



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
City and County of San Francisco

**London N. Breed**  
Mayor



**REGULAR MEETING MINUTES**  
**Tuesday, December 13, 2022**  
**1:30 PM**  
**(Approved January 10, 2023)**

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 400  
San Francisco, CA 94102

**Commissioners**

Newsha Ajami, President  
Sophie Maxwell, Vice President  
Tim Paulson  
Tony Rivera  
Kate Stacy

**Dennis J. Herrera**  
General Manager

**Donna Hood**  
Secretary

1. Call to Order

*President Ajami called the meeting to order at 1:32 PM.*

2. Roll Call

*Present: Ajami, Maxwell, and Stacy*

*Excused: Rivera*

*Commissioner Paulson arrived at 1:34 PM.*

3. Adopt renewed findings under State Urgency Legislation to allow hybrid in-person meetings during the COVID-19 Emergency and direct the Commission Secretary to agendize a similar resolution at a Commission Meeting within the next 30 days. ([Resolution 22-0199](#))

*No public comment.*

*On Motion to approve item 3:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

4. Approval of the Minutes of November 8, 2022

*No public comment.*

*On Motion to approve the Minutes of November 8, 2022:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

5. General Public Comment

- *Unidentified caller provided comment regarding the Upper Tuolumne Watershed below Hetch Hetchy Reservoir and requested studies on sediment loss in the river between Hetch Hetchy and Don Pedro.*
- *Nicole Sandkulla, BAWSCA CEO, indicated she emailed a link for their 2022 Demand Study Update and outlined the work involved to prepare the report.*
- *Francisco DaCosta asked that the Commission address concerns of the salmon. He discussed the completion of the Southeast Community Center and questioned if there were any fines.*
- *Eileen Boken stated the draft Emergency Firefighting Water System Report was prepared without hearing. She discussed the Extreme Precipitation Study. She noted she forwarded an article regarding a NASA satellite that will monitor waters.*
- *Denise Louie, Center for Biological Diversity, requested a report regarding the maintenance of fire hydrants. She urged the Commission allow for increased freshwater flow on the Bay Delta.*
- *Peter Dreke, Tuolumne River Trust, discussed an October 9, 2016 "San Francisco Chronicle" guest editorial by the SFPUC and BAWSCA regarding the Bay Delta Plan.*
- *Norma Wallace, Muwekma Ohlone Tribe, discussed an August 26, 2022 "Guardian" article stating it reflects her concerns regarding systemic racism and water rights.*
- *Lawrence Abbot, retired wildlife biologist and arborist, discussed his studies and recreation on the San Francisco Bay. He noted his concern with the decline in the fish population and expressed the need for balance.*
- *Patricia Rowe provided written comment regarding the water quality of the San Francisco Bay, its ecosystem, and the impact of human decisions.*

## 6. Communications

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) 2009 Water Supply Agreement Update
- e) Alternative Water Supply Program Quarterly Report
- f) Annual Surveillance Report for SFPUC Cameras and Drones
- g) Annual Real Estate Report
- h) Annual Water Resources Division Report
- i) Annual Water Supply Development Report
- j) O'Shaughnessy Dam Reservation Quarterly Report 3<sup>rd</sup> Quarter: July – September 2022
- k) State of the Regional Water System Report
- l) Streetlight Program Update
- m) Water Enterprise Environmental Stewardship Policy Report

*President Ajami and Vice President (VP) Maxwell thanked staff for their hard work.*

### Public Comment

- *Dave Warner commented on item 6e. He discussed correspondence he provided along with Mr. Drekmeier regarding supply and demand, and the Alternative Water Supply Report. He requested that an independent expert analyze water supply needs.*
- *Peter Drekmeier, Tuolumne River Trust, commented on item 6e. He stated the water supply needs in the report are problematic and need to be corrected. He discussed the rationing scenario.*
- *Francisco DaCosta stated staff have not provided empirical data.*
- *Bob Stanley discussed the June 2006 Environmental Stewardship Policy.*
- *Mark Gonzales expressed concern with the Lower Tuolumne and flows.*
- *Lawrence stated that people pay attention to the reports provided.*

*President Ajami and Commissioner Paulson thanked staff for their work and accountability presented in the reports.*

