



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Edwin M. Lee
MAYOR

MINUTES

(As approved January 24, 2012)

Regular Meeting

Tuesday, January 10, 2012

1:30 P.M.

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

Commissioners

Anson B. Moran, President
Art Torres, Vice President
Ann Moller Caen, Commissioner
Francesca Vietor, Commissioner
Vince Courtney, Commissioner

Departments and Enterprises

Water Enterprise
Wastewater Enterprise
Power Enterprise
Infrastructure
Business Services
External Affairs

Ed Harrington
General Manager

Michael Housh
Secretary



For information, contact the Commission Secretary at 554-3165.
Minutes and other information are available on the SFPUC web site: www.sfwater.org.

ORDER OF BUSINESS:

1. Call to Order

President Moran called the meeting to order at 1:32 p.m.

2. Roll Call

Present were President Anson B Moran, Vice President Art Torres, and Commissioner Francesca Viotor, Commissioner Ann Moller Caen, and Commissioner Vince Courtney in

3. Approval of Minutes

- a) [Minutes](#) of the December 13 2011, Regular Meeting

Motion by Commissioner Torres, 2nd by Commissioner Courtney to approve the December 13th meeting minutes Passed 5-0 AYE (Moran, Torres, Caen, Viotor, Courtney) unanimously

4. Public Comments

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

Mr David Pilpel, SFPUC CAC, called attention to recommendations made by San Francisco Planning & Urban Research (SPUR) to the Commission reported in a December 13th Letter regarding the proposed urban agriculture program, asking they be carefully considered. Regarding a consulting contract related to implementation of community Choice aggregation, Mr Pilpel also urged that the SFPUC consider partnering with other city departments such as the Department of the Environment. Mr Pilpel noted it was likely he would be re-appointed as a member of the SFPUC Citizens Advisory Committee.

5. Communications

- a) [Letter Summary](#)
- b) [Advance Calendar](#)
- c) Staff Reports (*written reports sent to the Commissioners*)
 - 1. [Electric Resource Plan Update](#) (Hale)
 - 2. [Street Light Program Update](#) (Hale)
 - 3. [Popular Annual Report](#) (Rydstrom)
 - 4. [Annual Report \(CAFR\)](#) (Rydstrom)

There was no discussion of any Communications item.

Public comment

No comments were offered

6. Other Commission Business

No new business items were proposed

7. Report of the General Manager

General Manager Harrington presented three brief updates reporting that there had been no request for a hearing or other action at the Board regarding the Municipal Power Rates adopted by the Commission at its December 13th meeting. Next regarding power outages at Candlestick Park during the 49er's game, Mr Harrington clarified that actually providing power to the Stadium area was through the PG&E system and within the facility by the Department of Recreation and Park. Mr Harrington then outlined recent work done by PG & E and Rec/Park staff and ongoing testing with the SFPUC in a supportive role in insuring the power remained available at Candlestick Park for the upcoming National Football Conference (NFC) playoff game.

Next, Mr Harrington reported another successful shut down of the Hetch Hetchy System but noted due to an newly identified need to correct a gate problem at Red Mountain Bar there would be a delay in the resumption of flow until Saturday.

a) Water System Improvement Program (WSIP) Update

(Labonte)

WSIP Director Julie Labonte began her report with an update on the findings of an independent review by Exponent of the circumstances related the November 25th South San Francisco Water Main failure. Ms Labonte reported that a previously undiscovered design error by SFPUC staff was identified as having created the problem and that steps were now in place to require high level of reviews closing a loophole in our quality control procedure review process as well as construction management changes so there would be no re-occurrence of these circumstances in future. Ms. Labonte noted that BAWSCA was closely consulted throughout each step of this review process and that she would be presenting these findings to the South San Francisco City Council tomorrow.

Next, Ms. Labonte reported on increased activity at the Harry Tracey Facility and at the Calaveras Dam Replacement Project, noting we were reaching peak construction in the WSIP. Next, Ms Labonte reported there would be expected cost changes resulting from scope changes and unforeseen site conditions at the Sunol Valley Water Treatment Plant and on the Alameda Siphon No 4 Project. Ms Labonte then discussed good news in the completion of the San Joaquin Pipeline Cross-over and Alameda Siphon No 4, as well as substantial completion of the East Bay reaches of the Bay Division Pipeline No. 5 in February. Ms. Labonte also reported advertising the Sutro Reservoir Seismic Upgrade Project, noting this was the last local project to move to construction. Regarding the New Irvington Tunnel Project, Ms. Labonte reported steady progress with control of

groundwater intrusion as well as continued success in meeting CAL OSHA requirements on this extremely challenging project. Ms. Labonte then reported that tunneling on the Bay Tunnel was meeting its expected progress rates and noted that it seemed likely that the size of the extraction tube could be reduced thereby minimizing the environmental impacts as well as their related costs.

