



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, January 28, 2020
1:30 P.M.
(Approved February 11, 2020)

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

Gavel-to-Gavel coverage available at:

http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22

1. Call to Order

President Caen called the meeting to order at 1:35 pm.

2. Roll Call

Present: Caen, Vietor, Moran, and Maxwell

Absent: Paulson

3. Approval of the Minutes:

- January 9, 2020 Special Budget Hearing #1

- January 14, 2020 Regular Meeting

- January 16, 2020 Special Budget Hearing #2

On Motion to approve the minutes of January 9, 14, and 16:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

4. General Public Comment

- *Francisco DaCosta discussed the budget hearings and expressed the need to address available resources. He stated we must stop flushing toilets with fresh water. He stated the discussion of the trails is not important, but other items, such as climate change and fires are.*
- *Tariq Mehmood discussed concerns with his unusually high water bill. He stated he contacted the SFPUC and his meter was checked and replaced, but that it is still not reading correctly.*

President Caen asked that staff speak with Mr. Mehmood regarding his bill.

5. Communications

- Advance Calendar
- Correspondence Log
- Contract Advertisement Report
- Water Supply Conditions Update

No public comment.

6. Recognition of Mr. Carlos Jacobo for his 44 years of service to the City and County of San Francisco, with 38 years of this service to the San Francisco Public Utilities Commission

General Manager (GM) Kelly summarized Mr. Jacobo's distinguished career and thanked him for his many years of service and tireless contribution to the SFPUC and the City of San Francisco.

President Caen spoke to one of her first Commission meetings in March 1997 and her interaction with Carlos at that meeting where he answered a question regarding ratios. She indicated she has looked to him for answers since that time and will miss working with him.

Commissioner Maxwell congratulated Mr. Jacobo for his 44 years of service and dedication to San Francisco. She noted his new opportunity to spend time with family and enjoy retired life.

Commissioner Moran recounted their time working together in the District Attorney's Office and his subsequent hiring of Mr. Jacobo at the SFPUC. He expressed appreciation for the high quality of the work performed by Carlos and the fact that he does it quietly and effectively. He recognized former GM's Susan Leal and Ed Harrington, and former Commission Secretary Jill Thompson who were in attendance.

Vice President (VP) Vietor thanked Carlos for his service, wished him well, and encouraged him to spend time with family, travel, and enjoy life.

Public Comment

- Susan Leal thanked Mr. Jacobo for his many years of service and wished him well.
- Ed Harrington stated he worked with Carlos when he started at the SFPUC and that Carlos taught him much about the workings of the City and the SFPUC. He noted his kindness and competency.
- Eric Sandler, SFPUC CFO, stated he first worked with Carlos in 2001. He discussed Mr. Jacobo's dedication to his work, impeccable stewardship, and his work on behalf of ratepayers. He noted his high values and ability to connect with people.

GM Kelly read from a proclamation from Mayor Breed indicating that January 28, 2020 has been declared "Carlos Jacobo Day" in San Francisco; President Caen presented Mr. Jacobo with a Ceremonial Resolution from the Commission in recognition of his service; and GM Kelly presented a "Recognition of Achievement" and a SFPUC water meter cover to Mr. Jacobo.

Mr. Jacobo thanked the Commission and GM for the recognition. He thanked his wife, finance team, and his colleagues, past and present, for their support and work. He expressed gratitude for his career with the City and for the SFPUC.

7. Report of the General Manager

a) Local Renewable Energy Report

Michael Hyams, Director, CleanPowerSF (CPSF) stated that CPSF is required under state law to prepare an Integrated Resource Plan (IRP) every two years. An IRP evaluates demand and supply scenarios, over a 20-year time frame, to identify the lowest cost at which a utility can deliver reliable energy to its customers and to meet policy objectives. Mr. Hyams indicated local planning is part of a regular recurring planning cycle.

Director Hyams noted renewable energy projects on City property that the SFPUC is investing in, including existing San Francisco solar projects and those projects that are in development (\$10.5 million will be invested).

Mr. Hyams reviewed: (1) Local Renewable Energy Report approach, (2) Bay Area Region Renewable Energy Resource areas (solar, wind geothermal and offshore

wind), (3) Local Renewable Resource costs, (4) Local Renewable Energy Content and Ratepayer Costs, (5) Review of 132 in-City, City-owned sites for potential projects, (6) Methodology, (7) Site evaluation factors, (8) Findings: City-owned sites (in-City, City owned and regional, City-owned), (9) Findings: opportunities in/near San Francisco (offshore wind, disadvantaged communities solar programs, and Feed-in-Tariff), (10) Next steps (high and medium stability sites; and low sustainability sites/other opportunities), and (11) Stakeholder engagement.

