SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, August 9, 2016
(Approved September 13, 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 1:36 PM.

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

3. Approval of the Minutes of July 26, 2016
   On Motion to approve the Minutes of July 26, 2016:
   Ayes: Vietor, Moran, Caen, Courtney and Kwon

   No public comment.

4. General Public Comments
   • Mr. Francisco DaCosta requested reports on: (1) What is being done to
     address lead in public housing water; (2) Short and long-term goals for
     Southeast Facility; (3) Understanding of the demographics of the Southeast
     sector. He commented on the Project Labor Agreement signing.
   • Ms. Dilini Lankachandra, Brightline, invited the Commission to attend their
     Sustainability Summit on September 7, 2016.

5. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Annual Real Estate Update
   d) Drought Update
   e) Franchise Compliance Report
   f) Peninsula Watershed Education and Recreation Improvements
   g) Water System Improvement Program Status of Construction Change Orders

   Commissioner Caen Ann expressed appreciation for the Real Estate Update.

   Ms. Barbara Hale, Assistant General Manager (AGM) Power, responded to a
   question from Commissioner Caen regarding the Franchise Compliance
   Report.

   Commissioner Caen provided comments on the Peninsula Watershed
   Education and Recreation Improvements. She requested that the item come
   back before the Commission prior to any decision-making.

   No public comment.

6. Other Commission Business
   a) Recognition of Sibella Kraus

   President Vietor congratulated Ms. Kraus for her work. She read a
   ceremonial resolution, which the Commission presented to Ms. Kraus.

   Ms. Kraus thanked the Commission for the recognition, provided comments
   on her work, and discussed the success of Sustainable Agriculture
   Education (SAGE). She thanked SFPUC staff for their work with SAGE.
Ms. Mary Selkirk, SAGE Board Chair, thanked the Commission and SFPUC staff for their work with SAGE.

Public Comments

• Mr. Francisco DaCosta commended SAGE for their work. He requested that Muwekma Ohlone Tribal Chair Rosemary Cambra work with SAGE.

   a) CleanPowerSF Update
   AGM Hale provided a CleanPowerSF Update. She indicated that the total opt-out rate is at 1.8 percent and that SuperGreen participation is at 3.1 percent. She stated that customers are being served from both third party providers and Hetch Hetchy Power.

   She discussed the next enrollment period, stating that 633 are pre-enrolled (447 SuperGreen (71%)). She discussed procurement for the next enrollment and stated that notifications for the next enrollment period are scheduled for mailing.

   She discussed procurement efforts to meet regulatory requirements: (1) resource adequacy; and (2) long-term contractual requirement of the State portfolio standard.

   She stated that there will be discussion of how to integrate the CleanPowerSF and GoSolarSF programs in September.

   No public comment.

   b) Succession Planning Update
   Ms. Juliet Ellis, AGM External Affairs, discussed the background of the Succession Plan. She reviewed SFPUC voluntary separations (transfer/promotion, resignation, and retirement) from January 2010 to April 2016.

   AGM Ellis responded to a question from Vice President (VP) Moran regarding the inclusion of engineering staff in the report.

   Ms. Cindy Charan, SFPUC Human Resources Director, presented data for the report. She emphasized the average age of employees entering and exiting the workforce, and reviewed SFPUC’s workforce breakdown by Enterprise/Bureau.

   She discussed service retirement eligibility criteria and reviewed: (1) SFPUC’s retirement ratio, as compared to the City; (2) Retirement average age and length of service of the SFPUC vs. the City; (3) Retirement eligibility trend of SFPUC workforce within the next five years; and (4) Retirement risk impact by profession, noting professionals and skilled craft categories will be most impacted by retirement.
Ms. Charan continued, discussing challenges and opportunities: (1) FY 15-16 gender distribution by profession (overall workforce is composed of 28 percent female and 71 percent male) and; (2) FY 15-16 racial distribution by profession.

