SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
City and County of San Francisco

Edwin M. Lee  
MAYOR

Minutes  
Tuesday, August 8, 2017  
(Approved September 12, 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 1:35 PM.

2. **Roll Call**
   Present: Moran, Kwon, and Courtney
   Excused: Caen
   Commissioner Vietor arrived at 1:39 PM.

3. **Approval of the Minutes of July 25, 2017**
   On Motion to approve the Minutes of July 25, 2017
   Ayes: Moran, Kwon, and Courtney

   No public comment.

4. **General Public Comment**
   None.

5. **Communications**
   a) Advance Calendar
   b) Correspondence Log
   c) Water Supply Conditions Update
   d) Water System Improvement Program (WSIP) Status of Construction Change Orders

   No public comment.

6. **Other Commission Business**
   Commissioner Courtney thanked Cindy Charan, Karen Kubick, and Masood Ordikhani for their conversations with him regarding workforce development.

   No public comment.

   President Moran stated item 14 is continued to the September 12, 2017 meeting, and item 18 will be the only Closed Session item heard.

   Commissioner Vietor arrived at 1:39 PM.

7. **Report of the General Manager**
   a) CleanPowerSF Update
   Barbara Hale, Assistant General Manager (AGM) Power, provided a CleanPowerSF update: (1) Enrollment: 81,000 sites served; 3.3% steady opt-out rate; 3.7% SuperGreen upgrades; 5,024 current October enrollment, with 3.1% of those upgrading to SuperGreen. AGM Hale indicated a waitlist for January enrollment has begun. She informed the Commission that Salesforce has joined the program as SuperGreen commercial customer, serving their 50 Fremont and 350 Mission locations; and (2) Contracting: Request for Offers (RFO) for new and existing renewable supply energy sources, with 300 bids received at bid closing. She noted bids were received
for existing and new projects. RFO for firmed and shaped power will go out soon. AGM Hale discussed the upcoming Bank Credit Facility agreement.

Eric Sandler responded to a question from President Moran regarding the bidder's conference for the Bank Credit Facility agreement.

AGM Hale responded to a question from Commissioner Vietor regarding the selection process criteria for the RFO.

No public comment.

b) Water Enterprise Capital Improvement Program (CIP) Quarterly Report

Dan Wade, Director, Water Capital Projects and Programs, provided a Water Enterprise CIP Quarterly Report. He noted highlights of the reporting period for the following projects: (1) San Francisco Groundwater Phase 2; (2) San Andreas Pipeline Phase 2; (3) Westside Recycled Water Project; and (4) Sunol Long Term Improvements.

He discussed the San Francisco Water Pipeline Replacement and the 15 mile replacement goal, noting the need for coordination with other departments. Director Wade and GM Kelly responded to a question from Commissioner Courtney regarding the coordination of activities.

Director Wade continued with a review of the Peninsula Pipeline Seismic Upgrade Phase 3 (valve and tee at Vicente); San Francisco Groundwater Supply Phase 2 South Sunset Well Station; and Sunol Long Term Improvements Sunol Yard (demolition of old structures).

Commissioner Vietor asked that staff keep the Commission apprised of the status of the Sunol Watershed Center.

No public comment.

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

Mr. Wade provided an update on WSIP Quarterly Report on Regional and Local Projects, stating Regional Projects are 94.1% complete; Local Projects are 99.9% complete; and the overall WSIP is 94.6% complete.

Director Wade noted recent accomplishments for the following projects: (1) Alameda Creek Recapture; (2) Calaveras Dam Replacement; (3) New Irvington Tunnel; and (4) Regional Groundwater Storage and Recovery Project.

Mr. Wade responded to a question from President Moran regarding the contingency amount, discussing reasons for the contingency including the fish passage and removal and safe relocation of swallow nests.
discussed landslides and costly anchors needed, and noted other challenges.

Director Wade responded to a question from Vice President (VP) Kwon regarding responsibility for the identification of geographical landslides in the fish passage area.

No public comment.

d) Report on recent SFPUC activities, events and announcements
None.

