



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, August 27, 2024
1:30 PM
(Approved September 10, 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

ORDER OF BUSINESS

1. Call to Order

Vice President Rivera called the meeting to order at 1:33 PM.

2. Roll Call

Present: Rivera, Ajami, and Stacy

Excused: Paulson

3. Approval of the Minutes of August 13, 2024

No public comment provided.

On motion to approve the minutes of August 13, 2024:

Ayes: Rivera, Ajami and Stacy

4. General Public Comment

- *Francisco Da Costa provided comment urging the SFPUC to perform a needs assessment for new construction in the Bayview-Hunters Point and expressed appreciation for discussions on the creation of an Office of the Inspector General.*
- *Dave Warner provided comment urging SFPUC staff to improve transparency to enable the public to participate in the decision-making process.*

5. Report of the General Manager (discussion only)

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

a) Quarterly Audit and Performance Review FY 2023-24 Q4

Irella Blackwood, Audit Director, presented the report.

- *Francisco Da Costa. provided comment urging staff and leaders to perform due diligence prior to initiating the project approval process.*

b) Recent Wastewater Enterprise Bond Sale Results

Edward Kwong, Capital Finance Analyst, presented the report.

Commissioner Stacy requested a copy of the Bond Sales Report and Post Pricing Review.

Commissioner Ajami requested staff review projects in consideration of affordability, climate change, and aging infrastructure to develop and demonstrate good strategies central to bond ratings.

- *Francisco Da Costa provided comment about rising costs of projects in relation to climate change and the relationship between SFPUC and PG&E.*
- *Peter Drekmeier, Policy Director for the Tuolumne River Trust, provided comment relating to bond ratings and the requested to look at demand projections and other budget drivers.*

c) Capital Financing Plan FY 2024-25

Edward Kwong presented the report.

No public comment provided.

- d) 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.0165, PUC As-Needed Lab Analytical (Contract), with Eurofins Eaton Analytical, LLC, increasing the contract amount by \$1,800,000 and extending the contract duration by four years, for total not-to-exceed contract amount of \$6,300,000 and a total contract duration of nine years, to provide for continued specialized analytical services to meet current and new regulatory compliance requirements with the California State Water Resources Control Board and other regulatory agencies. ([Resolution 24-0179](#))
- b) Award Contract No. PRO.0227(R2).A-D, As-Needed Power Operations Support Agreements, to Siemens Industry, Inc. (PRO.0227 (R2).D), each for an amount not-to-exceed \$2,000,000 and with a duration of five years, to provide specialized professional services for the San Francisco Public Utilities Commission Power Enterprise. (Continued)
- c) Accept work performed by Ranger Pipelines Inc., under Contract No. WD-2890R, Bay Division Pipeline Nos. 3 and 4 Slip Lining at Lafayette Street, for a total contract amount of \$5,818,356 and a total contract duration of 379 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 24-0180](#))
- d) Award Job Order Contract No. JOC-107, General Engineering (A License) Construction, Micro-LBE Set-Aside, San Francisco, San Mateo, Santa Clara, and Alameda Counties, in the amount not-to-exceed \$2,000,000, with a guaranteed minimum task order opportunity amount of \$50,000, and a duration of two years, to the sole responsible bidder that submitted a responsive bid, Angotti & Reilly, Inc., to perform A licensed general engineering construction work on San Francisco Public Utilities Commission systems and operations around the Bay Area. ([Resolution 24-0181](#))
- e) Award Job Order Contract No. JOC-108, General Engineering (A License) Construction, San Francisco, San Mateo, Santa Clara, and Alameda Counties, in the amount not-to-exceed \$5,000,000, with a guaranteed minimum task order opportunity amount of \$50,000, and a duration of two years, to the sole responsible bidder that submitted a responsive bid, Anvil Builders Inc., to perform A licensed general engineering construction work on San Francisco Public Utilities Commission systems and operations around the Bay Area. ([Resolution 24-0182](#))

- f) Accept work performed by Cal State Constructors under Contract No. WD-2871, Sunol Valley Water Treatment Plant and Chlorination Facility Aqua Ammonia Structural Repairs and Tank Replacement, for a total contract amount of \$2,045,523 and a total contract duration of 787 consecutive calendar days; and authorize final payment to contractor. ([Resolution 24-0183](#))
- g) Award Contract No. WW-747, Seacliff Avenue Pump Station & Force Main Upgrade and Seacliff 1 Pump Station Demolition to the responsible bidder that submitted the lowest responsive bid, Minerva Construction, Inc., in the amount of \$5,777,000, and with a duration of 560 consecutive calendar days (approximately one year and seven months), to replace the existing Seacliff 1 Pump Station with a new underground pump station located on Seacliff Avenue. 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. ([Resolution 24-0184](#))

A request was received to continue Consent Calendar Item 6b to the September 10, 2024 Commission Meeting.

*On motion to approve Consent Calendar Items 6a, and 6c through 6g:
Ayes: Rivera, Ajami, and Stacy*

REGULAR CALENDAR

7. Adopt policy (1) delegating authority to the General Manager to award and amend certain types of contracts, grants, leases, and other agreements and (2) providing instructions for which types of Commission actions on contracts, grants, leases, and other agreements will be heard on the Commission's consent calendar or the regular calendar, which policy shall supersede and replace in full earlier delegations. ([Resolution 24-0185](#))

Ron Flynn, Deputy General Manager, presented the report.

