



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 Breed

Mayor

Minutes

Tuesday, July 24, 2018

(Approved August 28, 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 1:37 PM.

2. Roll Call

Present: Kwon, Caen, and Moran

Excused: Courtney and Vietor

President Kwon announced that there would be no Closed Session and that the August 14, 2018 meeting has been cancelled.

3. Approval of the Minutes of July 10, 2018

On Motion to approve the Minutes of July 10, 2018:

Ayes: Kwon, Caen, and Moran

No public comment.

4. General Public Comment

- *Bill Martin addressed the Bay Delta Plan and stated more transparency is better, that the Brattle Group Report assumptions are not clearly explained, and there are not enough reasonable outcomes.*
- *Dave Warner discussed the Brattle Group Report and meetings held with SFPUC staff.*
- *Peter Drekmeier, Tuolumne River Trust, Denise Louie, and Barry Hermanson, showed a video, "The San Francisco Bay-Delta is an ecosystem in crisis".*
- *Harry Bernstein discussed the proposed Balboa Reservoir site development project.*
- *Ann Clark stated she felt there was lack of information from BAWSCA regarding short and long-term statistics and documents regarding water use and conservation for their customers and customers' properties. She read her statement and distributed a copy to the Commission.*
- *Sonia Diermayer, Sierra Club, expressed disappointment at the SFPUC's opposition to the State Board proposal and that the item has not been placed on the agenda.*
- *Michael Adams, City College First Coalition, discussed the proposed transfer of the Balboa Reservoir property to private developers and noted parking issues. He provided a summary of his comments to the Commission Secretary.*
- *Fred Muhlheim expressed expressed concern with the proposed Balboa Reservoir development, performance center, and parking issues. He stated housing should be 100 percent affordable and the property not be sold to private developer.*
- *Mark Gonzalez, Tuolumne River Trust, discussed the Bay Delta Plan and flows.*

Commissioner Moran stated discussions regarding the Bay Delta Plan have not ended. He indicated a hearing would be useful for exchange of dialogue. He noted the exchange of information and testimony that has occurred and

stated he feels understanding has increased and positions have narrowed. He discussed data, roles, conclusion, and SFPUC obligations for water demand, and noted how differences in how the issues are approached. He stated drought and climate change affects decisions.

President Kwon concurred with Commissioner Moran's comments. Michael Carlin, Deputy General Manager (DGM), responded to a question from President Kwon as to whether a traffic study has been conducted for the proposed Balboa Project development.

5. Communications

- a) Advance Calendar
- b) Correspondence Log
- c) Contract Advertisement Report
- d) Sewer Inspection and Replacement Program Update

Commissioner Caen asked if she should be happy with the miles of inspection and replacement. Brian Henderson, Acting Assistant General Manager (AGM), Infrastructure, stated goals have been met and averages exceeded. DGM Carlin clarified the reason for the decrease in the total miles cleaned, and stated the 150 miles inspected goal has been met. Commissioner Caen indicated she is cautious and strict about meeting goals and that the report needs to be revised for clarity.

- e) Water Supply Agreement Update
- f) Water Supply Conditions Update
- g) CleanPowerSF Joint Rate Mailer
- h) Draft CleanPowerSF Integrated Resource Plan

No public comment.

6. Other Commission Business

President Kwon discussed his visit to the San Francisco Rain Garden and thanked Wastewater staff for their work. He also commended Brian Lease, DPW Gardener and his team for their work.

No public comment.

7. Report of the General Manager

- a) CleanPowerSF (CPSF) Update

Barbara Hale, Assistant General Manager (AGM) Power, provided a CPSF update: (1) Enrollment and Service to Customers: Currently serving 114,000 accounts; 2.9% opt-out out; 3.3% SuperGreen upgrade; auto enrollment results in increased customer awareness and ads are performing above industry average; next enrollment in October; noted Communications items 5g and 5h, and action item 17.

No public comment.

- b) July 13, 2018 Oceanside Plant Operational Event

Brian Henderson discussed an incident at the Oceanside Plant with one odor control unit, which resulted in foul air and fire department response. He noted the staff and manufacturer are trying to determine why the issues occurred and until then all units are off-line.

No public comment.

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

None.

8. Presentation and discussion of proposed ordinance to repeal the Reclaimed Water Use Ordinance, Article 22 of the Public Works Code, currently pending at the Board of Supervisors, Board File No. 180558.

Steve Ritchie, AGM Water, reviewed the history of the 1991 Reclaimed Water Use Ordinance. He noted new requirements that make this ordinance obsolete and stated the Board of Supervisors will repeal the ordinance.

No public comment.

9. Presentation and discussion of Draft 100-Year Storm Flood Map delineating zones in the City and County of San Francisco subject to flooding that is at least 6 inches deep and at least half a City block long during a 100-year storm.

