



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 N. Breed

Mayor

Minutes

Tuesday, October 23, 2018

1:30 P.M.

(Approved November 13, 2018)

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

Commissioners

Vince Courtney, President
Ann Moller Caen, Vice President
Francesca Vietor
Anson Moran
Ike Kwon

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 Courtney called the meeting to order at 1:33 PM.

2. Roll Call

Present: Courtney, Caen, Moran and Kwon

Commissioner Caen arrived at 1:40 PM.

Excused: Vietor

3. Approval of the Minutes of October 23, 2018

On Motion to approve the Minutes of October 23, 2018:

Aye: Courtney, Moran and Kwon

No public comment.

4. General Public Comment

- *Francisco DaCosta discussed the miles of sewer and water pipes in the system and asked if any pipe is leaking. He addressed the loss of institutional memory due to retirements.*

5. Communications

a) Advance Calendar

b) Correspondence Log

c) Contract Advertisement Report

d) 2018 State of the Regional Water System Report

e) O'Shaughnessy Dam Reservation Quarterly Report

f) Street Light Program Update

g) Water Supply Agreement Update

h) Water Supply Conditions Update

Commissioner Caen arrived at 1:40 PM.

Public Comment (all speaking to item 5f Street Light Program Update)

- *Larry Gothberg indicated that residents are still waiting for historic lights to be installed on Hyde Street.*
- *Simon Bertrang, Tenderloin CBD, expressed excitement for the street lighting project and disappointment at the length of time it is taking. He indicated the lighting is important for business and pedestrian safety. He asked if temporary lighting can be installed until the historic lights arrive.*
- *Brant de Venecia, Tenderloin Housing Clinic, discussed the history of the lighting project, delays that have taken place, and that temporary lights have not been installed. He demanded 100 poles to be installed immediately.*
- *Adam Leising, Lower Hyde Street Association, concurred with Mr. de Venecia's comments. He stated the neighborhood feels marginalized with delay of such projects and that action needs to be taken.*
- *David Elliot Lewis discussed the negative effects of poor or non-existing lighting in the Tenderloin. He expressed the need for temporary lighting for neighborhood safety and security.*

- *Pralibha discussed numerous project delays and demanded 100 temporary lights be installed.*
- *Francisco DaCosta stated the Tenderloin needs help and that migration into District 6 needs to be studied. He discussed the importance of lighting for safety. He noted the need for mediation with PG&E.*

General Manager (GM) Kelly, Jr. stated he would provide comment on the matter during item 8, Report of the General Manager.

6. Other Commission Business

None.

7. Annual Policy and Government Affairs Update

Emily Lam, Director of Policy and Government Affairs, provided the update. She began by thanking colleagues for their work during the year. She then provided highlights of legislative activities as noted in the published report at the local, state, and federal levels.

Public Comment

- *Francisco DaCosta suggested a hearing regarding policies. He questioned the subsidy of large organizations such as Salesforce and asked how policies benefit the community.*
- *Peter Drekmeier, Tuolumne River Trust, discussed the Non-Governmental Organizations (NGOs) letter that was previously submitted and reviewed. He discussed federal policy related to FERC re-licensing and work with the Trump administration. He provided written comment for the record.*

Michael Carlin, Deputy General Manager (DGM), stated that the SFPUC has worked on the issue with multiple administrations and career staff throughout the years. He briefly discussed the process and recommendations that have been made.

8. Report of the General Manager

GM Kelly asked Barbara Hale, Assistant General Manager (AGM) Power, to discuss the Tenderloin Street Light Project, item 8b, first.

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

AGM Hale acknowledged the frustrations of the community regarding project delays. She noted there was a competitive bidding process and delivery of faulty product. She stated new product was to be delivered October 5th, but she was told by the manufacturer there were fitting problems with the product. She stated temporary lighting was taken from existing stock, resulting in two temporary lights per block. She indicated the manufacturer is expected to provide details on delivery of new product by close of business October 23rd. She stated once the delivery date is known, a schedule of temporary lighting will be determined.

AGM Hale responded to a question from GM Kelly, Jr. about purchasing additional temporary lighting.

President Courtney requested a status update at future Commission meetings.

Commissioner Moran asked AGM Hale to research if there are extra cobra lights that can be purchased from other cities.

AGM Hale responded to question from Commissioner Kwon regarding the installation timeline.

