA and SFPUC obligations and responsibilities. She discussed the SFPUC's Environmental Stewardship Policy and 2020 Strategic Plan, expressing BAWSCA's support. She discussed the Bay Delta's impact on the system and on BAWSCA's customers and noted their concerns. She discussed the Tuolumne River Voluntary Agreement (TRVA) as it an alternative to the Bay Delta Plan. She noted the upcoming February 5, 2021 SFPUC special meeting (water workshop) is a venue for the SFPUC to present and defend scientific data to support the TRVA and the SFPUC's position.

Public Comment

- *Francisco DaCosta stated that indigenous people need to be brought to the table. He expressed concern as to who will speak for the salmon.*
- *Peter Drekmeier, Tuolumne River Trust, thanked CEO Sandkulla for her comments regarding the SFPUC Environmental Stewardship Policy, and thanked Mr. Warner for his earlier comments. He discussed the National Marine Fisheries peer review of the fish model. He discussed SFPUC's obligation to BAWSCA to produce 184 MGD and reviewed other possibilities.*

Commissioner Paulson discussed the complexities regarding LBE's and workforce development and indicated that continued discussion is important.

7. Presentation by the City's Department of Human Resources (DHR) of the four highest scoring respondents to DHR's informal solicitation from a pre-qualified pool for a firm to recruit candidates for the SFPUC General Manager (GM), and possible action by the Commission to select a recruiting firm and authorize DHR to engage the selection firm to perform the recruitment for an amount not-to-exceed \$100,000 and a duration of not-

to-exceed one year.

Kate Howard, Managing Deputy Director, City and County of San Francisco Department of Human Resources (DHR), provided a preliminary report regarding the solicitation of recruitment firms to assist with the GM search. She began with a review of the eight steps to executive recruitment: (1) Request for Proposals, (2) Review and selection of firm, (3) Candidate profile for recruitment, (4) Recruitment and outreach, (5) Presentation of candidates, (6) Candidate interviews, (7) Vetting of finalists, and (8) Finalists presented to Mayor.

Ms. Howard indicated the DHR has a list of 11 pre-qualified executive recruitment firms and that nine submitted proposals indicating they would like to work the SFPUC. She noted that seven of those are fully compliant with all City requirements. Ms. Howard said four firms presented proposals to conduct the search: (1) Alliance Resource Consulting, (2) Bob Murray & Associates, (3) CPS-HR Consulting, and (4) The Hawkins Company. She briefly reviewed each firm's professional services fee, timeline to interviews (weeks), recent CCSF/Utilities (sector) recruitment experience, diversity experience, and proposed approach.

Ms. Howard responded to a question from Commissioner Paulson as to how recruitment agencies determine a "sweet spot" for steps to recruiting and to conducting outreach, to obtain a qualified candidate pool.

President Maxwell noted the importance of the Commission being informed about the "stakeholder approach" and that it needs to be a part of the proposal that is submitted. She expressed concern with "low ball" proposals that have the likelihood of additional task orders to complete added work. Ms. Howard indicated she would reach out to the firms for additional information as to their recruitment and stakeholder engagement plans, and any anticipated additional costs. Brief discussion ensued.

Ms. Howard responded to Vice President (VP) Moran as to whether outreach has happened with organizations that have previously hired any of the firms to gauge their satisfaction with their recruitment experience and to provide an evaluation.

Public Comment

- *Francisco DaCosta stated there needs to be a needs assessment at the treatment plants and that the firms need to know what is happening at "ground zero". He stated that previous employees need to be asked relevant questions.*
- *Peter Drekmeier expressed appreciation for the recent efforts by the Commission to engage with the public via public meetings and workshops. He stated a GM is needed who will follow that positive trend and maintain open dialogue and that collaboration is needed.*

8. Report of the General Manager (GM)

a) Update on December 2018 Bay Delta Plan Amendment and Voluntary Agreement Negotiations with the State

Michael Carlin, Acting GM, stated that staff have not been in discussions with the

state team for several weeks due to the state's work on the budget. He indicated that work continues technical issues regarding habitat management.

