SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, April 11, 2017
(Approved April 25, 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 1:39 PM.

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

3. Approval of the Minutes of March 28, 2017
   On Motion to approve the Minutes of March 28, 2017:
   Ayes: Moran, Kwon, Caen, Vietor, and Courtney

   No public comment.

4. General Public Comments
   • Mr. Christopher Bowman spoke about the Groundwater Project and discussed the San Francisco Chronicle article regarding the project. He indicated reasons for requesting a project delay.

   General Manager (GM) Kelly stated that the Board of Supervisors has requested a hearing on the project.

5. Communications
   a) Advance Calendar
   b) Correspondence Log
   c) Contract Advertisement Report
   d) Water Supply Conditions Update

   No public comment.

6. Other Commission Business
   None.

7. Report of the General Manager
   a) Alameda Creek Watershed Center Project Update
      Mr. Steve Ritchie, Assistant General Manager (AGM) Water, provided an update on the Alameda Creek Watershed Center Project (including Sunol Yard). He stated the bids came back 40 percent over engineer’s estimate. He discussed value engineering, the re-bid process, and steps being considered to allow the project to move forward. He indicated staff will return in the fall with alternatives for consideration.

      Mr. Ritchie responded to a question from Commissioner Vietor regarding the program budget. Commissioner Vietor indicated there is community support for the project and she would like to see it proceed as quickly as possible.

   Public Comments
   • Mr. Eric Brooks, representing multiple organizations, discussed pesticide use and requested information be provided in the Watershed Centers regarding San Francisco’s reduction in pesticide use.
8. Workforce Development Update

Mr. Martin Gran, Special Projects Director, discussed the three SFPUC Workforce Development bureaus: Human Resource Services (HRS); Infrastructure; and External Affairs/Community Benefits. He reviewed the 2020 Strategic Plan Effective Workforce Goal.

Ms. Justine Hinderliter, Deputy Director, HRS, began her presentation with a review of the SFPUC 2020 Strategic Plan: Effective Workforce Goal objectives: (1) Competency Modeling / HR Competency Pilot; (2) Ensuring job description clarity and alignment; (3) Career paths and opportunities; (4) Talent development; (5) Performance management and recognition; and (6) Data analytics (metrics and analytics).

Commissioner Courtney thanked Ms. Hinderliter for her presentation.

Commissioner Vietor asked about workforce development as related to the Sewer System Improvement Program. GM Kelly stated that a presentation will be scheduled in the near future.

Yolanda Manzone, Acting Director, Community Benefits, discussed how External Affairs contributes to workforce development through the Strategic Plan: (1) Kinder-to-Care Strategy - Eco-literacy; STEM teaching and learning; and Career exposure and preparedness; (2) Youth internship programs; and (3) Regional partnerships.

Vice President (VP) Kwon complemented staff for their work, noting it is good to engage youth early with relevant programs.

Commissioner Courtney thanked Ms. Manzone for the presentation. He noted the other child who may come from a broken home or needs a second chance, and that there is an obligation to also focus on those individuals.

Commissioner Vietor stated there are opportunities to connect kids with nature and the environment to create stewards.

Public Comments

• Ms. Pattie Gill asked that the community be kept informed on job opportunities and requested training with union skills.

• Sister Stephanie Hughs thanked staff for the presentation. She stated the Bayview needs programs which will provide at-risk youth with life-long opportunities.

• Jacqueline Flin, Executive Director, A. Philip Randolph (APR) Institute, discussed APR services and the need for career opportunities. She expressed appreciation for collaborative efforts between APR and the SFPUC.

