1. Call to Order
President Moran called the meeting to order at 1:37 PM.

2. Roll Call
Present: Moran, Kwon, Caen, Vietor and Courtney
Commissioner Caen arrived at 1:42 PM.
Commissioner Courtney arrived at 1:45 PM.

3. Approval of the Minutes of May 23, 2017
On Motion to approve the Minutes of May 23, 2017:
Ayes: Moran, Kwon, and Vietor

4. General Public Comments
   • Mr. Francisco DaCosta discussed the move of the Contract Assistance Center. He expressed the need for work and training for inner-city youth. Commissioner Caen arrived at 1:42 PM.
   • Mr. Al Norman discussed the Oxygen Plant and the Contractor Assistance Center.

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

   No public comment.

6. Other Commission Business
Commissioner Caen questioned why the SFPUC is blending groundwater into the system when water is being spilled from Hetch Hetchy, and she requested more information as to why blending is necessary.

Commissioner Courtney arrived at 1:45 PM.

Public Comments
   • Mr. Francisco DaCosta discussed groundwater and expressed the need for common sense.

   General Manager (GM) Kelly provided additional response to Commissioner Caen’s concern, stating no blending has yet occurred. He noted efforts needed to diversify water supply.

   a) Adoption of a Resolution in support of the nomination of Anson B. Moran as a Board Member for the Association of California Water Agencies (ACWA), Region 5 (Resolution 17-0126)
   President Moran indicated his desire to remain as a Board Member for the ACWA Region 5, and requested Commission approval of his nomination.
On Motion to approve the nomination of Anson B. Moran as a Board Member for the ACWA Region 5:
Ayes: Moran, Kwon, Caen, Vietor and Courtney

No public comment.

President Moran requested a presentation regarding the blending of groundwater be scheduled for the July 11th meeting.

Commissioner Vietor requested the presentation include the possibility of allocating blended water into non-potable sources, and information regarding what happens to wholesale customers, with regard to blended water.

7. Report of the General Manager
   a) CleanPowerSF Update (Hale)
      Ms. Barbara Hale, Assistant General Manager (AGM) Power, provided a CleanPowerSF update: (1) Enrollment: 81,000 sites enrolled; Opt-out rate is at 3.3%; SuperGreen upgrades at 3.4%; and there is a waitlist of 173, with 47% of those requesting SuperGreen upgrades; (2) LAFCo: SFPUC staff presented the Growth Plan to LAFCo, and received positive feedback; GM sought Board approval for the amended MOU with LAFCo, but the item did not pass out of committee. Staff will report back if there is further action; (3) Outreach and Communications: A State-required rate comparison mailer will soon go out (draft under review at the CPUC); A meeting was held with stakeholders on communications and outreach efforts, with key takeaways: increase social media presence; provide more detail on outreach budget; and increase collaboration with Department of Environment; (4) Regulatory Activity: SFPUC remains active on cases filed with the CPUC; Protest filed regarding procurement allocation mechanism application (PCIA replacement); and working on CCA Bond case.

   Public Comments
   - Mr. Francisco DaCosta stated the SFPUC should utilize their land for farming energy.
   - Mr. Jason Fried, LAFCo, thanked the GM and staff for their work. He discussed LAFCo’s commitment to CleanPowerSF.

   b) Hetch Hetchy Water & Power (HHWP) Capital Improvement Program (CIP) Quarterly Report
      Mr. Dan Wade, Director, Water Capital Projects and Programs, provided a HHWP CIP Quarterly report. He began with a discussion of the report variances: (1) San Joaquin Pipeline Rehabilitation; (2) Lower Cherry Aqueduct; and (3) Powerhouse Projects: Holm Unit 2; Warreenville Substation; Microwave System Project; Cherry Dam Works Outlet Rehabilitation; and Mountain Tunnel inspection and repair.

      Mr. Wade continued with a review of Mountain Tunnel highlights: (1) Mountain Tunnel Inspection and Repairs; (2) Mountain Tunnel Adit and Access; and (3) Mountain Tunnel alternatives.
Mr. Wade provided brief updates on: (1) Mountain Tunnel inspection and repairs; (2) Tunnel lining and defect and repair; (3) Mountain Tunnel Adit and Access improvements; (4) Mountain Tunnel Interim Repairs Phase 2; (5) Moccasin facilities new construction; (6) Cherry Dam Outlet Works Rehabilitation Project; (7) Holm and Kirkwood Powerhouse oil containment and upgrade; and (8) Moccasin Penstock rehabilitation.

