



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, February 13, 2018**  
(Approved February 27, 2018)

1:30 P.M.  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 416  
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](http://www.sfwater.org)

Gavel-to-Gavel coverage available at:

[http://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=22](http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22)

1. Call to Order  
*President Kwon called the meeting to order at 1:30 PM.*

2. Roll Call  
*Present: Kwon, Courtney and Moran*  
*Excused: Caen*  
*Commissioner Vietor arrived at 1:36 PM*

3. Approval of the Minutes  
a) January 18, 2018 Special Budget Hearing #1  
b) January 23, 2018 Regular Meeting  
c) January 25, 2018 Special Budget Hearing #2  
d) February 1, 2018 Special Budget Hearing #3

*On Motion to approve the Minutes of January 18, 23, 25, and February 1:  
Ayes: Kwon, Courtney and Moran*

*No public comment.*

4. General Public Comment  
• *Bonnie Ora Sherk spoke about the Islais Creek Watershed; Flood mitigation opportunities; Climate change; and the Triple Bottom Line.*

*Commissioner Vietor arrived at 1:36 PM.*

5. Communications  
a) Advance Calendar  
b) Correspondence Log  
c) Contract Advertisement Report  
d) Sewer Inspection and Replacement Update  
e) Summary of Budget Hearing Questions  
f) Water System Improvement Program (WSIP) Status of Construction Change Orders

*No public comment.*

6. Other Commission Business  
*None.*

7. Report of the General Manager  
a) CleanPowerSF (CPSF) Update  
*Barbara Hale, Assistant General Manager (AGM) Power, provided a CPSF update: (1) Enrollment: 80,500 customer sites served; 3.2 percent opt-out rate; 4.1 percent SuperGreen upgrade rate; next small enrollment in April (230 accounts to be added); (2) Legislative: BOS Ordinance delegating limited authority to the GM to enter into supply contracts was adopted by the Board and signed by Mayor Farrell in January; California CCA lobbying day was held January 25-26, with 16 California CCA members participating; and (3) Regulatory: PCIA (PG&E exit fee) is under review and reform at the*

California PUC (CPUC) with hearings upcoming. AGM Hale provided an update of the Adequacy Resolution that is before the CPUC.

No public comment.

- b) Water Enterprise Capital Improvement Program (CIP) Quarterly Reports  
Dan Wade, Director Water Capital Projects and Programs, provided the Water Enterprise CIP Quarterly report, beginning with a discussion of variances noted in the report.

He provided highlights of the reporting period: (1) Sunol Yard Administration Building; (2) Sunol Valley Water Treatment Plant (SVWTP); (3) San Andreas Pipeline No. 2; and (4) Local water projects. He discussed Sunol long-term improvements and touched again on the SVWTP. He reviewed City Distribution Division's water main replacement mileage and historic and projected rates.

Mr. Wade responded to a question from Commissioner Vietor regarding the Calaveras Micro-Turbine Project. She asked that additional information on the project be provided.

No public comment.

- c) WSIP Quarterly Reports: Local and Regional Project  
Director Wade reviewed WSIP achievements, noting SFPUC Engineer Susan Hou who was recognized by Engineering News Record as a top 25 Newsmakers, 2017. Other achievements included: (1) Calaveras Dam replacement; (2) Fish Passage at Alameda Creek Diversion Dam; (3) New Irvington Tunnel and seismic upgrade of Bay Pipelines 3 and 4; and (4) Regional Groundwater Storage and Recovery.

Mr. Wade discussed key remaining WSIP challenges and risks; provided a status update of the Calaveras Dam replacement, Fish Passage at Alameda Creek Diversion Dam, Bioregional Habitat Restoration, and WSIP close-out projects. He concluded with a review of the WSIP cost and schedule forecast.

On behalf of the Commission, Commissioner Moran congratulated Ms. Hou on her achievement.

