SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

DRAFT MINUTES
Tuesday, September 11, 2012
(Approved September 25, 2012)

1:30 P.M.
1 Dr. Carlton B. Goodlett Place
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
1. **Call to Order**  
   President Moran called the meeting to order at 1:37 PM.

2. **Roll Call**  
   Present: Moran, Torres, Vietor and Courtney  
   Excused: Caen

3. **Approval of Minutes of August 28, 2012**  
   On Motion to approve the minutes of August 28, 2012  
   AYES: Moran, Torres, Vietor and Courtney

4. **Public Comment**  
   No public comment.

5. **Communications**  
   a) Hetch Hetchy Water and Power Enterprise Capital Improvement Quarterly Reports  
   b) Wastewater Enterprise Capital Improvement Program Quarterly Report  
   c) Advance Calendar  
   d) Letter Summary

   Public Comment  
   No public comment.

6. **Other Commission Business**  
   Commissioner Vietor inquired about the scheduling of a joint meeting between the SFPUC and the Environment Commission. She requested that staff coordinate with Environment staff and return with a proposed date and draft agenda for further discussion.

   a) Discussion and possible action to approve the terms of an employment contract, pursuant to San Francisco Charter Section 8B.126 (a), between the San Francisco Public Utilities Commission and Harlan Kelly Jr. for the position of General Manager of the San Francisco Public Utilities Commission and authorize the President of the Commission to execute the contract. (Resolution 12-0168)

   President Moran stated that notice of “commission action taken in closed session meeting of the San Francisco Public Utilities Commission meeting of July 24, 2012” was posted with the Commission Secretary 10 days prior to the meeting, pursuant to Government Code Section 54957.1(a) and Administrative Code Section 67.12(b)(4). He indicated that the contract closely follows MEA contracts with a term of five years, with a possible re-opener at the end of two years. Charter language was included that permits a performance incentive program and a provision for the accrual of sick pay, and with a salary the same as Mr. Harrington.

   Commissioner Vietor noted that the term in the contract indicated a term of three years, rather than five. President Moran noted that three years was not the agreement. Deputy City Attorney Ambrose concurred and stated that she would
contact Deputy City Attorney Beth Salveson, who wrote the contract, and ask her to attend the meeting.

President Moran continued the item until Ms. Salveson arrived and clarification could be provided.

Mr. David Pilpel pointed out an error with Mr. Kelly, Jr.’s name on Exhibit A of the Agreement.

b) Recognition of Edward Harrington for his 28 years of distinguished service to the City and County of San Francisco. (Resolution 12-0158)

Mr. Harlan Kelly, Jr., began the recognition of Mr. Harrington’s distinguished career by reading a portion of the resolution, followed by the Assistant General Managers, who took turns reading passages, and concluding with President Moran.

Public Comment

- Mr. Brian Thomas, SFPUC, thanked Mr. Harrington for his leadership and his ability to mentor and lead staff and for his work with apprenticeship programs.

- Mr. Alonzo Emery, Job Train/Project Build, thanked Mr. Harrington for giving his clients a future and an opportunity for success.

- Ms. Sheilah Goulart, Youth Build, Stockton, thanked Mr. Harrington for providing people with jobs and opportunities.

- Mr. Don Hightower, APRI, San Francisco, thanked Mr. Harrington for his service and noted that the opportunities Mr. Harrington provided have given people a chance for success.

- Mr. Art Shanks and Ms. Donna Miller, Cypress Mandela Training Center, thanked Mr. Harrington for his vision and for putting people into meaningful careers. Ms. Miller read from a plaque, on behalf of organizations in attendance, that was presented to Mr. Harrington.

- Ms. Zelda Saeli, SFPUC City Build, noted that many San Francisco residents have been put to work via City Build, and thanked Mr. Harrington for his leadership.

- Mr. James Bryant thanked the organizations in attendance for their work, and thanked Mr. Harrington for providing a future many for people.

- Mr. David Pilpel thanked Mr. Harrington for his leadership and service and for his constant concern for the ratepayers and taxpayers.

