



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, June 12, 2018**

(Approved June 26, 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](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 1:31 PM.*

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

3. Approval of the Minutes of May 22, 2018  
*On Motion to approve the Minutes of May 22, 2018:*  
*Ayes: Kwon, Courtney, Vietor, and Moran*

*No public comment.*

*President Kwon announced that item 12 was pulled from the calendar and will be rescheduled.*

4. General Public Comment

- *Francisco DaCosta discussed investigations he is undertaking regarding community benefits. He indicated Commissioners did not attend task force meetings. He stated grants need to be monitored to see who is getting funds and how much.*

*Vice President (VP) Courtney replied to Mr. DaCosta's statement that the Commission did not attend task force meetings. He indicated he was unaware of those meetings and asked that staff notify the Commission of such meetings.*

- *Nicole Sandkulla, BAWSCA, commented on the WSIP changes and noted BAWSCA's previous request for an accounting of actual financing costs prior to any budget adjustments. She addressed the WSIP budget adjustment adopted in April and stated that the SFPUC requested an extension to June 1<sup>st</sup> to provide the accounting report to BASWCA, and that they have not yet received the report.*

*Commissioner Vietor asked that the report be presented to the Commission when finalized. General Manager (GM) Kelly noted the reason for delay. In response to a question as to when the report will be ready, Eric Sandler, Assistant General Manager (AGM), Business Services, stated the it will be ready within the next couple of months.*

5. Communications

- Advance Calendar
- Correspondence Log
- Contract Advertisement Report
- Annual Multi-Enterprise Climate Committee Update
- Water Supply Conditions Update

*No public comment.*

6. Other Commission Business

*None.*

7. Report of the General Manager

a) CleanPowerSF Update

*Barbara Hale, AGM Power, provided a CPSF update: (1) Enrollment: Serving 81,000 accounts; 3.2% opt-out rate; 4.2% SuperGreen upgrade rate; July 1<sup>st</sup> auto enrollment underway which will increase the customer count to approximately 105,000, with the addition of mostly commercial accounts; (2) Regulatory: PCIA hearings concluded with briefs filed and proposed decision expected in summer. AGM Hale discussed and expressed concern with the recently published California PUC Customer Choice report. She stated June 11<sup>th</sup> is the deadline for comments and that a legislative-style hearing is scheduled for June 22<sup>nd</sup>.*

*No public comment.*

b) Sewer System Improvement Program (SSIP) Quarterly Update

*Karen Kubick, Wastewater Enterprise Capitol Program Director, presented the SSIP Quarterly Report and Triple Bottom Line Update: (1) Program Status (Phase I 22.6% complete); (2) Biosolids Digester Facilities Project Timeline; (3) Southeast Plant Headworks Facilities Project Timeline; (4) SSIP Phase 1 jobs report (32% actual SSIP local hire percentage achieved); and (5) Stakeholder outreach.*

*Director Kubick continued with a presentation of the SFPUC's Triple Bottom Line: (1) Evaluating alternatives; decision-making support; and project selection transparency/reporting facilitation; (2) What went into making TBL (assessment model); (3) TBL Indicators (social, environmental and financial); (4) TBL Output (TBL bottom-line analysis); (5) How has TBL model been utilized on the SSIP (Holloway Green Street alternatives and TBL results, New Headworks Facility alternatives, TBL results, and rendering); (2) New Headworks Facility (alternatives and results and rendering); (6) TBL Analysis (Phase 1 Projects); (4) How to access SFPUC's TBL executive summary; and (5) Next steps.*

*Director Kubick responded to a request from Commissioner Moran for clarification as to what "including TBL into communications materials" means. Brief discussion ensued.*

*Director Kubick responded to Commissioner Moran's question as to the existence of a complete summary of decisions on the SSIP and noted the need for documentation.*

*Commissioner Vietor asked that the TBL information be distilled into something more understandable and be communicated on the web to inform the public of projects and their values.*

*GM Kelly noted the TBL is part of the project evaluation process and he wants to make it part of project delivery and a project tool. He stated reports can be pulled, if requested.*

*Commissioner Vietor questioned how to monetize, value, and quantify additional non-financial benefits of the TBL. GM Kelly noted that care must be taken when placing a value and noted there are software programs that can assist in those efforts, which are being evaluated.*