Commissioner Courtney discussed the need to provide union job training with mentorship and certification.
• Ms. Elouise Patton encouraged everyone to come together and take advantage of opportunities.
• Mr. David George, W.H.O.P., indicted they have over 500 members. He requested that the community be kept informed of job and training opportunities.
• Ms. Deidra Smith and Ms. Gail Hampton W.H.O.P., asked that the community be engaged, that jobs be allocated/mandated to District 10, and that the community be kept involved in the process.
• Mr. Eric Brooks, multiple organizations, stated pre-apprentice and apprentice programs are needed and outreach and noticing of local jobs is crucial.
• Unknown speaker presented comments in Spanish.

Commissioner Courtney thanked staff for their work. He discussed upcoming work in the Southeast sector and expressed the need to continue conversations and provide opportunities.

9. **Consent Calendar**
   a) **Approve the novation of Agreement No. CS-1004.B, Engineering Design Services for Oceanside Water Pollution Control Plant; and authorize the General Manager to execute a Novation Agreement for the existing Agreement No. CS-1004.B, from MWH Americas, Inc., to Stantec Consulting Services, Inc.** *(Resolution 17-0064)*

   b) **Approve the novation of Agreement No. CS-167.C, Comprehensive Technical Services for Renewable & Advanced Energy Generation Systems; and authorize the General Manager to execute a Novation Agreement for the existing Agreement No. CS-167.C, from MWH Americas, Inc. to Stantec Consulting Services, Inc.** *(Resolution 17-0065)*

   c) **Approve the novation of Agreement No. CS-169, Planning and Engineering Services, Central Bayside System Improvement Project; and authorize the General Manager to execute a Novation Agreement for the existing Agreement No. CS-169, from MWH Americas, Inc., to Stantec Consulting Services, Inc., subject to Board of Supervisors’ approval under Charter Section 9.118.** *(Resolution 17-0066)*

   d) **Approve the novation of Agreement No. CS-296D, Hetchy System Improvement Program Professional and Engineering Support Services; and authorize the General Manager to execute a Novation Agreement for the existing Agreement No. CS-296D, from MWH Americas, Inc. to Stantec Consulting Services Inc.** *(Resolution 17-0067)*

   e) **Approve the novation of Agreement No. CS-391.C, As-Needed Operations and Maintenance Services for Hetch Hetchy Water and Power; Authorize the General Manager to execute a Novation Agreement for the existing Agreement No. CS-391.C, from MWH Americas, Inc., to Stantec Consulting Services, Inc.; approve Amendment No. 1 to Agreement No. CS-391.C; Authorize the General Manager to execute a professional services**
amendment in an amount of $2,000,000, for a total not-to-exceed agreement amount of $6,000,000, with no change to the agreement duration. (Resolution 17-0068)

f) Accept work performed by Big Valley Electric for Contract No. HH-987(i), Moccasin Control and Server Building Condenser Loop Water Heating Work; Approve Modification No. 1 (Final), increasing the contract amount by $14,126, for a total contract amount of $155,626, and with a time extension of 32 consecutive calendar days, for a total contract duration of 107 consecutive calendar days; and authorize final payment to the contractor. (Resolution 17-0069)

g) Approve Amendment No. 1 to Agreement No. PRO.0001, As-needed Laboratory Analytical Services with the prime consultant Eurofins Eaton Analytical, Inc., to provide ongoing as-needed reference laboratory testing of drinking water, wastewater, groundwater, soils, sediments, solids, hazardous waste, biota, and treatment chemical quality control; Authorize the General Manager to execute this amendment with a time extension up to two years, for a total agreement duration of five years, with no change to the agreement value. (Resolution 17-0070)

h) Accept work performed by Engineering/Remediation Resource Group, Inc., for Contract No. WD-2750, Remediation at 520 John Muir Drive, for a total contract amount of $10,417,287, and with a total contract duration of 310 consecutive calendar days; and authorize final payment to the contractor. (Resolution 17-0071)

i) Approve an increase in the existing construction contract contingency for Contract No. WW-605R, Mission and Valencia Streets Green Gateway, with Anvil Builders, Inc., in the amount of $137,000, and an increase of the contract duration for an additional 55 consecutive calendar days; and authorize the General Manager to approve future modifications to this contract, if appropriate, up to a total revised contract price of $3,630,914, and up to a total revised contract duration of 475 consecutive calendar days. (Resolution 17-0072)

