



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, May 28, 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
2. Roll Call
3. Approval of the Minutes of May 14, 2024

4. General Public Comment

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

Francisco DaCosta expressed gratitude for Donna Hood's assistance and helpfulness over the years. He also made comments about the Bayview district.

Joyce from the Bayview district commented on assistance needed in the area and how the contract center is not used.

Peter Drekmeier provided comments on the alternate water supply plan.

5. Report of the General Manager (discussion only)
 - a) Quarterly Audit and Performance Review Report

Irella Blackwood presented with Christopher Crane the QAPR report.

President Paulson thanks Director Blackwood for the report.

Commissioner Ajami thanked Director Blackwood as well and questioned what physical items and databases are being maintained through the audit. She also questioned if there are any recommendations and/or best practices that could be put in place. Director Blackwood stated other entities are less correct than the PUC. Commissioner Ajami also questioned why it took so long for payment from a certain agency.

Commissioner Stacy was pleased to see the level of thoroughness in the report. Budget Legislative Analysts Conflicts of Interest

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

Commissioner Ajami would like to know more about when these meetings occur and to be included.

Francisco DaCosta made public comments following Commissioner Ajami's remarks.

6. Bay Area Water Supply and Conservation Agency Report

Nicole Sandkulla provided comments on the earlier adoption from the 5/14 meeting. She elaborated on BAWSCA's support for the Commission's decisions.

President Paulson thanked Director Sandkulla for their full belief and reminding the Commissioner of its duty.

Peter Drekmeier provided comments on the mayor's budget and room for the alternative water supply.

7. CONSENT CALENDAR

- a) Award **Contract No. WD-2903**, Site Remediation at 520 John Muir Drive Phase 2, to the responsible bidder that submitted the lowest responsive bid, Anvil Builders, Inc., in the amount of \$2,186,888 and with a duration of 120 consecutive calendar days, to demolish relic structures and remediate residual contaminated soils beneath and around the structures onsite and adopt findings pursuant to the California Environmental Quality Act including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program. (Ritchie)
- b) Award **Contract No. WW-751**, As-Needed Sewer Inspection (FY24) to the sole responsible bidder that submitted a responsive bid, Pipe and Plant Solutions, Inc., in the amount of \$2,972,000 and with a duration of 380 consecutive calendar days (approximately one year and one month), in accordance with San Francisco Administrative Code section 6.23(c)(2), to inspect existing sewers on an as-needed basis, at locations to be determined by Wastewater Enterprise, throughout the City and County of San Francisco. (Robinson)
- c) Award **Contract Nos. PRO.0291 A, B, C, and D**, As-Needed Professional Energy Engineering Consulting Services, to Veregy Pacific LLC (PRO.0291.A), kW Engineering, Inc. (PRO.0291.B), AECOM Technical Services, Inc. (PRO.0291.C), and Thornton Tomasetti, Inc. (PRO.0291.D) each for an amount not to exceed \$4,000,000 and with a duration of five years. (Spaulding)
- d) Approve an increase of 90 calendar days to the duration contingency for **Contract No. WW-719A**, Folsom Area Stormwater Improvements – SOMA and Mission Districts Sewer Replacement, with Mitchell Engineering for a new contract duration limit of up to 557 consecutive calendar days (approximately one year and seven months), due to discovering a conflicting third-party facility in the field that was larger than what was indicated on available record drawings and also due to delays in construction submittals and material procurement leading to a delay in completion of the contract work, with no change to the contract amount. (Robinson)
- e) Approve **Amendment No. 3 to Contract No. PRO.0028**, New Headworks Facility Construction Management Staff Augmentation Services, with HDR Engineering, Inc., to increase the contract amount by \$4,680,626, for a total not-to-exceed contract amount of \$31,680,626, and to increase the contract duration by one year, for a total contract duration of eight years and six months, to reflect the re-scoping efforts and increased level of staffing needed to complete construction Contract No. WW-628, Southeast Water Pollution Control Plant New Headworks Facility, subject to Board of Supervisors approval under Charter Section 9.118. (Robinson)
- f) Accept work performed by Wilson Utility Construction Company under **Contract No. HH-1007**, Transmission Line 7/8 Upgrades, for a total contract amount of \$24,197,640 and a total contract duration of 617 consecutive calendar days; and authorize final payment to contractor. (Ritchie)
- g) Accept work performed by Hernandez Engineering under **Contract No. WD-2819**, As-

Needed Water Main Replacement At Various Locations, No. 2; approve Modification No. 5 (Final) decreasing the contract amount by \$3,888,160, for a total contract amount of \$6,911,683 to adjust the final contract quantities to match the actual quantities, with no change to the contract duration for a total contract duration of 1,825 consecutive calendar days (approximately five years); and authorize final payment to the contractor. (Robinson)

Commissioner Stacy commented on 7a and had a question on 7d – conflicting utility was a PG&E issue.