#### Public Comment

- Tom Francis, Water Resources Manager, BAWSCA, provided comments on the WSIP timeline extension and budget increase. He discussed BAWSCA's desire to extend AB1823, and indicated the WSIP budget needs to be reviewed given the problems with the new city financial system (F\$P).

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

GM Kelly thanked Commissioner Vietor for attending the CCA rally. He notified the Commission of the unexpected death of Mr. Ron Miller, Water Quality Division Lab Manager. He summarized Mr. Miller's exceptional career and important work and stated he will be missed.

On behalf of the Commission, Commissioner Vietor sent her condolences to Mr. Miller's family and colleagues.

8. Consent Calendar:

- a) Approve Amendment No. 1 to Agreement No. CS-294.I, Confined Space Rescue Training, with Enviro Safetech, Inc., to provide confined space rescue trainings to SFPUC employees; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$30,000, and extending the agreement duration by one year and two months, for a total not-to-exceed agreement amount of \$58,000, and a total duration of four years and two months. ([Resolution 18-0015](#))
- b) Approve increase to the existing contract duration contingency in the amount of 56 consecutive calendar days for Contract No. HH-982, Moccasin Facilities Upgrade – Moccasin Shops/Office Building and Materials Bins; and authorize the General Manager to approve future modifications to the contract duration of up to 650 consecutive calendar days, with no change to the contract amount. ([Resolution 18-016](#))
- c) Approve the plans and specifications, and award Contract No. HH-990R, Moccasin Penstock Rehabilitation, in the amount of \$6,858,300, to the lowest, qualified, responsible and responsive bidder, Anvil Builders, to perform penstock rehabilitation measures to enhance the reliability of the penstocks. This action constitutes the Approval Action for the project for the purposes of CEQA pursuant to Section 31.04(h) of the SF Administrative Code. ([Resolution 18-0017](#))
- d) Award Agreement No. PUC.PRO.0073, Treasure Island Wastewater Treatment Plant and Recycled Water Facility Engineering Services; Approve the selection of Carollo Engineers, Inc., to provide planning and design services for the proposed Treasure Island Wastewater Treatment Plant and Recycled Water Facility; and authorize the General Manager to negotiate and execute a professional services agreement for a total amount not-to-exceed \$4,800,000, with a duration of five years. ([Resolution 18-0018](#))
- e) Approve an increase to the existing contract duration contingency of up to 180 consecutive calendar days, for Contract No. WD-2686, Auxiliary Water Supply System (AWSS) Pumping Station No. 1 Improvements; and authorize the General Manager to approve future contract modifications to the contract for a total contract duration of up to 1,438 consecutive calendar days, with no change to the contract amount. ([Resolution 18-0019](#))
- f) Approve an increase to the existing construction contract duration contingency in the amount of 150 consecutive calendar days, for Contract

No. WD-2747, AWSS – New Cisterns F; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 623 consecutive calendar days, with no change to the contract amount. ([Resolution 18-0020](#))

- g) Approve an increase to the existing construction contract duration of an additional 125 consecutive calendar days, for Contract No. WW-638, Griffith Yard Improvements; and authorize the General Manager to approve modifications to the contract to increase the total contract duration from 480 days, to up to 605 consecutive calendar days, with no change in contract amount. ([Resolution 18-0021](#))

*On Motion to approve the Consent Calendar:  
Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

9. Presentation and discussion of Draft 100-Year Storm Flood Risk Information Map to provide property owners and prospective buyers' information about the likelihood that flooding will occur during a 100 year storm event on a particular property.