*President Kwon thanked Ms. Kubick on great work.*

Public Comment

- *Francisco DaCosta stated it needs to be kept simple. He discussed the 2002 bond measure which addressed the SSIP and WSIP. He stated the community has been let down and that there has been no mention of health and community benefit or quality of life issues.*

c) Wastewater Capital Improvement Program Quarterly Report

*Karen Kubick stated there has been no deviation from the baseline.*

*She informed the Commission she is retiring and it was her last presentation before the Commission. She stated it has been a pleasure to see the project's progress and to work with the SFPUC staff and the Commission.*

*GM Kelly thanked Ms. Kubick for her work and reviewed his history of work with Karen.*

Public Comment

- *Francisco DaCosta thanked Karen for embracing the Bayview Community. He discussed her important role with the SSIP and her efforts to accommodate constituents to the best of her ability. He thanked her on behalf of the community.*

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

*GM Kelly stated that Proposition A passed with approximately 80% of the vote.*

*No public comment.*

8. Recognition of Tracy Yamaguchi upon her retirement after 27 years of distinguished service to the SFPUC

*GM Kelly introduced Tracy Yamaguchi and summarized her career, which includes positions in the Controller's office, San Francisco Airport, and 27 years with the SFPUC. He thanked her for her work and congratulated her on her retirement.*

Ms. Yamaguchi thanked GM Kelly and the Commission for the recognition. The Commission presented Ms. Yamaguchi with a retirement certificate.

No public comment.

9. Green Infrastructure (GI) Early Implementation Projects (EIP): Monitoring and Lessons Learned

Brian Henderson introduced Polly Perkins, Utility Planning Division, who presented on the following: (1) EIP monitoring locations and strategies; (2) Why monitor GI (evaluate performance and build knowledge); (3) Cesar Chavez Green Street (annual performance and Level-of-Service (LOS) performance).

Ms. Perkins responded to a question from Commissioner Moran as to how the percentage of reduction measure is determined.

(4) Oak and Fell Green Street (estimated and actual volume reduction, and annual peak flow reduction); (5) Sunset Model Block Monitoring Results (estimated and actual volume reduction, and annual peak flow reduction).

Ms. Perkins responded to a question from Commissioner Vietor as to whether there is measurement of flow that doesn't enter the system, and about the runoff reduction (predicted vs. monitored).

(5) Sunset Model Block Monitoring Results (estimated and actual volume reduction, and annual peak flow reduction); (6) Upcoming EIP monitoring; and (7) Preliminary EIP Monitoring Conclusions.

Commissioner Vietor thanked Ms. Perkins for her presentation.

Sarah Bloom, Utility Planning Division, reported on the top EIP lessons learned: (1) Establish cost-effective metrics for GI projects; (2) Identify site constraints early in the site selection process; (3) Use a programmatic approach to encourage others to implement green infrastructure; (4) Implement capital projects on large parcels by leveraging key city partners; and (5) Develop standard GI project delivery process for efficient implementation.

Sara Minick, Utility Planning Division Manager, responded to a question from VP Courtney Vince as to how many projects are in-works, and how the current projects are maintained (Job Order Contract and labor model). GM Kelly provided additional response.

VP Courtney stated he would like to see more thought given to career pathway opportunities for under-represented and under-served communities.

GM Kelly noted that as part of the grant process criteria could include that community members be hired.

*Commissioner Vietor stated the workforce component is key as the projects move from a minor to a major scale. Brief discussion ensued.*

*Ms. Minick provided clarification to the presentation regarding percentages in reduction.*

*President Kwon thanked Commissioner Vietor for her leadership around GI.*

#### Public Comment

- *Francisco DaCosta stated he attended the first GI workshop and there were no community members in attendance, and the workshop were given by consultants. He stated there was no follow-up or certificate provided. He noted concerns from contractors of materials production in China.*

10. Update on federal legislation and appropriations relevant to SFPUC operations including the Water Infrastructure Finance and Innovation Act program, State Revolving Funds, Ocean Beach Replenishment, Workforce Development, and Federal Energy Regulatory Commission Proceedings

*Emily Lam, Director Policy and Government Affairs, provided an update on federal legislation and appropriations relevant to SFPUC operations. She discussed the Water Resources Development Act, which is before Congress, highlighting the finance and workforce development sections of the Act. She provided a status update to several appropriations bills of interest to the SFPUC.*

*Michael Carlin, Deputy GM, responded to a question from Commissioner Vietor regarding the status of the National Marine Fisheries Service (NMFS) Appropriations Bill Rider and the likelihood of passage.*

*GM Kelly stated that the SFPUC will take a position through the Mayor's Office and will work through that process.*

*GM Kelly responded to a follow-up question from Commissioner Vietor regarding the SFPUC's position, indicating he is also waiting to hear the positions of Senators Feinstein and Harris.*

