



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Daniel Lurie
Mayor

REGULAR MEETING MINUTES
Tuesday, February 11, 2025
1:30 PM
(Approved February 25, 2025)

1 Dr. Carlton B. Goodlett Place
City Hall, Room 400

Commissioners

Kate H. Stacy, President
Joshua Arce, Vice President
Avni Jamdar
Stephen E. Leveroni

Dennis J. Herrera
General Manager

Tiffany Lennear
Director of Commission Affairs

ORDER OF BUSINESS

1. Call to Order

President Stacy called the meeting to order at 1:30 P.M.

2. Roll Call

Present: Stacy, Arce, Jamdar, and Leveroni

3. Approval of the Minutes of January 28, 2025

No public comment provided.

On motion to approve the minutes of January 28, 2025:

Ayes: Stacy, Arce, Jamdar, and Leveroni

4. General Public Comment

No public comment provided.

5. Report of the General Manager (discussion only)

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

No report provided

6. Fiscal Year 2023-24 Audited Financial Statements

Vivian Chen, Deputy Chief Financial Officer, and Annie Louie of MGO, presented the report.

Dave Warner provided public comment relating to the quality of the financial reports provided and the good work staff performs.

7. **CONSENT CALENDAR**

- a) Award Contract WW-744, Seacliff 2 Pump Station and Force Main Upgrade, to Western Water Constructors, Inc., in the amount of \$14,944,000 and with a duration of 720 consecutive calendar days (approximately two years), to repair and rehabilitate the existing Seacliff 2 Pump Station and construct a new force main. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA), pursuant to San Francisco Administrative Code section 31.04(h). The Planning Department has determined that the Project is exempt from the CEQA. The Commission will rely on that determination to make its decision on this action. (25-0018)

No public comment provided.

On motion to approve the Consent Calendar Item 7a:

Ayes: Stacy, Arce, Jamdar, and Leveroni

REGULAR CALENDAR

8. Approve, in support of the San Francisco Public Utilities Commission's Water Enterprise Interim Funding Program, the (1) form of First Amendment to the Reimbursement Agreement, dated May 1, 2021, with Sumitomo Mitsui Banking Corporation (SMBC) in the aggregate principal amount not to exceed \$100 million (exclusive of 270 days' interest) and the form of related Amended and Restated Fee Agreement; (2) form of Reimbursement Agreement with PNC Bank in the aggregate principal amount not to exceed \$150 million (exclusive of 270 days' interest) and form of related Fee Agreement; (3) Form of First Amendment to Dealer Agreement; (4) Issuing and Paying Agent Agreement with U.S. Bank Trust Company, National Association (US Bank); and (5) Offering Memorandum; and authorize the General Manager to enter into agreements with SMBC and PNC Bank for new Letters of Credit. (25-0019)

Nikolai Sklaroff, Capital Finance Director, presented Item 8

No public comment provided.

On motion to approve Item 8:

Ayes: Stacy, Arce, Jamdar, and Leveroni

9. Approve, in support of the San Francisco Public Utilities Commission's Power Enterprise Interim Funding Program, the (1) form of Reimbursement Agreement with Sumitomo Mitsui Banking Corporation (SMBC) in the aggregate principal amount not to exceed \$100 million (exclusive of 270 days' interest) and form of related Fee Agreement; (2) form of Second Amended and Restated Issuing and Payment Agent Agreement; (3) form of First Amendment to Dealer Agreement; and (4) Offering Memorandum; and authorize the General Manager to enter into an agreement with SMBC for a new Letter of Credit. (25-0020)

Nikolai Sklaroff, Capital Finance Director, presented Item 9

No public comment provided.

On motion to approve Item 9:

Ayes: Stacy, Arce, Jamdar, and Leveroni

10. **Public Hearing** to consider and possible action to amend the Fiscal Year 2025-26 San Francisco Public Utilities Commission Operating Budget including the Revenue Transfer for Capital, with a reduction of \$30,233,308, for a total amount of \$2,127,237,927; and authorize the General Manager to submit a supplemental appropriation request to the Mayor and Board of Supervisors. (25-0021)

Laura Busch, Co-Deputy Chief Financial Officer, and Anna Duning, Budget Director, presented Item 10.

On motion to approve Item 10:

Ayes: Stacy, Arce, Jamdar, and Leveroni

11. **Public Hearing** to consider and possible action to authorize the General Manager to seek Board of Supervisors approval for the issuance of \$1,054,138,857 aggregate principal amount of Water Revenue Bonds and other forms of indebtedness, including commercial paper and State Revolving Fund (SRF) loans, an increase of \$14,131,507 to the Fiscal Year 2025-26 debt authorization, subject to the terms of Charter Sections 9.107(6) and 9.107(8). (25-0022)

Trey Hunter, Principal Administrative Analyst, presented Item 11.

No public comment provided.