*Brian Henderson, interim AGM, Wastewater, introduced the item and Stefani Harrison who provided the presentation.*

*Ms. Harrison began with a review of Flood Resilience strategy for San Francisco, with a focus on programmatic strategies. She provided: (1) Description and purpose of the 100-Year Storm Flood Risk Information Map; (2) Factors considered in developing the mapping process; and (3) Review of mapping assumptions and methodology - hydraulic and hydrologic model and GIS/mapping process.*

*Ms. Harrison reviewed planned implementation and next steps: (1) Notification and Outreach; (2) Commission hearing; (3) Disclosure Ordinance; (4) Adoption of final map; and (5) Post final map (following adoption).*

*Ms. Harrison responded to a question from Commissioner Moran regarding the flood risk impact to homeowners and the availability of flood insurance. Brief discussion ensued regarding flood insurance.*

*Ms. Harrison responded to a question from Commissioner Vietor regarding the use of modeling designations with considerations of climate change. GM Kelly noted the consistency with FEMA 100-Year designations. Brief discussion ensued.*

*Ms. Harrison responded to Commissioner Vietor's request for clarification regarding the uses and goals of the mapping and disclosure, and availability of grant funds.*

GM Kelly and Ms. Harrison responded to a question from Commissioner Vietor regarding the use of the map to inform other SFPUC decisions, such as green infrastructure. Brief discussion ensued.

No public comment.

The Commission Secretary called items 10, 11, 12 and 13 together.

Eric Sandler, CFO and AGM Business Services, recapped the work done at the budget hearings, which were held in January and February. He noted that all questions and answers from the hearings were recorded and responses to those questions have been provided.

He discussed two items of importance that were emphasized at the hearings: (1) Green Infrastructure – acceleration of green infrastructure grant program targeting schools and parks in advance of storm water charge. He stated that as a result of those discussions, funds have been shifted in the Capital Budget and that the resolution has been amended to reflect the change; and (2) Workforce Development Pathways – Water: implement pre-apprentice and apprenticeship program for general laborers and gardeners; Wastewater – add eight-week rotation at Gleneagles Training Academy as part of existing pre-apprenticeship program; and continue to work in collaboration with City-wide partners on the development and implementation of pre-apprentice and apprenticeship programs.

CFO Sandler reviewed the budget items that were before the Commission for consideration. He briefly reviewed budget highlights: (1) Recommended budget results in rate and charge increases in-line with prior 10-year financial plans; (2) Combined water and sewer bill increases which will average eight percent over the next four years; (3) City-wide roll-out of CleanPowerSF is the largest driver of budget increases; and (4) Capital investment drive increases.

10. Discussion and possible action to adopt the Biennial Operating and Programmatic Project Budgets for the Enterprises and Bureaus under the jurisdiction of the SFPUC for FY 2018-19 and FY 2019-20. ([Resolution 18-0022](#))

On Motion to approve Item 10:

Ayes: Kwon, Courtney, Vietor and Moran

No public comment.

11. Discussion and possible action to adopt the two-year Capital Budget of the SFPUC; Authorize the General Manager to seek approval for Supplemental Appropriations for the SFPUC Enterprises for FY 2018-19 and FY 2019-20; and authorize the General Manager to submit to the Board of Supervisors proposed Ordinances authorizing the issuance of: ( 1) \$496,677,886 aggregate principal amount of Water Revenue Bonds and other forms of indebtedness, including commercial paper and State Revolving Fund

(SRF) loans, and \$982,843,065 aggregate principal amount of Wastewater Revenue Bonds and other forms of indebtedness, including commercial paper and SRF loans, subject to the terms of Proposition E (approved by the voters November 2002); and (2) \$154,928,059 aggregate principal amount of Power Revenue Bonds and other forms of indebtedness, including commercial paper and loans, subject to the terms of Charter Sections 9.107(6) and 9.107(8). ([Resolution 18-0023](#))

*At the request of Commissioner Vietor, AGM Sandler reviewed the red-line changes in the amended resolution: \$1M increase to the Wastewater Capital budget in FY18 and FY19; \$3M increase to the Wastewater Capital Budget in FY19 and FY20; and a \$4M increase to the financing authorization.*

*Commissioner Moran expressed support for the proposed changes. He indicated he would like a presentation at some point as to how the information gathered through the Green Infrastructure (GI) Pilot Project informs the process for the selection, design, and monitoring of future GI Projects, using the Triple Bottom Line.*