No public comment.

a) CleanPowerSF Update

AGM Hale provided the update: (1) Enrollment and Service to Customers: Currently serving 108,000 accounts; 3.1% opt-out rate; 3.6% SuperGreen upgrade rate; (2) Regulatory: California Public Utilities Commission (CPUC) is reconsidering the methodology as to how the PCIA (exit fee) set. AGM Hale indicated the CPUC had two proposals for consideration, one by the judge and one by the Commissioner assigned (alternate), and that on October 11th the CPUC voted unanimously to approve alternate proposal. She stated the Community Choice Aggregation (CCA) community opposes the alternate proposal as it underestimates the market value of PG&E generation resources, which results in more of PG&E costs being recovered through the exit fees charged to CleanPowerSF customers. She stated it also unlawfully allows above-market costs of generation assets that are owned by PG&E to be recovered by the exit fee. She stated with the decision, the exit fee will have increased by more than 200% since the San Francisco committed to CCA service in 2015.

AGM Hale anticipates the proposal will be implemented January 1, 2019 and estimates that CleanPowerSF customers could pay \$40M to \$50M more per year, and that the typical residential customer will experience a \$1.50 - \$2.50 monthly bill increase if no action taken by SFPUC. She indicated an update to PG&E rates is expected at the beginning of November, which could alter numbers she presented. She noted possible next steps.

Commissioner Moran stated the business risk was known. He requested an analysis of the impact on Power Enterprise (CCA) financials and an analysis of long-term effects on the business model.

Public Comment

- *Francisco DaCosta questioned how many electrical lines from Hetch Hetchy come under the jurisdiction of the SFPUC and why the SFPUC continues to have special agreements with PG&E for service to the City.*

Commissioner Moran stated it is an old but interesting issue on transmission into the City. He asked that staff review to see if changing economics changes outcomes of analysis. He stated that PG&E doesn't control the transmission lines anymore, but that Cal ISO now does. He requested an update on options for local distribution and transmission.

b) Bay Delta Water Quality Control Plan Update

Ellen Levin, Deputy Manager, Water, recapped a meeting held with staff and the NGOs to discuss their concerns as expressed in their previously provided letter to the Commission.

DGM Carlin discussed a Board of Supervisors resolution submitted by Supervisor Peskin urging the Board to support the State Board's Plan. He indicated staff has met with the Supervisor and continue to work with him on the issue. He stated the resolution will be before the Land Use Committee on October 29.

Public Comment

- Peter Drekmeier, Tuolumne River Trust, discussed his 2017 Sunshine request for information for communication between SFPUC staff, lobbyists, and various elected officials.
- Francisco DaCosta discussed the Bay Delta Plan and activities that have taken place.

c) Workforce Development Update: New Employee Orientation

Cindy Charan, Director, SFPUC Human Resource Services, provided an update regarding AB119 and requirements for new employee orientation (NEO) and the City's Department of Human Resources and SFPUC's actions for compliance: regular and recurring NEO sessions; provide annual notice to unions as to the NEO schedule; provide unions with notice of NEO enrollment; provide 30-minutes of access for union representatives to meet with employees at NEO; provide new employees with a union notification document; and MOU link provided to employees and paper copies provided.

No public comment.

9. Bay Area Water Service Conservation Agency (BAWSCA) Update

Nicole Sandkulla, CEO, BAWSCA, noted BAWSCA's August 2018 total potable water use 17% less than August 2013. She stated BAWSCA is moving forward with a demand study for the service area and that the scope is being developed and the RFP is being prepared. She noted it will take approximately one year to complete the study.

Commissioner Moran thanked Ms. Sandkulla for the information and that he looks forward to the study.

No public comment.

10. Consent Calendar:

- a) Accept work performed by Shaw Pipeline, Inc., for Contract No. WW-649, Paul Avenue Sewer Replacement, for a total contract amount of \$740,907, and a total contract duration of 181 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 18-0169](#))
- b) Approve the plans and specifications, and award Contract No. WW-664, North Point Wet Weather Facility Sedimentation Tank Influent Gate Upgrades, in the amount of \$2,741,000, with a duration of 540 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, Cal State Constructors, Inc., to upgrade existing influent gates and related accessories at the North Point Facility. ([Resolution 18-0170](#))

*On Motion to approve Consent Calendar items 10a through 10b:
Aye: Courtney, Caen, Moran and Kwon*

No public comment.

- 11. Approve Amendment No. 2 to Agreement No. CS-204, Fish Passage Facilities within the Alameda Creek Watershed, as a sub-project of the Calaveras Dam Replacement Project, with URS Corporation; and authorize the General Manager to negotiate and execute Amendment No. 2, increasing the agreement by \$500,000, for a total not-to-exceed agreement amount of \$4,764,580, and extending the term by one year and five months, for a total agreement duration of eight years and seven months. ([Resolution 18-0171](#))

*On Motion to approve item 11:
Aye: Courtney, Caen, Moran and Kwon*

No public comment.

