



San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Mark Farrell

Mayor

Minutes

Tuesday, April 24, 2018

(Approved May 8, 2018)

1:30 P.M.

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

Commissioners

Ike Kwon, President

Vince Courtney, Vice President

Ann Moller Caen

Francesca Vietor

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 Kwon called the meeting to order at 1:32 PM.

2. Roll Call
Present: Kwon, Courtney, Caen, Vietor, and Moran

3. Approval of the Minutes of April 10, 2018
*On Motion to approve the Minutes of April 10, 2018:
Ayes: Kwon, Courtney, 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) Revised Declaration of Emergency – 2018 March Storm Event
e) Water Supply Conditions Update

No public comment.

6. Other Commission Business
None.

7. Presentation of Ceremonial Resolution to former Citizens' Advisory (CAC) Chair, Wendy Aragon for her dedicated service
General Manager (GM) Kelly summarized Ms. Aragon's service as CAC Chair noting her accomplishments. The Commission presented Ms. Aragon with a ceremonial resolution in recognition of her service.

President Kwon thanked Ms. Aragon for her work, care, and public service.

Vice President (VP) Courtney stated Ms. Aragon's role city-wide is impressive. He commended her leadership, independence, and commitment, and thanked her for her service.

Ms. Aragon discussed her time she spent as CAC Chair, noting the changes that have come about. She thanked the Commission for the recognition.

Public Comment

- *Tracy Zhu read a letter submitted on behalf of Jennifer Clary, Clean Water Action, in recognition of Ms. Aragon's service.*

- *Jordan Davis thanked the Commission for honoring Ms. Aragon and expressed appreciation for her service.*
- *Matthew Stein, CAC member, echoed Ms. Clary's words and thanked the Commission for recognizing Ms. Aragon's service.*
- *Margaret Cooley, Richmond District Democratic Club, expressed her thanks for Ms. Aragon's service.*

8. Report of the General Manager

a) CleanPowerSF (CPSF) Update

Barbara Hale, Assistant General Manager (AGM) Power, provided a CPSF update: (1) Enrollment: Serving 81,000 accounts; 3.2% opt-out rate; 4.2% SuperGreen upgrade rate. Power Source Disclosure Report for 2017 is being prepared for approval at the May 8th meeting, after which it will be sent to the California Energy Commission. AGM Hale noted the base (Green) product (40% renewable) is actually at 43% California eligible renewable and is currently 100% carbon-free. She stated the next enrollment will be in July 2018 at which time the customer count will increase to approximately 105,000, with the addition of mostly commercial accounts, and with an average 235 MWh served. She noted Master Agreements and Confirmations will soon be sent to the GM; (2) Regulatory: California Public Utilities Commission efforts to reform PG&E's PCIA charge on customers continues. She indicated California Community Choice has served rebuttal testimony, and that hearings will take place the week of May 7th, with a proposed decision expected late July or early August; (3) Bond Proceeding: Proposed decision in the case was issued April 6th with two categories of costs proposed: (1) Administrative cost (re-entry fee per customer); and (2) Incremental Procurement cost.

AGM Hale responded to a request from Commissioner Vietor for clarification of "returning customers" and about the bond proceeding decision. At the request of GM Kelly, AGM Hale discussed how the PCIA fee fits.

AGM Hale responded to a question from President Kwon regarding the administrative cost (re-entry fee).

Public Comment

- *Jed Holtzman, 350 Bay Area, thanked staff for their work. He was pleased to hear that the Green program was GHG-Free and indicated that fact needs to be published. He discussed regulatory issues and thanked staff for their work on those issues. He discussed challenges with bonding and the possibility of Community Choice Aggregation (CCA) programs co-funding.*

AGM Hale responded to Commissioner Vietor's inquiry as the possibility of customers of a collapsed CCA program joining another CCA (safety net).

- *David Pilpel discussed the Committee on Information Technology's recent approval of a customer care and billing system (CCB) extended to retail/ municipal electric customers (non-CCA) and expressed concern over the amount (~\$20M). He asked that staff check with other agencies regarding joining their billing system at a lower cost.*

AGM Hale clarified that the budget proposal for CCB system is under \$3M and that she would further discuss the issue with Mr. Pilpel.

- b) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
None.