Mr. Wade responded to a question from Commissioner Caen regarding the possibility of the need to build a new tunnel.

Public Comments
- Mr. Francisco DaCosta commended Mr. Wade for his work. He asked that the City Attorney look at prior assessment by Jacobs and other companies. He discussed the project and tunnel shut-down.

c) Wastewater Enterprise CIP Quarterly Report
Ms. Karen Kubick, Capital Program Director, Sewer System Improvement Program (SSIP), discussed project variances: (1) Southeast Power Feed and Power Switch upgrades; (2) Marin Street Sewer Replacement Project; and (3) Griffith Pump Station improvements.

d) Sewer System Improvement Program Update
Ms. Kubick provided a SSIP Program update: (1) Program Status; (2) Biosolids Digester Facilities Project; (3) Southeast Plant (SEP) New Headworks Facility Project; (4) Other Phase I Projects; (5) Current construction projects: SEP, and OSP (SEP primary and secondary clarifier upgrades; SEP 521/522 disinfection upgrades; and Westside Pump Station reliability improvements); (6) Current construction projects: EIPs (Chinatown Living Alley; Holloway Green Street; and Mission and Valencia Streets Green Gateway); (7) Achievements: SEP Campus Plan; Expansion of WWE Commercial Paper Program; and awards; (8) SSIP Phase 1 jobs report; (9) Stakeholder outreach to-date; and (10) Review of past topics and upcoming topics.

In response to a question from Commissioner Vietor regarding modeling for green infrastructure and the availability of data regarding what is and isn't working, GM Kelly indicated information will be included with the upcoming Collection System Plan update.

In response to a question from Commissioner Caen, Ms. Kubick stated the baseline project is on schedule.

No public comment.

8. Consent Calendar
   a) Approve Amendment No. 1 to Agreement CS-1060, San Francisco Public Utilities Commission Executive Search Services with The Hawkins Company, to conduct executive searches and oversee completion of a compensation survey for the General Manager position; and authorize the
General Manager to execute this amendment, increasing the agreement up to $99,000, for a total not-to-exceed agreement amount of $136,000, and with a time extension of six months, for a total agreement duration of one year and six months. (Resolution 17-0127)

b) Approve the assignment and assumption of Agreement No. CS-127.A, As-Needed Building Commissioning; and authorize the General Manager to execute an Assignment and Assumption Agreement for the existing Agreement No. CS-127.A, from EnerNOC, Inc., to Enpowered Solutions, LLC. (Resolution 17-0128)

c) Approve the assignment and assumption of Agreement No. CS-193.C, As-Needed Energy Efficiency Services; and authorize the General Manager to execute an Assignment and Assumption Agreement for the existing Agreement No. CS-193.C, from EnerNOC, Inc., to Enpowered Solutions, LLC. (Resolution 17-0129)

d) Approve Amendment No. 2 to Agreement No. CS-224.A, System Integration and Support Services – Related to Project Controls, with MLok Consulting, Inc., to provide the SFPUC with continued specialized system integration and support services to implement and improve the delivery of its capital improvement programs and capital projects for all Enterprises; and authorize the General Manager to execute this amendment, increasing the agreement up to $750,000, for a total not-to-exceed agreement amount of $6,100,000, with no change to the contract duration. (Resolution 17-0130)

e) Approve Amendment No. 1 to Agreement No. CS-324A, Security Consulting and Design Services, with CH2M Hill Engineers, Inc.; and authorize the General Manager to negotiate and execute this amendment extending the term up to one year, for a total agreement duration of four years, with no change to the contract amount. (Resolution 17-0131)

f) Approve an increase in the construction contract cost contingency of $2,494,000, and an increase to the existing duration contingency of 32 consecutive calendar days for Contract No. HH-983, Cherry Dam Outlet Works Rehabilitation; and Authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to $5,863,740, and a total contract duration of up to 670 consecutive calendar days. 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 17-0132)