No public comment.

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

Acting GM Carlin provided an update to the resolution on retroactive energy contracts that was removed from the previous agenda. He indicated that discussion with Supervisor Peskin have ensued and that a path with a different legislative resolution would be taken.

No public comment.

9. New Commission Business

None.

10. Consent Calendar

- a) Approve the selection of McMillen Jacobs Associates and award Agreement No. PRO.0164, Engineering Services for the proposed Lower Alemany Area Stormwater Improvement Project; and authorize the General Manager to negotiate and execute a professional services agreement for a total amount not-to-exceed \$7,500,000, and with a duration of six years.
- b) Approve an increase in the amount of \$3,000,000 to the existing contract cost contingency and an increase of 172 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 \$22,077,000 and a total contract duration of up to 1,466 consecutive calendar days. ([Resolution 21-0001](#))
- c) Accept work performed by Anvil Builders, Inc., for Contract No. WD-2822R2, Lower Crystal Springs Dam Stilling Basin Connecting Channel; approve Modification No. 11 (Final), decreasing the contract amount by \$511,976 with no change to the agreement duration, for a total final contract amount of \$4,325,490 and a total final contract duration of 485 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 21-0002](#))
- d) Accept work performed by Shaw Pipeline, Inc. for Contract No. WW-634, Various Locations Sewer Replacement and Pavement Renovation No. 3; approve Modification No. 3 (Final), decreasing the contract amount by \$6,753, for a total contract amount of \$7,605,153, and a final duration of 690 calendar days (approximately two years eight months); and authorize final payment to the contractor. ([Resolution 21-0003](#))
- e) Approve an increase of 90 consecutive calendar days to the contract duration

contingency for Contract No. WW-655, As-Needed Main Sewer Replacement No. 7, with Precision Engineering, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 670 consecutive calendar days, with no change to contract amount.
([Resolution 21-0004](#))

Commissioner Harrington requested that item 10a be removed.

Public Comment

- *David Pilpel (10a) indicated he has no concern with the bid protests. He indicated that there is no Civil Service Commission approval noted. He stated he does not understand why the work is contracted out and said that there should be enough in-house staff to conduct the work or that Public Works staff can conduct the work. He stated there needs to be a transfer of knowledge to city staff to reduce contracting.*
- *Ali Altaha (10a) stated that SFPUC contract administrators have selected a company with issues. He discussed proposal rankings.*

On Motion to approve the Consent Calendar items 10b through 10e:
Ayes: Maxwell, Moran, Paulson and Harrington

Item 10a: Commissioner Harrington stated that nature/natural resources can be used as a partial solution to the difficulties faced and can be used for stormwater management and flood control. He discussed his work on the Wastewater Master Plan during his tenure as GM. He stated at that time he was told his desire to integrate green infrastructure with gray would not work. He indicated there have been mixed reviews on the SFPUC's efforts to integrate green and gray infrastructure.

Commissioner Harrington expressed disappointment that there was no mention of green integration in the agenda item. He indicated his communications with staff have been discouraging and that staff's idea of integration is to use gray on big and important items and flooding, while using green on less critical and stormwater projects. He said that there is rarely an integration of the two. He stated that something is fundamentally missing and that opportunities should be looked for within projects to integrate the two solutions. He discussed a 2017 staff presentation and budget increase request of \$450M for gray solutions and a decrease of \$84M for green solutions.

Commissioner Harrington indicated staff are good people, but they are not approaching the topic in the correct way and they are not aware of all the green infrastructure solutions available throughout the world to meet flood control problems. He recommended the decision on item 10a be postponed and that a workshop on green infrastructure and the integration into the system be conducted.

Commissioner Paulson expressed support for Commissioner Harrington's comments.