9. Bay Area Water Supply Conservation Agency (BAWSCA) Report
Nicole Sandkulla, BAWSCA CEO, provided the update. She noted BAWSCA's February 2018 total potable water use was 10% less than in February 2013, whereas statewide number went up. She stated the proposed changes to the Water System Improvement Program are appreciated and that they look forward to getting financial information regarding Groundwater Storage.

No public comment.

The Commission Secretary read the Consent Calendar summary.

10. Consent Calendar
- a) Approve the plans and specifications, and award Contract No. HH-991, 2018 Mountain Tunnel Interim Repairs, in the amount of \$5,875,386, to the lowest, qualified, responsible and responsive bidder, Sierra Mountain Construction, Inc., to perform interim tunnel lining repairs and related work, until permanent repairs can be completed. ([Resolution 18-0062](#))
- b) Approve Modification No. 1 to Job Order Contract, JOC-60, General Engineering (A-License) for San Francisco, San Mateo, Santa Clara, and Alameda Counties with Cal State Constructors, Inc., to perform general engineering construction tasks for all San Francisco Public Utilities Commission enterprise operations and bureaus, increasing the contract by \$2,500,000, for a total contract amount of \$7,500,000, and increasing the duration by 365 consecutive calendar day, for a total contract duration of 1,825 consecutive calendar days, as allowed for JOCs under the San Francisco Administrative Code. ([Resolution 18-0063](#))
- c) Approve an increase to the existing contract duration contingency in the amount of 272 consecutive calendar days for Contract No. WD-2832, Sunol Nursery; and authorize the General Manager to approve future modifications to the contract duration up to 420 consecutive calendar days, with no change in contract amount. ([Resolution 18-0064](#))

- d) Approve an increase to the existing construction contract duration contingency in the amount of 93 consecutive calendar days for Contract No. WW-570, Oceanside Water Pollution Control Plant and Westside Pump Station HVAC Upgrades; and authorize the General to approve future modifications to the contract duration up to 720 consecutive calendar days, with no change in contract amount. ([Resolution 18-0065](#))
- e) Approve an increase to the existing construction contract cost contingency in the amount of \$1,297,166, and an increase to the existing contract duration contingency in the amount of 104 consecutive calendar days, for Contract No. WW-613, Southeast Water Pollution Control Plant Building 521/522 and Disinfection Upgrades; and authorize the General Manager to approve future modifications to the contract amount of up to \$29,622,166, and future modifications to the contract duration of up to 1,089 consecutive calendar days. ([Resolution 18-0066](#))
- f) Approve an increase to the existing construction contract cost contingency in the amount of \$352,032, and an increase in the contract duration contingency in the amount of 125 consecutive calendar days, for Contract No. WW-622, Haight-Ashbury/Tenderloin/ Diamond Heights Districts Sewer Replacement and Paving Renovation; and authorize the General Manager to approve future modifications to the contract amount of up to \$5,067,485, and up to 685 consecutive calendar days to the contract duration. ([Resolution 18-0067](#))
- g) Approve an increase to the existing construction contract duration contingency in the amount of 147 consecutive calendar days to 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 up to 702 consecutive calendar days, with no change to contract amount. ([Resolution 18-0068](#))

No public comment.

On Motion to approve the Consent Calendar (10a through 10g):

Ayes: Kwon, Courtney, Caen, Vietor, and Moran

11. Confirm and approve the analysis and conclusions set forth in the Water Supply Assessment (WSA) for the proposed Potrero Power Station Project, pursuant to the State of California Water Code Section 10910 et seq. and California Environmental Quality Act (CEQA) Section 21151.9 and CEQA Guidelines Section 15155. ([Resolution 18-0069](#))

Steve Ritchie, AGM Water, introduced the item noting it is a standard WSA as required by the CEQA process for new San Francisco developments that were not included in the prior Water Management Plan. He the assessment will be provided to the Planning Department for the development's CEQA process.

AGM Ritchie responded to a concern of Commissioner Viotor's regarding water supply allocations and how they are determined. Brief discussion ensued.

No public comment.

On Motion to approve item 11:

Ayes: Kwon, Courtney, Caen, Viotor, and Moran

12. Authorize the General Manager to execute Modification No. 1 to the Memorandum of Agreement (MOA) with the United States Department of the Interior, National Park Service – Yosemite National Park, for Comprehensive Management of Watersheds within Yosemite National Park supplying the San Francisco Regional Water System, increasing the MOA agreement amount by \$14,677,857, for a total Agreement amount not-to-exceed \$27,004,364, and extend the duration by two years for a total duration of four years, subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 18-0070](#))

AGM Ritchie introduced the item and requested approval.

