SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
City and County of San Francisco

Edwin M. Lee  
MAYOR

Minutes  
Tuesday, March 28, 2017  
(Approved April 11, 2017)

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

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

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 Moran called the meeting to order at 2:24 PM.

2. Roll Call
Present: Moran, Caen, and Vietor
Excused: Kwon
Commissioner Courtney arrived at 1:37 PM.

3. Approval of the Minutes of March 14, 2017
The Commission Secretary noted a correction to item 3 of the minutes, which incorrectly stated approval of the minutes of “March 13, 2017”, but should have read “February 28, 2017”. She noted the minutes were corrected and provided to the Commission and public.

On Motion to approve the Minutes of March 14, 2017 as corrected:
Ayes: Moran, Caen, and Vietor

No public comment.

4. General Public Comments
   • Mr. Francisco DaCosta requested that information related to community benefits in the Southeast sector be posted on the SFPUC website.

5. Communications
   a) Advance Calendar
   b) Correspondence Log
      Commissioner Caen provided comments on the correspondence log and stated she enjoyed reading the “Week in Review”.
   c) Water Supply Agreement Update
      At the request of Commissioner Caen, Mr. Eric Sandler, CFO and Assistant General Manager (AGM) Business Services, provided clarification to item seven in the update.
   d) Annual Electric Reliability Compliance Program Report

      No public comment.

6. Other Commission Business
Commissioner Vietor expressed concern with the delay of the Sunol Watershed Project and requested that an update be scheduled.

      No public comment.

7. Recognition of Southeast Facility (SEF) Commissioner Bobbrie Brown upon her retirement
Mr. Harlan Kelly, General Manager (GM), introduced retiring Southeast Facility Commissioner Bobbrie Brown. He discussed her background and distinguished service to the City. The Commission thanked Commissioner Brown for her service and presented her with a ceremonial resolution.
On behalf of Commissioner Brown, her daughter Ms. Toni Battle, discussed her mother’s work for the Southeast community and for the City. She thanked the Commission for the recognition.

President Moran thanked Commissioner Brown for her contributions and service.

Public Comments
- Mr. Francisco DaCosta discussed Ms. Brown’s legacy and her contributions to the Southeast community.
- Mr. D.J. Brookter, Executive Director SEF Commission, expressed appreciation for the opportunity to work with Commissioner Brown and thanked her for her work and legacy.

  a) CleanPowerSF Update
  Mr. Charles Sheehan, Acting Director, SFPUC Communications, provided a CleanPowerSF update. He reviewed the latest enrollment numbers, the current opt-out rate, and SuperGreen upgrades. He stated the initial enrollment for net metering has begun. He reviewed initial enrollments for May and November 2016, and May 2017.

  Mr. Sheehan stated outreach efforts include both citywide and targeted efforts. He discussed: (1) Required direct mail outreach: four enrollment notices per customer and two “move-in” enrollment notices for new accounts. (2) Targeted outdoor and MUNI advertising in Districts 5 and 8; (3) Targeted community events and ads; (4) Citywide on-line engagement; and (5) Citywide community partnerships.

  Mr. Sheehan reviewed a graph which compared SuperGreen sign-ups and upgrades with outreach activities.

  Commissioner Caen congratulated Mr. Sheehan on the recent San Francisco Chronicle article.

  Public Comments
  - Mr. Jason Fried, LAFCo, thanked staff for their work on outreach and enrollment. He expressed the need for more SuperGreen enrollments.

  b) Groundwater Supply Project Update
  Mr. Steve Ritchie, AGM Water, provided a Groundwater Supply Project update, beginning with a brief Project overview and a description of the two Project phases. He discussed Project operational goals, which will be a routine part of the water system: (1) Regular operation; and (2) Emergency operation.

  AGM Ritchie discussed water quality and blend and the standards that must be met. He reviewed the on-going public outreach that has taken place since
2007; recent public outreach that is coinciding with the start-up of well stations; and the MUNI bus ad campaign.

AGM Ritchie responded affirmative to President Moran’s question as to whether the information presented will be posted on the SFPUC website.

AGM Ritchie responded to a question from Commissioner Caen regarding nitrate levels, and as to how often the groundwater is tested. Mr. Ritchie stated he would provide information on testing frequency. Brief discussion ensued.

AGM Ritchie responded to a question from Commissioner Vietor regarding the reasons for blending groundwater and drinking water. GM Kelly discussed the reasons for water supply blend and diversification.

Commissioner Courtney arrived at 2:24 PM.

Public Comments

- Mr. Francisco DaCosta requested that AGM Ritchie reach out to the restaurant industry regarding the Groundwater Project. He requested sensitivity to chemicals that are ingested; and that empirical data is posted on the website.

9. BAWSCA Update

Ms. Nicole Sandkulla, BAWSCA, read a statement regarding the State Water Board’s Recirculated Draft Substitute Environmental Document. She provided a written copy of her statement and BAWSCA’s comment letter for the record.

