SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
City and County of San Francisco  

Edwin M. Lee  
MAYOR  

Minutes  
Tuesday, May 23, 2017  
(Approved June 13, 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 1:33 PM.

2. Roll Call
Present: Moran, Kwon, Vietor and Courtney
Commissioner Caen arrived at 1:45 PM.

3. Approval of the Minutes of May 9, 2017
On Motion to approve the Minutes of May 9, 2017:
Ayes: Moran, Kwon, Vietor and Courtney

No public comment.

4. General Public Comments
- Mr. Francisco DaCosta discussed the former 1800 Oakdale Greenhouses; the role and use of the Contractor Assistance Center; and asked what mechanisms are being used to address career jobs.
- Ms. Fan Wen, Station Manager, Millbrae Radio, Inc., discussed the mission of KQEM Radio and the importance of the station to the Chinese American Community.
- Mr. Booker Wade, General Manager, KMPT TV, discussed the Station’s programming and their application to place an antenna at Crystal Springs. He noted they have not been responsive with staff requests for documents. He requested that they be allowed to use a temporary broadcast van on the watershed.

Commissioner Caen arrived at 1:45 PM.

- Mr. Eric Huang, President, KQEA LP FM, discussed the station’s request to place the van with antenna at Crystal Springs.

President Moran informed the last three speakers that the Commission cannot take action. He asked the General Manager (GM) to make sure staff is as flexible as possible given constraints and requirements that must be met.

5. Communications
a) Advance Calendar
b) Correspondence Log
c) Contract Advertisement Report
d) Water Supply Conditions Update
e) Water System Improvement Program Status of Construction Change Orders
President Moran noted the average construction change order is running at about 25% of the original contract amount. He requested a memo detailing the reasons and how that can be improved.

No public comment.
6. **Other Commission Business**

Commissioner Courtney thanked the Commission for the workforce presentation at the last meeting. He noted it is part of the Commission’s responsibility and that practices must meet policies. He discussed the need for discussions regarding entry level positions and that career paths need to be created.

   a) **Recognition of Deputy City Attorney Noreen Ambrose**

   GM Kelly provided comments detailing Ms. Ambrose’s distinguished career with the City and County of San Francisco and her tenure with the SFPUC.

   Commissioner Caen thanked Ms. Ambrose for her work and conceded that she appreciated Ms. Ambrose telling her what to do.

   President Moran provided his thoughts on Ms. Ambrose’s career. He thanked her for her steady way and dedication and commitment to the SFPUC and the City.

   Ms. Ambrose thanked the Commission and staff for the recognition. She discussed her career and the challenges the SFPUC provided. She thanked the City Attorney colleagues who have assisted her with her work.

   **Public Comments**
   - Mr. Francisco DaCosta thanked Ms. Ambrose for her work with the Bayview Community and wished her the best.
   - Mr. Michael Housh congratulated Ms. Ambrose on her retirement.
   - Mr. Jason Fried, on behalf of LAFCo, thanked Ms. Ambrose for her work, especially with CCA.

7. **Report of the General Manager**

   a) **CleanPowerSF Update**

   Ms. Barbara Hale, Assistant General Manager (AGM) Power, provided a CleanPowerSF update: (1) Enrollment - 81,000 customers; 3.2% opt-out rate; and 2,567 SuperGreen upgrades (3.4%); (2) Growth Plan – working with the CFO to prepare RFP for 3rd party financial program support; drafting RFIs; Staffing – finalizing hiring plan; and (3) Regulatory – active with four cases before the California PUC (allocation mechanism, bond case review, PGE general rate case, and integrated resource planning).

   **Public Comments**
   - Mr. Jed Holtzman, 350 SF, congratulated Ms. Ambrose on her retirement. He noted the SuperGreen upgrade rate surpassing the opt-out rate.
   - Jason Fried, thanked staff for their excellent work. He provided positive comment on the SuperGreen Upgrade rate.

   b) **Water Enterprise CIP Quarterly Report**

   Mr. Dan Wade, Director of Water Capital Projects and Programs, provided a quarterly Water Enterprise CIP Quarterly Report. He addressed variances in
the quarterly report, and noted highlights of the reporting period: (1) San Francisco Water Pipeline Replacement Program; (2) Peninsula Pipeline Seismic Upgrade Project Phase 3; (3) San Francisco Ground Water Phase 2; (4) San Andreas Pipeline Phase 2; (5) Crystal Springs Pipeline Phase 2; and (6) Sunol Long Term Improvements. He discussed the Alameda Creek Watershed Center, noting that Native burial sites that have been discovered at the site, and that staff are working with the tribe.

