



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, September 11, 2018

(Approved September 25, 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, Courtney, Caen and Moran
Excused: Vietor

3. Approval of the Minutes of August 28, 2018
On Motion to approve the Minutes of August 28, 2018:
Ayes: Kwon, Courtney, Caen and Moran

Public Comment
None.

4. General Public Comment
None.

5. Communications

- a) Advance Calendar
- b) Correspondence Log
- c) Contract Advertisement Report
- d) Annual Water System Improvement Program Report
- e) Citizens' Advisory Committee Resolutions, Adopted August 21, 2018
- f) Status of Large Development Projects - Regional Water Supply Service Area
- g) Ordinance Authorizing Solar Interconnection Agreements
- h) Water Supply Conditions Update
Commissioner Moran requested that staff provide timely response to Commission Outstanding Requests as provided with item 5a, Advance Calendar, noting some requests are more than one year old.

No public comment.

6. Other Commission Business
Vice President (VP) Courtney thanked Yolanda Manzone for her communication regarding the SFPUC's Eco-literacy and STEM Curriculum; Ivy Fine for her work on his request for information regarding contracts; and staff for their work on the Workforce Development Policy. He briefly discussed work being done and objectives for labor standards.

No public comment.

7. Report of the General Manager
a) CleanPowerSF (CPSF) Update
Michael Hyams, Director, CPSF, provided the update: (1) Enrollment and Service to Customers: Currently serving 108,000 accounts; 3.1% opt-out rate; 3.4% SuperGreen upgrade rate; Next quarterly enrollment begins in October; (2) Global Climate Action Summit: Taking place in San Francisco through September 14, 2018 showcasing climate action efforts. Mr. Hyams

noted ways the Power Enterprise and CPSF is participating in the Summit and highlighted ways CPSF is helping to mitigate Climate Change; (3) Regulatory: Updated Commission regarding the California Public Utilities Commission's (CPUC) two proposals in the PCIA proceeding and SFPUC actions. He noted interested parties can send a letter to the CPUC. He thanked External Affairs staff for their work.

No public comment.

- b) Bay Delta Water Quality Control Plan (BDWQP) Update
Steve Ritchie, Assistant General Manager (AGM) Water, provided the update. He indicated he presented information regarding the Plan at a meeting of the Santa Clara Valley Water District Board. He noted at the September 25, 2018 SFPUC meeting he will present differences that exist between the State proposal and the SFPUC proposal. He stated there has been an increased number of discussions on the negotiated settlement.

AGM Ritchie responded to a question from Commissioner Caen regarding references to studies that have been conducted in Pacific Northwest rivers rather than on the Tuolumne River.

No public comment.

- c) Hetch Hetchy Capital Improvement Program (CIP) Quarterly Report
Dan Wade, Director, Water Capital Projects & Programs, provided the report: (1) March 2018 Storm Event Emergency Repairs & Interim Improvements; (2) Map: Condition prior to event; (3) March 2018 Storm Event: Leithold Water Line repair and Moccasin Dam Toe repair; (4) Moccasin Penstock Rehabilitation: Contract terminated for convenience; (5) Construction milestones – other projects; (6) Mountain Tunnel: Interim repairs Phase II); and (7) San Francisco Solar Projects: San Francisco Police Academy and Marina Middle School.

Director Wade responded to a question from President Kwon regarding funding for the solar projects; and to a question from Commissioner Caen regarding how forecast costs for the Moccasin Penstock were determined.

Public Comment

- *Denise Louie stated capital improvement programs should be pro-environment.*

- d) Sewer System Improvement Program (SSIP) Quarterly Report
Howard Fung, Interim Wastewater Enterprise CIP Director, provided the report: (1) Program Status: 24.8% of Phase 1 projects complete and \$0.649B expended; (2) Biosolid Digester Facilities Project: Budget \$1.276M; Phase 95% design; construction to begin March 2019; (3) Southeast Plant (SEP) New Headworks Facility Project: Budget \$418.8M; Scope I, II and III updates; (4) Other Phase 1 Projects; (5) Current Construction SEP: Primary

& Secondary Clarifier upgrades; 521/522 & Disinfection upgrades; and existing Digester Gas Handling Improvements; (6) Stormwater Management Projects: Chinatown Living Alley; Wiggle Neighborhood Green Corridor; and Visitacion Valley Green Nodes; (7) SSIP Phase 1 Jobs Report: 32% actual SSIP local hire percentage achieved and 65% hours worked by San Francisco residents apprenticeships; (8) Stakeholder Outreach; and (9) Other Program Updates.

Interim Director Fung responded to a question from Commissioner Moran regarding the Digester Facility Project end date and the difference between the “end of project” date versus the “completed date”. Commissioner Moran expressed concern with confusion between the two dates and requested that the construction completion date and transition processes be clearly communicated to the community. Discussion ensued.

VP Courtney concurred with Commissioner Moran’s concerns and asked that messaging and communication with the community occur. AGM How indicated that staff is working with External Affairs and the Communications on outreach, messaging, and communications with the community regarding opportunities and the timeline, including transition time. Juliet Ellis, AGM External Affairs, stated there is a construction communications office located at 1800 Oakdale that is available to answer questions regarding the project.

No public comment.

- e) Wastewater Enterprise Capital Improvement Program Quarterly Report Interim Director Fung provided the report, discussing two “red dots”, or variances. First is the Ocean Beach Project variance with additional time needed for sand nourishment work and stakeholder planning; and the second variance being the Griffith Yard Improvements, which need additional time for completion

No public comment.

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

No public comment.