- Mr. Art Jensen thanked Mr. Harrington for his honesty and openness and for his sense of humor.
President Moran provided background information on Mr. Harrington’s service at the SFPUC, from his initial hire through his career. He noted Mr. Harrington’s ability to work with different people.

Mr. Harrington thanked everyone for their kind words and expressed gratitude for being able to work with a talented and dedicated staff and on interesting and important projects. He also thanked the public for their input and concern regarding SFPUC business.

7. Report of the General Manager
   a) WSIP Update
      Ms. Julie Labonte provided an update on Calaveras Dam, noting that the field investigation on the slope stability had been completed, that a report would be forthcoming, and that appropriate design revision and action would be taken. She noted preliminary cost and schedule estimates would be provided by mid-October, with selection and final cost and schedule will be provided by the end of November. She then provided and update on the Bay Tunnel Project and noted tunneling would begin within a week.

   b) Recognition of 525 Golden Gate Team
      Mr. Harrington introduced staff that was instrumental on the 525 Golden Gate project.

      Commissioner Vietor thanked staff for their work and briefly discussed the history of the 525 Golden Gate project.

      Mr. Harrington informed the Commission that Ms. Arlene Navarret passed away. He provided background on her distinguished career and the important work she did for the people of San Francisco.

Public Comment
   • Mr. David Pilpel provided his thoughts on working with Ms. Navarret and expressed his sympathy on her passing.

   • Mr. Josh Arce expressed his sympathy on the passing of Ms. Navarret and noted the important work she performed. He also noted the important local hire impact with the building of 525 Golden Gate.

President Moran recessed the meeting at 2:28 PM to confer with the Deputy City Attorney regarding the General Manager’s contract.

President Moran reconvened the meeting at 2:42 PM.

8. CONSENT CALENDAR
   a) Accept work performed by Ranger Pipelines Inc. for Contract WD-2541 Bay Division Pipeline No. 5 - East Bay Reaches; Approve Modification No. 1 (Final), to
address final quantities and costs associated with relocation of the pipeline to avoid an underground obstruction at Sycamore, additional environmental mitigation, and additional restoration, increasing the contract by $22,241,995 for a total contract amount of $83,800,000, and with a time extension of 129 consecutive calendar days for a total contract duration of 891 consecutive calendar days; and authorize final payment. (Resolution 12-0159)

b) Approve the plans and specifications, and award Contract WW-553, As-Needed Main Sewer Replacement, for a total contract amount not-to-exceed $2,983,550, to the lowest, qualified, responsible and responsive bidder, Harty Pipelines, to perform as-needed main sewer replacement at locations to be determined in San Francisco. (Resolution 12-0160)

c) Approve Modification No. 4 to Contract WD-2559R, San Francisco Public Utilities Commission Administration Building, with Webcor Construction, LP, and authorize the General Manager to execute this amendment to complete the work including the punch list and obtain the final acceptance of the project under Administrative Code section 6.22(K), extending the duration for final completion by 120 consecutive calendar days for a total of 180 consecutive calendar days. (Resolution 12-0161)

d) Approve Amendment No. 7 to Agreement CS-842, Architectural and Engineering Design Services for the San Francisco Public Utilities Commission Administration Building, with KMD/Stevens + Associates, a joint venture of architects, the partners of which are Kaplan McLaughlan Diaz and Stevens + Associates, to complete remaining phases of work; and authorize the General Manager to negotiate and execute an amendment, extending the duration of the agreement by one year, for a total agreement duration of six years and 10.5 months, with no increase to the agreement amount. (Resolution 12-0162)

e) Approve the terms and conditions and authorize the General Manager to execute a Revocable Permit with the Palo Alto Unified School District, as permittee, for the installation of nine subsurface conduits to house electric feeders and low voltage supporting infrastructure for Permittee’s new gymnasium located at Gunn High School in Palo Alto, California, for a month-to-month term not to exceed five years, and with an annual use fee of $2,500. (Resolution 12-0163)

f) Approve the terms and conditions and authorize the General Manager to enter into a lease with the Yerby Family Limited Partnership/OB-1 Associates, a California general partnership acting through George P. Yerby, for the use of approximately 4,000 rentable square feet of space at 5 Thomas Mellon Circle in San Francisco, for the rental rate of $8,000 per month, for the SFPUC to operate a Contractors Assistance Center. (Resolution 12-0164)

Commissioner Courtney requested that item 8f be removed from the calendar.

