



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, September 10, 2019**

**1:30 P.M.**

(Approved October 8, 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  
*Present Caen called the meeting to order at 1:38 PM.*
2. Roll Call  
*Present: Caen, Vietor, Moran, Maxwell and Paulson*
3. Approval of the Minutes of August 27, 2019  
*On Motion to approve the Minutes of August 27, 2019:*  
*Ayes: Caen, Vietor, Moran, Maxwell and Paulson*  
  
*No public comment.*
4. General Public Comment
  - *Eileen Boken discussed the City of San Francisco's offer to PG&E to purchase its electric distribution and transmission assets in San Francisco. She encouraged the additional purchase of the former Hunter's Point power plant and requested undergrounding of power lines.*
  - *Dave Warner ask for discussions regarding the drought planning model. He discussed tree ring analysis/data and offered to meet with staff.*
  - *Francisco DaCosta stated there is a need for a report regarding how much of the water and wastewater pipes have been replaced. He discussed the City of San Francisco's offer to PG&E to purchase its electric distribution and transmission assets in San Francisco.*
  - *Peter Drekmeier Tuolumne River Trust, discussed the Mayor's stakeholder group to discuss water supply. He noted he is on SPUR's Water and Climate Change Committee and discussed the presentation they received from Sewer System Improvement Program staff regarding the Green Stormwater Infrastructure Plan. He presented a graph of Tuolumne river median flow and median unimpaired runoff (1997-2017).*
5. Communications
  - a) Advance Calendar
  - b) Correspondence Log
  - c) Contract Advertisement Report
  - d) Annual Water System Improvement Program Report
  - e) Contaminants of Emerging Concern in Drinking Water Progress Update  
*Andrew DeGraca responded to a question from President Caen as to whether there is outreach to other areas in California experiencing water quality issues.*
  - f) Regional Groundwater Storage and Recovery Project
  - g) Water Supply Conditions Update  
Public Comment
  - *Nicole Sandkulla, BAWSCA, spoke to item 5f. She summarized BAWSCA's concerns with the Water System Improvement Program's (WSIP) scope, schedule and budget changes as presented in 2018. She discussed a history of BAWSCA's requests and meetings with*

*staff. She asked that the Commission continue to seek additional clarity on WSIP project scope, schedule, and budget.*

6. Report of the General Manager (GM)

a) Bay Delta Water Quality Control Plan (BDWQP) Update

*Michael Carlin, Deputy General Manager (DGM), reported on the BDWQP stakeholder process. He indicated a tentative agreement has been negotiated and must be approved by the State Water Board. Work continues with stakeholders.*

*DGM Carlin responded to a question from VP Vietor regarding what would happen if the Stated implements a 40% requirement, and what the implications would be for the SFPUC and the service area. He provided additional information regarding the stakeholder process.*

Public Comment

- *Francisco DaCosta stated that a meeting with the Governor and his staff should occur and that Native Americans should be invited to those discussions.*

b) Capital and Operating Budget Planning Update FY 2020-21 and FY 2021-22

*Eric Sandler, CFO and Assistant General Manager (AGM) Business Services, presented the biennial budget overview. He presented the external budget context (economic factors, service demand trends, and regulatory factors).*

*AGM Sandler responded to a question from Commissioner Maxwell regarding capital improvement planning and budgeting. Brief discussion ensued. He continued with a discussion of the and internal budget context (rates and charges mostly fixed), and major changes across the organization. AGM Sandler provided clarification for VP Vietor regarding CleanPowerSF's rate-setting process. GM Kelly responded to a question from Commissioner Maxwell regarding budgeting for staff positions. Discussion followed.*

*AGM Sandler discussed the budget development framework (strategic plan goal areas, Commission policies, and budget process enhancements), and concluded with the budget development schedule.*

*AGM Sandler responded to a question from Commissioner Moran as to how efficiencies are being captured. Discussions continued regarding budgeting and the extraordinarily long time it takes to fill vacant positions.*

*No public comment.*

c) Hetch Hetchy Capital Improvement Program Quarterly Report

*Dan Wade, Director, Water Capital Programs, presented highlights of the reporting period: (1) Mountain Tunnel Improvements; (2) Warnerville Substation Rehabilitation; (3) Lower Cherry Aqueduct Rehabilitation; and (4) Early Intake Switchyard Slope Hazard Mitigation. He continued with a review of the O'Shaughnessy Dam Outlet Works Phase I, Lower Cherry Aqueduct, Mountain Tunnel Improvements, Moccasin Reservoir perimeter security fence, 2018 March storm event emergency repairs and interim improvements, and offered congratulations to the Tuolumne Pre-Apprenticeship Training Program graduating class, April 2019.*

*No public comment.*

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

*GM Kelly informed the Commission that the City submitted a formal offer of \$2.5 billion to purchase substantially all of PG&E's electric distribution and transmission assets that serve San Francisco. He noted it is the goal of the SFPUC to provide clean, safe, reliable and affordable power to San Francisco's electric customers. He stated the Commission will be updated and engaged throughout the process.*

*Barbara Hale, AGM Power, provided additional details regarding the offer. She indicated the preliminary report and the City's offer letter are posted on the SFPUC website:*

<https://sfwater.org/index.aspx?page=1166>.

