SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, April 25, 2017
(Approved May 9, 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
1. Call to Order
   President Moran called the meeting to order at 1:33 PM.

2. Roll Call
   Present: Moran, Kwon, and Courtney
   Excused: Caen
   Commissioner Vietor arrived at 1:35 PM.

3. Approval of the Minutes of April 11, 2017
   On Motion to approve the Minutes of April 11, 2017:
   Ayes: Moran, Kwon, and Courtney

4. General Public Comments
   • Mr. Francisco DaCosta discussed the creation of the SFPUC, Ethics
     Commission deliberations, and Board of Supervisors’ meetings.

   Commissioner Vietor arrived at 1:35 PM.

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

   No public comment.

6. Other Commission Business
   None.

7. Report of the General Manager
   a) CleanPowerSF Update
      Ms. Barbara Hale, Assistant General Manager (AGM) Power, provided a
      CleanPowerSF Update. She indicated there are 80,000 accounts enrolled; a
      3.3 percent opt-out rate; and 2,187 SuperGreen upgrades. She stated May
      enrollment continues, and that workshops targeting Net Energy Metering
      customers are being held.

      She noted a meeting attended with the California PUC (CPUC) Division of
      Ratepayer Advocates; and discussed recent participation in a Senate
      hearing on SB618. Ms. Hale previewed items scheduled for the May 9, 2017
      meeting.

      Commissioner Vietor requested, through the President, that a joint LAFCo
      meeting be calendared. President Moran indicated a joint meeting or other
      form of communication to LAFCo will be considered.
Public Comments

- Mr. Eric Brooks, multiple organizations, discussed SB618; PG&E actions at CPUC; the need for faster growth; and local build-out.

Commissioner Courtney stated meetings can allow for deep discussions and expressed support for a joint LAFCo meeting.

- Mr. Francisco DaCosta discussed the history of Community Choice Aggregation; the Raker Act and hydroelectricity development and use; and infrastructure.
- Mr. Jed Holtzman, 350 SF, discussed the passage of the Bay Area Air Quality Management District’s 2017 Clean Air Plan; and expressed the desire for faster growth and local build-out.
- Ms. Melissa Yu, Sierra Club, expressed support for faster growth and local build-out.
- Ms. Lana Ingle, 350 SF, noted her organization signs people up for SuperGreen at events, and stated people want faster growth and local build-out.
- David expressed the desire for quick implementation of CleanPowerSF.
- Mr. Bruce Wolfe, Haight Ashbury Neighborhood Council, stated people want faster growth and full enrollment.
- Mr. Jason Fried, LAFCo, thanked staff for their work on SB618; expressed support for the LAFCo MOU; and that he will work with staff on a joint meeting.

b) Green Infrastructure Update

Mr. Tommy Moala, Assistant General Manager (AGM) Wastewater, introduced Ms. Sarah Minick, Program Manager, who presented on Green Infrastructure programs and projects.

Ms. Minick began by reviewing a revised definition of Green Infrastructure. She discussed the Urban Water Management Program Goals, and updated the Commission on the San Francisco Stormwater Ordinance (SMO): (1) Status after seven years of implementation; (2) SMO Projects – 149 approved and 159 in review; (3) SMO staff resources; and (4) SMO innovation.

Ms. Minick continued with a review of: (1) Watershed Stewardship Grant Program; (2) Stormwater Cost Study; (3) Sewer System Improvement Program (SSIP) Green Infrastructure Early Implementation Projects (EIP); (4) EIP Project Status Table; (5) Collection System Plan; (6) Level of Service Goal – integrate green and grey infrastructure to manage stormwater and minimize flooding; (7) Proposed GI Citywide Strategy - projects and grants; (8) Green Infrastructure Capital Projects Challenges; (9) Regional Stormwater Capture and Reuse at schools and parks; (10) Stormwater Management on SFPUC Parcels; (11) Creek daylighting and floodable spaces; (12) Streetscape Synergy Program; Green Infrastructure Grants;
(13) Stormwater Management Agreement Grants; and (14) Stormwater training and technical assistance.

