SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA
Tuesday, May 22, 2012

1:30 P.M.
City Hall, Room 400
San Francisco, CA 94102

Commissioners
Anson B. Moran, President
Art Torres, Vice President
Ann Moller Caen
Francesca Vietor
Vince Courtney

Ed Harrington
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
Disability Access

The Public Utilities Commission meeting will be held in Room 400, at One 1 Dr. Carlton B. Goodlett Place, (400 Van Ness Avenue), San Francisco, CA. The closest accessible BART Station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI Lines serving this location are: Muni Metro lines J Church, K Ingleside, L Taraval, M Oceanview, N Judah and T Third at Van Ness and Civic Center Stations; F Market Line; and bus routes 19 Polk, 47 Van Ness, 49 Mission Van Ness, 5 Fulton, 6 Parnassus, 21 Hays, 9 San Bruno, 9L San Bruno Limited, 71 Haight Noriega and 71L Noriega Limited. For more information about MUNI accessible services call (415) 701.4485.

The meeting room is wheelchair accessible. Accessible curbside parking spaces have been designated on the Van Ness Avenue and McAllister Street perimeters of City Hall for mobility-impaired persons. There is accessible parking available within the Civic Center Underground Parking Garage at the corner of McAllister and Polk Streets, and within the Performing Arts Parking Garage at Grove and Franklin Streets.

To obtain a disability-related accommodation, including auxiliary aids or services, or to obtain meeting materials in alternative format, please contact Donna Hood at (415) 554-3165, or by emailing dhood@sfwater.org. Providing at least 72 hours notice will help to ensure availability.

To assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

Know your rights under the Sunshine Ordinance  
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: sotf@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site at www.sfgov.org/ethics.
ORDER OF BUSINESS:

1. Call to Order

2. Roll Call

3. Approval of Minutes of May 8, 2012

4. Public Comments
   Members of the public may address the Commission on matters that are within the Commission’s jurisdiction and are not on today’s agenda.

5. Communications
   a) Letter Summary
   b) Advance Calendar

6. Other Commission Business

7. Report of the General Manager
   a) Renewal of Service Agreement with PG&E for the Community Choice Aggregation Program (Campbell)
   b) Quarterly Budget Report (Rydstrom)
   c) Bond Sales Result and Update (Rydstrom)

8. BAWSCA Update (Jensen)

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED BY THE GENERAL MANAGER OF PUBLIC UTILITIES AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents provided to the Commission in connection with this agenda are available for public inspection and copying at the Office of the Commission Secretary, 1155 Market Street, 11th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-3424.

CONSENT CALENDAR

9. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be removed from the Consent Calendar and considered as a separate item.

   a) Accept work performed by A. Ruiz Construction Co. & Associates, Inc. for Local Water Conveyance/Distribution Program-funded Contract No. WD-2430, 8-
Inch Ductile Iron Main Installation on Howard, Harrison, Natoma, Clementina, Tehama and Julian Streets; Approve Modification No. 1 (Final) for reconciling the final contract amount with the actual quantity used for unit price bid items, decreasing the contract by $221,163, for a total contract amount of $986,625, with a total contract duration of 240 consecutive calendar days; and authorize final payment to the Contractor, A. Ruiz Construction Co. & Associates, Inc.  

Ritchie

b) Accept work performed by P&J Utility Company, Inc. for Local Water Conveyance/Distribution Program-funded Contract No. WD-2619, 8-Inch Ductile Iron Main Installation on Harrison Street from 18th Street to Cesar Chavez; Approve Modification No. 2 (Final), for reconciling the final contract amount with the actual quantity used on unit price bid items, decreasing the contract by $37,707, for a total contract amount of $1,130,796, with a total contract duration of 240 consecutive calendar days; and authorize final payment to the Contractor, P&J Utility Company, Inc.  

Ritchie

c) Approve Modification No. 1 to Water Enterprise - Local Conveyance/Distribution System Project-Funded and Operating Budget-Funded Contract No. WD-2634, CDD As-Needed Annual Paving Contract for Services and Main Breaks, with A. Ruiz Construction, to retroactively continue providing paving services for new service installations and main breaks while the next annual paving contract was being awarded, and extending the contract duration by 210 consecutive calendar days for a total contract duration of 575 consecutive calendar days. Authorize the General Manager to execute a change order to increase the contract amount by $110,000, for a total contract value of $3,320,770.  