## 7. Citizens' Advisory Committee (CAC) Annual Report

*Moisés Garcia, CAC Chair, stated he joined CAC in 2019 and was elected chair this year. He indicated the report provides an overview and does not reflect all of the CAC's work during the year. He stated as Chair, he introduced an Ohlone Land Acknowledgement in consultation with tribal leaders. He indicated the CAC has incorporated an Advance Calendar, and has established a practice to have members introduce resolutions. Chair Garcia touched on several of those resolutions including support for electric grid reliability on Treasure Island; support for resilient water supply; and support for the transition of CleanPowerSF residential customers to Time-of-Use rates. He indicated there are resolutions that were not included in the CAC report, including resolutions in support of transparency, environmental accountability, and labor standards for California Community Power; support for deepening public power valuation; and support for municipalization of PG&E assets.*

*Chair Garcia expressed the CAC's interest in affordability and customer assistance programs, racial equity efforts, hiring practices, staff retention, and the Girl Scout Camp at Lake Merced.*

*He recognized the CAC members and staff for their work.*

*Chair Garcia and General Manager (GM) Herrera responded to a question from VP Maxwell regarding the Girl Scout Camp at Lake Merced.*

*Commissioner Paulson thanked Chair Garcia, the CAC members, and staff for their work and engagement.*

#### Public Comment

- *Alex Landsberg spoke in support of the CAC resolution in support of transparency, environmental accountability, and labor standards for California Community Power.*
- *Benjamin Eichert, Director, Romero Institute's Lets Green California Program, requested that the CAC's resolution supporting environmental accountability, and labor standards for California Community Power be agendized.*
- *Melissa (inaudible), Sierra Club, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *Joni Isen, San Francisco Climate Emergency Coalition, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power and supports local hiring.*
- *Jo (inaudible), San Luis Obispo Mothers for Peace, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *Emily Gartenberg, West Wing California, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *Eric (inaudible) expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *(Inaudible), Critical Impact Consulting, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *Jason (inaudible), IBEW Local 505, expressed support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*
- *Leslie Austin provided written public comment in support for the CAC's resolution supporting environmental accountability, and labor standards for California Community Power.*

*In response to a question from VP Maxwell, Barbara Hale, Assistant General Manager (AGM) Power Enterprise, provided comment on the CAC's resolution supporting environmental accountability, and labor standards for California Community Power. Brief discussion ensued.*

*Deputy City Attorney Bregman reminded the Commission that since the resolution was not agendized, discussion should be limited to the CAC report as a whole.*

#### 8. Report of the General Manager

##### a) Drought Conditions Update

*Steve Ritchie, AGM Water, reviewed (1) December 5, 2022 Reservoir Storage: Hetch Hetchy is at 68% of maximum storage, Water Bank is at 98.5% of maximum storage, and*

*total system storage is at 78.6%. AGM Ritchie noted that Calaveras Reservoir received an additional 3,000 acre feet of storage and might fill for the first time; (2) Other California Reservoirs: Shasta, Oroville and Don Pedro Reservoirs are at 31%, 28%, and 50% of capacity, respectively; (3) California Drought Monitor: Depending on location the states is in severe, extreme, or exceptional drought; (4) Hetch Hetchy Precipitation; (5) Upcountry 6-Station Precipitation Index (as of December 4, 2022) year-to-date (YTD) total 7.25 inches; (6) Bay Area 7-Station Precipitation Index (as of December 4, 2022) YTD total 4.86 inches; (7) Upcountry Snowpack: has increased and is close to 50%; (8) Water Available to the City: is at 13,000 acre feet after storms; (9) National Precipitation Forecast: a dry week is expected with possible rain in the coming weeks; and (10) Total Deliveries: demand is tracking at calendar year 2015 demand, with demand below calendar years 2013 and 2020.*

*AGM Ritchie discussed the salmon population numbers on the Stanislaus (3,400) and Tuolumne (602)(as of December 12), noting they are slightly up on the Tuolumne. In response to a question from VP Maxwell, AGM Ritchie noted potential reasons for the population increase on the Tuolumne. He responded to a question from President Ajami regarding turbidity in the system. Brief discussion ensued.*

#### Public Comment

- *Francisco DaCosta requested that the GM obtain maps and data from federal and state agencies.*