Ms. Minick discussed what might happen if the tools were deployed. She reviewed the Green Infrastructure long-term vision, noting by 2032, 500M gallons could be removed using Green Infrastructure; and by 2025 1 billion gallons could be removed using Green Infrastructure.

Ms. Minick responded to a question from Commissioner Vietor regarding the revised definition and the lack of mention of multiple benefits.

Vice President Kwon departed the room at 2:26 PM.

GM Kelly provided additional comments in response to Commissioner Vietor’s concern. He discussed the need for additional city departments to be more involved with Green Infrastructure projects. Brief discussion ensued.

GM Kelly and Ms. Minick responded to questions from Commissioner Vietor regarding: (1) the costs associated with the long-term visions that were presented; (2) if there is adequate staffing to ensure timely stormwater design review; and (3) if the Rooftop Ordinance is part of the Green Infrastructure program.

Commissioner Courtney thanked Ms. Minick for her report. He requested that at the next update additional information be provided on grants and how they connect to jobs; and the consequences of non-compliance.

Ms. Minick responded to President Moran’s question regarding potential groundwater impacts and slope stability with Green Infrastructure projects.

Vice President Kwon returned at 2:42 PM.

Public Comments
- Mr. Eric Brooks, multiple organizations, discussed the use of composting toilets to assist with reducing water in the stormwater system. He disused the need for a report on Tetra Tech on Treasure Island.
- Ms. Adele Framer arrived late and spoke to item 7a, expressing a desire for faster program growth.

8. BAWSCA Update
Ms. Nicole Sandkulla, CEO, BAWSCA, read a statement about the future of water supply for residents, businesses and community agencies in Alameda, San Mateo, and Santa Clara Counties. She provided a copy of her statement to the Commission and for the record.

Ms. Sandkulla responded to a question from President Moran as to whether BAWSCA as a whole has addressed the issue of timing for development of
additional water supplies. President Moran provided comment on Ms. Sandkulla’s response. GM Kelly provided additional comment.

No public comment.

Commissioner Vietor departed the room at 2:57 PM.

The Commission Secretary read the Consent Calendar summary.

9. **Consent Calendar**
   a) Approve Amendment No. 1 to Agreement Nos. CS-391.A&B, As-Needed Operations and Maintenance Services for Hetch Hetchy Water and Power (HHWP), with Amec Foster Wheeler/Sonika Joint Venture (JV) (CS-391.A); and Black & Veatch Corporation (CS-391.B), to support ongoing HHWP operational responsibilities; and authorize the General Manager to negotiate and execute two professional services amendments, each for an amount of $2,000,000, for a total not-to-exceed agreement amount of $6,000,000 per agreement, with no change to the agreement duration. (Resolution 17-0079)

   b) Approve Modification No. 9 to Contract No. DB-124, San Joaquin Valley Communication System Upgrade, with Communication Services, Inc., increasing the existing construction duration contingency of up to 183 consecutive calendar days; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 797 consecutive calendar days, with no change to the contract amount. (Resolution 17-0080)

   c) Accept work performed by Cratus, Inc., for Contract No. HH-979, San Joaquin Pipeline No. 1 Replacement at the San Joaquin Valve House; Approve Modification No. 9 (Final), decreasing the contract amount by $241,356, for a total contract amount of $1,694,567, with a time reduction of 39 consecutive calendar days, decreasing the total contract duration to 434 consecutive calendar days; and authorize final payment to the contractor. (Resolution 17-0081)

   d) Approve Modification No. 3 to Contract No. WW-572R, Westside Pump Station (WSS) Discharge Pipe Manifold Upgrade, with Cal State Constructors, Inc., to replace damaged mechanical and electrical equipment and utilities and associated facility dewatering during dry-weather season at the WSS, increasing the contract duration by 173 consecutive calendar days, for a total contract duration of 863 consecutive calendar days. (Resolution 17-0082)