*Commissioner Vietor requested that an update on the proceedings with the State Water Board be provided.*

#### Public Comment

- *Peter Mangarella, Trout Unlimited, discussed the Alameda Creek Watershed and the New Don Pedro Dam. He asked that the SFPUC oppose the Rider.*
- *John McManus, President, Golden State Salmon Association, urged opposition to the Rider and expressed concern with precedents.*
- *Noah Oppenheim, Executive Director, Pacific Commercial Fishermans' Association, expressed opposition to the Rider and any policy that would prevent NMFS from implementing authority under the Federal Power Act.*
- *Peter Drekmeyer, Tuolumne River Trust, asked where the SFPUC stands with regards to attacks on the environment. He discusses Senator*

*Feinstein's position and communications with the SFPUC. He requested the Commission oppose the Rider.*

- *Barry Nelson, Golden Gate Salmon Association, discussed the multiple riders the salmon industry is fighting. He asked that the Commission oppose the Rider as soon as possible.*
- *Francisco DaCosta, commented on the previous speaker's words and stated the Commission needs to pay attention. He discussed Raker Act requirements.*

11. Consent Calendar:

- a) Approve Modification No. 1 to Job Order Contract (JOC), JOC- 51, Heating Ventilation Air Conditioning (HVAC) Energy Efficiency (C-20 License) for San Francisco, San Mateo, Santa Clara, and Alameda Counties with EMCOR/Mesa Energy Systems, Inc., to perform HVAC and energy efficiency mechanical upgrades in City-owned municipal facilities, increasing the contract by \$2,500,000 for a total contract amount of \$7,500,000, and increasing the duration by one year for a total contract duration of five years, as allowed for contracts executed under San Francisco Administrative Code Ch. 6.62. Job Order Contracts (f) and (g). ([Resolution 18-0094](#))
- b) Accept work performed by D'Arcy & Harty Construction for Contract No. WW-603, As-Needed Main Sewer Replacement, for a total contract amount of \$3,843,339 and a total duration of 760 consecutive calendar days, and authorize final payment to the contractor. ([Resolution 18-0095](#))
- c) Approve an increase to the existing construction contract duration contingency of 90 consecutive calendar days to Contract No. WW-625, Oceanside Water Pollution Control Plant Flare Control and Stack Upgrade; and authorize the General Manager to approve future modifications to the contract duration up to a total of 750 consecutive calendar days, with no change to the contract amount. ([Resolution 18-0096](#))
- d) Approve an increase to the existing construction contract duration contingency of 134 consecutive calendar days to Contract No. WW-633, Various Locations Sewer Replacement No. 2; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration up to 640 consecutive calendar days, with no change to contract amount. ([Resolution 18-0097](#))

*No public comment.*

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

*The Commission Secretary stated Item 12 was removed from the calendar.*

12. Authorize the General Manager to execute a Conditional Land Disposition and Acquisition Agreement by and between the City and County of San Francisco (City), acting through its Public Utilities Commission and 2000 Marin Property,

L.P. (Developer), providing for the City's future transfer of real property at 639 Bryant Street (Block 3777, Lot 052) in exchange for acquiring 2000 Marin Street (Block 4346, Lot 002), and including the Developer reimbursing the SFPUC for certain costs, with closing conditioned on several factors including the City's discretionary approval after completion of environmental review, subject to approval by the Board of Supervisors; adopt a finding declaring 639 Bryant Street surplus to SFPUC's utility needs, conditioned upon and effective upon the date of close of escrow on the proposed land exchange transaction.

13. Approve Amendment No. 1 to CS-1048(G), Grant Agreement with the San Francisco Unified School District to fund the construction of a pilot Stormwater Schoolyard at Robert Louis Stevenson Elementary School; and authorize the General Manager to execute this amendment, increasing the grant amount by \$180,000 for a total amount of \$708,000, with no change in the agreement duration. ([Resolution 18-0098](#))

*No public comment.*

*On Motion to approve Item 13:*

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

14. Approve the selection of and award Grant Agreement No. PRO.0075 to Chinatown Community Development Center (CCDC) to implement the Sustainable Chinatown Initiative Pilot Project to coordinate outreach with City agencies and community stakeholders on development and implementation of green infrastructure, non-potable reuse, and energy efficiency projects in Chinatown; and authorize the General Manager to negotiate and execute a grant agreement with CCDC for an amount not-to-exceed \$180,000, and with a total duration of two years. ([Resolution 18-0099](#))