*On Motion to continue item 10a to the call of the Chair
Ayes: Maxwell, Moran, Paulson and Harrington*

Public Comment

- *Peter Drekmeier, Tuolumne River Trust, thanked Commissioner Harrington for his leadership and his comments and the Commission for their action to continue the item.*

11. Approve Amendment No. 1 to Agreement No. PRO.0017, O'Shaughnessy Outlet Works, with Black & Veatch Corporation to continue providing engineering services for access and drainage improvements, drum and slide gates rehabilitation, new bulkhead system rehabilitation, and new diversion pipe isolation valve installation for the O'Shaughnessy Dam; and authorize the General Manager to execute this amendment, increasing the contract amount by \$1,250,000, and extending the contract duration by four years, for a total not-to-exceed agreement amount of \$3,750,000 and a total contract duration of eight years. ([Resolution 21-0005](#))

Kathy How, Assistant General Manager (AGM) Infrastructure, discussed the request for the increase of time and budget and requested Commission approval.

AGM How responded to a question from President Maxwell regarding the functioning and how the replacement of the valves will happen.

No public comment.

On Motion to approve item 11:

Ayes: Maxwell, Moran, Paulson and Harrington

12. Approve the plans and specifications, and award Contract No. WW-685R, North Shore Pump Station Wet Weather Improvements, in the amount of \$26,010,000, and with a duration of 750 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Western Water Constructors, Inc., to provide redundant effluent pumping capacity at North Shore Pump Station, as well as mechanical, structural, electrical, and instrumentation and control improvements. 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 21-0006](#))

AGM How introduced the item and requested approval. She indicated there was a protest that was resolved.

Public Comment

- *David Pilpel express no concern with bid protest issues. Asked that the City Planning Case number to be included in items going forward. He expressed support for the contract award.*

On Motion to approve item 12:

Ayes: Maxwell, Moran, Paulson and Harrington

13. Approve the terms and conditions of, and authorize the General Manager to execute, Amendment No. 1 to the Office Lease dated April 5, 2016 between Bayview Plaza, LLC, as landlord, and the San Francisco Public Utilities Commission, as tenant, for the SFPUC Wastewater Enterprise's use of approximately 10,740 square feet at 3801 Third Street, Suite 600, San Francisco, California, extending the term of the Lease by three years to June 30, 2024 at the existing annual base rent of \$412,189.56. ([Resolution 21-0007](#))

Public Comment

- *David Pilpel expressed no objection. He noted minor clerical changes needed on the resolution. He expressed concern with the purchase of the 1550 Evans property on the basis that the Bayview Plaza office space would be vacated. He asked what the plan is for the move.*

At the request of VP Moran, Acting GM Carlin responded to Mr. Pilpel's question and indicated that once 1550 Evans is complete (anticipated in 2022) staff will be relocated to another site.

On Motion to approve item 13:

Ayes: Maxwell, Moran, Paulson and Harrington

14. Authorize the General Manager to execute a Memorandum of Understanding with the Treasure Island Development Authority setting forth the terms and conditions under which the San Francisco Public Utilities Commission will continue to provide utility services on Treasure Island and Yerba Buena Island, with a retroactive start date of July 1, 2020 and a term of two years expiring on June 30, 2022. ([Resolution 21-0008](#))

Acting GM Carlin introduced the item and requested approval.

Mr. Carlin responded to a question from Commissioner Harrington as to why the term of the MOU is not for several years rather than year-by-year.

Public Comment

- *David Pilpel questioned why the approval is retroactive. He expressed support for the item.*

At the request of President Maxwell, Acting GM Carlin discussed why the request is for retroactive approval.

On Motion to approve item 14:

Ayes: Maxwell, Moran, Paulson and Harrington

15. Authorize the General Manager to execute the 2021 Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County, amending the 2018 Amended and Restated Water Supply Agreement (WSA) to allow a Minimum Purchase Customer to permanently transfer a portion of its minimum

purchase obligations to another Wholesale Customer when it transfers a portion of its Individual Supply Guarantee to another Wholesale Customer. ([Resolution 21-0009](#))

Steve Ritchie, AGM Water, presented the item and began with a review of: (1) Proposed WSA, (2) Supply Assurance (184 MGD) and Individual Supply Guarantees (ISG), (3) Minimum purchase obligations (Section 3.07 of the WSA), (4) Minimum purchase requirements (Alameda County Water District – 7.648 MGD; City of Mountain View – 5.341 MGD; City of Milpitas – 8.930 MGD; and City of Sunnyvale 8.930 MGD), and (5) Where we are today.