Mr. Wade responded to a question from Commissioner Caen regarding who is the “boss” as related to water pipelines. GM Kelly provided additional response as to coordination efforts with other departments. Commissioner Caen expressed concern that goals are not being met.

Mr. Wade responded to a question from President Moran regarding the Sunol Yard and Watershed Center Project budget increase from $50M to $87M. Mr. Steve Ritchie, Assistant General Manager (AGM) Water, provided additional comment.

Public Comments
- Mr. Francisco DaCosta discussed the remains found at the Alameda Creek Watershed Center. He thanked the GM and staff for their work on the sensitive issue.

**c) Water System Improvement Program (WSIP) Quarterly Reports: Local and Regional**

Mr. Wade gave a WSIP Quarterly Report noting variances. He indicated regional projects are 93.7% complete; Local Projects are 99.9% complete; and the overall WSIP is 94.3% complete. He provided a Project Labor Agreement update and discussed dynamic partnerships and initiatives. Mr. Wade continued with review of the following projects: (1) Alameda Creek Recapture Project; (2) Calaveras Dam replacement; (3) Alameda Creek Diversion Dam Fish Passage Facilities; and (4) Regional Groundwater Storage and Recovery Phase 2.

In response to a question from Commissioner Caen, Mr. Wade stated WSIP will be completed at the end of 2019.

No public comment.

**d) Quarterly Audit and Performance Review Reports**

- Rebate and Incentives Audit: GoSolarSF Program
- FY 2015-16, City and County of San Francisco Basic Financial Statements and Single Audit Report

Ms. Nancy Hom, Director, Assurance and Internal Controls, provided a quarterly audit and performance review report. She indicated 42 audits and assessments have been completed YTD. She noted three audits that will begin in the fourth quarter. Ms. Hom reviewed the three audits
completed in the third quarter; Highlighted the GoSolarSF Rebate and Initiative Audit; and provided a current outlook of audits completing in the fourth quarter; and those in progress and reviewed prior years, open audits, and recommendations.

Public Comments
- Ms. Nicole Sandkulla, BAWSCA, discussed the compliance audit and stated BAWSCA is working with staff to resolve issues.

e) Plan Bay Area 2040 Update
Mr. Ritchie began with a review of the purpose of the Plan Bay Area, noting it is updated every four years. He discussed the use of growth projections in urban water management planning. Mr. Ritchie reviewed a chart with a comparison of San Francisco growth and demand projections (actual 2015; projected 2035, and 2040). He discussed the water supply analysis in the draft Environmental Impact Review (EIR) and discussed the comment period for the EIR. Brief discussion ensued on the comment period and growth and demand projects.

Public Comment
- Mr. Peter Drekmeier, Tuolumne River Trust, noted population’s role in the quality of life and resource issues. He expressed concern with the Plan population projections and stated the Plan needs to focus on demand not just supply.
- Ms. Nicole Sandkulla, BAWSCA, noted they reviewed ABAG’s draft preferred scenario and sent a letter stating economic and housing projections in West Bay Corridor were higher than indicated in the 2013 plan. She noted BAWSCA staff is working closely with SFPUC as comments are developed.
- Ms. Denise Louie stated biodiversity has to come first and be the main topic. She stated population and growth numbers need to be controlled.

Commissioner Vietor noted the importance of keeping track of the Plan. She expressed interest in BAWSCA’s projections and concern for projected growth. She requested the Commission receive regular updates.

President Moran asked that stated staff provide updates as the Plan proceeds through the comment period and adoption.

AGM Ritchie responded to a question from Commissioner Vietor regarding the frequency of the updating of the Urban Watershed Management Plan. Brief discussion ensued.

AGM Ritchie provided an update on East Palo Alto’s supply problem. He stated that the Mountain View City Council will consider an agreement to provide East Palo Alto with 1M gallons-per-day individual supply guarantee, in addition to their current allotment, in exchange for a $5M one-time payment to Mountain View so they can meet their minimum purchase requirement.
8. BAWSCA Update

Ms. Nicole Sandkulla, BAWSCA, discussed the agreement between East Palo Alto and Mountain View and provided a written statement for the record.

No public comment.