No public comment.

10. Consent Calendar

a) Approve Amendment No. 2 to 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 (now RMC, a Woodard & Curran Company) (CS-242D), to continue to provide environmental analyses, surveys, and reports, and prepare resource agency permit applications; and authorize the General Manager to negotiate and execute four amendments, each in the amount of $1,850,000, for a total not-to-exceed amount of $5,600,000 per agreement, with no change to the agreement duration. (Resolution 17-0055)

b) Approve Amendment No. 1 to Agreement No. CS-294.H, Health and Safety Hazards on Treasure Island, with Langan Treadwell & Rollo, to provide continued annual and quarterly updates to the San Francisco Public Utilities Commission Safe Practices Map and Health and Safety Requirements Matrix; and authorize the General Manager to execute this amendment, increasing the agreement amount by $25,000 and the agreement duration by two years, for a total not to exceed agreement amount of $107,595 and
a total agreement duration of seven years. (Resolution 17-0056)

c) Approve an increase in the construction contract duration contingency for Contract No. WD-2707, As-Needed Integration Services (Lenel VAR required) – 2013 to 2015, of up to 258 consecutive calendar days; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 1,241 consecutive calendar days. The additionally requested construction contract duration is due to previous delays in the completion of the following WSIP projects: Harry Tracy Water Treatment Plant Long-Term Upgrades; Sunol Valley Water Treatment Plant Expansion & Treated Water Reservoir; and Crystal Springs San Andreas Transmission Upgrade. The construction of these projects must be completed in order to commence the security installations at each facility. (Resolution 17-0057)

Commissioner Vietor departed the room at 2:31 PM.

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

No public comment.

11. Flooding Workshop: Flood Resilience Study conclusions on flood-related policy, status of flood-related construction projects in key neighborhoods, and updates on existing and new programs to reduce flood risk.

GM Kelly informed the Commission that the workshop was the third in a series of presentations regarding flood risk. The most recent presentation held was in May and focused on the Flood Resilience Study and Flood Protection Policy options. He stated staff has held “road shows” asking for community feedback on flood resiliency work to aide in the development of a priorities list to address flooding. He indicated the 5-year storm is concluded to be the best to address the Level-of-Service (LOS).

Commissioner Vietor returned to the meeting at 2:37 PM.

Mr. Tommy Moala, AGM Wastewater, began with a 2017 Storm Summary: (1) Review of five-years of data: rainfall and treatment plants; (2) Storm preparation and response for collection system; and (3) Review of San Francisco’s Combined Sewer System.

Ms. Stefani Harrison, Project Manager, reviewed a 2017 storm summary graph and discussed “action triggers”, storm forecast, storm preparation, and how staff responds. Ms. Harris continued her presentation with discussion of:

Background: (1) How flooding occurs; (2) San Francisco’s historic waterways; (3) Areas with surface inundation for 5 and 100-year storms; (4) Watershed flooding (Folsom example); (5) Watershed flooding (Folsom example, sewer profile); (6) Basement flooding; (7) Flooding terminology: stormwater, sanitary sewage, and combined flow.
Ms. Harrison responded to a question from Commissioner Vietor regarding requirements for backflow preventers; and to a question from Commissioner Caen regarding flooding and combined flow. GM Kelly provided additional comment.

**Flood Resilience Study Follow-Up:** (1) Flood resilience approach summary; (2) Flood Policy (Flood Resilience Study) review: cost benefit analyses for policy choice; (3) Flood Resilience findings: 5, 10 and 100-year storms; (3) Ratepayer impact analysis (rate policy for each policy option evaluated). GM Kelly provided comments on ratepayer affordability and the need for balance.

(4) Outreach efforts: roadshow with 14 presentations around city, with follow-up surveys; (5) Outreach efforts: two focus groups: flood concerned customers; and citywide representative customers; and (6) Flood Resilience conclusions based on analysis and feedback.

**Neighborhood Updates:** (1) San Francisco’s plan for flood minimization projects; (2) Early Flood Resilience (five) capital projects; (3) Capital project review by neighborhood (Forester/Mangles; Urbano; Wawona; Folsom area; and end of Cayuga); and (4) Concept evaluation for Lower Alemany.

**Next Steps:** (1) Flood Resilience Approach: affirmation of LOS and implementation plan; (2) Collection System Plan (consolidated); and (3) Beyond infrastructure.

Commissioner Vietor requested that the next update incorporate Green Infrastructure. GM Kelly provided additional comment, noting the challenges of incorporating green infrastructure in flood areas as water needs to move quickly. Ms. Harrison indicated green infrastructure is included in the overall plan.

Ms. Harrison continued with a discussion of options above and beyond infrastructure and the full suite of available options: existing SFPUC programs; and potential future City programs under evaluation.