Vice President Rivera commented on item 7d.

REGULAR CALENDAR

8. Award **Contract No. CS-1411**, Collection Agreement to the United States Department of Agriculture, Forest Service Pacific Southwest Research Station, to provide technical support for watershed management for the Alameda Creek, San Mateo Creek, and Pilarcitos Creek watersheds in an amount not-to-exceed \$2,000,000, and with a duration of five years. (Ritchie)

AGM Ritchie provided the report. No comments from commissioners.

9. Award **Contract No. PW-011**, Bay Corridor Transmission and Distribution Phase 4 and Water Improvements, to the responsible bidder that submitted the lowest responsive bid, Mitchell Engineering, in the amount of \$15,471,259, and with a duration of 610 consecutive calendar days (approximately one year and eight months) to extend the electrical distribution system, replace low pressure water mains, and extend and modernize the Emergency Firefighting Water System in San Francisco's Bayview neighborhood. 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)

Ada Zhu provided the report. Commissioner Ajami continued her same comments about people delivery on time and lesser risks.

10. Award **Contract No. WW-753**, Hayes Valley Sewer Improvements, to the responsible bidder that submitted the lowest responsive bid, Precision Engineering, Inc., in the amount \$10,842,325 and with a duration of 420 consecutive calendar days (approximately one year and two months), to rehabilitate and replace large diameter sewers and laterals on specified 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 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)

Ming Yee presented the report. No comments from the commissioners.

11. Authorize the General Manager to consent, on behalf of the San Francisco Public Utilities Commission, to the **Development Agreement between the City and County of San Francisco and Stonestown NW Parcel LLC**, a Delaware limited liability company, Stonestown Shopping Center, L.P., a Delaware limited partnership, and Stonestown Anchor Acquisition, L.P., a

Delaware limited partnership, as it relates to matters under the jurisdiction of the San Francisco Public Utilities Commission; and adopt findings pursuant to the California Environmental Quality Act, including a Statement of Overriding Considerations and a Mitigation and Monitoring and Reporting Program. (Flynn)

Molly Petrick presented the report. Commissioner Ajami commented on how nice it is to see work/life balances being incorporated in shopping centers. Also questioned potable water uses/needs. Better strategy on how these developments are processed.

Commissioner Stacy echoed Commissioner Ajami's statements and use of water.

Vice President Rivera requested EFWS clarification; DGM Flynn stepped in and provided the process on how the Fire Department issued the standards. VP Rivera is truly concerned about the process and would like to see some revisions to this.

Commissioner Stacy followed up on VP Rivera's concern and VP provided clarification.

Francisco DaCosta provided comments on how safety should be the number one issue when addressing this type of concern.

Mauricio Chavez Local 32 commented on providing support for this project and would create around 800 jobs for carpenters through the year.

Rudy Gonzalez representing 27 unions in support of this project (introduced by President Paulson). Urged Commission to update themselves on this project.

? Price provided comments in support for the project and adding 3500 homes for all individuals, including seniors and veterans.

? another caller provided more comments in support of the project and looks forward to the transformation of all the unused parking areas.

Commissioner Ajami requested to be kept informed on the status of the project and how it is progressing.

President Paulson echoed VP Rivera's comments and would like to see status updates as well.

12. Authorize the General Manager to approve a **Renewable Power Purchase Agreement for CleanPowerSF with IP Easley LLC** in an amount not to exceed \$75,000,000, for a duration of 10 years; and authorize the General Manager to seek approval from the Board of Supervisors to execute the Power Purchase Agreement, under Charter Section 9.118. (Hale)

Julia Olguin presented the report. President Paulson thanked Director Olguin for the report.

