SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, March 8, 2016
(Approved March 22, 2016)

1:30 P.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

Commissioners
Francesca Vietor, President
Anson Moran, Vice President
Ann Moller Caen
Vince Courtney
Ike Kwon

Harlan L. Kelly, Jr.
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
Gavel-to-Gavel coverage available at:
http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22
1. Call to Order
   President Vietor called the meeting to order at 1:37 PM.

2. Roll Call
   Present: Vietor, Moran, Caen, Courtney and Kwon

3. Approval of the Minutes
   a) February 5, 2016 Special Meeting
   b) February 9, 2016 Regular Meeting
      On Motion to approve the minutes of February 5 and February 9, 2016:
      Ayes: Vietor, Moran, Caen, Courtney and Kwon

      No public comment.

4. General Public Comments
   • Mr. Francisco DaCosta requested an evaluation on the WSIP. He discussed water pipe condition; Contractor Assistance Center move and lease; and Southeast community grants.

   Commissioner Caen requested a report on the conditions of water pipes (materials composition, condition, inspection frequency, and lead content)

   • Mr. Eddie Ahn, Brightline, spoke to CalEnviroScreen 2.0’s development process. He indicated 2.0 does not include the Bayview. He discussed the need to include disadvantaged communities. He distributed a copy of a SFPUC letter regarding CalEnviroScreen.2.0.

   President Vietor discussed pending legislation which may address issues raised by Mr. Ahn. Mr. Ahn provided additional information on the legislation. President Vietor requested that an update on the legislation be provided.

5. Communications
   a) Advance Calendar
   b) Contract Advertisement Report
   c) Letter Summary
   d) Annual Watershed and Environmental Improvement Program Report
   e) Budget Hearing Question and Response Summary
   f) Effect of PacificCorp’s request to join the California ISO upon California’s Energy Market and SFPUC operations
   g) Green Infrastructure Construction and Training Certification Program
   h) Sewer Inspection and Replacement Update

   Ms. Barbara Hale, Assistant General Manager (AGM) Power, responded to a question from Vice President (VP) Moran regarding the decision-making process used to determine PacificCorp’s request to join Cal ISO, and if the Commission can participate in that process.
President Vietor requested an update on the Green Infrastructure Construction and Training Certification Program, specifically related to workforce development.

Public Comment:
• Mr. Francisco DaCosta spoke to consultant work on eco-green and the contractors’ inability to use materials and understand technology. He discussed the use of technology to alleviate flooding and damage.

6. Other Commission Business
None.

7. Resolution Honoring Dr. Espanola Jackson
General Manager (GM) Kelly, Jr., discussed Dr. Jackson’s contribution to the City and her community. He discussed her kindness and caring.

President Vietor read the resolution that was presented to Dr. Jackson’s family.

Mr. Sam Murray, SFPUC Public Relations Manager and friend of Dr. Jackson, thanked the Commission for recognizing Dr. Jackson. He discussed her contributions to the City and her community. He thanked Dr. Jackson’s family and friends in attendance. He introduced Ms. Shirley Jones and Ms. Gwen Jackson-Fagan who spoke on behalf of the family. They thanked the Commission for the resolution.

Public Comment:
• Ms. Jeanine Cotter, Luminalt, thanked the Commission for the recognition.
• Ms. LaVaughn King, Southeast Facility Commissioner, thanked the Commission for the recognition.
• Mr. Eddie Ahn, Brightline, thanked the Commission for recognizing Dr. Jackson.

8. Citizens’ Advisory Committee (CAC) Quarterly Report
Ms. Wendy Aragon, CAC Chair, expressed condolences to Dr. Jackson’s family. She discussed Dr. Jackson’s impact on the CAC.

Chair Aragon provided the CAC Quarterly Report. She stated she was re-elected as CAC Chair, and that Rebecca Lee was elected Vice Chair, and Amy Zock as Secretary. She discussed additional CAC appointments to the Mayor’s Engineering and Finance Seat, and Districts 3 and 4 seats; described the make-up of the Committee; and discussed their purpose. She noted resolutions passed, and discussed 2016 priorities. She invited Commissioners to attend CAC meetings.

President Vietor and Courtney thanked Chair Aragon for her service.