GM Kelly provided additional comments on potential future City programs, including required disclosures; fair market value purchase of property in impacted areas; flood-proofing basements; or raising home level. He indicated staff is looking at programs from other cities and will come back at a later date to present options.

GM Kelly responded to a question from President Moran regarding Folsom and the five-year standard. Ms. Harrison provided additional response. Brief discussion ensued.

Commissioner Caen asked about group flood insurance. Ms. Harrison provided response and discussed FEMA’s flood insurance program. Brief discussion ensued.
GM Kelly stated that staff will return with engineering and non-engineering solutions, outline of priorities, and investments needed.

Commissioner Vietor requested the next presentation include a suite of policy options, such as installation of backflow prevention devices, point-of-sale disclosure requirements, and other policy-oriented options.

**Public Comments**
- Mr. Francisco DaCosta discussed the need for mitigation models.

**President Moran provided closing comments and thanked staff for their work.**

12. **Approve Amendment No. 1 to Agreement No. CS-235, Planning and Engineering Services, Southeast Plant (SEP) Biosolids Digester Facilities, with Brown and Caldwell, to provide specialized wastewater process facility design, engineering services during construction, and facility start-up/commissioning for the new SEP biosolids digester facilities; and authorize the General Manager to execute this amendment, increasing the agreement by $73,500,000, for a total not-to-exceed agreement amount of $153,500,000, and with a time extension of 2.5 years, for a total agreement duration of 12.5 years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 17-0058](#)).**

Ms. Kathy How, AGM Infrastructure, discussed the contract amendment, noting the overall budget remains the same. GM Kelly provided additional comment. Brief discussion ensued.

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

No public comment.

Commissioner Vietor was excused and departed the meeting at 4:00 PM.

13. **Approve the selection of HDR Engineering, Inc. (HDR); award Agreement No. PRO.0028, New Headworks Facility Construction Management Staff Augmentation Services, to provide construction management staff augmentation services for the New Headworks Facility Project; and authorize the General Manager to negotiate and execute a professional services agreement with HDR for an amount not to exceed $17,000,000, and with a duration of six years; subject to Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 17-0059](#)).**

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

No public comment.

**President Moran requested that items 14 and 15 be called together.**

CFO Sandler reviewed the Financial Policy review timeline. President Moran provided thoughts on the policies, noting they are good financial policies.

On Motion to approve items 14 and 15:
Ayes: Moran, Caen, and Courtney

No public comment.

Commissioner Caen thanked Mr. Sandler and staff for their work.

16. Approve Amendment No. 1 to Agreement No. CS-320, Grant Agreement with Garden for the Environment and its fiscal sponsor, the San Francisco Parks Alliance, to continue to operate a public demonstration garden and educational programs on San Francisco Public Utilities Commission property; and Authorize the General Manager to execute this amendment, increasing the grant agreement by $380,000, for a total not-to-exceed agreement amount of $930,000, and with a time extension of two years, for a total agreement duration of seven years.
AGM Ritchie introduced the item and requested approval.

Without objection, Commissioner Courtney requested that the item be continued to the April 11, 2017 meeting.

17. Approve Amendment No. 4 to Agreement No. CS-913, Construction Management (CM) Services—Bay Tunnel Project, with Jacobs Engineering Group, Inc., to continue providing construction management services; and authorize the General Manager to execute this amendment, with a time extension of six months, for a total agreement duration of nine years, one month, with no change to the agreement amount. (Resolution 17-0062)
AGM How introduced the item and requested approval.

On Motion to approve item 17:
Ayes: Moran, Caen, and Courtney

No public comment.

18. Approve the terms and conditions and authorize the General Manager to execute a new month-to-month lease to Crystal Springs Golf Partners, LP to use approximately 199 acres of SFPUC Parcel 31 in the SFPUC Peninsula Watershed in Burlingame, California, as an 18-hole golf course and driving range for a monthly rent equal to the greater of Percentage Rent or $83,333.33 in base rent for a term to expire no later than December 31, 2017. (Resolution 17-0063)
On Motion to approve item 18:
Ayes: Moran, Caen, and Courtney

No public comment.

President Moran stated there would be no Closed Session.

19. Public Comments on matters to be discussed in Closed Session.

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

21. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 76.10 (d) (2)
   Anticipated Litigation as Plaintiff

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:
   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 6/30/15.
   Case No.: ER15-702-000/Date Filed: December 23, 2014

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:
   Pacific Gas & Electric
   Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective 6/30/15.
   Case No.: ER15-703-000/Date Filed December 23, 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
   §205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Transmission Owner Tariff Replacement Agreements to be effective 7/1/15
   Case No.: ER15-705-000/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
   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 7/1/15
   Case No.: ER15-704-000/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
   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

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

28. Announcement following Closed Session.

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

30. Other New Business.
   None.

31. Adjournment.
   President Moran adjourned the meeting at 4:09 PM.