*No public comment.*

*Commissioner Vietor requested recusal stating she is an employee of the San Francisco Foundation, and they have provided grants to the CCDC.*

*On Motion to approve Commissioner Vietor's recusal:*

*Ayes: Kwon, Courtney, and Moran*

*On Motion to approve Item 14:*

*Ayes: Kwon, Courtney, and Moran*

15. Approve the plans and specifications, and award Contract No. WW-656, As-Needed Spot Sewer Replacement No. 37, for a total contract amount not-to-exceed \$8,198,256, and with a duration of 400 consecutive calendar days, to J. Flores Construction Company, Inc., to replace sections of existing sewer piping, on an as-needed basis, at locations to be determined throughout the City of San Francisco; and authorize the General Manager to negotiate and execute a



contract for an amount not-to-exceed \$8,198,256 with the sole qualified, responsible and responsive bidder, J. Flores Construction Company, Inc., or, if negotiations are unsuccessful, with another qualified contractor, as permitted under San Francisco Administrative Code Section 6.23(c)(2). ([Resolution 18-0100](#))

*No public comment.*

*On Motion to approve Item 15:*

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

16. Approve Amendment No. 1 to Agreement No. 1000000172, As-Needed Technical Services Agreement with Aclara Technologies LLC, to procure proprietary hardware consisting of Meter Transmission and Data Collector Units; and authorize the General Manager to execute this amendment, increasing the agreement by \$2,349,857 for a total contract not-to-exceed amount of \$2,915,857, and with a time extension of three additional years, through December 31, 2023, for a total contract duration of eight years. ([Resolution 18-0101](#))

*No public comment.*

*On Motion to approve Item 16:*

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

17. Approve three Resource Adequacy (RA) contracts for CleanPowerSF executed by the General Manager between the San Francisco Public Utilities Commission and Pacific Gas & Electric Company, with a combined term of two years and five months, and total costs of \$13.7 million; and authorize the General Manager to seek retroactive approval from the Board of Supervisors for the three RA contracts. ([Resolution 18-0102](#))

*No public comment.*

*On Motion to approve Item 17:*

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

*No public comment on matters to be discussed during Closed Session.*

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*

*No public comment.*

*The Commission entered Closed Session at 3:39 PM:*

19. Conference with Legal Counsel – Pursuant to California Government Code Sections 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation  
*Pacific Bell Tel. Col, et al v. City and County of San Francisco*  
San Francisco Superior Court Case No.: CGC-16-554661  
Date Filed: October 4, 2016  
Proposed Settlement of action with plaintiff’s release of all claims and the city to pay plaintiff in the amount of: \$852,057.22  
(Resolution 18-0103)
  
20. Conference with Legal Counsel – Pursuant to California Government Code Sections 54956.9 (d) (1) and (e) (3), and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation  
*Charleen Maghzi, individually and as trustee of the Maghzi Family Marital Trust v. The City and County of San Francisco*  
San Francisco Superior Court Case No.: CGC-18-563778  
Date Filed: January 26, 2018  
(Resolution 18-0104)  
  
Proposed settlement of action with plaintiff’s release of all claims and the City to pay plaintiff \$1,427,637.59
  
21. Conference with Legal Counsel – Pursuant to California Government Code Sections 54956.9 (d) (1) and (e) (3), and San Francisco Administrative Code Section 67.10 (d) (1)  
Existing Litigation  
*Isabel Rodriguez-Alba v. City and County of San Francisco*  
San Francisco Superior Court Case No.: CGC-15-548917  
Date Filed: October 10, 2015  
Proposed settlement of action with plaintiff’s release of all claims and the City to pay plaintiff \$55,000  
(Resolution 18-0105)
  
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  
*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
  
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  
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

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*  
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
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:  
*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
26. 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
27. 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

28. 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

*The Commission exited Closed Session at 4:06 PM.*

29. Announcement following Closed Session  
*None.*

30. 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:*  
*Ayes: Kwon, Courtney, Vietor, and Moran*

*No public comment.*

31. Other New Business  
*Commissioner Vietor requested that an action be placed on the next agenda to discuss SFPUC position on the NMFS Appropriations Bill Rider.*

*VP Courtney discussed indictments made of staff regarding community benefits and lack of transparency and honesty on the NMFS issue. He expressed concern with the lack of attention and response to questions asked, and his requests surrounding the on-boarding of employees. He feels staff is coming from a place of “no” rather than “yes”.*

32. Adjournment  
*President Kwon adjourned the meeting at 4:13 PM.*