AGM Ritchie continued with presentation of: (1) 2017 Mountain View transfer of ISG to East Palo Alto, (2) ISGs and minimum annual purchase quantities, (3) Proposed WSA amendment, (4) Transferor – transferring 1 MGD – new minimum purchase quantity 4 MGD, (5) Transferee – receiving 1 MGD – new minimum purchase quantity 2 MGD, (6) Amendment restrictions, (7) Delegation of Authority, and (8) Policy considerations.

AGM Ritchie responded to a question from Commissioner Paulson as to whether there is any downside.

Commissioner Harrington expressed support for the item and discussed the reasons “transferability” was included with the 2009 contract.

Public Comment

- *Nicole Sandkulla, BAWSCA CEO, expressed support for the item. She indicated it is a result of many conversations between the SFPUC, BAWSCA, and BAWSCA member agencies. She noted the benefits of the amendment.*
- *Peter Drekmeier, Tuolumne River Trust, indicated this is a situation where everyone agrees. He discussed the concern of running out of water and an issue that water demand and water sales have increased up, based on revenue. He questioned the possibility of decoupling sales and revenue.*

On Motion to approve item 15:

Ayes: Maxwell, Moran, Paulson and Harrington

16. Authorize the General Manager to enter into a Transmission Facilities Agreement (TFA) with Pacific Gas and Electric Company in an amount not-to-exceed \$18,600,000, plus monthly Cost of Ownership Charges of \$57,000 for the duration of the agreement, for PG&E to furnish and construct a new 230 kilowatt (kV) interconnection from PG&E’s Potrero 230 kV Switchyard to a new 230 kV Substation being constructed by SFPUC, subject to approval by the Board of Supervisors under Charter Section 9.118. The initial term of the TFA is five years; staff expects to extend the term at the end of the five years. ([Resolution 21-0010](#))

Barbara Hale, AGM Power, introduced the item and scope of work.

AGM Hale responded to questions from Commissioner Harrington as to (1) whether the request and charges are reasonable and (2) why the five-year term, which is expected to be extended, isn’t being requested.

No public comment.

On Motion to approve item 16:

Ayes: Maxwell, Moran, Paulson and Harrington

The Commission Secretary re-announced that item 17 was removed from the agenda.

17. Approve a California Community Power Joint Powers Agency (JPA) Agreement and authorize CleanPowerSF's participation in the JPA with annual costs not-to-exceed \$50,000; and authorize the General Manager to seek approval from the Board of Supervisors to execute the agreement.
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: Maxwell, Moran, Paulson and Harrington

The Commission entered Closed Session at 3:45 PM.

Attendees: Commissioners Maxwell, Moran, Paulson and Harrington (20, 21), Michael Carlin, Acting General Manager (20, 21), Francesca Gessner, Deputy City Attorney (20, 21), Eric Sandler, CFO/AGM Business Services (20, 21), Steve Ritchie, AGM Water (20), Nicolas Whipps, Deputy City Attorney (20), Ellen Levin, Deputy Manager, Water Enterprise (20), Barbara Hale, AGM Power (21), Theresa Mueller, Deputy City Attorney (21), Teresa Cho, Deputy City Attorney (21), Suzie Hong, Deputy City Attorney (21), Angela Patane, SFPUC Power Enterprise (21), Donna Hood, Commission Secretary (20, 21), Lee Sayao, SFPUC IT (20, 21).

20. Conference with Legal Counsel – Anticipated Litigation as Petitioner per California Government Code 54956.9(d)(4) and S.F. Admin Code 67.10(d)(2)
21. 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 4:51 PM.

22. Announcement following Closed Session

President Maxwell announced no action was taken during Closed Session.

23. 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 during Closed Session:

Ayes: Maxwell, Moran, Paulson and Harrington

24. Adjournment

President Maxwell adjourned the meeting at 4:53 PM.