The Commission Secretary read the Consent Calendar summary.

8. Consent Calendar:

- a) Accept work performed by A. Ruiz Construction Co. & Assoc. Inc. for Contract No. WD-2710, San Francisco Local Water As-Needed Paving 3-Year Contract; approve Contract Modification No. 4 (Final), decreasing the contract amount by \$4,107, for a total contract amount of \$14,916,761; and authorize final payment to the contractor. ([Resolution 18-0145](#))

- b) Accept work performed by M Squared Construction, Inc., for Contract No. WD-2737, 12-Inch Ductile Iron Water Main Replacement on 6th Street from Market to Howard Streets, and on Taylor Street from Market to Pine Streets; ratify correction of the total contract duration to reflect time extension approved in Modification No. 1; approve Modification No. 2 (Final), decreasing the contract amount by \$2,813, for a total contract amount of \$4,354,166, with a non-compensable time extension of 43 consecutive calendar days, for a total contract duration of 682 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 18-0146](#))
- c) Approve an increase of 19 consecutive calendar days to the existing 41-day construction contract duration contingency for Contract No. WW-636, Various Locations Sewer Replacement and Pavement Renovation No. 4; and authorize the General Manager to approve future modifications to the contract duration for a total revised contract duration of up to 474 consecutive calendar days, with no change to contract amount. ([Resolution 18-0147](#))
- d) Approve an increase to the existing construction contract duration contingency of 90 consecutive calendar days for Contract No. WW-659, Greenhouse Demolition at 1150 Phelps Street; and authorize the General Manager to approve future modifications to the contract, for a total revised contract duration of up to 239 calendar days, with no change to the contract amount. ([Resolution 18-0148](#))

*On Motion to approve Consent Calendar items 8a through 8d:
Ayes: Kwon, Courtney, Caen and Moran*

No public comment.

9. Approve the terms and conditions and authorize the General Manager to execute a five-year lease, with a three-year option to extend the term, with Sea Cliff Fund, LLC, Del Mar SF, LLC, TIC Investments, LLC, and 50 Quint, LLC, together as landlord, for the Wastewater Enterprise to use warehouse space and two adjoining paved areas located at 50 Quint Street in San Francisco, for various Sewer System Improvement Program purposes, for an annual rent of \$1.2 million, with annual rent increases based on the Consumer Price Index. 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 18-0149](#))

Michael Carlin, Deputy General Manager, introduced the item and requested approval.

*On Motion to approve item 9:
Ayes: Kwon, Courtney, Caen and Moran
No public comment.*

10. Approve the plans and specifications, and award Contract No. WW-667, Mariposa Dry Weather Pump Station Improvements, in the amount of

\$17,031,000, to the lowest, qualified, responsible and responsive bidder, Western Water Constructors, Inc., to demolish the existing pump station and reconstruct a new Mariposa Pump Station. ([Resolution 18-0150](#))

On Motion to approve item 10:

Ayes: Kwon, Courtney, Caen and Moran

No public comment.

11. Public Comment on matters to be addressed during Closed Session

None.

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

On Motion to assert attorney-client privilege:

Ayes: Kwon, Courtney, Caen and Moran

The Commission entered Closed Session at 2:41 PM.

13. 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

David Alfaro, et al. v. City and County of San Francisco

San Francisco Superior Court No.: CGC-15-547492

Date Filed: 8/20/15

Proposed settlement of action as to property claims of three of numerous plaintiffs; several co-plaintiffs remain in litigation: (1) Lionel Tan and Dr. Ho T (\$245,000); (Resolution 18-0151) and (2) Kwok Shing Hong (\$110,796.81) (Resolution 18-0152)

14. Pursuant to Government Code Section 54957 (b)(1) and San Francisco Administrative Code Section 67.10(b), discussion and possible action to conduct Public Employee Performance Evaluation of Harlan L. Kelly, Jr., General Manager of the San Francisco Public Utilities Commission.

The Commission exited Closed Session at 4:02 PM.

15. Announcement Following Closed Session

None.

16. 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, Caen and Moran

17. Pursuant to Government Code Section 54957(b)(4), discussion and possible action to award a bonus of up to 3% of the General Manager's base salary based on the Commission's evaluation of the General Manager against the Commission-established performance goals for the General Manager for Fiscal Year 17-18, and pursuant to the General Manager's employment contract approved by the Commission on July 25, 2017 and San Francisco Charter Section 8B.126(a).

President Kwon read the following statement: Section 4C of the General Manager's employment contract, which this Commission approved on July 25, 2017, provides that the General Manager is entitled to an annual bonus of up to 3% of his base salary based on this Commission's annual evaluation of his performance. Last July, the Commission adopted performance goals for FY 17-18 with five categories. A copy of those goals was provided as an explanatory document for Item 14 on today's agenda. The employment contract states that the Commission shall assign between 0-20 points for the General Manager's performance on the goals in each of the five categories, and that the General Manager shall be entitled to a bonus based on the sum of all points he receives in all five categories, applied as a percentage of the maximum bonus of 3% of base salary. For example, if the sum of all points in all categories is 80, then the General Manager would receive a bonus calculated at 80% of 3% of his base salary for that year.

He stated the General Manager's base salary for Fiscal Year 17-18 is \$366,678 and that the Commission was awarding the General Manager a bonus of \$10,175.00.

*On Motion to award the General Manager a bonus of \$10,175.00:
Ayes: Kwon, Courtney, Caen and Moran*

No public comment.

18. Other New Business
None.

19. Adjournment
President Kwon adjourned the meeting at 4:05 PM.