j) Authorize the General Manager to negotiate and execute a Collaborative Agreement with HiBot USA, Inc., for a duration of two years to collaborate on the development of a Water Main-Attribute Risk Based Prioritization Model for the SFPUC water distribution system, which if developed, will permit SFPUC to conduct prediction/analysis to produce more efficient pipeline replacement recommendations and remaining life assessments for SFPUC’s pipelines. (Resolution 17-0073)

On Motion to approve the Consent Calendar:
Ayes: Moran, Kwon, Caen, Vietor, and Courtney
No public comment.
10. Public Hearing: Discussion and possible action to approve revised schedule of rates and charges for the San Francisco Public Utilities Commission Power Enterprise CleanPowerSF program service within San Francisco effective July 1, 2017. (Resolution 17-0074)

Mr. Eric Sandler, CFO and AGM Business Services, provided background on the following: (1) CleanPowerSF Program Status; (2) Rate Setting Policy; (3) CleanPowerSF initial rates; and (4) CleanPowerSF initial rates – residential.

AGM Sandler reviewed: (1) Changes since last rate action PG&E generation rates; (2) Proposed FY 2017-18 CleanPowerSF rates (Green and SuperGreen Premium); (3) Proposed 2017-18 CleanPowerSF Rates (Green rate v. PG&E default services – residential); (4) Proposed 2017-18 CleanPowerSF Rates (Green rate v. PG&E default generation services); (5) Proposed 2017-18 CleanPowerSF Rates (SuperGreen rate premium v. PG&E Solar Choice); and (6) Proposed 2017-18 CleanPowerSF Rates (residential total monthly bill v. PG&E). Brief discussion ensued.

AGM Sandler and Mr. Mike Hyams, CleanPowerSF Director, responded to a question from President Moran regarding SuperGreen rate premium v. PG&E Solar Choice. Brief discussion ensued.

Mr. Hyams responded to a question from Commissioner Vietor regarding any correlation between PG&E rate change and CleanPowerSF opt-out rates, and regarding the rate reduction and the long-term build-out plan. President Moran provided additional comments. Brief discussion ensued.

Mr. Hyams stated the item had been before the SFPUC Rate Fairness Board, where Commission adoption was recommended.

On Motion to approve Item 10:
Ayes: Moran, Kwon, Caen, Vietor, and Courtney

Public Comments
- Mr. Eric Brooks, multiple organizations, spoke to PG&E PCIA calculations and negotiations. He thanked staff for getting rates below PG&E rates. He discussed PG&E renewable energy contract renewal.
- Mr. Jed Holtzman, 350 SF, expressed support for the proposal stating it needs to be cheaper and cleaner than PG&E. He expressed appreciation for the work of staff.
- Mr. Jason Fried, LAFCO, thanked staff for their work on rates development. He expressed the need for stable pricing and discussed the Marin program’s opt-out experiences.

11. Workshop: Discussion of the CleanPowerSF Growth Plan:
Ms. Barbara Hale, AGM Power, introduced item. She noted Mr. Hyams would present information regarding the CleanPowerSF Growth Plan. Mr. Hyams reviewed the agenda and presented the following:
Growth Plan Purpose and Approach: (1) Growth Plan purpose; (2) CleanPowerSF Goals and Objectives; (3) CleanPowerSF business practice policies; and (4) CleanPowerSF Growth Plan approach.

Staff Recommendations: (1) Pace of growth - complete citywide enrollment by FYE 2019); (2) Financing - solicit third party financing support through Request for Proposals; (3) Power supply - issue a power supply Request for Offers (RFO); (4) Operational readiness/staffing – staff-up to run the program successfully; (5) Phase I staffing levels - 15.5 FTE; and (6) Staffing at full scale - 52 FTE.