On motion to approve Item 11:

Ayes: Stacy, Arce, Jamdar, and Leveroni

12. **Public Hearing** to consider and possible action to adopt the San Francisco Public Utilities Commission 10-Year Capital Plan for Fiscal Year 2025-26 through Fiscal Year 2034-35 totaling \$11,062,520,691. (25-0023)

Trey Hunter, Principal Administrative Analyst, presented Item 12.

No public comment provided.

On motion to approve Item 12:

Ayes: Stacy, Arce, Jamdar, and Leveroni

13. **Public Hearing** to consider and possible action to adopt the San Francisco Public Utilities Commission 10-Year Financial Plan for Fiscal Year 2025-26 through Fiscal Year 2034-35. (25-0024)

Erin Corvinova, Financial Planning Director, presented Item 13.

- *Dave Warner provided comment relating to the reduction in the percentage use of debt.*
- *Peter Drekmeier, Director of Tuolumne River Trust, complimented the excellent work by the finance staff, the transparent information provided, and acknowledged that the report reflects feedback previously shared.*
- *Tom Smegal CEO of BAWSCA, provided comment expressing support of investments made to maintain and improve the reliability and quality of the water system.*

On motion to approve Item 13:

Ayes: Stacy, Arce, Jamdar, and Leveroni

14. **Ratify the termination of the Los Vaqueros Reservoir Joint Exercise of Powers Agreement and the dissolution, winding up, and liquidation of the Los Vaqueros Reservoir Joint Powers Authority in accordance with the terms of Authority Resolution No. 1-25-01, adopted on January 8, 2025, in response to Los Vaqueros Reservoir Expansion Project site owner Contra Costa Water District's decision to end its participation in the Project.** (25-0025)

Steve Ritchie, Water Enterprise Assistant General Manager, presented Item 14.

- *Peter Drekmeier provided comment expressing his lack of support for the project.*

On motion to approve Item 14:

Ayes: Stacy, Arce, Jamdar, and Leveroni

15. Award Contract No. CS-1263, Standard Renewable Gas Interconnection, to Pacific Gas and Electric Company, for an amount not to exceed \$7,000,000, and with a duration of ten years, to obtain natural gas conveyance services, which require Pacific Gas & Electric Company to design, construct, install, and operate the facility required for pipeline injection of the renewable natural gas generated from the new digesters at the San Francisco Public Utilities Commission's Southeast Treatment Plant. (25-0026)

Daniela Brandao, Project Manager, presented Item 15.

No public comment provided.

On motion to approve Item 15:

Ayes: Stacy, Arce, Jamdar, and Leveroni

16. Approve an increase of 560 calendar days to the duration contingency for Contract No. WD-2717, College Hill Reservoir Outlet Structure and Pipeline, with Ranger Pipelines Incorporated, for a revised duration limit of up to 1,660 consecutive calendar days (approximately four years and seven months), with no change to the contract amount, due to delays associated with Pacific Gas and Electric Company, requiring a change during the construction contract from wholesale electric rate tariff to retail rate tariff for the site, resulting in the need for a revised permanent power service application, subsequently causing delays in fabricating and installing electrical panels, and delays to startup, testing, and site energization. Additional contingency is also requested for fabrication and installation of a Pacific Gas and Electric Company meter-pedestal prior to site energization. (25-0027)

Ryan Freeborn, Project Manager, presented Item 16.

No public comment provided.

On motion to approve Item 16:

Ayes: Stacy, Arce, Jamdar, and Leveroni

17. Approve Amendment No. 1 to Contract No. PRO.0140.A, Construction Management Services for the East Bay Region, with CPM/CM Pros Joint Venture, increasing the contract not-to-exceed amount by \$25,000,000 and increasing the contract duration by two years, for a total contract not-to-exceed amount of \$34,000,000 and a total contract duration of nine years, to provide continued and additional construction management, construction inspection, special

inspection, materials testing, project controls, and safety oversight services for Contract No. WD-2897, Sunol Valley Water Treatment Plant Ozonation Project, and Contract No. WD-2909, Sunol Valley Water Treatment Plant Short Term Improvements Project, which are two major capital projects that have grown significantly in scope, cost, and complexity since this contract was awarded, subject to the Board of Supervisors approval pursuant to Charter Section 9.118.
(25-0028)

James Sakai, Construction Management Bureau Project Engineer, presented Item 17.

No public comment provided.

On motion to approve Item 17:

Ayes: Stacy, Arce, Jamdar, and Leveroni

18. COMMUNICATIONS (information only)

- a. Advance Calendar
- b. Contract Advertisement Report
- c. Correspondence Log
- d. Water Supply Conditions Update
- e. FY 2023-24 Annual Comprehensive Financial Report
- f. FY 2023-24 Popular Annual Financial Report
- g. Annual Dry Year Supply Progress Report Pursuant to AB1823

19. Items initiated by Commissioners (discussion only)

Commissioner Arce shared his plan to attend the Citizens Advisory Committee (CAC) meeting next week.

20. Adjournment

President Stacy adjourned the meeting at 4:03 P.M.