No public comment.
   a) Drought Update
      Mr. Steve Ritchie, AGM Water, provided a drought update. He discussed current reservoir storage levels, noting a 5 percent increase in water bank. He discussed other California reservoir storage levels; Cumulative precipitation; Snowpack; Tuolumne River water available to the City; Upcountry 6-station precipitation index; Bay Area 7-station precipitation index; Precipitation forecast; and total deliveries. He indicated that the State Water board is developing a framework for long-term conservation.

      AGM Ritchie responded to a question from Commissioner Caen regarding storage levels.

      No public comment.

   b) Strategic Plan Update
      Ms. Juliet Ellis, AGM External Affairs, provided an update on the SFPUC 2020 Strategic Plan. She discussed the purpose of and need for the Strategic Plan. She reviewed the project timeline and progress to-date. She discussed the summary of Strengths, Weaknesses, Opportunities, and Threats (SWOT), and the Effective Utility Management Self-assessment.

      AGM Ellis responded to a question from Commissioner Kwon regarding staff satisfaction, and training and development. GM Kelly provided additional detail.

      AGM Ellis continued with a review of the elements to the Strategic Plan, and requested Commission input. She discussed the Mission, Vision, and Values (five core), and five supporting Values. Ms. Ellis discussed the definition of the Strategic Goals and Strategic Objectives.

      She reviewed each of the five Goals: (1) Effective Workforce; (2) Financial Sustainability; (3) Stakeholder and Community Interest (AGM Ellis responded to a question from Commissioner Kwon regarding community benefits grant expenditures); (4) Reliable Service and Assets; (5) Organizational Excellence; and (6) Environmental Stewardship.

      Ms. Ellis discussed elements to the Strategic Plan and further reviewed the Vision, Mission and Values.

      AGM Ellis reviewed the Strategic Goals and outlined six Strategic Objectives. She discussed the Strategic Objectives associated with the six Goals. She briefly discussed Key Performance Indicators, noting they are under development. She reviewed next steps and thanked the Commission for their input.

      President Vietor stated that the Vision reads as “aspirational” but that it needs to reflect what is being done, and that it should be both aspirational and operational. She questioned the definitions of the Mission and Vision...
AGM Ellis responded to a question from Commissioner Kwon regarding how individual staff engagement and performance is measured, recognized and rewarded.

VP Moran requested that there be a linkage between SWOT specifics and generic Strategic Goals and Objectives. Brief discussion ensued.

Public Comment:
- Ms. Nicole Sandkulla, BAWSCA, noted that under the stakeholder and community interest category, wholesale customers aren’t specifically identified.

GM Kelly asked that Ms. Kathy How report on items 9c and 9d together.

c) Wastewater Enterprise Capital Improvement Program (CIP) Quarterly Report
Ms. Kathy How, AGM Infrastructure, discussed the Wastewater Enterprise CIP Quarterly Report. She noted there are no late or over-budget projects. She stated most of the “red” costs are associated with the Sewer System Improvement Program (SSIP). She indicated that there will be more detail provided on the SSIP at the next meeting.

d) Hetch Hetchy Capital Improvement Program Quarterly Report
AGM How discussed the Hetch Hetchy CIP Quarterly Report. She discussed the status of Rim Fire projects and FEMA reimbursements. She discussed the San Joaquin Valve House cost estimate, which was higher than the baseline. She provided an update on Mountain Tunnel.

No public comment on items 9c and 9d.

e) Project Labor Agreement (PLA) Evaluation for the SSIP
AGM How introduced Mr. Masood Ordikhani, Director, Workforce and Economic Program Services, who discussed utilizing the PLA for the SSIP. He reviewed the benefits of using a PLA for the SSIP; discussed key elements of the Water System Improvement Project (WSIP) PLA; and reviewed the benefits of extending the WSIP PLA to the SSIP. He outlined results of the WSIP PLA; and described SSIP Strategies to ensure success.

Public Comment:
- Mr. Charlie Lavery, IUOE, encouraged the extension of the PLA into the SSIP. He spoke of his experience working with the PLA and expressed support for local hiring.
- Mr. Michael Theriault, San Francisco Building and Construction Trades Council, discussed his experience with a metering installation project, the
Local Hire Ordinance, and the PLA. He requested support for extending the PLA into the SSIP.