*Commissioner Vietor expressed appreciation for conversations held on GI. GM Kelly provided additional comment.*

*Vice President Courtney thanked staff for their work. He discussed trade classifications and stated that pre-apprentice programs are included in all trades, and those programs will allow people to move into apprentice programs.*

*On Motion to approve Item 11 as amended:  
Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

12. Discussion and possible action to adopt the SFPUC 10-Year Capital Plan for FY 2018-19 through FY 2027-28. ([Resolution 18-0024](#))

*On Motion to approve Item 12:  
Ayes: Kwon, Courtney, Vietor and Moran*

*Public Comment:*

- Tom Francis, BAWSCA, indicated a comment letter from BAWSCA was provided to the Commission. He expressed concerns with replacement of San Antonio and Crystal Spring Pipelines and that they are omitted from the 10-Year CIP. He provided clarification on comments provided at the budget hearing regarding workforce needs.*

*AGM Ritchie responded to a question from Commissioner Vietor regarding Mr. Francis' comments on the San Antonio and Crystal Springs Pipelines and the CIP.*

13. Discussion and possible action to adopt the SFPUC 10-Year Financial Plan for FY 2018-19 through FY 2027-28. ([Resolution 18-0025](#))

*On Motion to approve Item 13:*

*Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

14. Approve Amendment No. 2 to Agreement No. CS-200, Right-of-Way Services, with Associated Right-of-Way Services, Inc., to provide continued right-of-way services for SFPUC capital program and other projects; and authorize the General Manager to negotiate and execute this amendment, extending the agreement term by two years and five months, for a total agreement duration of nine years, with no change to the agreement amount. ([Resolution 18-0026](#))

*Kathy How, AGM Infrastructure, introduced the item noting the request is for time extension only.*

*On Motion to approve Item 14:*

*Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

15. Approve the selection of Parsons Water & Infrastructure Group, Inc.; Award Agreement No. PRO.0104, Southeast Water Pollution Control Plant (SEP) Program Construction Management (CM) Services, to provide program-level CM oversight and supervision for the SSIP Phase 1 construction projects located at the SEP; and authorize the General Manager to negotiate and execute a professional services agreement with Parsons for an amount not-to-exceed \$35,000,000, and with a duration of 10 years, subject to Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 18-0027](#))

*On Motion to approve Item 15:*

*Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

16. Affirm that the conditions necessary to procure energy supply needed to expand the CleanPowerSF (CPSF) program have been met; direct the General Manager to continue to take all steps necessary to pursue expansion of CleanPowerSF service; and approve revisions to the CleanPowerSF Supply Management Policy and CleanPowerSF Reserves Policy. ([Resolution 18-0028](#))

*On Motion to approve Item 16:*

*Ayes: Kwon, Courtney, Vietor and Moran*

*No public comment.*

*The Commission read Closed Session items 19 and 20.*



17. Public Comment on matters to be discussed during Closed Session  
*None.*
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.  
  
*On Motion to assert:  
Ayes: Kwon, Courtney, Vietor and Moran*  
  
*The Commission entered Closed Session at 2:53 PM.*
19. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
*Elvin I. Smith v. City and County of San Francisco*  
*San Francisco Superior Court Case No.: CGC-17-558134*  
*Date Filed: 04/12/17:*  
*Proposed Settlement: \$500,000 payable to Plaintiff and Plaintiff's release of all claims* (Resolution 18-0029)
20. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)  
Anticipated Litigation: 1 as Defendant as Plaintiff  
  
*The Commission exited Closed Session at 3:02 PM.*
21. Announcement following Closed Session
22. Motion regarding whether to disclose the discussions during Closed Session pursuant to S.F. Administrative Code Section 67.12 (a).  
  
*On Motion not to disclose:  
Ayes: Kwon, Courtney, Vietor and Moran*
23. Other New Business  
*None.*
24. Adjournment  
*The Commission adjourned at 3:04 PM.*