   e) Approve an increase in the construction contract cost contingency for Contract No. WW-579, North Point Wet Weather Facility Dewatering Pump Replacement and Electrical Upgrade, with Anvil Builders, increasing the contract amount by $15,570; and authorize the General Manager to approve future modifications to the contract, for a total revised contract...
cost up to $950,295. (Resolution 17-0083)

f) Approve the plans and specifications, and award Contract No. WW-649, Paul Avenue Sewer Replacement, in the amount of $736,410, to the lowest, qualified, responsible and responsive bidder, Shaw Pipeline, Inc., to replace the existing sewers on Paul Avenue from Crane Street to 3rd Street in the City of San Francisco. The proposed action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0084)

g) Approve Amended and Restated Issuing and Paying Agent Agreement with U.S. Bank National Association for the $150M Series A-1 Commercial Paper Notes of the Wastewater Commercial Paper Program. (Resolution 17-0085)

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

No public comment.

Commissioner Vietor returned at 3:00 PM.

10. Authorize the General Manager to increase the Wastewater Enterprise Commercial Paper Notes Program from $500,000,000 to $750,000,000, subject to Board of Supervisors approval; and authorize the General Manager to negotiate and enter into various related agreements described in the Resolution, including Credit Facility Agreements in the principal amount not-to-exceed $150 million with Bank of America, N.A., and not-to-exceed $100 million with Sumitomo Mitsui Banking Corporation, and approve a form of Dealer Agreement with Citigroup Global Markets, Morgan Stanley & Co., U.S. Bancorp, Goldman, Sachs & Co., and RBC Capital Markets, LLC. (Resolution 17-0086)

Mr. Eric Sandler, CFO and AGM Business Services, introduced the item and discussed the current status of the Wastewater Commercial Paper (CP) Program; Wastewater CP Program proposed $250M increase; and proposed agreement terms.

CFO Sandler reviewed the Forms of Documents: (1) Issuing and Paying Agent agreements; (2) Reimbursement Agreement; (3) Irrevocable Letter of Credit; (4) Fee Agreement; (5) Dealer Agreement; and (6) Offering Memorandum.

AGM Sandler provided disclosure and summarized the requested Commission action.

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

No public comment.
11. Approve the terms and conditions of and authorize the General Manager to execute the Second Amendment to the Agreement to Exchange Interests in Real Property dated November 17, 2010, between the City and County of San Francisco, acting through the San Francisco Public Utilities Commission, and the Midpeninsula Regional Open Space District, whereby the SFPUC will grant a new 20-foot wide easement to District for a public trail on property under the SFPUC’s jurisdiction in East Palo Alto, subject to Board of Supervisors’ and Mayoral approval. The SFPUC property is commonly known as the Ravenswood Property (Assessor’s Parcels No. 093-590-030, 093-590-050 and 093-590-060). In exchange, the District will quitclaim all right, title and interest in an existing open space easement on the Ravenswood Property that the SFPUC granted to District pursuant to the Exchange Agreement. The parties will not exchange any monetary consideration. (Resolution 17-0087)

Mr. Michael Carlin, Deputy GM, introduced the item and requested approval.

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

No public comment.

12. Adopt a finding declaring that the approximately 3,429 square-foot parcel under the jurisdiction of the San Francisco Public Utilities Commission, Assessor’s Parcel Lot 23, Block 2719C, located on Burnett Avenue at Copper Alley in San Francisco, California is surplus to the SFPUC’s utility needs; Approve the terms and conditions and authorize the General Manager to execute a Purchase and Sale Agreement with George Birmingham, to sell both the SFPUC Parcel and the adjacent 8,795 square-foot parcel under the jurisdiction of the San Francisco Public Works Department, for a combined sales price of $1,500,000; Approve the terms and conditions and authorize the General Manager to execute a Reimbursement Agreement; and authorize a request to the Board of Supervisors and the Mayor to approve the Parcel sale, subject to the terms of the Purchase Agreement. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0088)

DGM Carlin introduced the item, distributed a property map for the Commission’s information, and requested approval.

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

No public comment.