In response to comments about the extensive time and effort that went into thinking about setting up an extensive Project management oversight system and a request by President Moran, Ms. Labonte agreed to identify a “case study” demonstrating how the Project Management systems in place were functioning. Ms. Labonte noted that there were many good and instructive examples of such available.

b) SFPUC Policy Review

(Rydstrom)

Chief Financial Officer and Assistant General Manager for Business Services Todd Rydstrom presented an extensive [overview of various policy areas](#) and discussed in detail proposed new policy initiatives prepared by staff in response to Commission requests.

Commission discussion

President Moran noted that given the experience of five years of rates increases the SFPUC faced an uphill challenge in helping the ratepayers clearly understand and have very transparent explanation of how wisely we spent their funds and exactly how these moneys were being spent. President Moran highlighted several new policy initiatives that could help provide a clear framework for the SFPUC in making its case to the ratepayers when asking for additional funds for upcoming major initiatives such as the Sewer System Improvement Program. President Moran emphasized two points that he thought were expected of us; first to do the job assigned to the SFPUC well and secondly to spend the ratepayer’s money as prudently as if it were our own.

In response to questions by Commissioner Vietor, Mr. Rydstrom described fleet management and greening policies that were being developed in response to her previous requests. Mr. Harrington called discussed further aspects of the proposed policy for accountability to our ratepayers. Mr. Harrington noted that this framework would provide Commissioners with an easy check list against which they could match up what was being proposed in the budget. Commissioner Vietor also suggested additional policies encouraging use of public transit, identifying ways our policies matched up to existing city policies, and recommended further investigation of creating a sustainable waste disposal process for office and electronic waste resulting from SFPUC operations. Commissioner Vietor also asked consideration of ways to divert water from entering into our combined sewer systems perhaps as part of the planning for the Sewer System Improvement Program.

President Moran noted that this effort to identify and quantify specific policies for each of the identified needs would be something of an experiment as most prior policies were developed as responses to things that had gone wrong rather than being proactive. President Moran also suggested that a process whereby our compliance with the

adopted policies was reviewed by a neutral third party could also be included as a further means of demonstrating the transparency of how we do business. President Moran noted that not all of these

Public comment

Mr David Pilpel, SFPUC CAC, noted that former SFPUC Finance Director Jean Mariani had attempted unsuccessfully to aggregate all of these policies and applauded this effort. Additionally, Mr Pilpel suggested that regarding the question of the proposed Rates Policy inclusion of the “popular” annual, a great and very accessible document, as well as adding in the Departmental Climate Action Plan, various Mayor’s Executive Directives, and perhaps a discussion of proportionality related to the mandate of Prop 218 so that no class of rate payers was dis-portionately burdened

BAWSCA General Manager Art Jensen applauded this effort as an example of good government. Mr Jensen cautioned that such a lengthy period of expansive spending was difficult to sustain and recommended that a sharper focus on identifying priorities rather than staying with the status quo would be the next challenge. Mr Jensen noted that keeping moving forward with innovative approaches needed to be balanced with what was fiscally possible in the current situation and was likely to remain so for the foreseeable future. .

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED BY THE GENERAL MANAGER OF PUBLIC UTILITIES AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents provided to the Commission in connection with this agenda are available for public inspection and copying at the Office of the Commission Secretary, 1155 Market Street, 11th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-3424.

CONSENT CALENDAR

8.. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be removed from the Consent Calendar and considered as a separate item.

Public comment

No comments were offered on any consent calendar item.