9. Consent Calendar

a) Approve an increase in the construction duration contingency for Contract No. HH-981, Mountain Tunnel Access & Adit Improvement Project, of up to 210 consecutive calendar days; and authorize the General Manager to approve future modifications to the contract, for a total revised contract duration of up to 649 consecutive calendar days, with no change to the contract cost. The requested increase in the construction duration contingency is needed to complete additional road repairs damaged during the recent winter rainstorms and allow additional time to review, negotiate, and process the related potential change orders. (Resolution 17-0111)

b) Approve an increase in the existing construction contract duration contingency of up to 180 consecutive calendar days for Contract HH-986, 2017 Mountain Tunnel Interim Repair Project, with Sierra Mountain Construction, Inc.; and authorize the General Manager to approve future modifications to this contract, for a total revised contract duration of up to 436 consecutive calendar days, with no change to the contract cost. The requested increase in the construction duration contingency is needed to allow additional time to review, negotiate, and process change orders related to additional repairs made to the Mountain Tunnel during the 56-day outage beyond those specified in the contract. (Resolution 17-0112)

c) Approve an increase to the existing construction contract cost contingency in the amount of up to $1,500,000 and an increase to the existing contract duration contingency of up to 548 consecutive calendar days, for Contract No. WD-2686, Auxiliary Water Supply System Pumping Station No. 1 Improvements (2014); and Authorize the General Manager to approve future contract modifications for a total revised contract amount up to $10,731,700, and a total contract duration of up to 1,258 consecutive calendar days. (Resolution 17-0113)

d) Accept work performed by Cal State Constructors, Inc., for Contract No. WW-580, Oceanside Water Control Plant, W2 and W3 Water System Improvements, for a total contract amount of $1,539,611, and with a total contract duration of 630 consecutive calendar days, and authorize final payment to the Contractor. (Resolution 17-0114)

e) Approve the plans and specifications, and award Contract No. WW-629, Various Locations Sewer Replacement and Pavement Renovation No. 1, in the amount of $7,404,605, to the lowest, qualified, responsible and responsive bidder, Shaw Pipeline, Inc., to replace existing sewers and street pavement at various locations in the City and County of San Francisco. This proposed action constitutes the Approval Action for the
project for purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0115)

f) Approve the plans and specifications, and award Contract No. WW-636, Various Locations Sewer Replacement and Pavement Renovation No. 4, in the amount of $5,062,012, to the lowest, qualified, responsible and responsive bidder, D’Arcy & Harty Construction, Inc., to replace the existing sewers and street pavement on the subject streets in the City and County of San Francisco. This proposed action constitutes the Approval Action for the project for purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0116)

g) Approve execution of an attestation of veracity for the San Francisco Public Utilities Commission 2016 Power Source Disclosure (PSD) Report and submission of that Report to the California Energy Commission. The SFPUC is required by State law to annually disclose the sources of electricity generation used to serve the SFPUC’s end-use electric customers through the preparation of the PSD Report and Power Content Label. The 2016 PSD Report discloses that the electricity sources used to serve the SFPUC’s end-use electric customers were 99.2% greenhouse-gas free hydroelectric generation from the Hetch Hetchy system and 0.8% eligible renewable energy resources under California’s Renewable Portfolio Standard. This PSD report covers the SFPUC’s operations as a publicly-owned electric utility. (Resolution 17-0118)

h) Approve execution of an attestation of veracity for CleanPowerSF’s 2016 Power Source Disclosure Report and submission of that Report to the California Energy Commission. CleanPowerSF is required by State law to annually disclose the sources of electricity generation used to serve its end-use electric customers through the preparation of the PSD Report and Power Content Label. During the 2016 calendar year, CleanPowerSF successfully delivered a substantial portion of its electric energy supply from renewable energy sources under California’s Renewable Portfolio Standard. For Green customers, the percentage of supply attributable to renewable energy sources was 40%; for SuperGreen customers, renewable energy resources comprised 100% of the supply portfolio. (Resolution 17-0117)

President Moran requested that item 9g be removed.

On Motion to approve items 9a through 9f and 9h:
Ayes: Moran, Kwon, Caen, Vietor and Courtney

No public comment.

President Moran expressed confusion with the Power Content Label as it does not include information on Solar Energy or Biomass and Biowaste,
which is detailed at the bottom of the page. AGM Hale stated she was unsure why they were not included and will report back.

On Motion to approve items 9g:
Ayes: Moran, Kwon, Caen, Vietor and Courtney

No public comment.

10. Approve Amendment No. 2 to Agreement No. CS-246, Technical Support Services, with Utility System Efficiencies, Inc., to maintain Hetch Hetchy Water and Power’s access to regulatory support services; and authorize the General Manager to execute this amendment, increasing the agreement by $3,000,000, for a total not-to-exceed agreement amount of $5,000,000, and with a time extension of two years, for a total agreement duration of seven years, six months, and 18 days. (Resolution 17-0119)
Mr. Ritchie introduced the item and requested approval.