#### b) Quarterly Budget Status Report

*Laura Busch, Budget Director, indicated there were positive operating results projected for Water, Wastewater, and CleanPowerSF, and operating shortfalls projected for Power: (1) Water and Wastewater: revenues up due to higher retail and wholesale sales vs. a conservative budget; (2) Power and CleanPowerSF: high power purchase costs are leading to significant shortfalls in expenditure budgets, offset by increased revenues and planned general reserve contributions. Director Busch indicated year-end financial results are projected to meet-or-exceed policy targets.*

*Director Busch reviewed FY 2022-23 budget variances (sources and uses) for: (1) Water: Net operating results (\$38.3 million); total sources up \$36.0 million, and \$2.3 million in cost savings; (2) Wastewater: Net operating results \$22.2 million; total sources \$9.3 million, and \$12.9 million in cost savings; (3) Power: Net operating result (\$1.3 million); total sources (0.2 million), and (\$1.0 million) in cost overruns; and (4) CleanPowerSF: Net operating result \$21.1 million; total sources up \$2.3 million, and \$18.9 million in cost savings.*

*Director Busch reviewed key financial ratios for Water, Wastewater, Hetchy and CleanPowerSF.*

#### Public Comment

- *David Pilpel requested a copy of the budget book. He thanked staff for their budget management.*
- *Francisco DaCosta discussed increased costs. He stated a hearing is needed to prepare for the future.*

c) FY2023-24 Budget and 10-Year Capital Plan Development Update

*Nancy Hom, CFO and AGM Business Services reviewed the FY 2023-24 operating budget of \$1,691 million, which is comprised of CleanPowerSF (\$280 million), Water (\$675 million), Wastewater (\$432 million), and Hetch Hetchy Water and Power (\$304 million).*

*CFO Hom discussed the budget process for the fixed, two-year budget and indicated planning began in the spring of 2022. She noted there will be a special budget meeting on January 30, 2023 for staff to present background on the capital budget and the 10-year capital plans. She stated the budget will be scheduled for adoption on February 14, 2023.*

*CFO Hom outlined: (1) Challenges and factors influencing budget development; (2) Budget priorities (responsible management, access and affordability, environmental stewardship, and people and communities); (3) Capital Plan goals; (4) Capital Planning process; (5) Budget Policy Framework; and (6) Timeline.*

*CFO Hom responded to a question from VP Maxwell as to the meaning of “underspending” the capital budget, noting unexpended funds are carried forward. Budget Director Busch and Stephen Robinson, AGM Infrastructure, responded to a follow-up question regarding what is meant by deliverability. Discussion ensued on the budget development.*

*President Ajami indicated she wants decoupling of rates for water and power. She expressed concern with the cost of operation and maintenance, and with utility-wide difficulty in the recruitment and retention of employees. GM Herrera discussed the challenges with the City’s hiring process which makes the recruitment process lengthy and complicated. He noted that efforts are underway to streamline the City’s hiring process.*

Public Comment

- *David Pilpel asked the time of the special budget meeting. He indicated the Mayor’s budget instructions will be available soon. He stated his goals for the SFPUC budget are that it should be prudent, realistic, and right-sized.*
- *Peter Drekeimer, Tuolumne River Trust, stated that environmentalist and sustainable-minded people do not want to work for the SFPUC.*
- *Nicole Sandkulla, BAWSCA CEO, expressed appreciation for the budget update and stated she looks forward to the capital improvement program development.*
- *Francisco DaCosta stated the report was general in nature. He requested a needs assessment.*

*President Ajami requested that callers be respectful of staff when making public comment.*

d) Water Enterprise Capital Improvement Program (WECIP) Quarterly Report

*Katie Miller, Director Water Capital Programs, reviewed the WECIP Program status noting that beginning with the first quarter, the approved program is based on the FY 23-32 10-Year Capital Improvement Program approved by the Commission on February 8, 2022 by Resolution 22-0031.*

*She indicated the 2022 Regional WECIP has 25 projects, with 22 continued from FY 21-22; and the 2022 Local WECIP has 11 projects, with 11 continued from FY 21-22.*

*Director Miller provided detail on the Regional WECIP, noting as of September 2022 the program is 30% complete with \$2,293 million expended. Director Miller reviewed the WECIP cost summary and provided updates on Regional WECIP projects including the Sunol Valley Water Treatment Plant Ozone, Sunol Long Term Improvements Watershed Center (Contract B), and East Bay Regional Park District Water System.*

