



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, June 11, 2024
1:30 PM

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

Cirilo Espinoza
Acting Commission Secretary

1. Call to Order

President Paulson called the meeting to order at 1:32pm.

2. Roll Call

Present: Paulson, Rivera, Ajami and Stacy

3. Approval of Commission Meeting Minutes

a) May 14, 2024 Meeting

b) May 28, 2024 Meeting

Due to a technical error, the approval of these minutes will be heard at the June 25, 2024 meeting.

4. General Public Comment

Francisco DaCosta commented on a meeting he attended with the Controller's Office. He continued to comment on how the Bayview and Hunter's Point districts are being impacted.

Mary Butterwick provided remote comment and requested for the SFPUC not to appeal the Water Board's recent ruling, but work with state to increase flow standards.

Peter Drekeimer provided remote comment on the role of the Commission and how it should properly direct the SFPUC.

Cindy Charles commented on the increasing water and sewer rates and would like to know what could be done to control these increases.

Unidentified caller provided remote comment and asked the Commission to reconsider the alternative water supply plan to improve flows and other conditions, including increasing the levels of salmon.

Unidentified caller provided remote comment and asked to reevaluate design drought plan.

5. Report of the General Manager (discussion only)

a) Water Enterprise Capital Improvement Program Quarterly Reports (Presentation)

Katie Miller presented the report. She highlighted three aspects of the report. She also gave updates on various projects in the Water Enterprise.

President Paulson thanks Director Miller for the report and commented on the issues they have encountered so far (such as with Pilarcitos). He also thanked her for the recent invite and requested one for Sunol.

Commissioner Stacy thanked Director Miller for the report and questioned the uncertainty of risk. If the cost of materials goes down, does the bid go down as well? She also added that SFPUC staff really took a hands-on approach with this report.

Commissioner Ajami commented on the increase of costs and stated she is worried that this may not be the end of the increases. She encouraged contractors to think outside of the box and be more cost effective with their proposals. Director Miller stated they are addressing

Commissioner Ajami's concerns, specifically cost efficiencies. Commissioner Ajami stated she is happy to hear they are addressing this.

Vice President Rivera thanked Director Miller for her report and questioned if there was a significant delay due to PG&E. Director Miller stated there were multiple delays and issues. Stephen Robinson, Assistant General Manager of Infrastructure, provided more information.

Francisco DaCosta provided public comment on how it seems the SFPUC is being very materialistic and if we continue this trend, we will have no water and more fires we won't be able to control.

Peter Drekmeier provided remote public comment on his appreciation of Director Miller's report and how the AWS would be a better fit.

b) Annual Alternative Water Supply Program Report (Presentation)

Manisha Kothari presented the report. She stated they are consistently trying to think about what will happen in the future. The Alternative Water Supply plan made a total of 15 recommendations. Uncertainty of demands. She also presented a financial update.

Commissioner Stacy commended Manisha for the thoroughness of the report. She is a big fan of the AWS and appreciates the interest in looking for alternatives. Establishing clear procedures and processes is a big part of it. She is not a fan of the Calaveras Expansion and would like us to think hard about investing time and money into this project. There are alternative ways to store water. All irrigation water should be recycled. She has a hard time thinking about the AWS without thinking about recycling water. Water quality issues should be addressed first. Using recycled water for SF residents. Knows the byproducts of recycling don't just magically disappear and all the work that would need to go into creating this type of program. Commented on the beauty of water from Hetch Hetchy. Ms. Kothari responded to Commissioner Stacy's comments.

Commissioner Ajami commented on alternative demand options. She would also like to have a conversation about demand levels and how we can all get on the same page regarding this. She also stated maybe Mr. Drekmeier could possibly assist/facilitate this process. Every project we build will only add to our costs and how can we make sure this doesn't make our water unaffordable for most individuals. She encouraged ideas on how to incorporate more onsite reuse options. Taking less from our watershed and doing more with what we take.

President Paulson commented on the history of how water was moved around and his appreciation for this roadmap and dedication to the AWS.

Francisco DaCosta provided public comment on the lesser number of pipes bringing water and would like to know the status of these pipes and how much they leak and waste water. He would also like to know how much less water is being used.

Vice President Rivera exited the meeting at 3:11pm.

David? appreciated the opportunity to provide remote public comment on the AWS.

Nicole Sandkulla provided remote public comment in support of the AWS planning work and

how BAWSCA actively engages trustholders.

Dave Warner provided remote public comment on the AWS and how it should be focused on affordability and not land. He also made comments on his belief that BAWSCA does not have enough knowledge to officiate these talks.

Abby? provided remote public comment on the AWS.

Mary Butterwick provided remote public comment on expensive AWS plans and how it should not fall on consumers to foot the bill. She urged the Commission to reduce the length of the design drought so that it will reduce the AWS by 2/3.

Jakob Evans provided remote public comment on the AWS.

Barbara Wallace agreed with Commissioner Ajami's comments and echoed previous remote public commenter Mary Butterwick. She stated we should be able to do more with what we have available.

Peter Drekmeier thanked Commissioner Stacy for initiating this conversation and appreciated Commissioner Ajami's comments. The AWS should have a range of demands.

Glenn Rogers questioned the design drought and requested the PUC work with Peter Drekmeier. He mentioned information from a past report.

Gail Sredanovic mentioned the issue due to deferred maintenance and how the SFPUC is trying to make up for it. She mentioned initiating public workshops.

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

DGM Ron Flynn provided comments on SFPUC employee Oscar Miron and his untimely passing. President Paulson requested a moment of silence in memory of Oscar.