Ritchie

d) Approve the plans and specifications, and award Wastewater Enterprise Renewal and Replacement Program-funded and Department of Public Works Pavement Renovation Program-funded Contract No. WW-508, Bayview/ Hunters Point Districts Sewer Replacement/Rehabilitation and Pavement Renovation, in the amount of $2,535,027 (of which $1,738,662 is funded by WWE and $796,366 is funded by DPW), to the lowest, qualified, responsible and responsive bidder, Shaw Pipeline, Inc., to replace the existing sewers and street pavement on various streets in the Potrero/Bayview/Hunters Point neighborhoods of San Francisco.  

Moala

e) Approve and award Contract No. JOC-39, HVAC Energy Efficiency (C-20) for San Francisco/Peninsula, for a not-to-exceed amount of $3,000,000 to the lowest, qualified, responsible and responsive bidder, American Mechanical, Inc., to perform heating/ventilation/air conditioning upgrades in City owned municipal facilities. JOC-39 is the first of three HVAC JOC contracts issued under the same bid documents but with separate bid openings; JOC-38R will be awarded separately by the Commission.  

Kelly, Jr.
f) **Approve and award** Contract No. JOC-40, HVAC Energy Efficiency (C-20) for San Francisco/Peninsula, for a not-to-exceed amount of $3,000,000 to the lowest, qualified, responsible and responsive bidder, EMCOR Service/Mesa Energy Systems, Inc., to perform heating/ventilation/air conditioning upgrades in City owned municipal facilities. JOC-40 is the second of three HVAC JOC contracts issued under the same bid documents but with separate bid openings; JOC-38R will be awarded separately by the Commission. (Kelly, Jr.)

g) **Ratify the Declaration of Emergency** made by the General Manager and approved by the President of the Commission on April 30, 2012, for immediate drilling and blasting work to address a rockfall on the road to South Fork Adit to ensure public safety and maintain roadway availability to critical operating sites. The HH-962E work was awarded to California Drilling and Blasting, in the amount of $319,000. (Ritchie)

h) **CS-232R Approve** the selection and award of Agreement No. CS-232R, 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; and authorize the General Manager to negotiate and execute a professional services agreement with Daryl Owen Associates, Inc. for an amount not-to-exceed $1,250,000 with an initial term of three years, with two options to extend, each for a one year additional term, subject to Commission approval, for a total duration of five years. (Ellis)

**REGULAR BUSINESS**

10. **Authorize** the General Manager to execute on behalf of the City and County of San Francisco, acting through the San Francisco Public Utilities Commission: (i) a Funding Agreement with Santa Clara County and The Nature Conservancy for SFPUC’s contribution of an amount not-to-exceed $900,000 toward the County’s acquisition of the Nolan Ranch in the Alameda Creek Watershed and the creation of a conservation easement on such land, and (ii) an Endowment Agreement for SFPUC to provide $125,000 to fund the protection of the conservation values of the land through annual monitoring by the Conservancy as the holder of the conservation easement. (Ritchie)

11. **Approve** Amendment No. 1 to Water Enterprise, Water System Improvement Program-funded Agreement No. CS-914, Bay Division Regional Construction Management Services, with Jacobs Engineering Group Inc. for additional project-specific construction management services; and **authorize** the General Manager to execute this amendment, increasing the agreement by $1,500,000, for a total not-to-exceed agreement amount of $26,500,000; subject to the Board of Supervisors approval pursuant to Charter Section 9.118, in lieu of the action previously authorized under Resolution No. 11-0129. (Kelly, Jr.)
12. **Authorize** the General Manager to execute a *Memorandum of Understanding with the San Francisco Recreation and Parks Department*, setting forth the conditions under which the SFPUC shall operate and maintain an existing sewer easement and an access easement in, under, and over an RPD property commonly known as **Cayuga Park**.  

13. **WORKSHOP - Water Supply Options:** Discuss updated Retail and Wholesale demand projections and potential water supply options to meet projected 2035 demands.  

14. **Authorize** the General Manager to execute a *Memorandum of Understanding with the City of South San Francisco* for the purpose of funding a study to establish the roles and responsibilities of up to seven participating agencies in the proposed **South San Francisco Recycled Water Project**, and to develop a plan for sharing Project capital costs, in an **amount not to exceed $27,725, and with a duration of approximately six months**. The SFPUC’s 50% cost share of the proposed study will not exceed **$13,863**.  

