



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 22, 2019**  
**1:30 P.M.**  
(Approved November 12, 2019)

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

**Commissioners**

Ann Moller Caen, President  
Francesca Vietor, Vice President  
Anson Moran  
Sophie Maxwell  
Tim Paulson

**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  
*Vice President (VP) Vietor called the meeting to order at 1:38 PM.*
2. Roll Call  
*Present: Vietor, Moran, and Maxwell*  
*Excused absence: Caen*  
*Arrived Late: Paulson (2:13 PM)*
3. Approval of the Minutes of October 8, 2019  
*On Motion to approve the Minutes of October 8, 2019:*  
*Ayes: Vietor, Moran, and Maxwell*  
  
*No public comment*
4. General Public Comment
  - *Francisco DaCosta asked how the SFPUC addresses environmental justice issue for infants, children, youth, elders and those with physical and mental challenges. He asked how much money has been set aside for community benefits for those populations. He requested that Commissioners review statistics as to what is happening in the community.*
5. Communications
  - a) Advance Calendar
  - b) Correspondence Log
  - c) Contract Advertisement Report
  - d) Financial and Technology Policies Progress Report
  - e) O'Shaughnessy Dam Reservation Quarterly Report – Third Quarter
  - f) Water Supply Conditions Update  
*VP Vietor asked that responses to outstanding Commissions requests (5a) be provided.*  
  
*No public comment.*
6. Report of the General Manager
  - a) Sewer System Improvement Program Major Projects Update  
*Jignesh Desai provided a status update on the New Headworks facility Project. He continued with a construction status update of Scope I (approximately 75% complete) and Scope II.A Bruce Flynn (overall 75% construction complete). He reviewed (1) bid package status, (2) construction progression, (3) bid package analysis (Scope III – 3-13 structural concrete).*  
  
*Mr. Dasai responded to questions from VP Vietor and Commissioner Maxwell regarding the structural concrete bid packages (May 2018 estimate, proposers 1 and 2 June 2019 responses). Brief discussion ensued.*

*Mr. Dasai continued: (4) local participation, (5) bid package analysis (current bids trending above estimates), (6) geotechnical design approach (data report on previous investigation area, identify gaps, develop additional site-specific exploration plan, Geotechnical Interpretive Report, and structural basis of design); skyscraper vertical concentrated vs Headworks spread loading, and (7) summary.*

*He responded to a question from VP Vietor regarding resilience and preparedness for sea level rise and potential flooding.*

*Commissioner Paulson arrived at 2:13 PM.*

#### Public Comment

- *Francisco DaCosta stated that warehouse could have been used years ago to store steel that should have been purchased when costs were low.*

*Mr. Howard Fung responded to a question from Commissioner Maxwell regarding screening design.*

b) Update on Development of the Stormwater Component of the Sewer Service Charge

*Erin Franks, Rates Administrator, began with a background of the Development of the Stormwater Component of the Sewer Service Charge. She stated that the 2018 Rate Study determined that stormwater management represents about 17% of total water costs; stormwater costs are currently recovered through sanitary sewer charge based on water use; separate charge recommended to recover stormwater costs (industry best practice); and implementation work is underway.*

*Ms. Franks discussed the phased approach - implementation of the 2018 Rate Study, and a Rate Study in 2022 which will begin a multi-year phase-in of full stormwater flow cost allocation in wastewater, with properties with stormwater management eligible for bill credits.*

*She reviewed current work including billing system modification and current work/outreach plan (Fall 2019 through Summer 2022). She concluded with a review of next steps/Commission touchpoints.*

*VP Vietor requested that a copy of the SPUR report: “Stormwater Fees – An Equitable Path to a Sustainable Wastewater System” be distributed to the Commission.*

*Commissioner Paulson stated that SPUR is a premier think-tank but is a political organization that takes positions on policy, and that their reports should be read with that understanding.*

*No public comment.*

c) Water Supply Planning Update

*Steve Ritchie, Assistant General Manager (AGM) Water, reviewed Level-of-Service (LOS) goals, objectives, and priorities. He continued with review of Water Supply Planning Goals – Goal 1: meet existing obligations to existing customers, Goal 2: meet instream flow requirements, Goals 3 and 4: address additional customer demands through 2040.*