6. CONSENT CALENDAR

- a) Award **Contract No. WW-726**, Various Locations Sewer Replacement No. 15, to the responsible bidder that submitted the lowest responsive bid, Michael O'Shaughnessy Construction, Inc., in the amount of \$8,308,717 and with a duration of 510 consecutive calendar days (approximately one year and five months), to replace/line existing sewers on specified streets in 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 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. (Robinson)
- b) Award **Contract Nos. PRO.0266 A and B**, As-Needed Research, Advertising, Community Engagement and Event Planning, to Most Likely To, Inc. (PRO.0266.A) and InterEthnica, Inc. (PRO.0266.B), each for an amount not-to-exceed \$1,900,000 and a duration of four years. (Ordikhani)

- c) Approve **Amendment No. 2 to Contract No. PRO.0181**, Westside Pump Station Construction Management Staff Augmentation Services, with MCK Americas, Inc., extending the contract duration by one year and six months for a new total contract duration of four years and six months, with no change to the contract amount, to continue construction management support for construction under Contract No. WW-645R, Westside Pump Station Reliability Improvements. (Robinson)
- d) Approve **Amendment No. 1 to the Memorandum of Agreement (Agreement) with the City of San Bruno** regarding reimbursement of planning, design, and engineering costs for the provision of an additional one million gallons of emergency water storage in San Bruno Pressure Zone 1/4 at the Cunningham Tank site, as part of the operation of the Regional Groundwater Storage and Recovery Project. This Amendment No. 1 would retroactively extend the Agreement duration by 12 months, for a new total duration of 36 months, with no change to the Agreement's not-to-exceed amount for the San Francisco Public Utilities Commission or San Bruno. (Ritchie)

No Commission comment or public/remote comment.

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

Ayes: Paulson, Ajami and Stacy

REGULAR CALENDAR

7. Award **Contract No. WW-742**, Southeast Water Pollution Control Plant 040/041/043 Health & Safety Improvements, to the responsible bidder that submitted the lowest responsive bid, Anvil Builders, Inc., in the amount of \$18,700,490, and with a duration of 940 consecutive calendar days (approximately two years and seven months), to provide health and safety improvements addressing structural, mechanical, instrumentation, controls, and electrical reliability, to the Southeast Water Pollution Control Plant wet weather primary sedimentation buildings. 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. (Robinson)

No Commission comment or public/remote comment.

On the Motion to approve Item #7:

Ayes: Paulson, Ajami and Stacy

8. Approve **Amendment No. 1 to Contract Nos. PRO.0066 A to C**, Natural Resources Specialized and Technical Services, with AECOM Technical Services, Inc (PRO.0066.A), Applied Technology and Science A-T-S (PRO.0066.B), and Avila and Associates Consulting Engineers Inc. (PRO.0066.C), increasing each contract amount by \$7,000,000, each for a new total not-to-exceed contract amount of \$21,000,000, with no change to the contract durations, subject to Board of Supervisors approval under Charter Section 9.118. (Ritchie)

No Commission comment or public/remote comment.

On the Motion to approve Item #8:

Ayes: Paulson, Ajami and Stacy

9. Adopt a **Resolution accepting the 2024 San Francisco Public Utilities Commission (SFPUC) Wildfire Mitigation Plan (WMP)** and authorizing the SFPUC General Manager to file the Plan with the California Office of Energy Infrastructure Safety (OEIS) Wildfire Safety Advisory Board (WSAB) on or before July 1, 2024. (Ritchie)

President Paulson commented on the great work this plan will enable.

On the Motion to approve Item #9:

Ayes: Paulson, Ajami and Stacy

10. Communications (information only)
- a) 2009 Water Supply Agreement Update
 - b) Advance Calendar
 - c) Annual Alternative Water Supply Program Report
 - d) CleanPowerSF Quarterly Report
 - e) Contract Advertisement Report
 - f) Correspondence Log
 - g) Hetch Hetchy Capital Improvement Program Quarterly Report
 - h) Water Enterprise Capital Improvement Program Quarterly Reports
 - i) Water Supply Conditions Update

11. Items initiated by Commissioners (discussion only)

None.

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

No public/remote comment.

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

On Motion to assert the attorney-client privilege:

Ayes: Paulson, Ajami, and Stacy

The Commission entered Closed Session at 4:03pm.

Present in Closed Session: Commissioners Paulson, Ajami and Stacy; Ron Flynn; Deputy General Manager; Sheryl Bregman, Deputy City Attorney; Ari Baruth, Deputy City Attorney; Steve Robinson, AGM Infrastructure Division; Brittany Feitelberg, Special Assistant to the GM and Cirilo Espinoza, Acting Commission Secretary.

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

RES System 3, LLC v. City and County of San Francisco Public Utilities Commission [Alameda County Superior Court Case No. 23CV037877, Filed September 26, 2022]

Proposed settlement of a construction contract claim by RES System 3, LLC under DB-127, Warnerville Substation Rehabilitation Project. Material terms: SFPUC will pay nothing on Contractor's claim; the SFPUC will release \$2.6 million of the withheld contract balance; and the SFPUC will retain the remaining contract balance of \$2,991,223. Proposed settlement subject to final approval by the Board of Supervisors. (Action Item) (Bregman)

The Commission exited Closed Session at 4:16pm.

15. Announcement following Closed Session

President Paulson stated that the Commission recommends the Board of Supervisors approve the settlement referenced under item 14.

16. 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: Paulson, Ajami and Stacy

17. Adjournment

President Paulson adjourned the meeting at 4:18pm.

San Francisco Public Utilities Commission
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102