*Commissioner Paulson thanked staff for the information and asked to be kept informed. President Caen noted the Commission's role in the process and that hope they are given appropriate credit in the future.*

*No public comment.*

7. Other Commission Business

*None.*

8. Consent Calendar

- a) Approve the selection of The Allen Group, LLC/Hollins Consulting, Inc. Joint Venture (TAG/HCI JV); award Agreement No. PRO.0027, Southeast Community Center at 1550 Evans Construction Management Staff Augmentation Services, to assist San Francisco Public Utilities Commission staff in managing the construction of the new Southeast Community Center located at 1550 Evans Avenue in San Francisco; and authorize the General Manager to negotiate and execute a professional services agreement with TAG/HCI JV for an amount not to exceed \$5,000,000, and with a duration of 31 months. ([Resolution 19-0175](#))
- b) Accept work performed by Cal State Constructors, Inc. for Contract No. WW-599R, Southeast Water Pollution Control Plant Cryogenic Oxygen Plant Demolition and Liquid Oxygen System Upgrades, for a total contract

amount of \$6,531,668, and a total contract duration of 540 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0076](#))

*On Motion to approve Consent Calendar items 8a and 8b:  
Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

*No public comment.*

9. Public Hearing: Consider accepting and provide response to public comment on the 2019 Public Health Goals (PHG) Report for the San Francisco Water System; approve the report; and direct the Water Quality Division Director to submit a letter notifying the State Water Resources Control Board, Division of Drinking Water that the hearing was conducted, and that the report is available ([Resolution 19-0177](#))

*Mr. Andrew DeGraca, Water Quality Director, presented the SFPUC 2019 Public Health Goal Report. He indicated the SFPUC complies with all Health Goal requirements. Mr. DeGraca reviewed test results and typical sources in drinking water (arsenic, bromate, chromium (VI), gross alpha, lead, and total coliform). He reviewed SFPUC's efforts on reducing lead and presented follow-up actions: (1) continue water quality monitoring and existing operations; (2) minimize contamination sources; and (3) Partner with agencies on lead exposure reduction.*

*Mr. DeGraca responded to questions from Commissioner Maxwell regarding the source of ammonia, and President Caen regarding lead testing in schools.*

*On Motion to approve item 9:  
Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

*No public comment.*

10. Approve the San Francisco Public Utilities Commission's response to the relevant findings and recommendations of the July 17, 2019 Civil Grand Jury Report entitled, "Act Now Before It Is Too Late: Aggressively Expand and Enhance Our High-Pressure Emergency Firefighting Water System" and authorize and direct the Commission President to submit the Commission's response to the Civil Grand Jury no later than September 15, 2019. ([Resolution 19-0178](#))

*John Scarpulla, Manager, Local Policy and Government Affairs, noted that the Emergency Firefighting Water System (EFWS) is a high-pressure fire suppression water system that was built after the 1906 earthquake. Ownership of the EFWS was transferred to the SFPUC in 2010. He presented the original EFWS map which indicates 33 seismically reliable valves throughout the system.*

*He continued with a presentation of (1) Partnership; (2) Reliability in 2010; Earthquake Safety and Emergency Response (ESER) Bonds; (3) Key ESER projects completed (installation of 30 new cisterns, reliability upgrades at three primary source supplies, replacement of engines and installation of remote*

*control capabilities for Seawall pump station #1, and six pipeline tunnel projects; (4) Key ESER projects under construction; (5) Reliability after 2010/14 ESER bond projects; (6) Development Projects; (7) Preliminary list of potential projects; (8) Conceptual alignment for potential Westside potable EFWS.*

*Mr. Scarpulla responded to a question from VP Vietor as to why potable water is used in the Auxiliary Water Supply System. GM Kelly provided additional information. Mr. Scarpulla briefly described the pipes and system used in Japan.*

*GM Kelly responded to Commissioner Maxwell's question as to whether grey water can be used.*

*Mr. Scarpulla continued: (9) Reliability after ESER 2010/14 and potential future projects; (10) Maintenance activities; (11) Executive summary of Civil Grand Jury (CGJ) report; (12) Review of CGJ recommendations and responses provided to recommendations 1, 2, 6, 7, 9, and 10.*

*On Motion to approve item 10:*

*Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

*No public comment.*

11. Consent to the vacation of a portion of a public utility easement encumbering San Francisco Block 2923, Lot 078, and the City's Director of Property proposed transfer of the City's interest in the vacated Easement to the underlying fee owners of the property subject to the Easement. ([Resolution 19-0179](#))  
*DGM Carlin introduced the item and requested approval.*

*On Motion to approve item 11:*

*Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

*No public comment.*

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

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

*On Motion to assert:*

*Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

*The Commission entered Closed Session at 4:01 PM.*

14. 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

15. 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

16. 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 4:42 PM.*

17. Announcement Following Closed Session

*None.*

18. 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: Caen, Vietor, Moran, Maxwell and Paulson*

19. Other New Business

*None.*

20. Adjournment

*President Caen adjourned the meeting at 4:43 PM.*