Motion by Commissioner Torres, 2nd by Commissioner Vietor to approve Consent Calendar items 8a through d. Passed 5-0 AYE (Moran Torres, Cane, Vietor, Courtney) unanimously

- a) [Ratify the Declaration of Emergency](#) made by the General Manager of the San Francisco Public Utilities Commission, dated September 6, 2011 and approved by the President of the Commission, for immediate security improvements to the Utility Services Division Yard at 639 Bryant Street to ensure secure tools, vehicles and equipment necessary to maintain citywide power and street lighting infrastructure. The emergency work will be awarded to G4S Technology Limited Partnership, in the amount of \$115,600. *(Carlin)*
[Reso 12-0001](#)
- b) **Approve** the plans and specifications, and **award** Wastewater Enterprise (WWE), Renewal and Replacement (R&R) Program-funded and Department of Public Works (DPW) Pavement Renovation Program-funded [Contract No. WW-504, Sunset District Sewer Replacement and Pavement Renovation](#), in the amount of \$2,608,085 to the lowest, qualified, responsible and responsive bidder, Precision Engineering, to replace the existing sewers and street pavement on various streets in the Sunset District of San Francisco *(Moala)*
[Reso 12-0002](#)
- c) **Approve** Amendment No. 1 to Water Enterprise, Water System Improvement Program (WSIP)-funded [Agreement Nos. CS-880A-C with Camp Dresser & McKee Inc. \(CS-880A\), CH2M Hill \(CS-880B\), and MWH Americas Inc. \(CS-880C\)](#); and authorize the General Manager of the San Francisco Public Utilities Commission to execute these amendments, extending each agreement by 2 years, for a total agreement duration of 6 years. These amendments will be used to provide ongoing engineering third party review services on WSIP projects still in the planning and/or design phases. *(Kelly)*
[Reso 12-0003](#)
- d) **Approve** Amendment to Water Enterprise-funded Agreement No. [CS-936A, Procurement, Installation, and Implementation of Advanced Meter Infrastructure System](#) with Grid One Solutions (formerly VSI Meter Services), to extend the Turnkey Installation Period and **authorize** the General Manager of the San Francisco Public Utilities Commission to execute this contract modification with a non-compensable time extension of the Turnkey Installation Period by 319 days, for a total Turnkey Installation Period of 1,140 days. *(Ritchie)*
[Reso 12-0004](#)

REGULAR BUSINESS

9. Workshop and Discussion

(Discussion will be limited to 30 minutes or such other duration set by the Commission)

A workshop discussion and update [presentation on Climate Change](#) *(Behar)*

David Behar, Climate Program Director, Water Enterprise presented an extensive and detailed [update](#) on the SFPUC ongoing efforts to better quantify and thereby in time respond to the impact of Climate Change.

Commission discussion

Mr. Behar responded to questions by President Moran and Commissioner Vietor concerning the elements of his presentation. Commissioner Vietor suggested development of an “urban centric” model would be helpful in understanding how this could be tied to various options that would soon be before the Commission. . In response Mr Harrington noted that as part of a “no regrets “ strategy that staff would be developing elements of specific projects that would in part address identified impacts from climate change in programs such as the Sewer System Improvement Program (SSIP), but observed that these could not be tied directly to any particular model of climate change. President Moran noted this was also a key concern in developing our water supply strategy especially regarding the development of an achievable diversity of resources.

Commissioner Vietor thanked Mr. Behar for such a comprehensive and informative report.

Public Comment

Mr Barry Nelson, Natural Resources Defense Council, presented a report prepared by his agency that reported the climate change management efforts of 12 cities including San Francisco, applauded the SFPUC’s taking a leadership role in addressing this issue and Suggested that this report might offer other ideas that might be useful in this effort. Mr Nelson noted that this research was essential in understanding the new circumstances facing water managers by both adopting a no regrets strategy as well as continue to refine tools to better understand how to manage their systems in the face of these changes.

Vice President Torres noted a remarkably clear photograph of Los Angeles in the report. President Moran asked that a [web link](#) to this report be provided so it could be included in the minutes.

10. **Workshop and Discussion**

(Discussion will be limited to 30 minutes or such other duration set by the Commission)

A workshop discussion and update presentation on [Repair & Replacement Goals \(Agency-wide\)](#) .

(Carlin)

Deputy General Manager Michael Carlin presented a [detailed overview](#) of the ongoing work in determining the Agency wide repair and replacement goals.