15. Public comments on matters to be discussed in Closed Session.  

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

**CLOSED SESSION**  

THE PUBLIC UTILITIES WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:  

17. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10 (d) (1).  

Existing Litigation:  
Paulette Adams-Irving v. CCSF,  
San Francisco Superior Court Case No. CGC 11-509216  

Date Filed: March 15, 2011  

(Fairgrieve)  

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN OPEN SESSION  

18. Announcement following closed session  

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

20. Other new business  

ADJOURNMENT
NOTICE OF PUBLIC HEARING  
(Issued on May 11, 2012)

SAN FRANCISCO PUBLIC UTILITIES COMMISSION (SFPUC)  
TO CONSIDER REVISIONS TO  
WATER SYSTEM IMPROVEMENT PROGRAM (WSIP)

Tuesday - June 12, 2012  
1:30 P.M.  
City Hall, Room 400  
1 Dr. Carlton B. Goodlett Place  
San Francisco California

SUBJECT OF PUBLIC MEETING

The San Francisco Public Utilities Commission (SFPUC) will hold a public hearing as part of its regularly scheduled meeting on Tuesday, June 12, 2012 for the purpose of considering proposed revisions to the Water System Improvement Program (WSIP).

COMMENTS ON PROPOSED REVISIONS

All interested parties are invited to attend the public hearing and present their views. Individuals who are unable to attend the public hearing may submit to the SFPUC, by the time the proceedings begin on June 12, 2012, written comments regarding the subject of the hearing. These comments will be brought to the attention of the Commission and will become part of the official public record. Written comments should be sent to:

Donna Hood, Commission Secretary  
San Francisco Public Utilities Commission  
1155 Market Street (11th Floor)  
San Francisco, CA 94103

BACKGROUND

The Wholesale Regional Water System Security and Reliability Act (Water Code § 73500 et seq.) requires that the SFPUC provides notification of certain program changes. An advance 30-day written notice is required if the SFPUC is to consider the adoption of program changes that would delay WSIP projects and/or result in the construction of different projects.
The SFPUC last adopted revisions to the WSIP, including revised program scope, schedule and budget on July 12, 2011. This notice includes schedule changes to the New Irvington Tunnel (NIT) project, the Bay Division Pipeline (BDPL) Reliability Upgrade - Pipeline project and the Pulgas Balancing - Modification of the Existing Dechloramination Facility project. It should be noted that the overall program cost and completion date are unchanged and remain $4.59 billion and July 29, 2016 respectively.

The project completion date approved in July 2011 for the NIT project is October 31, 2014 and the project completion date proposed herein is January 21, 2016, resulting in a 447-day (1-year and 3-month) extension. The project completion date approved in July 2011 for the BDPL Reliability Upgrade - Pipeline project is March 5, 2013 and the project completion date proposed herein is October 1, 2013, resulting in a 210-day (7-month) extension. The project completion date approved in July 2011 for the Pulgas Balancing – Modification of the Existing Dechloramination Facility project is May 30, 2012 and the project completion date proposed herein is March 20, 2013, resulting in a 294-day (10-month) extension.

CHANGE DESCRIPTION

New Irvington Tunnel (NIT)

As of the end of April 2012, construction of the 18,300 feet NIT is 51 percent complete. A Notice to Proceed (NTP) for construction of the project was issued on August 26, 2010. The original contract duration was 1,390 consecutive calendar days. On December 13, 2011, the SFPUC Commission authorized the General Manager to consider, and if appropriate to approve modifications to the NIT construction contract, with cumulative time extensions not to exceed 400 total additional consecutive calendar days. As of the end of April 2012, the contractor has been granted 236 of the 400 days as part of approved change orders. Contract extensions were approved for the following reasons:

- Delays associated with differing site conditions such as harder rock encountered during excavation than documented in the contract, and a soil nail wall failure and repairs due to unanticipated poor material for soil nail anchorages;
- Delays associated with the reclassification of the tunnel from Potentially Gassy to Fully Gassy by the California Occupations Safety and Health Administration (Cal-OSHA), and the need to revise the tunnel ventilation system at four tunnel headings and institute full-time monitoring for gas; and
- Delays associated with required probe hole drilling and grouting for groundwater seepage control in the tunnel excavation headings.