Commissioner Ajami questioned the difference between green and supergreen programs. She also questioned the PPA and what our slice is and who might be the other customers, which we only find out at the end. Director Olguin stated we have curtailment procedures in place and we have batteries we manage.

13. Approve **Amendment No. 6 to Contract No. CS-1408**, Multi-Party Cost Share Agreement for

Los Vaqueros Reservoir Expansion Project Planning, with Alameda County Flood Control and Water Conservation District Zone 7, Alameda County Water District, Contra Costa Water District, East Bay Municipal Utility District, Grassland Water District, San Luis & Delta-Mendota Water Authority, Santa Clara Valley Water District, and the Los Vaqueros Reservoir Joint Powers Authority, to extend the Agreement duration by 12 months, resulting in a new total Agreement duration of six years and four months, with no change to the Agreement's not-to-exceed amount, due to additional delays in the negotiation and execution of project-related contracts with the California Department of Water Resources and the California Department of Fish and Wildlife, and permits with the U.S. Bureau of Reclamation, as well as other institutional challenges. (Ritchie)

AGM Ritchie presented the report. President Paulson thanked AGM Ritchie for a very informative report.

Commissioner Ajami asked if we just brought the dam, will we need to re-expand it? AGM Ritchie stated yes, we would essentially need to replace the dam. Contra Costa is a bit nervous because they would go five years without a dam. AGM Ritchie continued to state that we have the piece, it's just fallen into disarray.

Commissioner Stacy questioned the bullet point on slide #5 and to determine where the water might come from. Compared this report to the AWS report back in February; mentioned the variety of ways on how an agency can procure water. Money spent to date is a sunk cost.

Nicole Sandkulla provided support for this project.

Peter Drekeimer provided support as well and stated we would be in a different place if this project would've been put in motion many years ago.

Commissioner Ajami quickly thanked Senobar Lanigan for her hard work on the taxing program.

14. Approve **modifications to the Onsite Water Reuse Grant Program** that: (1) lower the potable water offset thresholds that dictate eligibility for certain levels of grant funding while keeping the funding levels the same to better align with the fact that grant projects may not have completed construction, be ready to operate the onsite water system, and achieve the potable water offsets until two years after the grant agreement is executed, and yet projects costs remain the same, as follows: (a) projects that replace at least 3,600,000 gallons of SFPUC water over the 10-year grant agreement would be eligible for up to \$200,000; (b) projects that replace at least 8,000,000 gallons of SFPUC water over the 10-year grant agreement would be eligible for up to \$500,000; and (c) projects that replace at least 24,000,000 gallons of SFPUC water over the 10-year grant agreement would be eligible for up to \$1 million; (2) require grant projects to be constructed, operational, and offsetting SFPUC water use within two years of the dated grant agreement; (3) clarify the process for disbursing grant funds; (4) clarify the insurance, prevailing wage, and Local Business Enterprise (LBE) Ordinance requirements; (5) require that the grantee be the property owner for the project site; and (6) make non-substantive corrections or modifications to the Grant Program Rules. (Ritchie)

Taylor Nokhoudian presented the report. President Paulson requested clarification on the multi-family residential projects being exempt from prevailing wage.

Commissioner Ajami expressed thanks for this report and the work produced.

Commissioner Stacy echoed the same comments and appreciated the inclusion of a previous report. She also requested some clarification on the thresholds.

Nicole Sandkulla provided comments in support of this project and thinking ahead and getting projects off the ground.

15. Communications (information only)

- a) Advance Calendar
- b) Annual Hetch Hetchy Power and CleanPowerSF Power Source Disclosure Report Filing to the CA Energy Commission
- c) Contract Advertisement Report
- d) Correspondence Log
- e) FY 2022-23 SFPUC Green Bond Reports
- f) Onsite Water Reuse Program Update – FY 22/23
- g) Quarterly Report for Resolution No. 095-23, approving Amendment No. 2 to Contract No. PR0.0152, Power Scheduling Coordination and Related Support Services, with APX Inc.
- h) Quarterly Report to the Board of Supervisors on the Status of Applications to PG&E for Electric Service
- i) Water Supply Conditions Update

16. Items initiated by Commissioners (discussion only)

None.

17. Adjournment

President Paulson adjourned the meeting at 4:09pm.