Mr. Hyams responded to a question from Commissioner Vietor regarding power supply RFO.

Mr. Hyams responded to a question from President Moran regarding staffing.

Challenges and Mitigations: (1) Regulatory (PCIA) risk; (2) Financial; (3) Supply availability and cost; and (4) Staffing capacity.

Positives: (1) Will meet San Francisco’s clean energy goals; (2) Will create more clean energy jobs; and (3) Will continue to provide competitively priced clean energy.

Implementation Timeline: (1) Program growth timeline; and (2) System development timeline.

Mr. Hyams concluded with a review of next steps.

Commissioner Vietor thanked staff for their work.

President Moran stated the CleanPowerSF Program is a major and different type of business and risk needs to be mitigated.

GM Kelly thanked the Commission, staff, and advocates for their work.

Commissioner Courtney thanked AGM Hale for focusing on his concerns.

Public Comments

• Mr. Eric Brooks, multiple organizations, discussed the need for local and citywide build-out plans. He stated the 50 percent green target should be sooner. He provided and update on SB618 and AB79. He requested the LAFCo MOU needs be renewed.

• Ms. Melissa Yu, Sierra Club, expressed the need for competitive rates. She requested to see faster movement, and consideration of local generation and integration of local resources. She requested the LAFCo MOU be extended.

• Mr. Jed Holtzman, 350 SF, thanked staff for meeting with advocates. He stated raising the renewable energy percentage is good; that the opt-goal and roll-out plan too conservative; and requested the LAFCo MOU be extended.
• Mr. Jason Fried, LAFCo, thanked staff for their good work.

12. **Public hearing: Discussion and possible action to lift the voluntary 10% system-wide reduction in water use and corresponding 10% mandatory reduction with excess use charges for Interruptible Water Service customers.** (Resolution 17-0075)

AGM Ritchie introduced the item and requested approval, noting conservation programs will stay in effect.

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

No public comment.

13. **Approve Amendment No. 3 to Agreement No. CS-225R, Seismic Upgrade of Bay Division Pipeline (BDPL) Nos. 3&4 at Hayward Fault, Construction Management Services with EPC Consultants, Inc., to continue providing CM services; and authorize the General Manager to execute this amendment with a time extension up to six months, for a total agreement duration of five years and four months, with no change to the agreement amount.** (Resolution 17-0076)

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

No public comment.

14. **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.**

Without objection, Commissioner Courtney requested the item be continued.

15. **Approve Modification No. 15 to Contract No. WD-2705, Town of Sunol Fire Suppression System, with Azul Works, Inc., with a time extension of 664 consecutive calendar days, for a total revised contract duration of 1,029 consecutive calendar days, with no change to the contract amount.** (Resolution 17-0077)

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

No public comment.
The Commission Secretary read item 18 and stated items 19 through 24 would not be heard.

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

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

On Motion to assert:
Ayes: Moran, Kwon, Caen, Vietor, and Courtney

The Commission entered into Closed Session at 4:01 PM.

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (1)
Existing Litigation
Authorize settlement agreement related to:
George Birmingham v. City and County of San Francisco
San Francisco Superior Court Case No.: CGC-15-547835
City Attorney File No: 160278 / Date Filed September 9, 2015
(Resolution 17-0078)

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:
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

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:
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

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 Litigation:
Pacific Gas & Electric
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
   §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

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
   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

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

   The Commission exited Closed Session at 4:20 PM.

25. Announcement following Closed Session.

   President Moran announced that a settlement was reached on item 18.

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

   On Motion no to disclose:
   Ayes: Moran, Kwon, Caen, Vietor, and Courtney

27. Other New Business.

   Commissioner Courtney discussed the SFPUC Recognition Program (Golden Pride).

28. Adjournment.

   President Moran adjourned the meeting at 4:21 PM.