*AGM Ritchie responded a question from VP Vietor regarding Goal 3 (make San Jose and Santa Clara permanent customers); a question from Commissioner Maxwell regarding Goal 4 (meet the increased demands projected by individual Wholesale Customers); and to a question from VP Vietor regarding the SFPUC's Sustainability Goal.*

*AGM Ritchie briefly discussed: (1) potential Tuolumne River area projects, (2) potential regional recycled water projects (Daly City recycled water expansion, Alameda County Water District – Union Sanitary District purified water partnership, Crystal Springs purified water, and evaluation of reuse opportunities in the Service Area).*

*Mr. Ritchie reviewed potential other regional projects: (1) Los Vaqueros Reservoir expansion, (2) Bay Area Brackish Water Desalination, (3) Conveyance alternatives, and (4) Calaveras Reservoir expansion.*

*Brief discussion ensued on storage methods and alternatives.*

*He continued with discussion of potential local water supply projects: (1) Eastside purified water, (2) San Francisco Eastside Satellite Recycled Water Facility (including AWSS), (3) innovations program, and (4) Potable Offset Ordinance.*

*AGM Ritchie responded to a question from VP Vietor regarding Distributive Systems.*

*He continued with the Water Supply Planning Organization Structure, and Capital Project timelines, (most projects are in the early planning stages and additional planning and analysis is needed before they can move into environmental review or design). It will take approximately 10 to 30 years to implement. He concluded with final thoughts/next-steps.*

*In response to a question from VP Vietor as to when the 265 mgd obligation will be revisited, AGM Ritchie indicated is a contractual obligation. Discussion ensued.*

*Commissioner Moran requested a table showing projection of “needs” and “sources” (needs and obligations - how obligations will be met).*

*Nicole Sandkulla, BAWSCA CEO, stated BAWSCA agencies are reviewing demand projections, which will be completed this fiscal year and presented in February. She stated BAWSCA agencies are interested in reducing use. Brief discussion ensued.*

Public Comment

- *Nicole Sandkulla thanked AGM Ritchie for his presentation and for the project descriptions. She discussed the importance of the capital project timeline to the wholesale customers.*

*The Commission Secretary noted correspondence related to item 6c received from Peter Drekmeier, Tuolumne River Trust. The correspondence was distributed to the Commission.*

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

7. Bay Area Water Supply and Conservation Agency (BAWSCA) Update  
*Nicole Sandkulla reviewed BAWSCA’s Capital Improvement Planning (CIP) Comparison Study (2019), copies of which were distributed to the Commission. She noted why the study was done, why BAWSCA and its agencies are interested in it. She indicated nine West coast agencies participated. She reviewed the common elements of a sound CIP. CIP’s for participant agencies were compared and contrasted for specific CIP elements. She presented findings and recommendations for the SFPUC.*

*No public comment.*

8. Other Commission Business  
*None.*

9. Consent Calendar

- a) Approve an increase of 547 consecutive calendar days to the existing contract duration contingency for Contract No. WD-2621R, San Francisco Groundwater Supply Well Stations; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 1,934 consecutive calendar days, with no change in the contract amount. ([Resolution 19-0199](#))
- b) Accept work performed by JDB and Sons Construction, Inc. for Contract No. WD-2832, Sunol Nursery; approve Modification No.19 (Final) decreasing the contract amount by \$83,969, for a total contract amount of \$2,220,092, and increasing the contract duration by 317 consecutive calendar days, for a total duration of 737 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0200](#))

- c) Accept work performed by Anvil Builders, Inc. for Contract No. WW-657R, Drumm and Jackson Streets Sewer Improvements; approve Modification No. 4 (Final), decreasing the contract amount by \$1,354,443, for a total contract amount of \$4,363,144 and a total contract duration of 257 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0201](#))

*On Motion to approve Consent Calendar items 9a through c:  
Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

10. Discussion and possible action to amend the Commission Rules of Order as follows: (1) Rule 6, "Organization and Election of Officers," to establish procedures for unexpected vacancy of the Commission President and/or Vice President, and (2) Rule 16, "Order of Business," to revise the Regular Meeting Agenda order of business.