*Director Miller provided detail on the Local WECIP Projects and provided updates on the San Francisco Westside Recycled Water project, and College Hill Reservoir.*

*No public comment.*

e) Water System Improvement Program (WSIP) Quarterly Report

*Director Miller reviewed the Regional WSIP program status (as of September 2022), stating \$3,714 million has been expended and the program is 99% complete. She reviewed the WSIP cost summary.*

*Director Miller provided updates for the Alameda Creek Recapture Project and the Regional Groundwater Storage and Recovery Project.*

Public Comment

- *Francisco DaCosta requested a hearing on the 2002 ballot measure on clean water and sewer water.*

f) San Francisco Bay Summer 2022 Algal Bloom and SFPUC's Plans for Nutrient Reduction

*Amy Chastain, Regulatory Compliance Manager, stated algal blooms are overgrowths of algae in water. She indicated the Summer 2022 algal bloom started around Alameda and Oakland in August 2022 and spread to the South Bay and Lower South Bay, with additional impacts in the Central and San Pablo Bays. She stated the species is "Heterosigma akashiwo" and that it is toxic to fish with no recorded health effects to humans. She stated the trigger is unknown and that research is ongoing, but potential factors could include sunny days, less turbid water, and calm winds. She indicated high nutrient loads resulted in more severe impacts, and that the nutrient compound of concern is nitrogen; that the bloom died off after consuming nitrogen; and that nutrients did not cause the event.*

*Project Manager Chastain discussed nutrient research in the San Francisco Bay and indicated that 37 municipal wastewater treatment plants are the largest contributor of nutrients. She indicated for more than 10 years, wastewater agencies, Non-Governmental Organizations, regulators, and scientists have been collaborating on an ongoing stakeholder-driven science program to inform regulation, and that since 2013, wastewater agencies have contributed more than \$14 million towards the science program.*

*She reviewed the simplified Wastewater Treatment Process which consists of three steps: (1) Preliminary + Primary (debris screen, grit removal, and primary clarification); (2) Secondary (aeration tank, and secondary clarification); and (3) Disinfection (chlorine).*

*She indicated to remove nitrogen, a new plant with a different configuration would be*

*required, or that existing plants can be retrofit to enable nitrogen removal, via two options: (1) Side Stream Treatment which takes water from treated biosolids and treats it using bacteria to remove 15% to 20% of nitrogen before discharge; or (2) Full Stream Treatment which removes effluent after the secondary process. She indicated this process is more expensive and complicated and removes 80% of nitrogen.*

*She reviewed the SFPUC's plans for nutrient reduction at Treasure Island and at the Southeast Water Pollution Control Plant. The new treatment plant at Treasure Island, with anticipated completion in 2026, will produce high quality recycled water and have full stream nitrogen removal. She stated there are plans for future nutrient removal at the Southeast Treatment Plant through a challenging retrofit. Brief discussion ensued on permitting, timelines, discharge processes by other local agencies, and options for the SFPUC.*

#### Public Comment

- *Francisco DaCosta discussed the quality of the water in the Bay and asked that the information be provided on the SFPUC's website.*
- *Spreck Rosekrans, Restore Hetch Hetchy, stated this provides the ability to consider recycle water opportunities. He asked that staff from San Diego be invited to discuss recycled water.*

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

*None.*

9. New Commission Business

a) Hearing to adopt revised San Francisco Public Utilities Commission Rules of Order to incorporate changes to law and procedure. ([Resolution 22-0200](#))

*President Ajami stated there have been changes in the law that necessitate the Commission update the Rules of Order, and in doing so, it provides the opportunity to improve some processes for Commission meetings and generally improve the organization and readability of the Rules. She indicated the substantive changes are to (1) Rule 10 - Meetings for the Revision of Rates to conform to legal requirements; (2) Rule 16 - Order of Business to hear the consent and regular calendar earlier in the agenda to optimize the use of Staff time. Also, the revised rules will properly designate the Communication item as "information only"; and (3) Rule 22 - Parental Leave to comply with the requirements of new Administrative Code Chapter 67B.*

#### Public Comment

- *David Pilpel expressed support for the proposed changes. He suggested there be further revisions address the consent calendar.*
- *Peter Drekeimer, Tuolumne River Trust, noted that general public comment was moved to the end of the agenda and stated people will be upset. He stated moving it diminishes the value of general public comment.*