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

No public comment.

11. Approve the selection of RES System 3, LLC, as the lowest, qualified, responsible and responsive bidder; Award Contract No. DB-127R, Warnerville Substation Rehabilitation, a Design-Build Agreement for design, construction, and commissioning a complete substation refurbishment that will improve the reliability of existing power transmission to customers. Authorize the General Manager to execute a DBA with RES System 3, LLC., consistent with the requirements of Section 6.61(g) of the San Francisco Administrative Code, for a total amount not to exceed $21,639,991. 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 17-0120)
Mr. Wade introduced the item and requested approval.

Mr. Wade responded to a question from President Moran regarding completing the work given issues regarding low-voltage lines.

Commissioner Vietor left the room at 3:23 PM.

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

No public comment.

12. Approve the plans and specifications, and award Contract No. WD-2818, Sunol Valley Water Treatment Plant SCADA Server Room, in the amount of $1,011,171 to the lowest, qualified, responsible and responsive bidder, Integra Construction Services, Inc., to relocate the Sunol Valley Water Treatment Plant Supervisory, Control, and Data Acquisition server room, install an air
conditioning system, and install fire suppression equipment. This proposed action constitutes the Approval Action for the project for purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0121)

Mr. Wade introduced the item and requested approval.

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

No public comment.

13. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the United States Department of Agriculture, Forest Service, Stanislaus National Forest, for an amount not to exceed $806,919, and with a duration of five years, to provide watershed protection for the approved standby water sources within the Stanislaus National Forest. (Resolution 17-0122)

AGM Ritchie introduced the item and requested approval.

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

No public comment.

14. Approve the terms and conditions of and authorize the General Manager to execute a new 20-year lease to Crystal Springs Golf Partners, LP, to use approximately 199 acres of SFPUC Parcel 31 in the Peninsula Watershed in Burlingame, California, for use as an 18-hole golf course and driving range for an annual rent equal to the greater of Percentage Rent or Base Rent, initially $1 million, plus $2.25 million in tenant capital improvement commitments, subject to Board of Supervisors approval pursuant to Charter Section 9.118. 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 17-0123)

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

No public comment.

The Commission Secretary read Closed Session items 17, 18, and 20. She stated item 19 would be rescheduled and items 21 through 26 would not be heard.

Commissioner Vietor returned to the room at 3:36 PM.

15. Public Comments on matters to be discussed in Closed Session.
None.
16. 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 3:38 PM:

17. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 76.10 (d) (1)
Unlitigated Claim
Adam Holm, dba Pseudo Studio v. CCSF
City Attorney Claim No.: 17-01948 / Date Filed February 21, 2017
Material Terms: Proposed Settlement Amount of $33,202.60 with release of claim
(Resolution 17-0124)

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 76.10 (d) (1)
Unlitigated Claim
Everlane, Inc. v. CCSF
City Attorney Claim No.: 17-01696 / Date Filed January 26, 2017
Material Terms: Proposed Settlement Amount of $117,726.22 with release of claim
(Resolution 17-0125)

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
Matt Pear et al v City and County of San Francisco, Court of Appeals, Sixth Appellate District
Date Filed: July 5, 2012 / City Attorney File No.: 130094

20. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.8 and San Francisco Administrative Code Section 67.8 (a) (2)
Property:
3.9 acres of property, designated as SFPUC Parcel 144, Santa Clara, CA, with Cedar Fair, LLP
Persons Negotiating:
Michael Carlin on behalf of SFPUC
Mary Murphy and Duff Milkie on behalf of Cedar Fair, LP as Tenant
Karen Tiedemann on behalf of the City of Santa Clara
Under Negotiation:
Price and Terms of Payment
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
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

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
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

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
§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

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 Wholesale Distribution Tariff Replacement Agreements to be effective 7/1/15
Case No.: ER15-704-000/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
Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco
26. 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 3:56 PM.

27. Announcement following Closed Session.
President Moran stated that settlements were reached on items 17 and 18 and no other action was taken.

28. Motion regarding whether to disclose the discussions during Closed Session.
On Motion not to disclose:
Ayes: Moran, Kwon, Caen, Vietor and Courtney

29. Other New Business.
After discussion, the Commission agreed to a 10:00 AM June 23, 2017 Special Meeting. President noted that the June 27th meeting will be cancelled due to lack of quorum.

Commissioner Caen requested an update on the Watershed Trail extension.

GM Kelly responded to a question from Commissioner Caen regarding when the Groundwater item will be before the Board of Supervisors.

30. Adjournment.
President Moran adjourned the meeting at 3:59 PM.