*Deputy City Attorney Francesca Gessner responded to a question from Commissioner Paulson regarding the need for changing to Rule 6.*

*On Motion to approve item 10:  
Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

11. Approve the selection of a pool of qualified respondents to the CleanPowerSF Request for Offers of Renewable Energy Supplies (PRO.0153); authorize the General Manager to negotiate agreement(s) with the approved pool of qualified respondents; conditionally authorize the General Manager to execute one or more agreement(s); and authorize the General Manager to seek approval from the Board of Supervisors to execute one or more agreement(s) with the approved pool of qualified respondents, to the extent required. ([Resolution 19-0202](#))

*Barbara Hale, AGM Power, responded to a question from Commissioner Moran regarding the bid process.*

*On Motion to approve item 11:  
Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

12. Authorize the General Manager to execute a Joint Funding Agreement with the U.S. Geological Survey for an amount not-to-exceed \$2,182,525 and with a duration of five years, to provide hydrologic monitoring and stream gauge maintenance on the Tuolumne River and its tributaries. ([Resolution 19-0204](#))

*On Motion to approve item 12:  
Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

13. Approve the selection of, and award Grant Agreement No. PRO.0151, Demonstration Garden Operations and Programming, to the San Francisco Parks Alliance, acting as the fiscal sponsor for the Garden for the Environment (GFE), to operate a public demonstration garden and deliver educational programming on approximately one-half acre of real property under the jurisdiction of the San Francisco Public Utilities Commission at 7<sup>th</sup> Avenue and Lawton Streets in San Francisco, with a term of five years and in an amount not-to-exceed \$800,000; and approve the terms and conditions of and authorize the General Manager to execute a five-year, no-fee revocable license with the San Francisco Parks Alliance, as the GFE's fiscal sponsor, to use the Property to perform GFE's grant obligations under Agreement No. PRO.0151. ([Resolution 19-0203](#))

*On Motion to approve item 13:*

*Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

14. Approve Direction to Staff Regarding Development of Policy for Rationing for Residential Water Customers During Severe Drought instructing staff to review the SFPUC's Retail Water Shortage Allocation Plan during the upcoming 2020 Urban Water Management Plan update, and as part of that review, analyze and make recommendations regarding three policy options for mandatory residential rationing during a drought including imposing a lower level of rationing on residential customer classes with lower per capita water consumption than those with higher per capita water consumption. ([Resolution 19-0205](#))

*AGM Ritchie introduced the item. He indicated the policy will allow staff to analyze and make recommendations regarding three policy options for mandatory residential rationing during a drought. Once developed, the policy will be brought before the Commission for consideration.*

*AGM Ritchie responded to a question from Commissioner Moran as to whether there are new elements included in the guidance.*

*AGM Ritchie responded to a question from Commissioner Moran if there are potential conflicts with the policy and previously approved Water Supply Assessments.*

*On Motion to approve item 14:*

*Ayes: Vietor, Moran, Maxwell and Paulson*

*No public comment.*

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

*None.*

16. 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: Vietor, Moran, Maxwell and Paulson*

*The Commission entered Closed Session at 3:52 PM.*

17. 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 Corporation  
Case No. 19-30088/Date Filed: January 29, 2019  
Case No. 19-30089/Date Filed: January 29, 2019  
United States Bankruptcy Court, Northern District of California

18. 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 Company  
Docket No. EL19-38-000/Date Filed: January 28, 2019 Federal Energy Regulatory Commission

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)  
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

*Commissioner Paulson left the meeting at 4:53 PM.*

*The Commission exited Closed Session at 5:01 PM.*

20. Announcement Following Closed Session  
*VP Vietor stated no action was taken.*
21. 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: Vietor, Moran, and Maxwell*
22. Other New Business  
*None.*
23. Adjournment  
*The meeting was adjourned at 5:01 PM.*