- Mr. Bill Blackwell, Local 38, discussed his experience with the metering installation project and the PLA. He requested support for extending the PLA into the SSIP.
- Mr. Pat Mulligan, City Build Director, discussed his experience working with the PLA. He requested support for extending the PLA into the SSIP.
- Mr. Mike D’Antuono discussed PLA extensions that have been approved in Nevada. He requested support for extending the PLA into the SSIP.

Commissioner Courtney thanked the General Manager, Mr. Ordikhani, and staff for their work. He expressed excitement for the extension of the PLA.

f) CleanPowerSF Update

AGM Hale provided a CleanPowerSF Update. She noted the second of four required notices have been sent for service scheduled to begin on May 1st. She discussed the opt-out and SuperGreen numbers for the first enrollment. She noted the timing for the second enrollment period.

AGM Hale indicated that staff participated in a workshop on PCIA; stated the Net Energy Metering Tariff is being worked on; and indicated that marketing and outreach efforts are continuing. She stated the program is on-track for a May 1 launch.

President Vietor thanked Ms. Hale for her presentation. AGM Hale responded to a question regarding opt-out rates.

Public Comment:

- Mr. Jason Fried, LAFCO, thanked staff for their work. He stated that SuperGreen numbers need to increase, and that more work needs to be done on the PCIA.

10. GoSolarSF Update and Presentation and Discussion Regarding the Linkage between GoSolarSF and CleanPowerSF

AGM Hale provided a presentation regarding the linkage between the GoSolarSF and CleanPowerSF Programs. She noted common policy goals for GoSolarSF and CleanPowerSF. She discussed the background of the GoSolarSF Program and reviewed Program objectives. She reviewed FY 2015-16 eligibility and incentives for GoSolarSF. She indicated that currently both SFPUC customers and PG&E customers are eligible for the GoSolarSF Program.

Ms. Hale discussed impacts of GoSolarSF, outlining incentives paid and jobs provided. In response to a question from President Vietor, AGM Hale stated that the demand is reduced partly due to the lowering of the cost of solar installation. She indicated that changes in the market foster stability.
AGM Hale reviewed the concepts for discussion on integrating the two programs: (1) Protect the goals of the two programs; (2) Continue to foster program stability; and (3) Enhance program for SFPUC customers.

Commissioner Courtney thanked Ms. Hale for her presentation. He discussed concerns with workforce issues and asked about the workforce relationship between CleanPowerSF and GoSolarSF. GM Kelly provided response.

Commissioner Courtney requested data on wage rates, training, certification, and other workforce aspects. AGM Hale noted the workforce is shifting to City Build, but historical data can be provided.

VP Moran discussed the original 2007 legislation which required coordinating GoSolarSF with a CCA program. He noted the result is that PG&E customers received solar installation with incentives from Hetch Hetchy funds. He indicated he wants those households as customers, and that as the program goes forward, those who sign up for GoSolarSF should also sign-up for CleanPowerSF.

Public Comment:
• Ms. Dilini Lankachandra, Brightline Defense, expressed support for the workforce development component.
• Mr. Jason Fried, LAFCO, discussed Program bonuses and incentives. He encouraged priority for POU and CCA customers ahead of PG&E customers. He provided thoughts on Commissioner Courtney's request for workforce data.
• Ms. Jennifer Costa, Asian Neighborhood Design, discussed their pre-apprentice program, noting many of their grads work with GoSolarSF. She discussed their student demographics. She expressed support for the workforce component.
• Ms. Jeanine Cotter, Luminalt, discussed their work with GoSolarSF; workforce development opportunities; and the impact on her staff.

11. BAWSCA Report
Ms. Nicole Sandkulla, BAWSCA, discussed issues included in her March correspondence regarding Mountain Tunnel. She stated she was pleased with the inclusion of Mountain Tunnel in the Hetch Hetchy CIP. She indicated BAWSCA is working with staff on the Mountain Tunnel Emergency Response Plan.

Ms. Sandkulla indicated that BAWSCA agencies have achieved 27 percent savings through January; Eight BAWSCA agencies have achieved their total (October) savings target; and that collectively, agencies have achieved 76 percent of needed savings.

No public comment.