AGM Hale responded to a question from Commissioner Maxwell as to whether the SFPUC is working with the HopeSF Project.

Mr. Hyams responded to a question from VP Vietor regarding proposed project sites.

No public comment.

b) Sewer System Improvement Program Major Projects Update

Steven Robinson, Wastewater Capital Program Director, introduced Shelby Campbell, Project Manager, who provided an update regarding the Southeast Community Center (SECC) at 1550 Evans. She began with a review of the site plan, followed by the SECC project budget (\$108.5M), milestones, and project timeline. She discussed Local Participation LBE and workforce strategy, current project status (procurement update 65% complete, LBE participation 43% and District 10 minority contracts 20% of total LBE), construction cost (trending +10% - structural steel +\$1.5M and electrical +\$3M), SECC Facilities Management Plan, and the Groundbreaking ceremony scheduled for March 7, 2020.

Ms. Campbell responded to a question from Commissioner Maxwell regarding whether there are any water educational features incorporated into the buildings or grounds design. GM Kelly provided additional response. VP Vietor concurred with Commissioner Maxwell's concern for the incorporation of educational programming. President Caen requested that staff come back to address how these ideas will be incorporated.

No public comment.

c) Update on PG&E's Bankruptcy and City's Acquisition Offer

Barbara Hale, Assistant General Manager (AGM) Power, provided the following updates: (1) PG&E Bankruptcy – PG&E Preferred Plan and Ad Hoc Noteholder Alternative Plan (separate, competing plans) were before the bankruptcy judge for consideration. PG&E reached agreement with the Noteholder Committee that the Committee will withdraw their Alternative Plan and support PG&E's Preferred Plan. PG&E will file a new plan with the California PUC (CPUC); (2) Regulatory – CPUC began an investigation on PG&E's plan. PG&E will file testimony supporting its Preferred Plan and will address compliance with AB1054 requirements; (3) Legislative – Senator Weiner's Securitization Bill was introduced (SB804) which will allow local agencies to qualify bonds for more favorable credit ratings and reduce

debt service coverage required by investors; (4) Internal – Power Enterprise has completed work to refresh the 2015 Business Plan and is working on operational readiness to take on expanded service responsibility.

No public comment

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

None.

8. Bay Area Water Supply and Conservation Agency (BAWSCA) Report

Nicole Sandkulla, BAWSCA CEO, distributed copies of and read a statement “San Francisco Public Utilities Commission’s Proposed Capital Improvement Program, Which Must Have Full Funding and Adequate Staffing, and the Water System Improvement Program Which Must Not be Terminated Before All Projects are Completed”.

CEO Sandkulla responded to a question from President can as to their specific areas of concern. Brief discussion ensued.

No public comment.

9. New Commission Business

Commissioner Maxwell requested that the Mountain Tunnel, high risk fire hazards, and the Peninsula Trails be revisited during the January 30th Budget Hearing. President Caen indicated they will be revisited during the first agenda item, review of Commissioner questions and staff answers.

No public comment.

10. Consent Calendar:

a) Approve an increase of 611 consecutive calendar days to the existing contract duration contingency for Contract No. WD-2760, 12-Inch and 8-Inch Ductile Iron Water Main Replacement, Sewer Replacement and Pavement Renovation on Waller Street and Various Side Streets; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 1,116 consecutive calendar days, with no change to the contract amount. ([Resolution 20-0015](#))

b) Accept work performed by Monterey Mechanical Co. for Contract No. WW-632, Southeast Water Pollution Control Plant Existing Digester Gas Handling Improvements, for a total contract amount of \$10,996,642, and a total contract duration of 790 calendar days; and authorize final payment to the contractor. ([Resolution 20-0016](#))

c) Accept work performed by Cal State Constructors, Inc. for Contract No. WW-642, Southeast Water Pollution Control Plant Gas Holder Evacuation System, for a total

contract amount of \$3,556,700 and a total contract duration of 660 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 20-0017](#))

- d) Approve an increase of 621 consecutive calendar days to the existing contract duration contingency for Contract No. WW-644, As-Needed Sewer Sealing; and authorize the General Manager to approve future modifications for a total revised contract duration of up to 1,825 consecutive calendar days, with no change to the contract amount. ([Resolution 20-0018](#))
- e) Approve an increase in the amount of \$1,000,000 to the existing contract cost contingency and an increase of 210 consecutive calendar days to the existing duration contingency for Contract No. WW-683R, Sansome, 5th, 6th (North), and Division Street Combined Sewer Discharge Rehabilitation and Backflow Prevention; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$6,397,799 and a total contract duration of up to 441 consecutive calendar days. ([Resolution 20-0019](#))

*On Motion to approve Consent Calendar items 10a through 10e:
Ayes: Caen, Vietor, Moran, and Maxwell*

No public comment.