Sarah Minick, Utility Planning Division Manager, Wastewater, provided the presentation of the Draft 100-Year Storm Flood Map: (1) Flood resilience strategy for San Francisco: Capital Projects to address Level-of-Service; Collection System operation and maintenance; and Programmatic and Legislative Strategies; (2) Draft 100-Year Flood Risk Map: Identifies parcels in San Francisco likely to be subject of a "100-Year Storm; Outline of purpose of the map; (3) Urban Watershed Assessment: Key elements to map development; (4) Mapping Assumptions and Methodology: Hydraulic and Hydrologic Model (simulates depth and extent of flooding); Geographic Information System/ Mapping Process (outlines core stormwater flood risk boundary); (5) Maps: Draft Citywide Map; Historic Waterways Map in San Francisco, Draft Neighborhood Map; and On-line Searchable Map (sfwater.org/floodmaps); (6) Resources for the public; (7) Rain Ready Website; (7) Citywide outreach efforts on Draft Flood Map; and (8) Next steps for 100-Year Map.

Public Comment

- *Michal Settles, Outer Mission Terrace resident, stated she has owned her property since 1980 and has had two floods since, with no help from the City. She questioned where informational meetings were held. She asked that prior to going forward proposed language be shown to property owners. She asked for ideas on how floodwater can be reclaimed.*

Commissioner Moran noted correspondence that was received from residents on Bluxome Street saying their street doesn't flood. Ms. Minnick responded to

his question as to what recourse is given to residents and others who object to the proposed Flood map. Brief discussion ensued.

- Mr. Cole stated he's had three floods this year and four last year and wants to know what is being done. He provided a business card and President Kwon asked that staff follow-up directly with Mr. Cole.

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

Nicole Sandkulla, BAWCSA CEO, distributed a statement regarding the Draft Final Bay Delta Plan Update, noting key portions of the statement. She stated in response to earlier public comment that all BAWSCA meetings are open to the public and that reports are made available to the public. She noted BAWSCA's May 2018 total potable water use is 22% less than May 2013.

No public comment.

The Commission Secretary read the Consent Calendar summary.

11. Consent Calendar

- a) Approve Amendment No. 1 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; and authorize the General Manager to execute this amendment, extending the agreement duration by two years, for a total agreement duration of six years, with no change to the agreement amount. ([Resolution 18-0122](#))
- b) Award Job Order Contract No. JOC-53R3, Electrical (C-10 License) San Francisco, San Mateo, Santa Clara and Alameda Counties, for a not-to-exceed amount of \$5,000,000 and a duration of two years, to the lowest, qualified, responsible and responsive bidder, US Electric Technologies Inc., to perform electrical contracting tasks for all SFPUC Enterprise Operations and Bureaus. ([Resolution 18-0123](#))
- c) Award Job Order Contract No. JOC-70, General Engineering (A-License), San Francisco, San Mateo, Santa Clara and Alameda Counties, for a not-to-exceed amount of \$5,000,000 and a duration of two years to the lowest, qualified, responsible, and responsive bidder, M Hernandez Construction, Inc., dba Hernandez Engineering, to perform general engineering construction tasks for all SFPUC Enterprise Operations and Bureaus. ([Resolution 18-0124](#))

No public comment.

On Motion to approve items 11a through 11c:

Ayes: Kwon, Caen, and Moran

12. Public Hearing: Adopt rules for billing property owners in San Francisco without water or wastewater service accounts (i.e., unmetered properties) the portion of

the SFPUC existing monthly sewer service charges attributable to stormwater runoff from their properties. ([Resolution 18-0125](#))

Charles Perl, Deputy CFO, introduced the item and Erin Franks, Principal Rates Analyst, who presented the item.

Ms. Franks reviewed: (1) Background; (2) Phased Approach: 2018 Water and Wastewater Rate Study, and 2022 Water and Wastewater Rate Study; (3) Sewer Service Charge for Unmetered Properties – goal and charge calculation: Based on customer feedback, staff proposes a flat monthly charge with two tiers (low runoff and standard runoff), based on the amount of runoff each property generates; (4) Tier Classification (minimal, low and standard runoff). Amount of runoff from a property calculated on Effective Impermeable Area (EIA); and (5) Recommended action.

Ms. Franks responded to a question from Commissioner Caen as to how the EIA is calculated.

Ms. Franks responded to a question from Commissioner Moran regarding the lack of incentives for currently metered customers.