The Commission Secretary read the Consent Calendar items.
12. Consent Calendar
   a) Approve Amendment No. 2 to Agreement No. CS-390[G]B with Friends of the Urban Forest to implement the Sidewalk Garden Project to remove impervious concrete and plant stormwater friendly sidewalk gardens; and authorize the General Manager to execute this amendment, extending the duration up to six months, for a total agreement duration of two years, with no change to the agreement amount. (Resolution 16-0038)

   b) Approve the plans and specifications and award Contract No. HH-977R, O’Shaughnessy Dam Drum Gate Automation, in the amount of $720,000, to the lowest, qualified, responsible and responsive bidder, Big Valley Electric, to replace manually operated 18-inch valves with new control valves to allow drum gate operation by a programmable logic controller based control system. (Resolution 16-0039)

   c) Approve the plans and specifications and award Contract No. HH-983, Cherry Dam Outlet Works Rehabilitation, in the amount of $3,063,400 to the lowest, qualified, responsible and responsive bidder, Anvil Builders, Inc., to replace two 66-inch hollow jet valves, upgrade the inflow stream release system, and upgrade the electrical distribution system at Cherry Valve house. (Resolution 16-0040)

   d) Approve Modification No. 2 to Contract No. WD-2710, San Francisco Local Water As-Needed Paving, with A. Ruiz Construction Company & Associates, Inc.; and authorize the General Manager to execute this modification, increasing the contract amount by $2,500,000, for a not-to-exceed total contract amount of $14,920,868, to continue local water as-needed paving at various locations within the City. (Resolution 16-0041)

   e) Approve Modification No. 1 to Contract No. WD-2783, As-Needed Water Main Replacement at Various Locations, with A. Ruiz Construction Company & Associates, Inc.; and authorize the General Manager to execute this modification, increasing the contract amount by $2,773,008, for a not-to-exceed total contract amount of $9,750,000, to continue as-needed water main replacement work. (Resolution 16-0042)

   f) Approve Modification No. 2 to Contract No. WW-559R, Fixed Gas Monitoring System Upgrades, with U.S. Electric Technologies, Inc., to replace fixed gas sensor and electrical equipment at wastewater treatment plants and pump stations, and to allow for three years of maintenance following substantial construction completion, increasing the contract amount by $146,228, for a total contract amount of $2,630,228; and an extension to the contract duration by 1,095 consecutive calendar days, for a total contract duration of 1,640 consecutive calendar days. (Resolution 16-0043)

   g) Approve the Water Supply Assessment for the proposed 50 First Street (Oceanwide Center) Project, pursuant to the State of California Water Code Section 10910 et seq. and California Environmental Quality Act (CEQA)
Section 21151.9, and CEQA Guidelines Section 15155. (Resolution 16-0044)

h) Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Understanding with the Modesto and Turlock Irrigation Districts, for an amount not-to-exceed $1,100,000, and with an expiration date of June 30, 2020, which will allow for undertaking water and power resource studies, mutual aid, and support services within the Tuolumne River watershed. (Resolution 16-0045)

On Motion to approve Consent Calendar items 12a through 12 h:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

13. Approve Amendment No. 1 to Agreement Nos. CS-192A, B, and D, Technical Review for Calaveras Dam, with Eric Kollgaard (CS-192A); I.M. Idriss (CS-192B); and John Cassidy (CS-192D), for continued participation in an independent technical advisory panel for the Calaveras Dam Replacement Project, and to provide independent expertise in areas including seismology, engineering geology, geotechnical engineering, dam engineering, design and construction. Authorize the General Manager to execute this amendment, increasing agreement CS-192A (Eric Kollgaard) by $50,000, and agreement CS-192B (I.M. Idriss) by $125,000, for total not-to-exceed agreement amounts of $150,000 and $225,000, respectively; and with a three year and six month time extension per agreement, for a total agreement duration of eight years and five months (CS-192A and CS-192B), and eight years and six months (CS-192D). (Resolution 16-0046)

On Motion to approve item 13:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