13. Authorize the General Manager to execute a Memorandum of Understanding with the Treasure Island Development Agency for proposed new wastewater treatment and recycled water treatment facilities to serve Treasure Island and Yerba Buena Island, and related actions and real property improvements and transfers, subject to Board of Supervisors’ approval, as required. (Resolution 17-0089)

DGM Carlin introduced the item and requested approval.
On Motion to approve Item 13:
Ayes: Moran, Kwon, Vietor, and Courtney

No public comment.

14. Authorize the General Manager to execute a Memorandum of Agreement among the Treasure Island Development Authority, the San Francisco Public Utilities Commission, the San Francisco Municipal Transportation Agency, and San Francisco Public Works, regarding the future ownership and maintenance responsibilities for public improvements to be constructed by Treasure Island Community Development in the course of development on Treasure Island and Yerba Buena Island. (Resolution 17-0090)
DGM Carlin introduced the item and requested approval.

On Motion to approve Item 14:
Ayes: Moran, Kwon, Vietor, and Courtney

No public comment.

15. Adopt findings pursuant to the California Environmental Quality Act (CEQA); Approve Water Enterprise A & B Bond funded Project No. CUW2730504, San Andreas Pipeline No. 2 Replacement; and authorize the General Manager or his designee to implement the Project in compliance with the Charter and applicable law, subject to the approval of the Board of Supervisors as required, including: (i) Undertaking the process in compliance with California Government Code Section 7260 et seq., for possible acquisition, for a combined purchase price not-to-exceed $1,500,000, of temporary interests in real property in the City of San Bruno, including: (1) Assessor's Parcel No. 019-170-020 owned by San Mateo Union High School District; (2) Assessor's Parcels No. 020-012-160 and No. 020-012-160&170 owned by the Gap Corporation; (3) Assessor's Parcel No. 019-230-020 owned by County of San Mateo; and (4) Multiple Assessor's Parcel Numbers for Peninsula Place Homeowners' Association; (ii) Negotiating and executing Memoranda of Agreement and/or, if required, Purchase and Sale Agreements with Caltrans, the City of San Bruno, the U.S. Department of Veteran's Administration, the County of San Mateo, Peninsula Place Homeowners' Association, the San Mateo Union High School District, and the Cherry Hill Villa Condominium Owners' Association regarding construction, repair, replacement, and operation of Project facilities on the Adjacent Fee Owners' respective properties; (iii) Negotiating and obtaining, as necessary, encroachment permits, real estate licenses, consents, or other permits or agreements with respect to Project construction activities and/or the use or placement of water system improvements with owners or occupiers of property interests or utility facilities or improvements, on, along, over, under, adjacent to, or in the vicinity of the SFPUC's pipeline right-of-way; (iv) Undertaking the process, in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 49 CFR Part 24, and all applicable laws, to provide assistance and relocation benefits to qualified San Francisco tenants who may be displaced by the construction, including access and staging activities on the real property owned by the City and located in the
City of San Bruno; and (v) Working with the City’s Director of Real Estate to seek any necessary Board approval and, upon receipt of all necessary Board approvals, authorize the General Manager or City’s Director of Real Estate to accept and execute the real property agreements to be authorized herein. (Resolution 17-0091)

Ms. Kathy How, AGM Infrastructure, introduced the item and requested approval.

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

No public comment.

16. Approve the Request for Bids for Pre-Construction and Construction Services and award Contract No. DB-128R2, Bay Corridor Transmission and Distribution – Phase 1, a Design-Build Contract (DBC), in the amount of $15,283,930, to the lowest, qualified, responsible and responsive bidder, A&B Construction, to perform design and construction of an electrical duct bank, Wastewater Enterprise’s Mariposa dry-weather force main, and gravity sewer improvements; and authorize the General Manager to execute the DBC with A&B Construction consistent with the requirements of Section 6.61(G) of the San Francisco Administrative Code. This action constitutes the Approval Action for the project for purposes of the California Environmental Quality Act (CEQA), pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0092)

AGM How introduced the item and requested approval.

