

SAN FRANCISCO PUBLIC UTILITIES COMMISSION City and County of San Francisco

Edwin M. Lee

MINUTES Tuesday, August 14, 2012 (Approved August 28, 2012)

1:30 P.M. 1 Dr. Carlton B. Goodlett Place 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 HarringtonGeneral 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
Gavel-to-Gavel coverage available at:
http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22

1. Call to Order

President Moran called the meeting to order at 1:30 PM

2. Roll Call

Present: Commissioners Moran, Torres, Caen and Courtney Excused: Commissioner Vietor

3. Approval of Minutes of July 24, 2012

On motion to adopt the Minutes of July 24, 2012: ADOPTED: AYES: Moran, Torres, Caen and Courtney

4. Public Comments

- Ms. Espinola Jackson asked for an update to her request for information on raw sewage that is spilling in Bayview Hunters Point. She expressed her concerns over the digesters and associated odor. She wants SFPUC contractors to hire locally.
- Mr. Francisco DaCosta wants the SFPUC to have contractors hire locally and that he will be monitor hiring on the Sewer System Improvement Program.
- Mr. Maleu Siolo expressed his desire for work on SFPUC jobs, for himself and his community. He previously worked on jobs, which have since ended.
- Mr. Sheldon Silas expressed his desire for work on SFPUC jobs, for himself and his community. He previously worked on jobs and stated his desire for work which lasts more than a few weeks or months.
- Mr. Peter Drekmeier expressed his thoughts on the proposed MID water transfer and provided the Commission with a copy of a 2008 memo from the San Francisco Planning Commission regarding water supply in the SFPUC service area.
- Mr. Dick Allen expressed his concerns with the Pacific Rod and Gun Club lease. He noted that although the lease calls for the use of four acres of land, they use 14 acres. He also stated that have buoyed-off area on the lake and routinely shoot over the Lake and questioned why it is allowed. He indicated that the space allocated to the Rowing Club is inadequate and they need more. He indicated his support for the upcoming park bond.
- Mr. Andrew Lipsett is concerned with the rates and projected rate increases.
 He questioned the turnaround time on SFPUC jobs; some fast and some slow;
 with varying sizes of crews. He wants to see a breakdown on repair costs on
 SFPUC staffed jobs versus contractor jobs. He also wants the subsidy to City
 departments stopped.

Mr. Ritchie provided the Commission with a brief update on the status of the Pacific Road and Gun Club Lease and eviction. He indicated that negotiations are on-going for a month-to-month lease, which will also address the clean-up of the property. He will keep the Commission updated.

5. Communications

- a) Westside Recycled Water Reverse Osmosis
- b) Water Enterprise Quarterly Reports

- Water Enterprise Capital Improvement Program Regional Quarterly Projects Report (April 1, 2012 to June 30, 2012)
- Water Enterprise Capital Improvement Program Local Quarterly Projects Report (April 1, 2012 to June 30, 2012)
- Local Water Supply Program Quarterly Report (April 1, 2012 to June 30, 2012)
- c) WSIP Quarterly Reports
 - WSIP Regional Projects Quarterly Report (April 1, 2012 to June 30, 2012)
 - WSIP Local Projects Quarterly Report (April 1, 2012 to June 30, 2012)
- d) Advance Calendar
- e) Letter Summary

Brief discussion ensued on the content of the quarterly reports. It was noted that the non-WSIP reports are fairly new and that the organization is attempting to standardize reports for each enterprise.

Public Comment

• No Public Comment.

6. Other Commission Business None.

7. Report of the General Manager

a) WSIP Update

Ms. Julie Labonte provided a brief update on WSIP Projects including quarterly progress, program status, program variances, program cost trend, and program management reserve. She also provided updates on the Calaveras Dam Replacement, San Joaquin Pipeline Eastern segment, Bay Tunnel, New Irvington Tunnel and Tesla Treatment Facility.

b) Bond Sale Update

Mr. Todd Rydstrom provided the Commission with an update on the General Obligation Bond Sale that occurred earlier in the day. He indicated the bonds were sold at a rate of 2.71%, for 20 years, and that \$38.4M was sold for the Auxiliary Water Supply System Upgrade, resulting in substantial savings. In response to a question from Commissioner Torres regarding how ratepayers know about the savings achieved, Mr. Rydstrom noted that the breakdown will appear on annual property tax bills.

Public Comment

 Mr. Francisco DaCosta reminded the Commission to pay attention to the mission of the SFPUC, especially related to "Diversity", in all areas.