The Commission Secretary read the Consent Calendar summary.

8. Consent Calendar
a) Approve Amendment No. 1 to Agreement No. CS-167.C, Comprehensive Technical Services for Renewable & Advanced Energy Generation Systems, with Stantec Consulting Services, on the condition that the Controller certifies the pending Novation Agreement, substituting Stantec for MWH Americas, Inc., due to their merger; Authorize the General Manager to execute this amendment extending the term by one year, for a total agreement duration of six years. (Resolution 17-0172)

b) Approve the plans and specifications, and award Contract No. HH-989, Holm Powerhouse Refurbishment & Kirkwood Powerhouse Oil Containment, in the amount of $9,948,000, to the lowest, qualified, responsible and responsive bidder, Big Valley Electric, to rehabilitate and update systems and equipment within Holm Powerhouse to extend the useful life and improve the oil containment and oil/water separation system. This action constitutes the Approval Action for the project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0173)

c) Approve the plans and specifications, and award Contract No. WD-2706, 12-Inch Ductile Iron Water Main Installation on Pacheco Street from 10th Avenue to Alton Avenue, and on various side streets, in the amount of $2,912,595, to the lowest, qualified, responsible and responsive bidder, Fontenoy Engineering. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04 (h) of the San Francisco Administrative Code. (Resolution 17-0174)

d) Approve an increase to the construction cost contingency in the amount of up to $8,608,416, for Contract No. WD-2729, Fish Passage Facilities within the Alameda Creek Watershed, (also referred to as the Alameda Creek Diversion Dam Project, a sub-project of the Calaveras Dam Replacement Project); and authorize the General Manager to approve future modifications to the contract, for a total revised contract amount up to $40,441,646. (Resolution 17-0175)
e) Approve correction to Resolution No. 17-0071, adopted by the San Francisco Public Utilities Commission on April 11, 2017, accepting work performed by Engineering/Remediation Resource Group, Inc., for Contract No. WD-2750, Remediation at 520 John Muir Drive, and authorizing final payment to the contractor, in order to identify the correct total contract duration as 340 consecutive calendar days. The original Agenda Item and Resolution inaccurately stated that the total contract duration was 310 consecutive calendar days. (Resolution 17-0176)

f) Approve correction to Resolution No. 17-0116, adopted by the Commission on May 23, 2017, awarding Contract No. WW-636, Various Locations Sewer Replacement and Pavement Renovation No. 4, in order to identify the correct contract duration of 414 consecutive calendar days, in the Commission Resolution. (Resolution 17-0177)

g) Approve the plans and specifications, and award Contract No. WW-658, As- Needed Sewer Cleaning and Inspection of Large Sewers, in the amount of $2,694,000, to the lowest, qualified, responsible, and responsive bidder, Pipe & Plant Solutions, Inc., to perform cleaning and inspection of existing large sewers, on an as-needed basis, at locations to be determined throughout the City of San Francisco. (Resolution 17-0178)

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

9. Approve the selection of Mythics Inc.; Award Agreement No. CS-1090, Software License and Support Agreement, to provide as-needed Oracle licenses and software support; Authorize the General Manager to negotiate and execute a Software License and Support Agreement with Mythics for an amount not-to-exceed $11,832,969 and with a duration of up to five years, three months, and 23 days, subject to Board of Supervisors for approval pursuant to Charter Section 9.118. (Resolution 17-0179)

Ken Salmon, IT Director, introduced the item and reviewed the uses of and need for the software, a vehicle to purchase Oracle products. He requested approval of the item.

Mr. Salmon responded to a question from President Moran regarding budgeting for the item.

On Motion to approve item 9:
Ayes: Moran, Kwon, Vietor and Courtney

No public comment.

10. Adopt the Revised Debt Management Policies & Procedures of the San Francisco Public Utilities Commission. (Resolution 17-0180)

Eric Sandler, CFO/AGM Business Services, began his discussion with a review of the Financial Policy Timeline. He provided a brief overview of the Debt Management Policy and proposed revisions. He requested approval.
On Motion to approve item 10:
Ayes: Moran, Kwon, Vietor and Courtney

No public comment.

