



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

**London N. Breed**

Mayor

**REGULAR MEETING MINUTES**

**Tuesday, August 13, 2024**

**1:30 PM**

**(Approved August 27, 2024)**

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

**Commissioners**

Tim Paulson, President

Anthony Rivera, Vice President

Newsha Ajami

Kate H. Stacy

Dennis J. Herrera

General Manager

Tiffany Lennear

Director of Commission Affairs

1. Call to Order

*President Paulson called the meeting to order at 1:33pm.*

2. Roll Call

*Present: President Tim Paulson, Commissioner Newsha Ajami and Commissioner Kate Stacy*

3. Approval of the Minutes of June 25, 2024

*No Commission comment or public/remote comment.*

*On motion to approve the Minutes of June 25, 2024:*

*Ayes: Paulson, Ajami and Stacy*

4. General Public Comment

*Peter Drekmeier, Policy Director for the Tuolumne River Trust, provided remote public comment on several items from the Consent Calendar. He also urged the Commission to increase the water flow of the Tuolumne River, as 21% is not enough to sustain the ecology and surrounding environment.*

5. Report of the General Manager (discussion only)

*Dennis Herrera, General Manager of the San Francisco Public Utilities Commission (SFPUC), introduced each report.*

a) SFPUC Human Resources Update

*Wendy Macy, Chief People and Workplace Officer, and Cheryl Sperry, Business Services Manager, presented the report.*

*President Paulson appreciated the focus on the engineering needs of the SFPUC.*

*Commissioner Ajami questioned how the challenges of housing, childcare and healthcare options are addressed during the recruitment phase. Manager Sperry responded, stating there are multiple strategies such as providing temporary housing and working with community partners to provide childcare.*

*Commissioner Stacy questioned if we have housing available for current staff. Manager Sperry stated there was a collaborative effort with the Internal Affairs unit of the San Francisco Health Commission to get this program up and running.*

*Peter Drekmeier provided remote public comment.*

b) Water System Improvement Program Quarterly Report

*Katie Miller, Director of Water Infrastructure Capital Program (WSIP), presented the report.*

*No Commission comment or public/remote comment.*

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

*None.*

## 6. CONSENT CALENDAR

- a) Approve **Amendment No. 2 to Contract No. PRO.0174**, Cooperative Agreement with The Energy Council for CleanPowerSF's participation in the Bay Area Regional Heat Pump Water Heater Contractor Incentive Program, increasing the contract amount by \$750,000 and extending the contract duration by nine days, for a new not-to-exceed contract amount of \$1,200,000 and a new contract duration of three years, one month, and nine days. (Hale)
- b) Approve **Amendment No. 4 to Contract No. CS-388**, River Ecosystem Science Support Services, with McBain Associates, increasing the contract amount by \$215,000, and extending the contract duration by six months, for a total not-to-exceed contract amount of \$2,815,000 and a total contract duration of 10 years, to continue to provide hydrologic, geomorphic, biological, and other related river ecosystem science support services on an as-needed basis. (Ritchie)
- ~~e) Authorize the use of \$1,500,000 for **implementation of the Tuolumne River Mainstem Channel Restoration Upstream** of Old La Grange Bridge Project. (Ritchie)~~
- d) Award **Contract No. HH-1015**, O'Shaughnessy Dam Drainage and Miscellaneous Improvements, to the responsible bidder that submitted the lowest responsive bid, Sierra Mountain Construction, Inc., in the amount of \$5,285,955, and with a duration of 360 consecutive calendar days (approximately one year), to improve drainage and safe access within O'Shaughnessy Dam, located in Yosemite National Park, Tuolumne County. (Robinson)
- e) Award **Contract No. PRO.0187**, Regional Groundwater Treatment Improvements Project to Kennedy/Jenks Consultants, Inc.- AGS, Inc., Joint Venture, to provide specialized engineering planning, design, and construction support services, for an amount not to exceed \$9,000,000 and with a duration of eight years. (Robinson)
- f) Accept work performed by J. Flores Construction Company, Inc., under **Contract No. WW-699**, As-Needed Spot Sewer Replacement No. 42, for a total contract amount of \$10,396,690 and a total contract duration of 474 consecutive calendar days (approximately one year and four months); and authorize final payment to the contractor. (Robinson)
- g) Approve an increase of \$2,150,000 to the cost contingency for Design Build **Contract No. DB-121R2**, Moccasin Powerhouse Generator Rehabilitation, with General Electric Renewable Energy, to include improvements to the generator fire protection system, anticipated changes based on lessons learned from the first unit rehabilitation performed during the last outage, and unforeseen modifications that may be required to complete the second generator rehabilitation work, for a revised cost limit up to \$31,048,985, with no change to the contract duration. (Robinson)
- h) Approve an increase of 368 calendar days (approximately one year) to the duration contingency for Design Build **Contract No. DB-130**, Bay Corridor Transmission and Distribution (BCTD) – Phase 3