8. Consent Calendar

a) Accept work performed by Steve P. Rados, Inc. for Contract WD-2552, Alameda Siphons No.4; Approve Modification No. 1 for a total contract amount of 38,736,294, and with a time extension of 238 consecutive calendar days, for a total contract duration of 1,095 consecutive calendar days; and authorize final payment in the amount of \$306,765.50. (Resolution 12-0136)

- b) Accept work performed by Trinet Construction, Inc. for Contract WD-2558 La Grande Pump Station Upgrade; Approve Modification No. 3 (Final) to reconcile payment items to reflect actual quantities used under unit price and allowance bid items, decreasing the contract by \$178,470, for a total contract amount of \$2,443,915; and authorize final payment. (Resolution 12-0137)
- c) Approve Modification No. 3 to Contract WW-480, various locations Sewer Replacement and Pavement Renovation, with Shaw Pipeline, Inc., for a time extension of 63 consecutive calendar days and with a total contract duration of 313 consecutive calendar days. (Resolution 12-0138)
- d) Approve the plans and specifications, and award Contract WW-499, Downtown District Sewer Replacement and Pavement Renovation, in the amount of \$2,206,786 (of which \$1,218,513 is funded by WWE and \$988,273 is funded by DPW), to the lowest, qualified, responsible and responsive bidder, Shaw Pipelines, Inc. (Resolution 12-0139)
- e) Approve the plans and specifications, and award Contract WW-555, Spot Sewer Repair, to repair existing sewer piping, on an as-needed basis, at locations to be determined throughout San Francisco, for a total contract amount not to exceed \$5,153,450 to the lowest, qualified, responsible, and responsive bidder, J. Flores Construction, Inc. (Resolution 12-0140)
- f) Approve the terms and conditions and authorize the General Manager to execute a Lease with GTE for use of watershed lands located on a portion of Parcel 65 of Sunol and San Antonio Lands, Alameda County, for a cellular communications site, for an annual rent of \$54,000 (with annual CPI increases), and with a lease duration of five years. (Resolution 12-0141)
- g) Approve the plans and specifications, and award Contract WW-535R, Wastewater Enterprise Facility Security Improvement Contract 1, in the amount of \$6,378,218, to the lowest, qualified, responsible and responsive bidder, Azul Works, Inc. to install security features at three critical wastewater operating facilities. (Resolution 12-0142)

On motion to Approve Consent Items 8 a-g: ADOPTED: AYES: Moran, Torres, Caen and Courtney

Regular Business

9. Authorize the General Manager to negotiate and execute a System Impact Mitigation Agreement with North Star Solar, LLC (NSS), requiring NSS to pay the SFPUC the costs necessary to mitigate the impacts to the City's electric system caused by the interconnection of NSS's generating project to the electric grid and authorize the General Manager to enter into substantially similar agreements with other interconnecting generating projects. Mitigation Agreements resulting in revenue in excess of \$1M are subject to approval by the Board of Supervisors. (Resolution 12-0143)

Mr. Steve Ritchie introduced this item and noted that there was a minor revision which added language to the Resolution's second Further Resolved clause relating to the appropriation of funds to read:

FURTHER RESOLVED, the General Manager is authorized to administer any funds received from NSS and <u>other such interconnection projects</u>, and to establish the appropriate special revenue accounts and funds with the City Controller.

Public Comment

No Public Comment.

On motion to Approve Item 9, as amended: ADOPTED: AYES: Moran, Torres, Caen and Courtney

10. Authorize the General Manager to execute a Cost Sharing Agreement with seven Bay Area water agencies, for an amount not to exceed \$25,000 per year, for FY-2012-13 and FY2013-14 for processing of a National Pollutant Discharge Elimination System permit for potable water discharges to be issued by the California Regional Water Quality Control Board. (Resolution 12-0144)

Mr. Steve Ritchie introduced this item for consideration.

Public Comment

• No Public Comment.

On motion to Approve Item 10:

ADOPTED: AYES: Moran, Torres, Caen and Courtney

11. Approve an increase in the construction contract cost contingency for Contract HH-935C, San Joaquin Pipeline System – Eastern Segment and Other Facilities in the amount of \$5,786,249; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount up to \$55,648,606. The potential increase in the contract cost is due to the need to accelerate work to meet environmental permit restrictions from the California Department of Fish and Game, unanticipated bird migrations, and differing site conditions. (Resolution 12-0145)

Ms. Julie Labonte noted that the item relates to the need to accelerate the Eastern segment of the San Joaquin Pipeline.

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 WW-525, Southeast Water Pollution Control Plant Facility Reliability Upgrades Phase 2, in the amount of \$11,160,000, to the lowest, qualified, responsible and responsive bidder, NTK Construction, Inc., to replace the aging mechanical and electrical systems related to the secondary treatment process at the Plant. (Resolution 12-0146)

Mr. Tommy Moala stated this item is necessary to upgrade pumps and electric systems.

Public Comment

• Mr. Francisco DaCosta wants to see jobs on this project go to youth in Bayview Hunters Point.

On motion to Approve Item 12: ADOPTED: AYES: Moran, Torres, Caen and Courtney

President Moran noted that there are not items to be considered in Closed Session.

Adjournment:

President Moran adjourned the meeting at 2:48 PM