Commission discussion

In response to questions by Vice President Torres, Mr Carlin outlined details of how the expanded new spot repair program would be operated and reported that indeed the brick sewers were holding up better than had been expected. . In response to questions by Commissioner Courtney as to how the SFPUC's work was to be coordinated with the work funded by Proposition B's \$248 million Street Repairs Bond approved by the voters in November, Mr Harrington and Mr. Carlin then discussed the ongoing effort to take advantage of cost and time savings realized by jointly planning for these repairs in conjunction with identified repair and replacement targets of our own. In response to a follow up question as to who decides what is done, Mr Harrington explained there was an established city process for us to coordinate to save money and that there would be many options available to us to take advantage of the availability of these funds to stretch our repair and replacement budget. Mr Harrington noted that many additional details concerning these matters would be addressed at the January 12th Budget workshop. Commissioner Caen observed that it was a longstanding Commission policy to coordinate these kinds of activities whenever feasible. In response to additional questions by Commissioner Courtney Mr Harrington briefly discussed ways that we might catch up and bring the repair and replacement cycle to a place where we wanted it to be Mr Harrington pointed out the difficult answer to the question of what balance between identified needs and available funds remained to be determined.

Wrapping up, President Moran pointed out that as the system had been built piecemeal that it remained up to us to now determine the rate that we could justify and financially sustain to get the entire system into a state of good repair as soon as was doable.

11. Discussion and possible action to **approve** either [Pedestrian Lighting Policy #1, #2 or #3](#), and authorize the General Manager of the San Francisco Public Utilities Commission (SFPUC) to implement the Pedestrian Lighting Policy. (Hale)
[Reso 12-0005](#)

AGM for Power Barbara Hale [presented a detailed overview](#) of the reasons for the Commission to act at this time citing as a timely need for direction on this topic the ongoing Better Streets Program by the Department of Public Works to decide if the SFPUC should assume both responsibility for and a degree of authority over pedestrian Lighting in San Francisco or determine not to do so. AGM Hale then outlined the various sorts of lighting involved and suggested why this might be a good idea.

Public comment

No comments were offered

Commission discussion

After questions by President Moran and Commissioner Vietor and further discussion of the reasons why this needed to be addressed now and the staff's rationale for recommending that the SFPUC assume this role; the Commissioners agreed it would be best to adopt Policy Recommendation #1 as this provided both the responsibility as well as authority needed to most efficiently manage these pedestrian lights.

Motion to approve Pedestrian Lighting Policy #1 by Commissioner Vietor, 2nd By Commissioner Caen Passed 5-0 AYE (Moran, Torres, Caen, Vietor, Courtney) unanimously

CLOSED SESSION

12. Public comments on matters to be discussed in Closed Session.

No comments were offered on any closed session items.

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

Motion to assert the attorney-client privilege by Commissioner Courtney, 2nd By Commissioner Caen Passed 5-0 AYE (Moran, Torres, Caen, Vietor, Courtney) unanimously

The Commissioners retired into closed session at 3:10p.m.

(Present in closed session were: President Moran, Vice President Torres, Commissioner Caen, Commission Vietor, Commissioner Courtney, General Manager Harrington, Deputy General Manager Carlin, Chief Financial Officer & Assistant General Manager for Business Services Todd Rydstrom, Deputy City Attorney Noreen Ambrose, and Commission Secretary Housh)

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

14. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code Section 67.10(a). (*Ambrose*)

Consultation with: Agency Chief of Security concerning security of S.F.P.U.C. Water and Power Systems.

15. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (a) and San Francisco Administrative Code Section 67.10 (d) (1) (*Rothschild*)

Existing Litigation: As Defendant
James Murray v City & County of San Francisco
City Attorney File No 11-02471, Filed November 21, 2011
Reso 12-0006

16. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (a) and San Francisco Administrative Code Section 67.10 (d) (1)

(Rothschild)

Existing Litigation: As Defendant
Pacific States Environmental Contractors, Inc. v City & County of San Francisco
SF Superior Court No GCG-10-501403, Filed October 31, 2011
Reso 12-0007

Commissioner Caen left the meeting during the closed session.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN OPEN SESSION.

The Commissioners returned to Open Session at 3:22 p.m.

17. Announcement following Closed Session.

President Moran announced no action on Agenda item #14 and that Agenda Items #15 and #16 were settled.

18. Motion regarding whether to disclose the discussions during Closed Session.

Not to disclose by Commissioner Courtney, 2nd By Commissioner Vietor Passed 4-0 AYE (Moran, Torres, Caen, Vietor, Courtney) unanimously

19. Other New Business

No new business items were proposed

There being no further business President Moran adjourned the meeting at 3:23p.m.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 11th Floor
San Francisco, CA 94103

RETURN SERVICE REQUESTED