14. Approve Amendment No. 1 to Agreement Nos. CS-382A-B, Calaveras Dam Technical Advisory Panel, with Gabriel Fernandez (CS-382A), and Peter P. Aberle, Inc., (CS-382B), for continued participation in an independent technical advisory panel for the Calaveras Dam Replacement Project, and to provide independent expertise in areas including opinion on Embankment and Spillway Excavation related issues, differing site conditions, soil mechanics, geological features observed during construction, slope stability and Dam foundation and embankment grouting related issues, proposed grouting sequence and specification changes, and proposed responses to California Division of Safety Dams questions. Authorize the General Manager to execute this amendment, increasing the agreement of Gabriel Fernandez (CS-382A) by $90,000, for a total not-to-exceed agreement amount of $190,000, and a time extension of three years and six months per agreement, for a total agreement duration of approximately five years, eight months. (Resolution 16-0047)
On Motion to approve item 14:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

15. Approve the terms and conditions and authorize the General Manager to execute a new seven-year lease, with two options to extend term for an additional one year each, between Clemco Properties, LLC as landlord, and the City and County of San Francisco, through the SFPUC, as tenant, for the use of approximately 17,060 rentable square feet of office space, storage, and parking located at 1657 Rollins Road, Burlingame, at an initial rental rate of $38,621.92 per month. Rent will be adjusted annually according to the Consumer Price Index, with a minimum two

On Motion to approve item 15:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

16. Approve the terms and conditions of a purchase agreement between the City and County of San Francisco, acting through the San Francisco Public Utilities Commission, and the State of California, of three easements for the SFPUC Westside Recycling Water Project on property located at 100 Armory Drive, at San Francisco Assessor’s Block 7281, Lot 004; and authorize the General Manager or the City’s Director of Property to execute the purchase and sale agreement, subject to Board of Supervisors’ approval, pursuant to Charter Section 9.118, to convey the easements to the City for an amount not-to-exceed $25,000. (Resolution 16-0049)

On Motion to approve item 16:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

The Commission Secretary read Closed Session items 19 through 22. She stated that items 23 through 29 would not be heard.

17. Public Comments on matters to be discussed in Closed Session.
None.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.
On Motion to assert:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

The Commission entered Closed Session at 4:22 PM.

Commissioner Courtney was excused from the meeting at 4:22 PM.
19. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)
Unlitigated Claim
City and County of San Francisco v. FMC Corporation
City Attorney File No.: 141372
(Resolution 16-0050)

20. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation
Alfaro v. City and County of San Francisco
Filed Amended Complaint: December 8, 2015
City Attorney File No.: 160241

21. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8(a) (2)
Property: Jurisdictional exchange of a portion of lot 31 (approximately 148,104 square feet) for 1801 Jerrold (approximately 1.54 acres), both in San Francisco, CA
Persons Negotiating: SFPUC: Michael Carlin and Rosanna Russell; SFPW: John Updike, Mohammed Nuru, and Fuad Sweiss
Under Discussion: Terms of Payment _____ Price_____ Both__X____

22. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation
Restore Hetch Hetchy v. City and County of San Francisco
Tuolumne County Superior Court, Case No.: CV-59426
City Law Number 151139/Date Filed: April 21, 2015

23. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Case No.: EL15-3-000/Date Filed: October 10, 2014

24. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective June 30, 2015.
Case No.: ER15-702-000/Date Filed: December 23, 2014
25. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:

*Pacific Gas & Electric*

Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective June 30, 2015.

Case No.: ER15-703-000/Date Filed December 23, 2014

26. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:

*Pacific Gas & Electric*

Federal Energy Regulatory Commission

§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Transmission Owner Tariff Replacement Agreements to be effective July 1, 2015

Case No.: ER15-705-000/Date Filed: December 23, 2014

27. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:

*Pacific Gas & Electric*

Federal Energy Regulatory Commission

§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Wholesale Distribution Tariff Replacement Agreements to be effective July 1, 2015

Case No.: ER15-704-000/Date Filed: December 23, 2014

28. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation:

*Pacific Gas & Electric*

Federal Energy Regulatory Commission

Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco

Case No.: ER15-735-000/Date Filed: December 23, 2014


*President Vietor was excused from the meeting at 4:45 PM.*

*The Commission exited Closed Session at 5:09 PM.*

30. Announcement following Closed Session

*VP Moran announced that a settlement was reached on item 19 and no other action was taken.*
31. **Motion regarding whether to disclose the discussions during Closed Session**

   *On Motion not to disclose:*
   
   *Ayes: Moran, Caen, and Kwon*

32. **Other New Business**

   *None.*

33. **Adjournment**

   *VP Moran adjourned the meeting at 5:10 PM.*