AGM Ellis discussed workforce needs as an opportunity to meet agency and community needs. She reviewed education and workforce development strategies: (1) Create the next generation of environmental stewards; (2) Teach science and engineering practices; and (3) Prepare youth and adults for career success.

Ms. Danielle Wittorp, SFPUC Personnel Analyst, presented the SFPUC Competency Model Initiative. She reviewed different competencies used and how they apply to the model. She reviewed the Leadership Competency and Occupational Competency Models. She touched on development resources, and the Formal Mentoring Program.

Ms. Winthrop responded to a question from VP Moran on how the competency model aligns with the Civil Service process. GM Kelly provided additional comment. Brief discussion ensued.

AGM Ellis responded to a question from VP Moran on the frequency of exit interviews. Brief discussion ensued.

AGM Ellis responded to a question from Commissioner Kwon regarding the frequency of performance reviews and if there are any engagement scores for supervisors.

Ms. Ellis discussed next steps on the national, regional, local, and internal levels.

Commissioner Courtney provided comments on working with the Human Services Agency and asked that it be looked at.

Public Comments
- Mr. Francisco DaCosta discussed the history of the SFPUC and need for ethics and morals in the workplace. He provided additional comments on the presentation.

Commissioner Courtney provided comments to Mr. DaCosta’s statements. He requested that additional employment outreach take place in underserved communities.

Mr. DaCosta responded to Commissioner Courtney’s comments.

Commissioner Courtney and GM Kelly provided additional response.

c) San Francisco Public Utilities Commission Recognition Program
AGM Ellis provided a presentation detailing the revised SFUC Recognition Program. She thanked Commissioner Courtney for his input to the program design. She reviewed the program goals and provided an overview of the program’s components: (1) Individual Awards; (2) Team Awards; and (3) Instant Recognition.

AGM Ellis described the criteria for Individual and Team Awards: (1) Values; (2) Impact; and (3) Difficulty/effort. She reviewed the process for Individual and Team Awards: (1) Nomination; (2) Determination of eligibility; (3) Internal review; (4) Selection committee scoring; and (5) GM final decision. She discussed the timeline for the awards and described how the recognition would be made.

Commissioner Courtney requested that the Commission President be added to item five of the review process (GM final decision) for Individual and Team awards.

No public comment.

d) Water and Wastewater Rates Study
Mr. Eric Sandler, CFO and AGM Business Services, presented the Water and Wastewater Rate Study. He discussed: (1) Strategic Plan Goal of Long-term financial sustainability and he reviewed the associated objectives; (2) Background and requirements of the study; (3) Scope of Rate Study (a) Revenue requirement (financial policy review); (b) Cost of service (stormwater flow cost allocation, and sewage strength cost allocation); and (c) Rate design; and (4) Miscellaneous policy considerations.

CFO Sandler discussed the (internal) project governance structure and reviewed the Commission discussion timeline.

Commissioner Moran stated the scope is ambitious and appropriate. He indicated the business model and rate design need to address both.

Commissioner Caen expressed appreciation for the thorough approach to addressing the situation.

Public Comments
• Mr. Francisco DaCosta discussed the lack of revenue while increasing rates. He stated there is a failure of the Commission to address leaching pipes.
• Mr. Ace Washington provided comments on out-migration.

GM Kelly requested items 7e and 7f be presented together.

e) Water Enterprise Capital Improvement Program Quarterly Report
Mr. Dan Wade, Director, Water System Improvement Project (WSIP), provided updates on the delayed “red dot” projects within the report.
f) Water System Improvement Program Quarterly Update
   i. Local Quarterly Report
   ii. Regional Quarterly Report
      Mr. Wade provided a WSIP update, noting the overall program is 92 percent complete. He discussed recent accomplishments, indicating the level of service has been achieved on 40 of 43 regional projects.