Discussion relating to the importance of public accountability and review, use of Memoranda of Understanding (MOUs), inclusion of real estate provisions within the recommended policy, the benefit of receiving quarterly reports intended to inform present and future Commissions' oversight, and an appreciation expressed by the Commission for time and work staff invested in creating policy recommendations; additionally, the Commission stated concern over staff recommendation pertaining to the \$25 million- and ten-year threshold for award construction contracts. The Commission moved to amend the policy to reflect \$20 million and ten years.

- Steve Lawrence asked about the design build, reminded the Commission of rate freezes and urged it not to abdicate its responsibility.*
- Peter Drekmeier expressed concern regarding the recommended policy and urged Commissioners to reject the recommendation.*

On motion to approve Agenda Item 7 with changes to staff recommendation to decrease the maximum award threshold from \$25 million to \$20 million and ten years:

Ayes: Rivera, Ajami, and Stacy

8. Approve the terms and conditions and authorize the General Manager to execute a Purchase and Sale Agreement and Easement Deed with Sunol Glen Unified School District for the acquisition of a 4,008-square-foot easement for an underground water pipeline and associated appurtenances and a 34,834-square-foot temporary construction easement on and across a portion of Alameda County Assessor's Parcel No. 096-0155-004-01, known as 11601 Main Street, Sunol, California, for \$35,000, subject to Board of Supervisors' and Mayor's approval. (Continued)

A request was received to continue Regular Calendar Item 8 to the September 10, 2024 Commission meeting:

9. Approve the appropriation of Earthquake Safety and Emergency Response 2010 and 2014 General Obligation Bonds interest earnings, in the aggregate amount of \$6,180,354, for the Emergency Firefighting Water System; and authorize the General Manager to submit a capital project supplemental appropriation ordinance to the Mayor and Board of Supervisors. ([Resolution 24-0186](#))

No public comment provided.

*On motion to approve Agenda Item 9:
Ayes: Rivera, Ajami, and Stacy*

10. Approve Amendment No. 1 to Contract No. PRO.0138.C, Engineering Services for Dams and Reservoirs, with AECOM Technical Services, Inc., increasing the contract amount by \$9,000,000, with no change to the contract duration, for a total not-to-exceed contract amount of \$20,000,000 and a total contract duration of 11 years, to continue providing planning, design, and engineering support of improvements to various San Francisco Public Utilities Commission Water Enterprise Dam and Reservoir facilities, subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 24-0187](#))

No public comment provided.

*On motion to approve Agenda Item 10:
Ayes: Rivera, Ajami, and Stacy*

11. Public Hearing to approve the Irrigation Controller Rebate Program and adopt Rules and Regulations to allow the San Francisco Public Utilities Commission to promote outdoor water efficiency in its retail service area, by issuing rebates to customers that purchase and install U.S. Environmental Protection Agency WaterSense-labeled weather- or soil moisture-adjusting irrigation controllers. ([Resolution 24-0188](#))

No public comment provided.

*On motion to approve Agenda Item 11:
Ayes: Rivera, Ajami, and Stacy*

12. Communications (information only)
 - a) Advance Calendar

- b) Contract Advertisement Report
- c) Correspondence Log
- d) Water Supply Conditions Update
- e) Water System Improvement Program Quarterly Report
- f) Quarterly Report to the Board of Supervisors on the Status of Applications to PG&E for Electric Service
- g) Quarterly Report on Contracts awarded by the General Manager Pursuant to Delegated Authority
- h) Quarterly Report Resolution No. 095-23, approving Amendment No. 2 to Contract No. PR0.0152, Power Scheduling Coordination and Related Support Services, with APX Inc.

13. Items initiated by Commissioners (discussion only)

None.

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

No public comment provided.

15. Motion on whether to assert the attorney-client privilege regarding the matters listed below:

*On motion to assert the attorney-client privilege:
Ayes: Rivera, Ajami, and Stacy*

The Commission entered Closed Session at 4:31 PM.

CLOSED SESSION

Present during Closed Session: Tony Rivera, Commission Vice 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; and Tiffany Lennear, Director of Commission Affairs.

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

Brian McSharry and City and County of San Francisco (San Francisco Public Utilities Commission)

Claim for Replacement or Repair of Stolen or Damaged Equipment, Property or Prostheses:
Non-Uniform Employees And Officers (San Francisco Administrative Code Section 10.25-9)
Date of Claim: July 3, 2024

Proposed replacement cost for personal property stolen from employee while in the line of duty, in the amount of \$2,117.88. Action to approve payment subject to final approval by the Board of Supervisors. (Bregman)

The Commission exited Closed Session at 4:38 PM.

Announcement following Closed Session

Vice President Rivera stated the Commission recommends the Board of Supervisors approve the settlement referenced under Item 16.

17. 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 the discussions during Closed Session:

Ayes: Rivera, Ajami, and Stacy

18. Adjournment

Vice President Rivera adjourned the meeting at 4:40 PM.