



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**  
**Tuesday, June 26, 2012**  
(Approved July 10, 2012)

1:30 P.M.  
City Hall, Room 400  
San Francisco, CA 94102

**Commissioners**

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

**Ed Harrington**  
General Manager

**Donna Hood**  
Secretary



For information, contact the Commission Secretary at 554-3165.  
Minutes and other information are available on the SFPUC web site: [www.sfwater.org](http://www.sfwater.org)  
Gavel-to-Gavel coverage available at:  
[http://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=22](http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22)

## **Disability Access**

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To obtain a disability-related accommodation, including auxiliary aids or services, or to obtain meeting materials in alternative format, please contact Donna Hood at (415) 554-3165, or by emailing [dhood@sfgov.org](mailto:dhood@sfgov.org). Providing at least 72 hours notice will help to ensure availability.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: [sof@sfgov.org](mailto:sof@sfgov.org). Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.sfgov.org](http://www.sfgov.org).

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## **Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site at [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

## **ORDER OF BUSINESS:**

1. Call to Order
2. Roll Call
3. Approval of Minutes of June 12, 2012

### ***On motion to approve the minutes of June 12, 2012***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

#### 4. 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.*

- *Mr. Francisco Da Costa congratulated the Commission on the 525 Golden Gate headquarters. He stated that there is a need for leadership and continuity with large infrastructure projects and that the SFPUC needs to apply experiences from the WSIP to the SSIP.*
- *Ms. Espanola Jackson expressed her concerns with the Southeast Community College facility and wants to finalize plans for community needs at the facility.*
  - *Mr. Harrington noted that this issue would be placed on a SFPUC agenda in the near future.*

#### 5. Communications

##### a) Letter Summary

*President Moran noted receipt of correspondence from Joseph F. Shaughnessy regarding watershed security.*

##### b) Advance Calendar

*Commissioner Caen asked for a definite date for response to her request for information on the fair market value of SFPUC property. Mr. Harrington stated that a timeline for response would be provided at the July 10<sup>th</sup> meeting.*

##### c) Implementation of a Green Test Bed Program

##### d) Status of Major Development Projects in the Service Area

##### e) 2011 Annual Power Source Disclosure/Power Content Label Calculation to the California Energy Commission

#### 6. Other Commission Business

#### 7. Report of the General Manager

##### a) Ocean Beach Update

*Mr. Carlin provided the Commission with an update of activity at Ocean Beach. He noted that the SFPUC has been working in partnership with the National Park Service, DPW and the California Coastal Commission on beach issues.*

b) SSIP Validation Process

*Mr. Harrington noted that the July and August workshops will allow for discussions and decisions on the SSIP.*

c) WSIP Update

*Ms. Labonte provided a brief update on New Irvington Tunnel and Calaveras Dam projects. She discussed issues with Calaveras Dam, as unexpected geological issues on the left embankment have been discovered. She stated that they are doing all they can to minimize the cost and schedule impacts, and will keep the Commission updated.*

8. BAWSCA Report

*Mr. Jensen briefly addressed the following: (1) Congratulations on the opening of 525 Golden Gate headquarters; (2) AB2167 which has gone through committee and is on its way to the floor; (3) BAWSCA sent SFPUC staff projections of water purchases through 2018, as required and; (4) the status of their long-term water supply strategy, noting phase one is complete.*

9. Citizens' Advisory Committee (CAC) Report

*Mr. Jones provided a quarterly report of the CAC. He noted that there are five new members (16 of 17 seats occupied), and described Committee topics for 2012 and 2013.*

**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, 11<sup>th</sup> Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-3424.*

**CONSENT CALENDAR**

10. 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.