*President Ajami stated that placement of general public comment at the end of the agenda is common practice with the Board of Supervisors and other Commissions and this rule change follows that same model. Commissioner Stacy noted that general public comment is intended for items that are not on the agenda, and that it is a timing change only and does diminish*



*the importance of public comment.*

*On Motion to adopt revised San Francisco Public Utilities Commission Rules of Order:  
Ayes: Ajami, Maxwell, Paulson, and Stacy*

## 10. CONSENT CALENDAR

- a) Rescind prior award of Contract No. DB-132, New Treasure Island Wastewater Treatment Plant, made by this commission on October 24, 2022, to PCL Construction & Stantec Consulting Services Joint Venture by Resolution No. 22-0189, and issue corrected award to PCL Construction, Inc. in the same amount of \$165,032,269, and with the same duration of 1,095 consecutive calendar days. The Staff Report and award Resolution contained erroneously identified the awardee as PCL Construction & Stantec Consulting Services Joint Venture. The correct name of the awardee is PCL Construction, Inc. While Stantec Consulting Services Inc. is an integral part of the design-build team, it is not a joint venture partner. ([Resolution 22-0201](#))
- b) Approve Amendment No. 1 to Contract No. PRO.0067, Automatic Bill Enrollment Services, with STOP Processing Center, Inc., to provide ongoing processing/enrollment services for San Francisco Public Utilities Commission water and wastewater customers who want their bills paid through an automatic bill payment service; and authorize the General Manager to execute an amendment extending the term of the contract up to four years, for a total contract duration of nine years, with no change to the contract amount. ([Resolution 22-0202](#))
- c) Award Contract No. PRO.0229, Emergency Planning, Response, Training, and Technical Support, to AECOM Technical Services, Inc., to provide Emergency Plan updates, Incident Command System training, and exercise design and delivery support; and authorize the General Manager to negotiate and execute a professional services contract with AECOM for an amount not-to-exceed \$3,000,000, and with a duration of four years. ([Resolution 22-0203](#))
- d) Approve the selection of Avila & Associates Consulting Engineers, Inc. (AACE), Environmental & Construction Services, Inc. (ECS), CPM Associates, Inc. and Carlson Management, Inc., Joint Venture (CPM-CMI JV), Mott MacDonald Group, Inc. and Dabri, Inc., Joint Venture (MM-Dabri JV), and GHD, Inc. and Hollins Consulting, Inc., Joint Venture (GHD-HCI JV); award Contract Nos. PRO.0233.A-E, As-Needed Construction Management Services, to provide construction management services for San Francisco Public Utilities Commission construction projects on an as-needed basis; and authorize the General Manager to execute five professional services contracts, with AACE (PRO.0233.A), ECS (PRO.0233.B), CPM-CMI JV (PRO.0233.C), MM-Dabri JV (PRO.0233.D), and GHD-HCI JV (PRO.0233.E), each with a not-to-exceed amount of \$4,000,000 and each with a duration of five years. ([Resolution 22-0204](#))
- e) Approve an increase in the amount of \$1,300,000 to the contract cost contingency and an increase of 201 calendar days to the contract duration contingency for Contract No. WD-2794B, Sunol Long Term Improvements Alameda Creek Watershed Center, with S.J. Amoroso Construction, Inc., to address on-going budget and schedule impacts due to COVID-related delays in material availability and deliveries, additional modifications to the exhibit design, redesign and fabrication of bluestone pavers etching stencils, bluestone etching field work, extended overhead impacts related to the redesigned exhibit and etching

stencils, and to provide sufficient contingency to address unanticipated changes through the remainder of the construction effort; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$34,405,700 and a total contract duration of up to 1,167 consecutive calendar days. ([Resolution 22-0205](#))

