SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Meeting Minutes
Tuesday, June 12, 2012
(Approved June 26, 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:
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.

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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
   President Moran called the meeting to order at 1:36 PM.

2. Roll Call
   Present: Anson Moran, Art Torres, and Vince Courtney

3. Approval of Minutes of May 22, 2012
   On motion to approve the minutes of May 22, 2012
   ADOPTED: AYES: Moran, Torres, and Courtney.

4. Public Comment
   Members of the public may address the Commission on matters that are within the
   Commission’s jurisdiction and are not on today’s agenda.
   - No Public Comment

5. Communications
   a) Letter Summary
   b) Advance Calendar
      President Moran noted that the July 10, 2012 meeting will be an all day, off-site workshop.
   c) Hetch Hetchy Capital Improvement Programs Preliminary Quarterly Report
      (January 2012 – March 2012)
   d) Wastewater Enterprise Capital Improvement Program Quarterly Report (January 2012 – March 2012)
   e) Urban Watershed Framework Report

   Public Comment
   - Victoria Duong, representing Clean Water Action, stated that a letter had
     been sent to the Commission from multiple signers in support of the Urban
     Watershed Framework Report.

6. Other Commission Business
   President Moran reported that the recruitment for the General Manager had opened
   and will remain open until June 29, 2012.

   Commissioner Vietor arrived at 1:42 PM

7. Report of the General Manager
   a) Certificate of Honor, Ms. Estela Tarano
      The Commission presented Ms. Estela Tarano with a Certificate of Honor in
      recognition for her five years of service on the Small Firm Advisory Council

   Commissioner Caen arrived at 1:48 PM
   b) Legislative Update
Ms. Radhika Fox provided a brief update on the status of legislative priorities at the federal, local and state levels.

c) 525 Golden Gate Update

Mr. Carlin provided an update on the status of construction and the staff move timeline.

Public Comment

- No Public Comment

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

8. 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 D’Arcy & Harty Construction, Inc., for Contract No. WW-479, 21st/23rd/24th/Hampshire/York/Utah Streets and San Bruno Avenue Sewer Replacement, for a total contract amount of $1,768,638; and with a contract duration of 170 consecutive calendar days; and authorize final payment to the contractor. (Resolution No. 12-0093)

   b) Approve the plans and specifications, and award Contract No. WW-506, McLaren/Ingleside/Excelsior/Mt. Davidson Districts Sewer Replacement and Pavement Renovation, in the amount of $1,954,976 (of which $1,371,595 is funded by WWE and $583,382 is funded by DPW); and with a contract duration of 210 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, D’Arcy & Harty Construction. (Resolution No. 12-0094)

   c) Approve the plans and specifications, and award Contract No. WD-2612, 8-inch Ductile Iron Main Installation in Florida Street from 16th Street to 26th Street, in the amount of $1,290,865, with a contract duration of 330
consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, J. Flores Construction Company, Inc. (Resolution No. 12-0095)

d) **Approve** Amendment No. 2 to CS-102, Sunnydale Sewer Tunnel Project, with Jacobs Project Management Company, to provide on-going construction management services in support of the Commission approved modifications to Sunnydale Auxiliary Sewer Tunnel (WW-487) construction contract, and **authorize** the General Manager to execute this amendment **increasing the agreement by $175,000**, for a total not-to-exceed agreement amount of $3,025,000, with no time extension. (Resolution No. 12-0096)

e) **Approve** the Assignment and Novation Agreement for No. CS-883D, As Needed Environmental Review Services; and **authorize** the General Manager to execute an Assignment and Novation of the existing SFPUC Contract from Winzler & Kelly to GHD Inc. (Resolution No. 12-0097)

f) **Authorize** the General Manager to execute, on behalf of the City and County of San Francisco, a **revocable permit with the City of South San Francisco** to use approximately five acres of SFPUC land near South Spruce Street and Huntington Avenue and Victory Avenue in South San Francisco for a public bicycle path and linear park, known as the Centennial Way Linear Park and placement of a sculpture to mark its entrance. **The revocable permit replaces an existing expired permit** with the City of South San Francisco for the park use.

g) **Approve** the terms and conditions and **authorize** the General Manager to execute a **revocable permit with India Community Center** (ICC) for use of SFPUC right of way property located in Santa Clara County, for an outdoor recreational area for the children attending the ICC Day Camp.

h) **Authorize** the General Manager or his designee to execute on behalf of the City and County of San Francisco, a **revocable permit with the Haight Ashbury Neighborhood Council** as fiscal sponsor of the Garden for the Environment on SFPUC property at 7th Avenue and Lawton Street. The new **revocable permit will replace existing permit** number 4056 and allow for the continued operation of the public demonstration garden on the Property, as well as an environmental education program provided at the Property.

i) **Authorize** the General Manager or his designee to **approve a lease** between the City and County of San Francisco, through the SFPUC, and Acre Gourmet, Inc., for use of a portion of the lobby, and portions of the basement of 525 Golden Gate Avenue as a café and kitchen and storage space for the café. The lease will have an initial term of five years, and the Tenant shall have one option to extend the lease for an additional term of three years. **Year one rent will be $33,000 ($2,750 per month), with a four percent annual increase.** (Resolution No. 12-0098)
Commissioner Courtney requested that Consent Items 8f, 8g, and 8h be pulled and placed on the June 26, 2012 agenda.