      He provided brief updates on the Alameda Creek Recapture; Calaveras Dam replacement; Fish Passage Facilities at Alameda Creek Division Dam; Regional Groundwater Storage and Recovery; and BHR Peninsula non-native Vegetation Removal.

      No public comment.

8. BAWSCA Update
   Mr. Michael Hurley, BAWSCA, reviewed their member-agencies conservation saving achievements. He stated their agencies achieved 27 percent savings over the course of the year (166 percent of cumulative savings required); Achieved 110 percent of 17-month target in 12 months.

   No public comment.

   The Commission Secretary read the Consent Calendar.

9. Consent Calendar
   a) Approve Amendment No. 1 to Agreement No. CS-246, Technical Support Services, with Utility Systems Efficiencies, Inc. (USE.), to ensure the availability of USE consulting support during Hetch Hetchy Water and Power’s next Western Electricity Coordinating Council Compliance Audit; and authorize the General Manager to execute this amendment, with a time extension of one year, for a total agreement duration of five years, six months, 18 days, with no change to the agreement amount. (Resolution 16-0157)

   b) Approve Modification No. 1 to Job Order Contract, JOC-47R, General Engineering (A-License) for San Francisco/Peninsula/East Bay to West San Joaquin County and West Stanislaus County, for Yerba Buena Engineering and Construction, Inc., to perform general engineering construction tasks for all San Francisco Public Utilities Commission 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 730 consecutive calendar days, for a total contract duration of 1825 consecutive calendar days, as allowed for JOCs under the San Francisco Administrative Code. (Resolution 16-0158)

   c) Accept work performed by M Squared Construction, Inc., for Contract No. WD-2712, 8-Inch Ductile Iron Water Main Installation on Alabama and 25th Streets; Approve Modification No. 2 (Final), decreasing the contract amount by $125,733, for a total contract amount of $1,478,217; and authorize final
payment to the contractor. (Resolution 16-0159)

d) Approve the plans and specifications and award Contract No. WD-2770, Cathodic Protection for Transmission Pipelines at Various Locations - Phase 1, in the amount of $1,840,740, to the lowest, qualified, responsible and responsive bidder, American Construction & Supply, Inc. (Resolution 16-0160)

e) Approve the plans and specifications and award Contract No. WW-625, Oceanside Water Pollution Control Plant Flare Control and Stack Upgrade, in the amount of $3,437,000, to the lowest, qualified, responsible and responsive bidder, JMB Construction, Inc., to upgrade the digester biogas flare systems and to provide associated utility and site improvements at the Oceanside Water Pollution Control Plant. The proposed action is the Approval Action as defined in Chapter 31 of the San Francisco Administrative Code. (Resolution 16-0161)

f) Approve the plans and specifications and award Contract No. WW-630, As-Needed Spot Sewer Replacement No. 35, in the not-to-exceed total contract amount of $8,204,070, to the lowest, qualified, responsible and responsive bidder, J. Flores Construction Company, Inc., to replace sections of existing sewer piping on an as-needed basis at locations to be determined throughout the City of San Francisco. The proposed action is the Approval Action as defined in Chapter 31 of the San Francisco Administrative Code. (Resolution 16-0162)

g) Approve the terms and conditions and authorize the General Manager to execute a nine-year revocable license to Maverick Jack's, LLC, to use an existing paved and landscaped parking lot comprising approximately 5,000 square feet of San Francisco Public Utilities Commission Parcel No. 23, located adjacent to California Drive and Broadway Avenue in Burlingame, for an annual use fee of $45,132.84, with three percent annual increases. This proposed action is the Approval Action as defined by San Francisco Administrative Code Chapter 31. (Resolution 16-0163)

h) Authorize the General Manager to modify the Large Landscape Grant Program (LLGP) minimum eligibility criteria of 2.5 acres or more of landscape area, to 0.5 acre or more. Modifying the minimum criteria will allow for a wider range of customer landscape and irrigation improvement projects to be eligible for consideration under the LLGP. (Resolution 16-0164)

On Motion to approve the Consent Calendar:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

10. Discussion of the Draft 2040 Water Management Action Plan Priorities for the City and County of San Francisco. The Commission will provide planning guidance based upon which a water supply program description will be
developed for approval.
Mr. Steve Ritchie, AGM Water, offered background information on the WaterMAP and reviewed what is being asked of the Commission.