- a) **Approve** the plans and specifications, and **award Contract No. WW-507, Bernal Heights/Potrero Districts Sewer Replacement/Rehabilitation and Pavement Renovation, in the amount of \$3,029,321 (of which \$1,898,783 is funded by WWE and \$1,130,538 is funded by DPW)**, to the lowest, qualified, responsible and responsive bidder, D'Arcy & Harty Construction, to replace the existing sewers and street pavement on various streets in the Bernal Heights/Potrero Districts of San Francisco. ([Resolution 12-0105](#))

- b) **Approve** the plans and specifications, and **award Contract No. WW-522, Southeast Water Pollution Control Plant Dewatering Facility Corrosion Repairs, in the amount of \$9,058,000**, to the lowest, qualified, responsible and responsive bidder, Monterey Mechanical Co., to perform necessary upgrades to the existing biosolids dewatering and storage facility at the Southeast Water Pollution Control Plant. ([Resolution 12-0106](#))
- c) **Approve** Modification No. 1 to **Contract No. JOC-26, Governor & Exciter Systems for Hydroelectric Powerhouses, San Francisco/Peninsula/East Bay/Hetch Hetchy**, with System 3 Inc., to accomplish specialty high-voltage electrical work for all SFPUC Enterprise Operations and Bureaus, **increasing the contract by \$2,500,000** for a total contract amount of \$7,500,000, and with a **time extension of two years** for a total contract duration of five years. ([Resolution 12-0107](#))
- d) **Approve** and **award Contract No. JOC-38R for San Francisco/Peninsula, for a not-to-exceed amount of \$3,000,000** to the sole, qualified, responsible and responsive bidder, Westates Mechanical Corp., **to perform heating/ventilation/air conditioning upgrades in City owned municipal facilities**. JOC-38R is the last of three HVAC JOC contracts issued under the same bid documents but with separate bid openings; JOC-39 and JOC-40 were awarded previously by the Commission. ([Resolution 12-0108](#))
- e) **Authorize** the General Manager or his designee to **negotiate and execute a Memorandum of Agreement with the San Francisco Department of the Environment and the San Francisco Unified School District for an amount not to exceed \$60,000 annually and \$120,000 in total** during Fiscal Years 2012 and 2013 for **continued support to the San Francisco Unified School District's Conservation Connection Program**, a comprehensive outdoor environmental education program for under-served public schools in San Francisco. ([Resolution 12-0109](#))
- f) **Approve** the terms and conditions and **authorize** the General Manager to execute a **Revocable Permit with the City of Milpitas** to use and maintain approximately 38,260 square feet of SFPUC property located on Murphy Road in the City of Milpitas as a public park. ([Resolution 12-0110](#))
- g) **Approve** the terms and conditions and **authorize** the General Manager to execute a **Revocable Permit with India Community Center** for use of SFPUC right of way property located in Santa Clara County, for an outdoor recreational area for the children attending the ICC Day Camp. ([Resolution 12-0111](#))
- h) **Authorize** the General Manager to execute a **Revocable Permit with the City of South San Francisco** to use approximately five acres of SFPUC land near South Spruce Street and Huntington Avenue and Victory Avenue in South San Francisco for a public bicycle path and linear park, known as the Centennial Way Linear Park and placement of a sculpture to mark its entrance. The permit replaces an existing expired permit. ([Resolution 12-0112](#))

- i) **Authorize** the General Manager or his designee to execute a **Revocable Permit with the Haight Ashbury Neighborhood Council**, as fiscal sponsor of the Garden for the Environment on SFPUC property at 7th Avenue and Lawton Street. The new Revocable Permit will replace existing permit number 4056 and allow for the continued operation of the public demonstration garden on the Property, as well as an environmental education programs. ([Resolution 12-0113](#))

*Due to a protest on item 10b; the item was removed by President Moran.*

**On motion to approve Items 10a, c, d, e, f, g, h, i**  
**ADOPTED: AYES: Moran, Torres, Caen and Courtney.**

### **10b**

*Mr. Harlan Kelly, Jr. detailed the process for advertisement and the subsequent findings and scope that increased the estimate of the project to over \$10M. He noted that the new estimate made the project ineligible for the LBE discount. He stated he ordered a third party estimate from Parsons, who estimated a project cost of \$13M.*