- 12. Approve Amendment No. 1 to Agreement No. CS-258A with Environmental Science Associates/Orion Environmental Joint Venture (JV), Agreement No. CS-258B with ICF Jones & Stokes, Inc./Panorama Environmental, Inc., JV, and Agreement No. CS-258C with URS Corporation, to perform environmental support services; and authorize the General Manager to negotiate and execute amendments to Agreement Nos. CS-258A-C, increasing each agreement by \$2,450,000, for a total not-to-exceed amount of \$7,300,000 per agreement, and increasing the duration of each contract by four years, for a total contract duration of nine years. ([Resolution 18-0172](#))

*On Motion to approve item 12:
Aye: Courtney, Caen, Moran and Kwon*

No public comment.

- 13. Approve the Water Supply Assessment for the proposed 598 Brannan Street Project, pursuant to State of California Water Code Section 10910 et seq.,

California Environmental Quality Act (CEQA) Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 18-0173](#))

On Motion to approve item 13:

Aye: Courtney, Caen, Moran and Kwon

No public comment.

14. Approve the Water Supply Assessment for the proposed 542-550 Howard Street Project, pursuant to State of California Water Code Section 10910 et seq., California Environmental Quality Act (CEQA) Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 18-0174](#))

On Motion to approve item 14:

Aye: Courtney, Caen, Moran and Kwon

No public comment.

15. Approve the terms and conditions of, and authorize the General Manager to, execute the Second Amendment to the Office Lease dated November 18, 2013, between 544 Golden Gate Associates LLC as landlord, and the City and County of San Francisco, acting through the SFPUC as tenant, extending the term by four years for a total duration of nine years, and increasing the rent to \$350,083 per year, with 4% annual increases thereafter. ([Resolution 18-0175](#))

On Motion to approve item 15:

Aye: Courtney, Caen, Moran and Kwon

No public comment.

16. Authorize the General Manager to execute an Inter-jurisdictional Personnel Exchange Agreement with the California Department of Water Resources (DWR), for the temporary loan of SFPUC employee Daniel L. Wade to spend up to 20% of his time to serve on a DWR Independent Review Board for a Comprehensive Needs Assessment for the Oroville Dam Complex, providing for DWR to reimburse SFPUC for Mr. Wade's time and expenses for an amount not to exceed \$375,000, and with a term of approximately 21 months, from September 24, 2018 to June 30, 2020. ([Resolution 18-0176](#))

On Motion to approve item 16:

Aye: Courtney, Caen, Moran and Kwon

No public comment.

17. Approve the terms and conditions of a revocable license between the San Francisco Public Utilities Commission and Gerald F. Sullivan allowing the Power Enterprise to use Mr. Sullivan's real property and rock columns located at 10 Rockaway Avenue in San Francisco (Assessor's Block 2916, Lot 15), for the

installation, operation, and maintenance of the Rockaway Avenue Streetlight Project, with no license fee, subject to Board of Supervisors' and Mayor's approval. 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 18-0177](#))

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

No public comment.

18. Discussion and possible action to consent to the Development Agreement between the City and India Basin Investment LLC, substantially in the form and on the terms as outlined in the Development Agreement with respect to the items under the SFPUC's jurisdiction, and to authorize the General Manager to execute the SFPUC Consent; and adopt findings, pursuant to the California Environmental Quality Act, and a Mitigation and Monitoring and Reporting Program. ([Resolution 18-0178](#))

DGM Carlin responded to a question from Vice President Caen as to whether the developer is required to accept the SFPUC.

*On Motion to approve item 18:
Aye: Courtney, Caen, Moran and Kwon*

No public comment.

19. Public Comment on matters to be addressed during Closed Session.
None.

20. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

*On Motion to assert:
Aye: Courtney, Caen, Moran and Kwon*

The Commission entered Closed Session at 2:46 PM.

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 Claim:

Sherry Jackson v. City and County of San Francisco

Unlitigated File Nos.: 18-03009 and 18-02571

Date Filed: May 1, 2018

Proposed settlement of claim with plaintiff's release of all claims and the City to pay plaintiff \$105,000.

(Resolution 18-0179)

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:
Sentinel Insurance Company, LTD v. City and County of San Francisco
San Francisco Superior Court Case No.: CGC-17-561235
Date Filed: September 12, 2017
Proposed settlement of claim with plaintiff's release of all claims and the City to pay plaintiff \$600,000.
(Resolution 18-0180)
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 Claim:
Jeffrey Schalk v. City and County of San Francisco
Unlitigated File No.: 18-02665
Date Filed: May 9, 2018
Proposed settlement of claim with plaintiff's release of all claims and the City to pay plaintiff \$43,719.45.
(Resolution 18-0181)

The Commission exited Closed Session at 2:55 PM.

24. Announcement Following Closed Session.
None.
25. 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:
Aye: Courtney, Caen, Moran and Kwon

26. Other New Business
None.
27. Adjournment
President Courtney adjourned the meeting at 2:56 PM.