(2019), with Beta Engineering California, LP., for a revised duration limit of up to 1,847 consecutive calendar days (approximately five years), with no change to the contract amount, for administrative purposes, to allow the completion of contractor-delayed construction activities and commissioning/testing to mitigate the risk of unplanned outages, and to repair recently discovered leaks at the Gas Insulated Switchgear and Transformers. The additional time duration is necessary for Staff to administer the contract while the contractor completes redesign and installation of the vehicle gate for site security, restores pavement and installs new landscaping, and closes-out punch-list items and provide documentation following Davidson Ave Substation energization. (Robinson)

- i) Approve an increase of \$300,000 to the cost contingency and an increase of 151 calendar days to the duration contingency for **Contract No. HH-1005**, San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A, with Sierra Mountain Construction, Inc., for a revised cost limit of \$16,179,454 (including contingency) and a revised duration limit of 1088 calendar days (approximately three years), due to longer lead time to procure additional 15 large diameter valves for Phase 2, to perform more robust quality assurance inspections of the new valves, and to complete the work during the upcoming 2024-2025 outage. (Robinson)
- j) Approve an increase of 610 calendar days (approximately one year and nine months) to the duration contingency for **Contract No. WD-2861**, Auxiliary Water Supply System Clarendon Supply 2019, with Mitchell Engineering, for a revised duration limit of up to 1,489 consecutive calendar days (approximately four years), with no change to the contract amount, to address concurrent delays due to installation and testing of the mechanical system including gate valves and actuators; repairs for water intrusion at the flow meter vault; and completion of punch-list items, including: field coating of valves, drainage rerouting, additional pavement restoration, procurement and delivery of spare parts, preparation of as-built drawings, and administrative close-out documentation. (Robinson)
- k) Approve an increase of 107 calendar days to the duration contingency for **Contract No. WW-735**, Various Locations Main Sewer Inspection No. 1, with Pipe and Plant Solutions, Inc., for a revised duration limit (including contingency) of up to 470 consecutive calendar days (approximately one year and four months), due to unforeseen conditions such as protruding sewer laterals within the existing main sewer, which delayed the progression of the inspection work, with no change to the contract amount. (Robinson)

*A request was made to move Agenda Item #6c to the Regular Calendar, becoming Agenda Item #10.*

*Commissioner Stacy commented on Items 6b 6d and the construction delays encountered during the respective processes. Steve Robinson, Assistant General Manager (AGM) – Infrastructure, provided a response to Commissioner Stacy’s comments.*

*Commissioner Ajami commented on Item 6b as well, stating it would be best practice moving forward to issue contracts on a more performance-based model to avoid various construction delays and performance issues down the road.*

*No public or remote comment.*

*On the Motion to approve Agenda Item #6 – Consent Calendar:*

*Ayes: Paulson, Ajami and Stacy*

## REGULAR CALENDAR

7. Approve the terms and conditions and **issue a five-year lease, plus two, 2-year option terms with Three BG Investments, LLC**, as the landlord, for the City and County of San Francisco, through its Public Utilities Commission, as the tenant, to use storage and office space, a parking lot and an outdoor yard at 19500 Nugget Boulevard, Sonoma, California at an initial annual Base Rent of \$169,218 with three percent (3%) annual increases. (Flynn)

*Joshua Keene, Real Estate Asset and Finance Manager, presented the report.*

*President Paulson questioned the stability of the structure and the reliability of using it as a storage facility.*

*Commissioner Ajami weighed the options of entering multiple year-long leases versus finding a more permanent solution for our needs. In addition, she questioned how much land and warehouse storage we could potentially get for our money.*

*No public or remote comment.*

*On the Motion to approve Agenda Item #7:*

*Ayes: Paulson, Ajami and Stacy*

8. Approve the terms and conditions and authorize the General Manager to execute a **Purchase and Sale Agreement and Easement Deeds with Kaiser Foundation Hospitals** for the acquisition of (i) a 441-square-foot easement for an underground water pipeline and associated appurtenances; (ii) a 1,273-square-foot easement for electrical utilities and associated appurtenances; (iii) an 824-square-foot temporary construction easement; and (iv) a 1,886-square-foot temporary construction easement across a portion of San Mateo County Assessor's Parcel No. 010-292-450, known as 1200 El Camino Real, South San Francisco, California 94080 for \$266,100, subject to Board of Supervisors' and Mayor's approval. (Flynn)

*Dina Brasil, Right of Way Manager, presented the report.*

*President Paulson commented on how interesting it is to see these kinds of proposals brought forth.*