#### **Public Comment**

- *Mr. Don CaBianca, Cal State Constructors, expressed his opposition to the staff recommendation and recommended that the contract not be awarded to Monterey Mechanical Company. He requested that all the bids be thrown out and the be project re-bid.*
- *Mr. Alan Ko, Cal State Constructors, echoed the sentiments of Mr. CaBianca and expressed his opposition to the staff recommendation. He requested that all bids be rejected and the project be re-bid.*
- *Mr. Jim Troup, Monterey Mechanical Company, expressed in support of the staff recommendation.*
- *Mr. Francisco Da Costa expressed his thoughts on the contracting process.*

*Discussion ensued on the bid process for WW-522. In response to a question posed by Commissioner Torres, City Attorney Ambrose stated that the City Attorney's Office stands behind the staff recommendation and that the award of the contract followed the rules and there are no concerns that were made to the scope of the project.*

*Mr. Jignesh Desai, project manager, provided a slide show of the condition of the items in need of repair and the need for approval of the contract.*

*Mr. Kelly indicated that a re-bid of the project would delay the project by approximately six months and that the condition of the facility poses a safety issue.*

#### **Public Comment**

- *Mr. Alan Ko, Cal State Constructors, stated he does not feel that there is an urgent safety need to complete the repairs now and that the item should be rebid.*

*Mr. Tommy Moala, AGM Wastewater expressed his concerns with a possible delay and indicated that the facility is in need of repair and urged the Commission to approve the contract award.*

*Additional discussion on the bidding process and of awarding or rebidding the project occurred.*

***On motion to approve Item 10b***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

## **REGULAR BUSINESS**

11. **Approve** the plans and specifications, and **award Contract No. WD-2627R, Sutro Reservoir Rehabilitation and Seismic Upgrade, in the amount of \$27,453,000**, to the lowest, qualified, responsible and responsive bidder, SJ Amoroso Construction Co. Inc., to complete the rehabilitation and seismic upgrade of the Sutro Reservoir in San Francisco. ([Resolution 12-0114](#))

*Ms. Labonte introduced the item. Ms. Ivy Fine responded to questions by President Moran.*

### **Public Comment**

- *No public comment.*

***On motion to approve Item 11***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

12. **Approve** the plans and specifications, and **award Contract No. WD-2666, Bioregional Habitat Restoration – Sheep Camp Creek, in the amount of \$3,912,500**, to the lowest, qualified, responsible and responsive bidder, Shimmick Construction Company, Inc., to restore the existing Sheep Camp Creek, a site on SFPUC watershed land in Alameda County, to provide wetland areas and endangered species habitat as compensation for identified impacts from the WSIP Calaveras Dam Replacement Project. ([Resolution 12-0115](#))

### **Public Comment**

- *No public comment.*

***On motion to approve Item 12***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

13. **Authorize** the General Manager to **negotiate and execute a new Joint Exercise of Powers Agreement with the Bayshore Sanitary District for sewer service** for the period from July 1, 2012 to June 30, 2025, and in the event negotiations are not complete by July 1, 2012, to negotiate and execute an extension of the existing agreement through September 30, 2012. ([Resolution 12-0116](#))

*Mr. Charles Perl described this item and the terms of the agreement.*

**Public Comment**

- *No public comment.*

***On motion to approve Item 13***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

14. Discussion and possible action to **authorize the issuance of a principal amount up to \$35,000,000 in Refunding Water Revenue Bonds, approving** the form and **authorizing** the execution and delivery of related documents. **Authorize** the General Manager to sell one series of bonds on either a negotiated or a competitive basis, as the General Manager determines is in the best financial interest of the SFPUC; and **delegating** to the General Manager authorization to award the series of bonds to the highest bidder (lowest-cost). ([Resolution 12-0117](#))