- f) Accept work performed by Cratus, Inc., for Contract No. WD-2865, Sunol Regional Wilderness Park Water System, for a total contract amount of \$2,274,039, and with a total contract duration of 429 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 22-0206](#))
- g) Accept work performed by Western Water Constructors, Inc., under Contract No. WW-665, Southeast Water Pollution Control Plant 042-Seismic Retrofit and Rehabilitation, for a total contract amount of \$9,848,411, and with a total contract duration of 1,018 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 22-0207](#))
- h) Approve increase of 95 calendar days to the contract duration contingency for Contract No. WW-682R, Southeast Community Center at 1550 Evans, with Charles Pankow Builders, LTD; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 1,441 consecutive calendar days, with no change to contract amount. The additional duration contingency is needed to complete installation of permanent signage and modifications to the day care play area to meet accessibility requirements. ([Resolution 22-0208](#))
- i) Approve an increase of 329 calendar days to the contract duration contingency for Contract No. WW-713, As-Needed Main Sewer Replacement No. 9, with D'Arcy & Harty Construction, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 730 consecutive calendar days, with no change to contract amount to allow additional time to complete all current contract work due to schedule coordination and restrictions, and continue issuing contract service orders. ([Resolution 22-0209](#))
- j) Approve the plans and specifications and award Contract No. WW-724, Panhandle and Inner Sunset Large Sewer Rehabilitation, in the amount of \$9,937,355, and with a duration of 515 consecutive calendar days, to the responsible bidder that submitted the lowest responsive bid, D'Arcy & Harty Construction, Inc., to rehabilitate and replace large diameter sewer and laterals on specific streets within the City and County of San Francisco. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision. ([Resolution 22-0210](#))
- k) Approve the terms and conditions of, and authorize the General Manager to execute, a no-fee month-to-month revocable license to the City of Los Altos to use approximately 130,000 square feet of land within the jurisdiction of the San Francisco Public Utilities Commission, consisting of portions of SFPUC Parcel Nos. 232-A and 234-A, and the entirety of SFPUC Parcel Nos. 233-A, 233-B, 236, and 237 in Los Altos, California to (i) maintain existing improvements consisting of a recreational path with a bridge, landscaping, three street crossings, one sewer line, and one storm drain, and (ii) install and maintain new

improvements consisting of disability-access curb ramps and educational signage describing the Hetch Hetchy Regional Water System and informing users of the system's significance. (Resolution 22-0211)

Public Comment

- *David Pilpel spoke to item 10c and stated that in-house staff should be hired rather than relying on consultants and contractors; and to item 10j stating there is limited description of the streets involved and explanation of the project work in the staff report.*
- *Unidentified caller requested that item 10a be removed. President Ajami indicated that only Commissioners may remove consent items from the agenda. She asked the caller if she wished to provide comment on the item and she declined.*

*On Motion to approve Consent Calendar items 10a through 10k:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

REGULAR CALENDAR

11. Approve Amendment No. 1 to Contract No. CS-1243, Memorandum of Agreement with the United States Department of the Interior, National Park Service – Yosemite National Park for Comprehensive Management of Watersheds within Yosemite National Park Supplying the San Francisco Regional Water System; and authorize the General Manager to execute, on behalf of the City and County of San Francisco, Amendment No. 1, to further describe collaborative efforts and interagency consultation practices to implement the Environmental Stewardship Program under the Agreement and make other clarifying and administrative amendments, with no change to the Agreement duration or cost. (Resolution 22-0212)

*AGM Ritchie noted the amendments are minor and clear up administrative processes. He indicated that there are no changes to funding or the expiration date.*

Public Comment

- *Francisco DaCosta discussed the Buffalo Soldiers on federal land. He stated the SFPUC needs to embrace the history of the Buffalo Soldiers.*

*On Motion to approve Item 11:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

12. Approve the use of Public-Private Partnership (P3) delivery method; and recommend that the Board of Supervisors adopt a Special Ordinance authorizing the San Francisco Public Utilities Commission to exempt certain design, construction, finance, operation and maintenance services and related agreements for the P3 development of the Biogas Utilization Project at the Southeast Treatment Plant, from Chapters 6, 14B, and 21, and section 23.30 of the Administrative Code; and delegate to the Commission approval authority under Charter Section 9.118. The exemptions would allow the SFPUC to contract with a single contractor to finance, construct, operate, and maintain a biogas utilization facility connected to the SFPUC Southeast Treatment Plant. (Resolution 22-0213)

*Daniela Brandao, Project Manager, presented the item and indicated (1) the Biogas Utilization Project is a subset of Biogas Digester Facilities Project (BDFP) that ensures beneficial use of the biogas generated from new digesters, converts biogas to renewable natural gas, and represents best end use and maximum value and environmental benefits; (2) upgrade biogas to natural gas standards and inject into existing PG&E pipeline for*