He provided an update on East Palo Alto issues. He stated that President Vietor and Commission Kwon, along with East Palo Alto Mayor Richardson, Councilperson Gautier, and staff from SFPUC, East Palo Alto and BAWSCA toured East Palo Alto on August 5, 2016. He thanked President Vietor and Commissioner Kwon for attending. He expressed thanks to Mr. Sean Charpentier, East Palo Alto, Assistant City Manager, for his work on coordinating the tour.

AGM Ritchie discussed the five WaterMAP priorities for needs: (1) Meet existing obligations to existing permanent customers/Meet new instream flow requirements and maintain delivery reliability; (2) Meet new obligations to existing permanent customers/Meet increased demands of existing permanent customer East Palo Alto; (3) Make current interruptible customers permanent/Make Santa Clara a permanent customer of the SFPUC/Mak...
Public Comments

- Sean Charpentier, Assistant City Manager, East Palo Alto, thanked the Commission and staff for their work. He stated the priority year is identified as 2035, but indicated they need it to be earlier to accommodate projects.

- Mr. Hurley, BAWSCA, stated that BAWSCA is comfortable with the priorities presented. He requested additional information on the impacts with the different types of needs identified. He discussed the need for criteria for supply determination. He discussed supply reliability.

11. Approve Amendment No. 1 Agreement Nos. CS-242A-D, As-needed Environmental Support, with Baseline Environmental Consulting (CS-242A); ESA+Orion Joint Venture (CS-242B); URS Corporation (now AECOM) (CS-242C); and RMC Water and Environment (CS-242D), to continue to provide environmental analyses, surveys, and reports, and prepare resource agency permit applications; and authorize the General Manager to execute each of these amendments with time extensions of four years, for total agreement durations of nine years, with no change to the agreements’ amounts. (Resolution 16-0165)

On Motion to approve item 11:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

12. Approve Amendment No. 2 to Agreement No. CS-910, San Francisco Region/Local Construction Management Services for the WSIP, with C2PM, to provide continued construction management services for the Regional Groundwater Project; and authorize the General Manager to execute this amendment, extending the agreement duration by five months, for a total agreement duration of eight years, six months, with no change to the agreement value. (Resolution 16-0166)

On Motion to approve item 12:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

No public comment.

13. Approve an increase in the existing construction contract duration contingency of up to 180 consecutive calendar days, for Contract No. WW-556, Southeast Water Pollution Control Plant Chemical System Relocation and Facility Upgrades, with NTK Construction, Inc.; and authorize the General Manager, or his designee, to approve future modifications to this contract, for a total revised contract duration of 1,020 consecutive calendar days. The increase in contract duration is needed to incorporate the change in the programming and wiring schematic required to upgrade the control system at Southeast Water Pollution Control Plant. (Resolution 16-0167)

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

No public comment.
The Commission President stated that item 14 was pulled from the calendar and would not be heard.

14. Authorize the General Manager to negotiate and enter into a contract for an amount not to exceed $13,145,000 with the sole qualified, responsible, and responsive bidder, Ranger Pipelines, Inc., as permitted under San Francisco Administrative Code Section 6.23(c)(2); and, upon successful negotiations, approve the plans and specifications and award Contract No. WW-638, Griffith Yard Improvements, for an amount not to exceed $13,145,000, to construct improvements at Griffith Yard for the relocation of the Sewer Operations Division to this facility. The proposed action is the Approval Action as defined in Chapter 31 of the San Francisco Administrative Code.