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

No public comment.

President Moran disclosed that he has known the firm and principals for years, has not been involved in the selection process, and stated the relationship doesn’t affect his ability to do his job.

17. Award Agreement No. PRO.0060, State Legislative Representation and Advocacy Services to Edelstein Gilbert Robson & Smith (EGRS), LLC, to provide state legislative representation and advocacy services to the San Francisco Public Utilities Commission; and authorize the General Manager to negotiate and execute a professional services agreement with EGRS for an amount not-to-exceed $1,200,000, and with a duration of five years. (Resolution 17-0093)

Ms. Juliet Ellis, AGM External Affairs introduced the item and reviewed state legislative actions. She noted the term of the contract request is for five years, and requested Commission approval.

On Motion to approve Item 17:
Ayes: Moran, Kwon, Vietor, and Courtney
No public comment.

18. **Award Agreement No. PRO.0061, Federal Legislative Representation and Advocacy Services, to Daryl Owen Associates, Inc., to provide federal legislative representation and advocacy services to the San Francisco Public Utilities Commission; Authorize the General Manager to negotiate and execute a professional services agreement with Daryl Owen Associates, Inc., for an amount not to exceed $1,200,000, and with a duration of five years.** *(Resolution 17-0094)*

AGM Ellis introduced the item and reviewed federal legislative actions. She noted the term of the contract request is for five years, and requested Commission approval.

Ms. Ellis responded to a question from Commissioner Vietor regarding additional work done with the Mayor's office lobbyist, Holland and Knight.

On Motion to approve Item 18:
Ayes: Moran, Kwon, Vietor, and Courtney

**Public Comments**
- *Mr. Francisco DaCosta discussed the current Administration and potential impact on environmental issues. He stated federal lobbying funds need to be spent on local San Francisco issues.*

19. **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.** *(Resolution 17-0095)*

Mr. Steve Ritchie, AGM Water, introduced the item and requested approval.

Commissioner Courtney discussed his past requests to continue the item. He stated that he supports the Alliance. He expressed the need for transparency and accountability; to focus on workforce; disappointment with conversations on “old stuff”; and the need for a policy regarding standards and obligations when providing grants.

GM Kelly commented on the development and implementation of a policy and indicated he will meet with Commissioner Courtney on policy development and implementation.

On Motion to approve Item 19:
Ayes: Moran, Kwon, Vietor, and Courtney
Public Comments

- Mr. Francisco DaCosta discussed contracting requirements and work performed by youth at Calaveras, and the need for enforcement.

20. Approve the terms and conditions and authorize the General Manager to execute a five-year, no-fee revocable license with the San Francisco Parks Alliance, as Licensee, as fiscal sponsor of the Garden for the Environment, to operate a public demonstration garden and provide environmental educational programs on approximately 21,148 square feet of property under San Francisco Public Utilities Commission jurisdiction at Seventh Avenue and Lawton Street in San Francisco. The 2017 License will replace existing SFPUC License No. 4133. Licensee will not pay any rent for use of License Area and will use SFPUC Grant Agreement CS-320, as amended (CS-320) funds for GFE’s continued operation of the public demonstration garden and environmental education programs on the License Area. (Resolution 17-0096)

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

No public comment.

The Commission Secretary read Closed Session items 21 through 28, stating item 29 would not be heard.

21. Public Comments on matters to be discussed in Closed Session.
- Mr. Francisco DaCosta discussed the recent PG&E blackout, noting poor communications with the City regarding the incident. He discussed PG&E litigation against the City.

22. 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 Closed Session at 3:36 PM.

23. 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

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 6/30/15.
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 6/30/15.
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 7/1/15
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 7/1/15
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

29. 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 4:01 PM.
30. Announcement following Closed Session.
   President Moran stated that no action was taken during Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.
   On Motion no to disclose:
   Ayes: Moran, Kwon, Vietor, and Courtney

32. Other New Business.
    None.

33. Adjournment.
    President Moran adjourned the meeting at 4:02 PM.