*distribution to outside users; and (3) a key component of the BDFP it that it must be operational and ready to accept biogas from the new Biosolids Facility. She noted the exemptions would allow the SFPUC to contract with a single contractor to finance, construct, operate, and maintain a biogas utilization facility connected to the SFPUC Southeast Treatment Plant.*

*She reviewed the Public-Private Partnership (P3) Delivery Method and indicated this method involves competitive procurement of a private partner who provides financing for a public works project in addition to a variety of public services. She stated the benefits of the P3 for this project include (1) secure private non-recourse capital; (2) transfer risk to private partner; and (3) a single entity is responsible for all aspects of the project.*

*Project Manager Brandao discussed the P3 scope of work and the responsibilities for the SFPUC's Wastewater Enterprise and the Private partner. She indicated a special ordinance is needed to allow the SFPUC to contract with a single contractor to provide a turnkey solution to the beneficial use of biogas generated from wastewater treatment at the Southeast Plant. She noted the ordinance shall not be considered as an approval of the project, rather, the ordinance puts in place a procedure to continue to deliver the project. She concluded with a review of the schedule and next steps.*

*VP Maxwell expressed concern with public-private partnerships and questioned if appropriate monitoring is in place and asked that the SFPUC carefully monitor the program. AGM Robinson provided response and confirmed monitoring will occur.*

*Tim Paulson expressed support for the item and stated that the P3 allows for a safety net to get things into place. President Ajami stated that P3 won't solve all the problems and that an extensive number of P3s have provided plenty of data. She noted that the SFPUC will not hold all the risk and requested that as the contract is developed, potential risk be considered.*

#### Public Comment

- *David Pilpel indicated he had no issue with the P3 procurement method. He offered amendments to the resolution.*

*On Motion to approve Item 12:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

13. Approve the plans and specifications; and award Contract No. WW-723R, Channel Force Main Intertie in the amount of \$15,796,272 and with a duration of 710 consecutive calendar days, to the responsible bidder that submitted the lowest responsive bid, Anvil Builders, Inc., to construct a pipeline connection and valve controls between the Channel Force Main to the existing Islais Creek Transport/Storage Box, and complete other associated appurtenances; and authorize the General Manager to execute a Letter of Agreement with Pacific Gas and Electric Company (PG&E) for PG&E to compensate the San Francisco Public Utilities Commission's contractor for utility project work and for work associated with embedding an existing PG&E high-voltage transmission line inside an underground valve-vault as part of the Project at PG&E's sole cost. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its

decision. ([Resolution 22-0214](#) and [Resolution 22-0215](#))

*Bessie Tam, Project Manager, reviewed the project objectives: (1) increasing the reliability of the sewer system; (2) providing operational flexibility, and (3) allowing for future inspections and maintenance of critical assets. She offered a brief project background and concluded with an outline of the scope of work.*

*Project Manager Tam responded to a question from VP Maxwell regarding sea level rise and site infill.*

#### Public Comment

- *David Pilpel asked what has been learned about risk from past problems with PG&E. He expressed concern with coordination and mitigation.*

*On Motion to approve Item 13 – Resolution 1 to execute the Letter of Agreement with PG&E:  
Ayes: Ajami, Maxwell, Paulson, and Stacy*

*On Motion to approve Item 13 – Resolution 2 to approve the plans and specifications and award the contract:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

14. Authorize the General Manager to execute a Memorandum of Agreement with the City of San Jose and the City of Santa Clara for the preparation of a Feasibility Study for the potential South Bay Purified Water Project, with a duration of nine months and a total amount not-to-exceed \$300,000, to be shared equally among the parties, with the SFPUC’s contribution in an amount not-to-exceed \$100,000. ([Resolution 22-0216](#))

*AGM Ritchie introduced the item noting the MOU would authorize the preparation of a Feasibility Study for the potential South Bay Purified Water Project, which would create a new additional water supply to be shared between San Jose, Santa Clara, and the SFPUC and provide greater water supply reliability. He noted it would contribute to the evaluation of whether San Jose and Santa Clara can become permanent customers.*

#### Public Comment

- *Nicole Sandkulla, BAWSA CEO, expressed support for the item.*
- *Peter Drekmeier, Tuolumne River Trust, asked that the Commission to proceed cautiously. He noted Santa Clara and San Joe are currently temporary interruptible customers and adding them would increase BAWSCA’s supply guarantee from 184 to 193 MGD. He asked who will pay the SFPUC’s portion of the project.*