On motion to approve items 8a through 8e:
AYES: Moran, Torres, Vietor and Courtney
Commissioner Courtney had questions related to item 8f, Exhibit C, scope of work. After brief discussion, Commissioner Courtney stated that his request was inquiry only and that he saw no reason to not move forward on the item.

On motion to approve item 8f:
AYES: Moran, Torres, Vietor and Courtney

REGULAR SESSION

9. Informational hearing and possible adoption of a SFPUC Technology Policy, a policy statement that would guide SFPUC consideration and assessment of beneficial technologies and innovation in both operations and capital investments. (Resolution 12-0165)

Mr. Todd Rydstrom provided and update and discussion ensued on the on the revisions made to the Technology Policy, as per the suggestions of the Citizens’ Advisory Committee and the Revenue Bond Oversight Committee.

Public Comment
- Mr. David Pilpel suggested that under the “Leadership Principles and Transparency Criteria”; bullets four and six, that the word “Bureau” be added. He requested that policies be posted on the web.

On motion to approve item 9 as amended:
AYES: Moran, Torres, Vietor and Courtney

10. Authorize the General Manager to execute a Memorandum of Agreement with the United States Department of Agriculture, Forest Service for an amount not to exceed $1,188,805, and with a duration of five years, to provide comprehensive management of Cherry Reservoir watershed as well as security for SFPUC facilities within National Forest lands. (Resolution 12-0166)

Mr. Steve Ritchie, Assistant General Manager, Water, introduced the agenda item.

Public Comment
No public comment.

On motion to approve item 10:
AYES: Moran, Torres, Vietor and Courtney

11. Approve SFPUC 2011 Power Source Disclosure Report to California Energy Commission, a report required by State law which is to disclose the electricity sources used to serve SFPUC Power end-use electric customers. The 2011 Report discloses that the electricity sources used to serve SFPUC Power end-use electric customers was greenhouse gas-free and renewable. (Resolution 12-0167)
Ms. Barbara Hale, Assistant General Manager, Power, introduced the agenda item. Brief discussion ensued on the requirements of the disclosure.

Public Comment
No public comment.

On motion to approve item 11:
AYES: Moran, Torres, Vietor and Courtney

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

Public Comment
No public comment.

13. 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, Torres, Vietor and Courtney

CLOSED SESSION

14. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10 (d) (2).
   Anticipated Litigation - As Defendant

15. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9(c) and San Francisco Administrative Code Section 67.10 (d) (2).
   Anticipated Litigation - As Plaintiff

16. Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b), to consider public employee appointment/hiring for the position of General Manager of the San Francisco Public Utilities Commission; and Pursuant to Government Code Section 54954.5(f) and Administrative Code Section 67.8(a)(5).

   Conference with Labor Negotiator, Unrepresented Employee

   City Negotiator: Commission President Anson Moran
   Unrepresented Employee: General Manager, SFPUC

   Anticipated issues under negotiation:
   Wages, Hours, Benefits, Working conditions, Other

17. Announcement following closed session
President Moran stated that there was no action taken on items 14, 15 or 16.
18. Motion regarding whether to disclose the discussions during Closed Session
   On Motion NOT to disclose:
   AYES: Moran, Torres, Vietor and Courtney

   President Moran recalled item 6a, which had been continued earlier in the meeting. He
   noted that the Deputy City Attorney provided the Commission and Mr. Kelly, Jr. with a
   correct draft, which correctly reflected the summary as discussed earlier in the meeting,
   and all that parties were in concurrence with the contract terms.

   Public Comment
   Mr. David Pilpel requested and received clarification on the “made” date of the
   contract.

   On motion to accept item 6a
   AYES: Moran, Torres, Vietor and Courtney

19. Other new business
   None.

   President Moran adjourned the meeting in the memory of Arlene Navarret 3:48 PM.