Considering that more than half the allowable 400 days have been granted already and given the likelihood of more differing site conditions and schedule impacts due to continued operations under gassy tunnel conditions, it is anticipated that the cumulative extensions at the end of the construction contract may approach 400 days.

The construction phase of the revised project schedule proposed herein includes all 400 additional days pre-approved by the Commission. The revised schedule also provides 6 months for the closeout phase, whereas the currently approved schedule only allowed 4.5 months. The following table shows the proposed schedule changes to the project’s major phases.
Bay Division Pipeline (BDPL) Reliability Upgrade - Pipeline

The BDPL Reliability Upgrade – Pipeline project originally consisted of two major construction contracts: BDPL No. 5 East Bay reaches and BDPL No. 5 Peninsula reaches. As of the end of April, construction on the BDPL No. 5 East Bay reaches has been completed, while construction on the BDPL No. 5 Peninsula reaches is 88 percent complete.

Following the discovery of an extensive archeological burial site in the vicinity of Cordilleras Creek in the Peninsula during construction, a 1,400-feet segment of BDPL No. 5 was deleted from the BDPL No. 5 Peninsula reaches construction contract. It was determined to be more efficient, expeditious and cost effective to build a micro-tunnel under this environmentally sensitive segment of the BDPL No. 5 and to perform the work under a separate contract. The NTP for this third contract was issued on February 13, 2012 and the contract has a construction duration of 365 days.

Although construction on both original contracts will complete within the currently approved schedule, the addition of a third contract to address the area impacted by the archeological discovery near Cordilleras Creek has delayed completion of the project’s construction and closeout phases 177 days and 210 days, respectively, as reflected in the table below:

<table>
<thead>
<tr>
<th>BDPL Reliability Upgrade - Pipeline</th>
<th>Approved (July 2011)</th>
<th></th>
<th>Proposed (June 2012)</th>
<th></th>
<th>Variance at Completion (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Start</td>
<td>Finish</td>
<td>Start</td>
<td>Finish</td>
<td></td>
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<tr>
<td>Planning</td>
<td>19-Dec-01</td>
<td>31-May-06</td>
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<tr>
<td>Environmental</td>
<td>18-Nov-04</td>
<td>12-Feb-10</td>
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<tr>
<td>Design</td>
<td>3-Jan-06</td>
<td>17-Aug-09</td>
<td>3-Jan-06</td>
<td>17-Aug-09</td>
<td>0</td>
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<tr>
<td>Bid &amp; Award</td>
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<td>9-Mar-10</td>
<td>22-Apr-09</td>
<td>9-Mar-10</td>
<td>0</td>
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<tr>
<td>Construction</td>
<td>4-Jan-10</td>
<td>7-Sep-12</td>
<td>4-Jan-10</td>
<td>3-Mar-13</td>
<td>177</td>
</tr>
<tr>
<td>Closeout</td>
<td>8-Feb-12</td>
<td>5-Mar-13</td>
<td>4-Mar-13</td>
<td>1-Oct-13</td>
<td>210</td>
</tr>
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</table>
Pulgas Balancing – Modification of the Existing Dechloramination Facility

As of the end of April 2012, construction of the dechloramination improvements at the Pulgas Balancing Reservoir is 94 percent completed. A NTP for construction of the project was issued on September 22, 2010. The original contract duration was 360 consecutive calendar days. Non-recoverable delays beyond the project’s currently approved completion date are forecasted for the following reasons:

- Differing as-built conditions requiring realignment of some piping;
- Required design modifications to meet established facility performance criteria;
- Equipment delivery delays due to flooding events in Thailand, which is the location of some of the equipment suppliers; and
- Outstanding issues with contractor’s compliance with Office Labor Standard Enforcement requirements. It should be noted that the original construction contractor on this project defaulted on its contractual obligations after the start of construction activities and had to be replaced. The transition of construction activities to a new contractor was completed successfully.

In addition to extending construction phase duration by 355 days, an allocation of 4 months for the closeout phase is being proposed, resulting in a net 294-day extension to the project completion date as reflected in the table below:

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<th>Pulgas Balancing - Modification of Exist Dechlor Facility</th>
<th>Approved (July 2011)</th>
<th>Proposed (June 2012)</th>
<th>Variance at Completion (Days)</th>
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<tr>
<td>Closeout</td>
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<td>30-May-12</td>
<td>20-Nov-12</td>
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