g) Accept the work performed by Azul Works, Inc., for Contract No. WD-2705, Town of Sunol Fire Suppression System, for a total contract amount of $6,568,503, and with a total contract duration of 1,029 consecutive calendar days; and authorize final payment to the contractor. (Resolution 17-0133)

h) Approve an increase in the construction contract duration contingency for Contract No. WD-2746, Auxiliary Water Supply System New Cisterns E, of up to 200 consecutive calendar days; and authorize the General Manager to
approve future modifications to the contract, for a total revised contract
duration of up to 700 consecutive calendar days, with no change to the
contract amount. (Resolution 17-0134)

i) Accept work performed by Anvil Builders, Inc., for Contract No. WW-579,
North Point Facility Dewatering Pump Replacement and Electrical Upgrade,
for a total contract amount of $950,295, and with a total contract duration of
467 consecutive calendar days; and authorize final payment to the
contractor. (Resolution 17-0135)

j) Approve the plans and specifications, and award Contract No. WW-599R,
Southeast Water Pollution Control Plant (SEP) Cryogenic Oxygen Plant
Demolition and Liquid Oxygen System Upgrades, in the amount of
$6,547,000, to the lowest, qualified, responsible and responsive bidder, Cal
State Constructors, Inc., to demolish the existing cryogenic oxygen plant at
SEP and to construct a new liquid oxygen system consisting of four vertical
storage tanks, vaporizers and an unloading station. 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-
0136)

k) Approve the terms and conditions and authorize the General Manager to
execute a five-year revocable license to the City of Redwood City, to use
approximately 180 linear feet of SFPUC Parcel Numbers 340-A and 339-B in
Redwood City, California, to install and maintain an underground 12-inch
ductile iron pipe, for no annual use fee. (Resolution 17-0139)

l) Approve the terms and conditions and authorize the General Manager to
execute a five-year revocable license to Sequoia Union Unified School
District to use approximately 50,000 square feet of SFPUC Parcel Nos. 328-
B, 328-C and 328-D, adjacent to Woodside High School at 199 Churchill
Avenue, Woodside, California, to install and maintain an underground 10-
inch diameter plastic fire service pipeline and to operate and maintain
existing landscaping and irrigation facilities, for no annual use fee.
(Resolution 17-0137)

m) Approve the plans and specifications, and award Contract No. WD-2832,
Sunol Nursery, in the amount of $2,194,000, to the lowest, qualified,
responsible and responsive bidder, JDB and Sons Construction, Inc., to
install a temporary native plant nursery. (Resolution 17-0138)

President Moran requested that item 8k be removed.

On Motion to approve items 8a through 8j; and 8l and 8m:
Ayes: Moran, Kwon, Caen, Courtney and Vietor

Commissioner Courtney departed the room at 2:27 PM.

President Moran noted the SFPUC policy regarding the approval of
encroachments that cross SFPUC right-of-way, noting the policy doesn’t
address encroachments along the right-of-way. He noted there is some encroachment along the right-of-way with the approval request, and asked staff if the SFPUC is losing anything, and why approval is a good idea.

Mr. Michael Carlin, Deputy General Manager (DGM), provided explanation of the project, discussed the project review, and stated that future SFPUC needs and any encroachment will not impair the ability to install another pipeline, if necessary. He emphasized the five-year license is revocable.

No public comment.

On Motion to approve Consent Calendar items 8k:
Ayes: Moran, Kwon, Caen, and Vietor

President Moran stated the Commission would enter Closed Session prior to hearing the regular calendar items. The Commission Secretary read Closed Session items 17 through 20, and stated items 21 through 26 would not be heard.

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 and Vietor

The Commission entered Closed Session at 2:39 PM.

Commissioner Courtney returned to the meeting at 2:44 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)
Existing Litigation
Matt Pear et al v City and County of San Francisco, on remand
Santa Clara Superior Court Case No.: 112CV227801
City Attorney File No.: 130094 / Date Filed July 5, 2012

18. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (3) and San Francisco Administrative Code Section 67.10 (d) (2)
Anticipated Litigation as Plaintiff

19. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Anticipated Litigation as Defendant
20. Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b) Public Employee Performance Evaluation and terms of Employment for Harlan L. Kelly, Jr., as General Manager of the San Francisco Public Utilities Commission.