*Commissioner Ajami commented on how easy or difficult it is to acquire land / property. Manager Brasil mentioned how property owners could be "compelled" to sell for the greater good. In addition, she stated the smaller the property, the harder it usually is to acquire and vice versa.*

*No public or remote comment.*

*On the Motion to approve Agenda Item #8:*

*Ayes: Paulson, Ajami and Stacy*

9. Adopt the Final Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program pursuant to the California Environmental Quality Act (CEQA); approve Project No. 10037249, City Distribution Division (CDD) Campus at 2000 Marin, to replace facilities at 1990 Newcomb Avenue;

and authorize staff to proceed with actions necessary to implement the Project, including issuance of the Notice-to-Proceed for the Construction Phase pursuant to the Construction Manager/General Contractor (CM/GC) **Contract No. WD-2879R**. This action constitutes the Approval Action for the Project for the purposes of CEQA, pursuant to San Francisco Administrative Code section 31.04(h). (Robinson)

*Shelby Campbell, Wastewater Enterprise and Water Enterprise Buildings and Facilities Project Manager, presented the report.*

*President Paulson commented on how the old facility holds a lot of sentimental value, but there is a lot of anticipation and excitement for the new project.*

*Commissioner Stacy stated it is rare to have no comments on negative declaration and she was excited to see this project implemented.*

*No public or remote comment.*

*On the Motion to approve Agenda Item #9:*

*Ayes: Paulson, Ajami and Stacy*

10. Authorize the use of \$1,500,000 for **implementation of the Tuolumne River Mainstem Channel Restoration Upstream** of Old La Grange Bridge Project. (Ritchie)

*William Sears, Water Operations Analyst, presented the report.*

*President Paulson requested for the Commissioner who initially questioned the item to state the reason for doing so; Commissioner Stacy stated she had reached out to Karen Frye, Environmental Management Group (EMG) Manager, regarding specific California Environmental Quality Act (CEQA) issues she had identified in the Item and thanked the CEQA group for making the necessary edits to the agenda item and resolution.*

*Commissioner Ajami questioned why there was no need for a Mitigation Monitoring and Reporting Program (MMRP); Operations Analyst Sears stated there was an issue regarding the naming of the actual monitoring process and documenting so.*

*Commissioner Stacy followed up on Commissioner Ajami's statement, stating there is an advantage to knowing who is responsible for what measures and how they are implemented as part of the project.*

*Peter Drekmeier provided remote public comment thanking the team for their collaborative work on this item.*

*On the Motion to approve Agenda Item #10:*

*Ayes: Paulson, Ajami and Stacy*

11. Communications (information only)

- a) Advance Calendar
- b) Contract Advertisement Report

- c) Correspondence Log
- d) Green Infrastructure Grant Program: Board of Supervisors Update
- e) Power Quarterly Report on Delegated Authority Contracts Pursuant to Administrative Code Section 21.43
- f) Water Supply Conditions Update

12. Items initiated by Commissioners (discussion only)

*Commissioner Ajami appreciated the update on the Green Infrastructure Grant Program, stating it is always exciting to see how the program is progressing.*

13. Public Comment on the matter to be addressed during Closed Session

*None.*

14. Motion on whether to assert the attorney-client privilege regarding the matter listed below

*On the Motion to assert the attorney-client privilege:*

*Ayes: Paulson, Ajami, and Stacy*

*The Commission entered Closed Session at 3:04pm.*

**CLOSED SESSION**

*Present during Closed Session: Tim Paulson, Commission President; Newsha Ajami, Commissioner; Kate Stacy, Commissioner; Dennis Herrera, SFPUC General Manager; Sheryl Bregman, Utilities General Counsel; Steve Ritchie, AGM Water Enterprise; Brittany Feitelberg, Special Assistant to the GM; Jannie Ram, Executive Assistant; Tiffany Lennear, Director of Commission Affairs; and Cirilo Espinoza, Acting Commission Secretary.*

15. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9, Administrative Code §67.10(d)(1)).

Proposed settlement of unlitigated claim for property damage resulting from the September 10, 2023, break of a water transmission pipeline at the intersection of Fillmore and Green Streets, with the City to pay the claimants the settlement amounts listed below, each in exchange for a full and final release. This approval is final under the delegated authority granted by the Board of Supervisors (Ordinance No. 20-24 (File No. 231273)).  
(Bregman)

Claim No.	Date Filed	Claimant	Proposed Settlement Amount
24-00847	November 2, 2023	Chelsea Motor Inn	\$42,111.60

*The Commission exited Closed Session at 3:10pm.*

16. Announcement following Closed Session

*President Paulson stated the Commission recommends the Board of Supervisors approve the settlement referenced under Item 15.*

17. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a).

*On the Motion NOT to disclose the discussions during Closed Session:*

*Ayes: Paulson, Ajami and Stacy*

18. Adjournment

*President Paulson adjourned the meeting at 3:15pm*