11. Public Hearing, discussion, and possible action to adopt a policy regarding the San Francisco Public Utilities Commission (SFPUC)’s use of drones on its property (SFPUC Drone Policy) pursuant to the City and County of San Francisco Citywide Employee Drone Policy adopted by the Committee on Information Technology (COIT); Authorize the General Manager to require existing contracts to incorporate the SFPUC Drone Policy as needed; and authorize the General Manager to include the SFPUC Drone Policy in future contracts involving drone operation. (Resolution 17-0181)

Michael Carlin, Deputy General Manager (DGM), discussed the need for the SFPUC Policy, which complements the Citywide Drone Policy. The drones will be used outside SF on watershed lands, only for specific uses.

President Moran noted possible privacy issues with Right-of-Way or power line inspections. DGM Carlin noted the focus will be outside of San Francisco.

Mary Ellen Carrol, SFPUC Security Director, provided additional information on privacy concerns and protections.

DGM Carlin responded to a question from VP Kwon regarding the tracking of operating costs during the pilot and possible cost savings with the use of drones.

Commissioner Vietor requested additional information on other possible uses of the drones.

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

No public comment.

12. Authorize the General Manager to execute a Collection Agreement by and between the San Francisco Public Utilities Commission and the United States Department of Agriculture Forest Service Pacific Southwest Research Station, to provide technical support for watershed management and educational materials for the Alameda, San Mateo, and Pilarcitos Watersheds, in an amount not-to-exceed $1,700,000, and with a total duration of 72 months. (Resolution 17-0182)

Steve Ritchie, AGM Water, introduced the item 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 an amendment to a Joint Funding Agreement with the U.S. Geological Survey, for an additional $1,425,000, and a time extension of three years, for a total amount of $3,175,000, and a total duration of eight years, which will allow for continued hydrologic monitoring and stream gauge maintenance in the Alameda and Peninsula Watersheds. (Resolution 17-0183)
AGM Ritchie introduced the item and requested approval.

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

No public comment.

President Moran stated item 14 was pulled from the calendar and will be continued to the September 12th meeting.

14. Authorize the General Manager to request that the Mayor recommend to the Board of Supervisors the approval of a supplemental appropriation in the amount of $12,600,000 for FY 2018 implementation of CUW286, Long Term Monitoring Permit Program (LTMPP) for the Vegetation Restoration of Water System Improvement Program Construction Sites and the Bioregional Habitat Restoration projects, as required by federal and state regulatory permits related to the WSIP projects. LTMPP projects will be funded by the issuance of Water Enterprise Revenue Bonds and/or other forms of indebtedness.

15. Approve Project No. CWWSIPTPOP03, Oceanside Water Pollution Control Plant (OSP) Digester Gas Utilization Upgrade, to upgrade aging digester gas systems at OSP; and authorize the General Manager to implement the project in compliance with the Charter and applicable law. Staff will return at a later date to request this Commission approve and award the construction contract for the Project. This action constitutes the Approval Action for the Project for the purposes of California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 17-0184)
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.

The Commission Secretary read Closed Session item 18, and stated items 19 through 25 would not be heard.

16. Public Comment on matters to be discussed during 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, Vietor and Courtney

The Commission entered Closed Session at 2:29 PM.

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
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

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
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
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 Wholesale
Distribution Tariff Replacement Agreements to be effective 7/1/15
Case No.: ER15-704-000/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. 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:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Complaint under Sections 206 and 306 of the Federal Power Act.
Case No.: EL15-3-000/Date Filed: October 9, 2014

25. 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 2:42 PM.

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

27. Motion regarding whether to disclose the discussions during Closed Session pursuant to S.F. Administrative Code Section 67.12(a)
On Motion not to disclose:
Ayes: Moran, Kwon, Vietor and Courtney

28. Other New Business
President Moran announced that the meeting of August 22, 2017 had been cancelled. The next regular meeting will take place September 12, 2017.

29. Adjournment
President Moran adjourned the meeting at 2:44 PM.