15. Authorize a Memorandum of Understanding with San Francisco Housing Authority (SFHA) for the SFPUC Power Utility Services staff to continue to provide electrical distribution system condition assessment, operation and maintenance services, and emergency services for Potrero Annex, Potrero Terrace, Sunnydale, Alice B. Griffith, and Alemany Family Developments, through FY ending 2017, for an amount not-to-exceed $150,000. Work will be issued to the SFPUC via a task order which shall be approved by the SFHA and once approved shall be the SFPUC's notice to proceed with the task. (Resolution 16-0168)
   On Motion to approve item 15:
   Ayes: Vietor, Moran, Caen, Courtney and Kwon
   No public comment.

16. Authorize the General Manager to negotiate and execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the California Department of Fish and Wildlife (CDFW), for an amount not to exceed $828,100, and with a duration of 12 months, which will allow for the SFPUC to provide funding to CDFW for the design, procurement, and installation of a temporary water treatment and reuse system (Pilot Recirculation System) at Moccasin Creek Fish Hatchery (Hatchery). CDFW intends to implement the Pilot Recirculation System to enable the Hatchery to successfully operate from January 3, 2017 through March 4, 2017, a period in which water deliveries through Mountain Tunnel will be interrupted due to maintenance, and consequently, water deliveries to the Hatchery will be significantly reduced. (Resolution 16-0169)
   On Motion to approve item 16:
   Ayes: Vietor, Moran, Caen, Courtney and Kwon
   No public comment.

   The Commission Secretary read the Closed Session items, noting items 25 through 31 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 the attorney-client privilege:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

The Commission entered Closed Session at 4:37 PM.
Commissioner Caen left the room at 4:37 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)

Existing Litigation
City and County of San Francisco v. Sunol Valley Golf and Recreation Co.
Alameda Superior Court Case No.: RG14729649
City Attorney File Number: 131321
Date Filed: 6/18/2014
(Resolution 16-0170)

On Motion to approve item 19:
Ayes: Vietor, Moran, Courtney and Kwon

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)

Unlitigated Claim
Administrative Civil Liability Lower Cherry Aqueduct Mobile Pilot Plant Project
City Attorney File No: 16-1039
(Resolution 16-0171)

On Motion to approve item 20:
Ayes: Vietor, Moran, Courtney and Kwon

Commissioner Caen returned to the room at 4:42 PM.

21. 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 Unlitigated Claim:
Name of Claimant: Martin A. Gaehwiler
City Attorney Claim No.: 16-02591
Date Filed: March 22, 2016
(Resolution 16-0172)

On Motion to approve item 21:
Ayes: Vietor, Moran, Caen, Courtney and Kwon
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 Unlitigated Claim:
Name of Claimant: California Department of Fish and Wildlife, Office of Spill Prevention and Response
Date Filed: December 30, 2014
(Resolution 16-0173)

On Motion to approve item 22:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

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 Rod and Gun Club San Francisco
San Francisco Superior Court Case No.: CGC 14-538-294
City Attorney File No: 140253
Date Filed: September 24, 2012

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 Claim:
San Mateo County Parks Department
City Attorney Claim No.: 16-03059
Date Filed: May 3, 2016
(Resolution 16-0174)

On Motion to approve item 24:
Ayes: Vietor, Moran, Caen, Courtney and Kwon

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:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Case No.: EL15-3-000/Date Filed: October 10, 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
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

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
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

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
§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

29. 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

30. 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

31. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code 67.10 (a)
The Commission exited Closed Session at 4:56 PM.

32. Announcement following Closed Session
   President Vietor announced that settlements were reached on items 19 through 22, and item 24.

33. Motion regarding whether to disclose the discussions during Closed Session
   On Motion not to disclose the attorney-client privilege:
   Ayes: Vietor, Moran, Caen, Courtney and Kwon

34. Other New Business
   President Vietor announced that the meeting of August 23rd is cancelled.

35. Adjournment
   President Vietor adjourned the meeting at 4:57 PM.