Public Comment

- *Robert Rossi stated there is a need for an appeal process for property owners. Ms. Franks provided brief response.*

On Motion to approve item 12:

Ayes: Kwon, Caen, and Moran

13. Approve the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement with the United States Environmental Protection Agency, in an amount up to \$699,242,023, to provide partial funding for the Wastewater Enterprise's Biosolids Digester Facilities Project, a project of the Sewer System Improvement Program, with a 35-year repayment period starting at completion of the Project; and authorize the General Manager to execute and deliver the WIFIA Loan Agreement and related documents to the transaction. ([Resolution 18-0126](#))

Deputy CFO Perl introduced the item stating approval of the WIFIA Loan is part of the FY-2018 Capital Financing Plan. He reviewed: (1) Wastewater Capital Financing Strategy: Upward pressure on rates and charges; and actively manage capital financing costs; (2) Low-cost alternatives to Revenue Bonds-State Loans; State Revolving Fund loans; 30-Year financing; state recently adopted FY-19 Intended Use Plan; (3) WIFIA Loan; (4) WIFIA Loan Terms (\$699,242,023 loan amount with a 3.00% fixed rate; established date of loan execution, and flexible; longer repayment terms than Revenue Bonds); (5) Financing Plan; (6) Legal Structure; (7) State Bill 450 requirement; (8) Form of Transaction Documents: WIFIA Loan Agreement; 9th Supplemental Indenture; (9) Disclosure questions and answers; (10) Transaction Schedule; and (11) Recommended Commission action.

No public comment.

*On Motion to approve item 13:
Ayes: Kwon, Caen, and Moran*

14. Authorize the General Manager to execute a second Memorandum of Understanding with the City of Daly City for the Regional Groundwater Storage and Recovery Project, to reimburse Daly City for Westlake Pump Station Design Consulting Services and groundwater modeling services, for an amount not to exceed \$435,050 and with a duration not to exceed two years. ([Resolution 18-0127](#))
Steve Ritchie, AGM Water, introduced the item and requested Commission approval.

No public comment.

*On Motion to approve item 14:
Ayes: Kwon, Caen, and Moran*

15. Approve the selection of Moffatt and Nichol-AGS Joint Venture (JV); award Agreement No. PRO.0092, Engineering Services for South Ocean Beach Coastal Erosion and Wastewater Protection, to provide engineering design services to assist in developing projects to address climate induced chronic erosion at the south end of Ocean Beach; and authorize the General Manager to negotiate and execute a professional services agreement with Moffatt and Nichol-AGS JV for an amount not-to-exceed \$3,750,000 and with a duration of five years. ([Resolution 18-0128](#))
Kathy How, AGM Infrastructure, indicated there was only one proposer despite outreach efforts. She stated the proposer meet all qualifications.

AGM How responded to a question from Commissioner Moran regarding the Joint Venture. Brief discussion ensued.

No public comment.

*On Motion to approve item 15:
Ayes: Kwon, Caen, and Moran*

16. Authorize the General Manager to negotiate and execute a Purchase and Sale Agreement with Alameda County to sell an approximately 5,484-square-foot road easement and an approximately 22,548-square-foot slope easement, to be designated as a portion of Calaveras Road on SFPUC Parcel No. 75 in Alameda County, California, for fair market value, subject to Board of Supervisors approval. ([Resolution 18-0129](#))
No public comment.

*On Motion to approve item 16:
Ayes: Kwon, Caen, and Moran*

17. Approve CleanPowerSF's Integrated Resource Plan (IRP) Compliance Filing; and authorize the General Manager to submit the IRP Compliance Filing to the California Public Utilities Commission. ([Resolution 18-0130](#))
Mike Hyams, Director, CleanPowerSF, introduced the item and reviewed compliance filing requirements and analyses conducted.

Public Comment

- *Michele Pierce, Bayview Hunter Point Community Advocates, expressed concern with the Draft IRP and stated the IRP development process did not include enough community engagement. She requested more effort to communicate with the community regarding the IRP.*

*On Motion to approve item 17:
Ayes: Kwon, Caen, and Moran*

No Closed Session.

18. Public Comment on matters to be addressed during Closed Session
19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel
20. 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 Gas & Electric
Federal Energy Regulatory Commission
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective 6/30/15.
Case No.: ER15-702-000/Date Filed: December 23, 2014
21. 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 Gas & Electric
Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective 6/30/15.
Case No.: ER15-703-000/Date Filed December 23, 2014
22. 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 Gas & Electric
Federal Energy Regulatory Commission

§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco
Transmission Owner Tariff Replacement Agreements to be effective 7/1/15
Case No.: ER15-705-000/Date Filed: December 23, 2014

23. 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 Gas & Electric

Federal Energy Regulatory Commission

§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco
Wholesale

Distribution Tariff Replacement Agreements to be effective 7/1/15

Case No.: ER15-704-000/Date Filed: December 23, 2014

24. 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 Gas & Electric

Federal Energy Regulatory Commission

Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco

Case No.: ER15-735-000/Date Filed: December 23, 2014

25. 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:

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

26. Announcement following Closed Session

27. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a)

28. Other New Business

*President Kwon announced that the August 28, 2018 meeting will be cancelled.
No public comment.*

29. Adjournment

President Kwon adjourned the meeting at 3:32 PM.