*Mr. Charles Perl introduced this and provided details of the bond issuance.*

**Public Comment**

- *No public comment.*

***On motion to approve Item 14***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

**Items 15 and 16 were called together**

15. **Authorize** the General Manager to **enter into separate agreements with the following Commercial Paper Dealers for the Wastewater Enterprise Commercial Paper Program:** US Bank, Citigroup, Wells Fargo and Morgan Stanley, as they were the lowest cost, responsive and responsible bidders. The **agreements combined included annual costs not-to-exceed \$150,000 for a duration of three years, with two additional extension periods of one year each.** The General Manager is **further authorized** to select the next lowest cost, responsive and responsible bidder should the selected firms be unable to meet City contracting requirements or if negotiations are otherwise not successful. ([Resolution 12-0118](#))
16. **Authorize** the General Manager to **enter into separate agreements** with Union Bank NA and The Bank of Tokyo-Mitsubishi UFJ, LTD, as the lowest cost, responsive and responsible bidders, to provide credit to secure the commercial paper authorized under 2002 Proposition E for the Wastewater Enterprise. The **agreement provides \$150,000,000 in available credit with annual costs not-to-exceed \$1,000,000 for a duration of three years.** The General Manager is **further authorized** to select the next lowest-cost, responsive and responsible bidder should either of the selected banks be unable to meet City contracting requirements or if negotiations are otherwise not successful. ([Resolution 12-0119](#))

*Mr. Charles Perl presented the terms of the proposed agreements.*

**Public Comment**

- *No public comment.*

***On motion to approve Items 15 and 16***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

17. **Authorize** the General Manager to execute a **Grant Agreement** for an **amount not-to-exceed \$100,000 and with a total duration of 12 months, with Life Frames Inc., to provide “A Living Library” and “Think Parks” educational programs in six San Francisco Schools.** These programs will provide academic learning opportunities and critical skills development opportunities in the OMI/Excelsior, Bernal Heights, and Chinatown neighborhoods. ([Resolution 12-0120](#))

*Mr. Tommy Moala introduced this item and noted the importance of conservation education to students.*

**Public Comment**

- *No public comment.*

***On motion to approve Item 17***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

18. **Authorize** the General Manager to **execute a Grant Agreement with the San Francisco School Alliance**, the fiscal sponsor for the San Francisco Green Schoolyard Alliance, for an **amount not-to-exceed \$100,000** during Fiscal Year 2012-2013, for the San Francisco Green Schoolyard Alliance to develop educational outcomes related to the SFPUC’s water, sewer and power services and operations through the Green Schools Corps program; and to develop, capture and present the experience K-5 grade San Francisco Unified School District students will have related to the SFPUC’s water, sewer and power services and operations. ([Resolution 12-0121](#))

*Ms. Juliet Ellis noted this item would support the placement of Green Schools Corps in SFUSD Schools, and is part of larger coordinated educational efforts at the SFPUC.*

**Public Comment**

- *No public comment.*

***On motion to approve Item 18***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

19. **Approve** an **increase in the contract cost contingency in the amount of \$196,454**, for a **total cost contingency of \$255,867**, and **authorize** a potential **increase in the contract duration of up to 84 consecutive calendar days**, for

**Contact No. WW-533** – Wastewater Facilities Lighting Efficiency Improvements, North Point, Oceanside & Bruce Flynn Facilities; **Authorize** the General Manager, or his designee to approve any future modifications to the total contract amount not to exceed \$850,000, and to the contract duration not to exceed 324 consecutive calendar days. The increased cost and time extension are needed for additional lighting fixture mounting installation. ([Resolution 12-022](#))

*Ms. Karen Kubick discussed the importance of the facility improvements.*

**Public Comment**

- *No public comment.*

***On motion to approve Item 19***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

20. Public comments on matters to be discussed in Closed Session.
21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

***On motion to assert the attorney-client privilege***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

**CLOSED SESSION**

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

22. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8(a) (2) :

Property: 520 John Muir Drive, San Francisco, CA

Persons Negotiating:

SFPUC - Steve Ritchie and Rosanna Russell

Other Party: Pacific Rod and Gun Club

Under Negotiation: Price and Terms of Payment

23. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10 (d) (2).

Anticipated Litigation - As Defendant

(Furman)

24. Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b), to consider public employee appointment/hiring for the position of General Manager of the San Francisco Public Utilities Commission.

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

25. Announcement following closed session

*No action was taken by the Commission during Closed Session.*

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

***On motion to disclose: MOTION NOT TO DISCLOSE***

***ADOPTED: AYES: Moran, Torres, Caen and Courtney.***

27. Other new business

Meeting adjourned: 4:19 PM