*On Motion to approve Item 14:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

15. Approve Amendment No. 4 to Contract No. CS-1408, Multi-Party Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning, with Contra Costa Water District; Alameda County Flood Control and Water Conservation District, Zone 7; Alameda County Water District; East Bay Municipal Utility District; Grassland Water District; San Luis & Delta-Mendota Water Authority; and Santa Clara Valley Water District for planning of the potential expansion of Los Vaqueros Reservoir; and authorize the General Manager to execute Amendment No. 4, increasing the contract not-to-exceed amount by \$7,658,000, to be divided equally among seven parties, with the San Francisco Public Utilities Commission’s financial contribution not-to-

exceed \$1,094,000, and extending the agreement duration by six months, for a total contract not-to-exceed amount of \$22,852,843 shared among the parties, with the SFPUC's total contribution not-to-exceed \$3,358,910, and a total contract duration of four years and two months.

(Resolution 22-0217)

*AGM Ritchie stated the project is complex due to the number of parties involved in the expansion of the Reservoir. He noted the SFPUC has questions and details that need to be worked out prior to committing to the project.*

Public Comment

- *Nicole Sandkulla, BAWSCA CEO, expressed support for the item.*
- *Peter Drekmeier, Tuolumne River Trust, expressed support for the item. He expressed disappointment that there was no discussion regarding alternative water supply.*

*On Motion to approve Item 15:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

16. Award Contract No. PRO.0183(G), Residential Green Infrastructure Grant Program Grant Agreement, to the highest-ranked proposer, Greenprint Partners, to provide grant funds to San Francisco ratepayers for eligible residential green infrastructure projects and to provide a report and evaluation for the Program; and authorize the General Manager to execute a Grant Agreement with Greenprint Partners for an amount not-to-exceed \$155,000, and with a duration of two years. (Resolution 22-0218)

*Willis Logsdon, Watershed Planner, Wastewater Enterprise, introduced the item and requested approval for the pilot program which will provide a report and evaluation for the green infrastructure program.*

*No public comment.*

*On Motion to approve Item 16:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

17. Award Agreement No. PRO.0184, Watershed Resource Management, to Alameda County Resource Conservation District to provide expertise to assist in the planning and design of watershed resources management projects within the Alameda Creek watershed lands associated with the operation of the San Francisco Public Utilities Commission water system; and authorize the General Manager to execute a professional services agreement with ACRCDC for an amount not-to-exceed \$8,500,000, and with a duration of nine years. (Resolution 22-0219)

*AGM Ritchie introduced the item and requested approval.*

*No public comment.*

*On Motion to approve Item 17:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

18. Public comment on the matter to be addressed during Closed Session

*None.*

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

*On Motion to assert the attorney-client privilege regarding the matter listed below as Conference with Legal Counsel:*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

*The Commission entered Closed Session at 5:38 PM.*

*Present in Closed Session: Commissioners Ajami, Maxwell, Paulson, and Stacy; Dennis Herrera, General Manager; Sheryl Bregman, Deputy City Attorney; Estie Kus, Deputy City Attorney; Ron Flynn, Deputy General Manager; Amy Chastain, Wastewater Enterprise; and Donna Hood, Commission Secretary.*

20. CONFERENCE WITH LEGAL COUNSEL – Pursuant to California Government Code, Section 54956.9(d)(1), and San Francisco Administrative Code, Section 67.10(d)(1) (Action item) (Kus)

Unlitigated Claim

*San Francisco Bay Regional Water Quality Control Board v. City and County of San Francisco Unlitigated Claim [City Attorney File No. 230158]*

*Proposed settlement of administrative civil liability against City in the amount of \$236,500 for effluent limitation violations at the Southeast and Oceanside water pollution control plants for certain discharges that occurred between approximately October 2013 to October 2021, subject to Board of Supervisors approval. (Resolution 22-0220)*

*The Commission exited Closed Session at 5:46 PM.*

21. Announcement following Closed Session

*President Ajami stated the Commission recommends the Board of Supervisors approve the settlement under Closed Session item 20.*

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 the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12(a):*

*Ayes: Ajami, Maxwell, Paulson, and Stacy*

23. Adjournment

*President Ajami announced that the Regular Meeting of December 26 is cancelled. She adjourned the meeting at 5:47 PM.*