No public comment.

On Motion to approve item 12:

Ayes: Kwon, Courtney, Caen, Viotor, and Moran

13. Approve the 2018 Revised Baseline Scope, Schedule, and Budget for Phase 1 Sewer System Improvement Program (SSIP) Projects, a subset of projects within the adopted SFPUC Ten-Year Capital Plan for FY 2018-19 through FY 2027-28 for the Wastewater Enterprise. ([Resolution 18-0071](#))

Karen Kubick, SSIP Director, presented the 2018 SSIP Phase I Projects revised baseline scope, schedule and budget, discussing: (1) 10-year Capital Improvement Plan planning process; (2) Reasons for the Phase 1 revisions; (3) Note of progress made since the 2016 re-baseline; (4) Factors for required for the new revisions; (5) Review of the 2016 program schedule for Phase I Projects and review of schedule changes extension and/or delays; (6) Review program budget revisions for Phase I Projects and budget increases or decreases for those projects (greater than \$10M increase). Southeast Plant (SEP) New Headworks Facility Project: \$60.2M increase and nine months added to schedule; SEP Power Feed and Primary Switchgear Upgrades: \$14.5M increase and time extension; Oceanside Treatment Plant Projects: \$7.1M increase (none over \$10M); Northpoint Wet Weather Facility Improvement Projects: Savings of \$14.8M with a schedule increase; Overview of Collection System Projects: No change overall.

Director Kubick responded affirmative to a question from VP Courtney that any grant program will be presented to the Commission.

Director Kubick concluded her presentation and requested approval.

Public Comment

- *David Pilpel referred to item 7 and stated her experiences with Ms. Aragon as CAC Chair were negative. He expressed support for the SSIP 2018 revised baseline scope, schedule, and budget. He stated that staff has done a good job of evaluating and re-evaluating projects. He emphasized the importance of keeping on schedule, particularly with the digesters and headworks, and noted complications with interdepartmental projects.*

Director Kubick responded to a question from Commissioner Caen regarding the lack of an increase to the biosolids project and whether increases are anticipated.

GM Kelly noted concern with the proposed steel tariffs and the possible impact to the cost of steel to SFPUC projects.

On Motion to approve item 13:

Ayes: Kwon, Courtney, Caen, Vietor, and Moran

14. Public comment on matters to be addressed during Closed Session

None.

15. 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: Kwon, Courtney, Caen, Vietor, and Moran

The Commission entered Closed Session at 2:46 PM.

16. 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 Bell Telephone Company v. City and County of San Francisco

San Francisco Superior Court Case No.: CGC-17-560617

Date Filed: August 9, 2017

Proposed settlement of action with release of all claims and the City to pay \$67,500

(Resolution 18-0073)

17. 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

Luis Adolfo Marquez vs. City and County of San Francisco

San Francisco Superior Court Case No.: CGC-16-554676

Date Filed: October 5, 2016

Proposed settlement of action with release of all claims and the City to pay \$150,000.

(Resolution 18-0072)

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 76.10 (d) (1)

Existing Litigation

Restore Hetch Hetchy v City and County of San Francisco

California Court of Appeal, Fifth Appellate District Court, Case No.: F074107

City Law No.: 151139 / Date Filed July 12, 2016

The Commission exited Closed Session at 3:06 PM.

19. Announcement following Closed Session

None.

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: Kwon, Courtney, Caen, Vietor, and Moran

21. Other New Business

Vice President (VP) Courtney discussed workforce development and pre-apprentice programs at the Wastewater Enterprise, particularly for the 9916 classification, and for the utilization of the classification. He thanked staff for their work and asked that Wastewater staff provide the Commission with a report on their workforce development plan for employees moving up the career pathway.

Brian Henderson, acting AGM Wastewater, thanked Commissioner Courtney for his words and support and will work on the Commission update.

VP Courtney discussed his and Commissioner Vietor's conversations with the Mayor and staff regarding the seawall, SSIP, workforce development, and environmental agenda. He requested a staff update in June.

22. Adjournment

President Kwon adjourned the meeting at 3:12 PM.