President Moran requested that Consent Item 8i be pulled. He asked staff for and received clarification about the competitive process. Commissioner Caen asked if the lease rate was competitive, to which Mr. Carlin stated it was.

Public Comment
- No Public Comment

On motion to approve Consent Items 8f, 8g, and 8h:
  ADOPTED: AYES: Moran, Torres, and Courtney

On motion to approve Consent Item 8i:
  ADOPTED: AYES: Moran, Torres, and Courtney

REGULAR BUSINESS

9. Approve revisions to the schedule and cost of three projects being delivered as part of the of the Water System Improvement Program: New Irvington Tunnel project (variance 447 days), the Bay Division Pipeline Reliability Upgrade - Pipeline project (variance 201 days), and the Pulgas Balancing - Modification of the Existing Dechloramination Facility project (variance 294 days); Direct staff to send a Notice of Change Report to the California Department of Public Health and the California Seismic Safety Commission in compliance with California Water Code Section 73502(d)(3) and California Assembly Bills 1823 and 2437. The total cost impact of these changes is $7,487,700 and the overall program schedule and cost remains the same. (Resolution No. 12-0099)

Ms. Julie Labonte gave a presentation on proposed revisions to the WSIP.

Public Comment
- Mr. Art Jensen, stated that BAWSCA recommends approval of the proposed schedule changes, and recommends that the cost impacts be included in subsequent reports to the Commission.
- California Watershed Posse sent an email expressing their concerns about security and fire safety issues surrounding the SFPUC watershed.

On motion to approve Item 9:
  ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney

Items 10 and 11 called together.

10. Approve the selection of EPC Consultants, Inc., and award Agreement No. CS-225R, Seismic Upgrade of Bay Division Pipeline Nos. 3 & 4 at Hayward Fault, to provide various project-specific construction management services; Authorize the
General Manager to negotiate and execute a professional services agreement for an amount not-to-exceed $8,500,000, and with a duration of three years and four months. (Resolution No. 12-0100)

11. **Approve** the plans and specifications, and **award** Contract No. WD-2629, Seismic Upgrade of Bay Division Pipeline Nos. 3 & 4 at the Hayward Fault, in the amount of $31,320,000, and for a contract duration of 825 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, Steve P. Rados, Inc. (Resolution No. 12-0101)

Ms. Julie Labonte introduced items 10 and 11 and noted that moving the critical seismic project into construction was a milestone, and indicated the bid was $23M under the baseline budget.

Public Comment
- No Public Comment

**On motion to approve Items 10 and 11:**

**ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney**

12. **Approve** Amendment No. 2 to CS-898, New Diversion Dam Road Bridge Upgrade with Jones and Stokes, in order to add the completion of the Alameda Watershed Habitat Conservation Plan to provide coverage for water supply system and land management operations and maintenance, including the preparation of applications for regulatory permits/approvals, mitigation, monitoring and reporting plans which includes bridge maintenance; and **authorize** the General Manager to execute this amendment **increasing the agreement by $584,000 for a total not-to-exceed agreement amount of $1,034,000**, and with a **time extension of two years** for a total contract duration of seven years and one month. (Resolution No. 12-0102)

Mr. Steve Ritchie described the amendment and stated it is a critical environmental step to ensure the SFPUC can operate the facilities that are developed in the Alameda Watershed.

Public Comment
- No Public Comment

**On motion to approve Item 12:**

**ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney**

13. **Authorize** the General Manager to **execute Grant agreements with applicants for the Non-potable Water Program** on behalf of the SFPUC. The purpose of these grants is to offset the use of potable water by either replacing 40% of total water use or replacing all water used for toilet flushing, through the collection, treatment and reuse of alternate water sources in commercial, residential and industrial buildings.
Funding of $500,000 is available in FY 12/13 for this program. (Resolution No. 12-0103)

Mr. Steve Ritchie briefly described the program and noted the water savings that would be achieved.

Public Comment
- Mr. Peter Drekmier, Tuolumne River Trust, stated the Program was innovative and demonstrated how water can be conserved and reused. He expressed concerns about the proposed water transfer and its timing.
- June Weintraub, Senior Epidemiologist, San Francisco Department of Public Health indicated she has been working with SFPUC staff on the project and stated that the Health Commission would soon be considering a resolution in support of the Health Department’s participation in the development of the program.
- Letter in support of the ordinance received from SPUR.

On motion to approve Item 13:
ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney

14. Approve the terms and conditions and authorize the General Manager to execute an Option Agreement to sell 6.4 acres of real estate located near Whisman and Tyrella Avenue in Mountain View to KMJ Urban Communities, LLC for $8.1 million. (Resolution No. 12-0104)

Mr. Carlin introduced the item for consideration, under the terms and conditions as previously directed by the Commission.

Public Comment
- No Public Comment

On motion to approve Item 14:
ADOPTED: AYES: Moran, Torres, Caen, Vietor and Courtney

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

Public Comment:
- No public comment.

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

On Motion to Assert Attorney Client Privilege:
AYES: Moran, Torres, Caen, Vietor and Courtney

18. Announcement following closed session
President Moran stated that the Commission directed staff on item 17.

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

On Motion to NOT TO DISCLOSE:
AYES: Moran, Torres, Caen, Vietor and Courtney

20. Other new business.

ADJOURNMENT: 2:32 PM