11. Approve modification of the San Francisco Public Utilities Commission's Onsite Water Reuse Grant Program Rules to double the amount of grant funding for eligible projects as follows: (1) projects that replace at least 450,000 gallons of SFPUC water per year would be eligible for up to \$200,000 instead of \$100,000, (2) projects that replace at least 1,000,000 gallons of SFPUC water per year would be eligible for up to \$500,000 instead of \$250,000, and (3) projects that replace at least 3,000,000 gallons of SFPUC water per year would be eligible for up to \$1 million instead of \$500,000 in grant funds. ([Resolution 20-0020](#))

Steve Ritchie, AGM Water, introduced the item, noted the need for the rule modification, and requested approval. He responded to a question from Commissioner Maxwell regarding the grant program and funding.

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

No public comment.

12. Authorize the General Manager to execute a Memorandum of Understanding between the Port of San Francisco and the SFPUC, for the SFPUC to provide temporary electric service during construction for the Pier 70 Development and Pier 70 end users from the Port's primary metered service in Building 102 located on 20th Street, for a total cost to the SFPUC not-to-exceed \$500,000. ([Resolution 20-0021](#))

AGM Hale responded to a question from VP Vietor as to whether this, and similar projects, are candidates for the Integrated Resource Plan.

On Motion to approve item 12:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

13. Approve the terms and conditions of, and authorize the General Manager to execute Amendment No. 1 to the License Agreement dated March 15, 2012 with C5 Children's School, a California nonprofit public benefit corporation, extending the term by five years for a total term of 13 years, to continue to use approximately 9,518 square feet of ground floor space plus approximately 1,652 square feet of enclosed exterior space for a childcare facility at 525 Golden Gate Avenue, for a \$1 annual fee and waiving for purposes of this License the requirements of Section 5.3.2 of the Commission's Real Estate Guidelines. ([Resolution 20-0022](#))

Rosanna Russell, Real Estate Director, introduced the item and requested approval. At the instruction of President Caen, Director Russell will obtain information as to the tuition cost for children to attend the childcare facility.

On Motion to approve item 13:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

14. Approve Amendment No. 2 and retroactively approve Amendment No. 1 to Agreement No. CS-344, Power Scheduling Coordination and Related Support Services, with APX Inc., to allow for the processing of the California Independent System Operator power transmission service charges; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$42,000,000 for a total not-to-exceed agreement amount of \$149,900,000, and extending the agreement duration by two years, for a total duration of seven years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 20-0023](#))

AGM Hale introduced the item and requested approval.

On Motion to approve item 14:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

15. Approve the award of a Green Infrastructure Grant in the amount of up to \$1,118,958 to the Archdiocese of San Francisco Parish and School Juridic Persons Real Property Support Corporation (RPSC) to design, and if the project proceeds, construct stormwater management features at the St. Thomas More School located at 50 Thomas More Way; and authorize the General Manager to execute a Green Infrastructure Grant Agreement with RPSC for a duration of 20 years. ([Resolution 20-0024](#))

Sarah Bloom introduced the item and reviewed funding disbursement procedures. She responded to questions from Commissioner Moran regarding how sites are selected; Commissioner Maxwell regarding features installed at the sites; and VP Vietor

regarding the need to record lessons-learned and challenges, and in addition to hardscapes, what other educational programming may be incorporated.

On Motion to approve item 15:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

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

None.

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

On Motion not to disclose:

Ayes: Caen, Vietor, Moran, and Maxwell

No public comment.

The Commission entered Closed Session at 3:34 pm.

Commissioner Vietor was excused from the meeting at 3:34 pm.

18. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (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

19. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (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

20. Conference with Legal Counsel – Pursuant to California Government Code Section 54965.9 (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 4:20 pm.

21. Announcement following Closed Session

President Caen announced that no action was taken.

22. 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, Moran, and Maxwell

No public comment.

23. Adjournment

President Caen adjourned the meeting at 4:21 pm.