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

Case No.: ER15-735-000/Date Filed: December 23, 2014

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

Commissioner Vietor was excused from the meeting at 3:34 PM.

The Commission exited Closed Session at 3:40 PM.

Commissioner Courtney was excused from the meeting at 3:40 PM.

27. Announcement following Closed Session.

President Moran announced that no action was taken during Closed Session.

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

On Motion not to disclose:

Ayes: Moran, Kwon, and Caen

9. Approve Amendment No. 1 to Agreement No. CS-197, San Mateo Thornmint Seeds Planting, with Creekside Center for Earth Observation, LLC; and authorize the General Manager to execute this amendment, increasing the agreement by $24,000, for a total not-to-exceed agreement amount of $120,000, and with a time extension up to three years, six months, for a total agreement duration of nine years, six months. *(Resolution 17-0140)*

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

On Motion to approve item 9:

Ayes: Moran, Kwon, and Caen

No public comment.

10. Approve an increase in the construction contract duration contingency up to 270 consecutive calendar days (approximately nine months), for Contract No. WW-556, Southeast Water Pollution Control Plant (SEP) Chemical System Relocation and Facility Upgrades; and authorize the General Manager, or his designee, to approve future modifications to the contract for a total revised contract duration of up to 1,290 consecutive calendar days. The requested increase in the contract duration contingency is needed due to the recent failures with the Distributed Control System that require modifications to the SEP Building 200 Aeration Control and Sodium Hypochlorite delivery systems for repair. *(Resolution 17-0141)*

Ms. Kathy How, AGM Infrastructure, introduced the item and requested approval.
On Motion to approve item 10:
Ayes: Moran, Kwon, and Caen

No public comment.

11. Approve the Water Supply Assessment for the proposed 3333 California Street Project, pursuant to the State of California Water Code Section 10910 et seq. and CEQA Section 21151.9 and CEQA Guidelines Section 15155. (Resolution 17-0142)
   Mr. Ritchie introduced the item and requested approval.

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

No public comment.

12. Approve the Railroad Maintenance Agreement for intersection improvements at Mission Bay Drive and 7th Street; Adopt findings under the CEQA; Approve the terms and conditions of and authorize the General Manager to execute the Railroad Maintenance Agreement with the Peninsula Corridor Joint Powers Board, allowing the SFPUC to maintain a storm drain within a JPB easement. (Resolution 17-0143)
   Mr. Carlin introduced the item and requested approval.

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

No public comment.

13. Approve the terms and conditions and authorize the General Manager to seek Board of Supervisors approval and execute a seven-year license, with three additional renewal periods of five years each, between American Towers LLC and the SFPUC, for the use a portion of San Bruno Mountain Tower 3, located at Tower Facility, 300 Radio Road, in Daly City, California, for the installation, maintenance, and operation of SFPUC microwave communications antennas, radio communication, and other general telecommunications equipment, at an initial annual rent of $22,800, with four percent annual rent increases. (Resolution 17-0144)
   Mr. Carlin introduced the item and requested approval.

On Motion to approve item 13:
Ayes: Moran, Kwon, and Caen
No public comment.

14. Adopt a finding declaring that the improved property at 7484 Sheridan Road in Sunol, unincorporated Alameda County, California, is surplus to the San Francisco Public Utilities Commission’s current and future utility needs; Authorize the General Manager to negotiate and execute an Agreement to sell the Property for $3,550,000 to Timothy Su and Lan Fong Chen, husband and
wife; Authorize a request to the Board of Supervisors and the Mayor to approve the Property sale, subject to the terms of the Agreement. (Resolution 17-0145)

Mr. Carlin introduced the item and requested approval.

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

No public comment.

Other New Business.
President Moran announced there will be a special meeting at 10:00 AM on June 23, 2017, City Hall Room 208, to consider approval of the Alameda Creek Recapture Project. He also indicated the regular meeting of June 27, 2017 has been cancelled.

30. Adjournment.
President Moran adjourned the meeting at 3:46 PM.