MINUTES
Tuesday, January 8, 2013
(Approved 1-22-13)

1:30 P.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

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

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
ORDER OF BUSINESS:

1. Call to Order
   President Torres called the meeting to order at 1:32 PM

2. Roll Call
   Present: Torres, Courtney, Caen, and Courtney
   Commissioner Vietor arrived at 1:34 PM.

   The minutes of December 11, 2012 were amended to reflect additional comments, as suggested by Mr. Jerry Cadigan via his email correspondence of January 5, 2013.

   On Motion to approve the Amended Minutes of December 11, 2012:

4. Public Comments
   - Mr. Francisco DaCosta expressed his concern for the state of our infrastructure, given the damage done by Super Storm Sandy and Climate Change.
   - Dr. Espanola Jackson expressed her concerns with the Southeast Community College campus and “turf” issues in the Bayview. She shared her concerns with the amount of space occupied by the College at the Facility, and feels they should have more space, at a reduced rate.
   - Mr. Anthony Urbina, Sheet Metal Workers Local 104, distributed a letter protesting the award of any contractor who utilizes American Mechanical Services of Walnut Creek, and requested that the SFPUC designate them as a non-responsible bidder.

   President Torres questioned the processes for paying prevailing wages, to which General Manager Kelly responded that due process is followed.

   Ms. Ivy Fine, Contracts Administration Manager, stated that the SFPUC has a standard bid process, and at the request of President Torres, indicated that she would provide additional information on the issues raised by Mr. Urbano. Deputy City Attorney Ambrose stated that she would work with Ms. Fine on a response.

   - Mr. Richard Koenig, Sheet Metal Workers Local 104, protested the award of any contractor who utilizes American Mechanical Services of Walnut Creek, and requested that the SFPUC designate them as a non-responsible bidder.
   - Mr. Robert Woods, expressed his concerns with the rent charged to non-profit organizations located at the Southeast Facility and feels the rates will negatively affect their ability to serve the public.

   Commissioner Vietor questioned what the Southeast Facility Commission’s role is in the conversations regarding rental rates and space allocation and wants to make sure they are a partner in discussions.
Commissioner Moran asked if the SFPUC charged market rate to tenants at the Southeast Facility, to which Deputy General Manager Carlin stated that tenants are charged below-market rate. He indicated he will provide an analysis of rental rates to the Commission.

- Dr. Anita Grier, Community College of San Francisco (CCSF), Board of Trustees, expressed her concerns with space, transportation, and turf issues associated with the Southeast Facility Campus. She also stated that seniors are being pushed out of the facility due to limited space.

General Manager Kelly, Jr., stated that the SFPUC went through a detailed process regarding space allocation and programming at the Facility, including conversations with the CCSF Chancellor. He noted past issues of concern included sub-leasing of space.

Ms. Juliet Ellis, Assistant General Manager, External Affairs, noted that City College had requested and received 17,000 square feet of space at the Facility. She stated that they pay an “industrial rate” which is below market rate for space.

General Manager, Kelly, Jr., stated that staff will provide the Commission with lease information and documentation of agreements in place.

- Mr. Tony Lee followed-up on his past appearance regarding billing collection issues related to his parent’s rental property. Mr. Lee provided a letter expressing his concerns with the response he received from Ms. Marge Vizcarra, Customer Service Bureau Director, and suggested additional changes in the existing policy.

Commissioner Moran noted that the SFPUC will be transitioning to a monthly billing cycle, which should alleviate some of the issues presented.

5. Communications  
   a) Advance Calendar  
   b) Letter Summary  
   c) Safe Medicine Disposal Program Update  
     Commissioner Caen requested that the Program include additional pharmacies and that more outreach occur with existing pharmacies.  
   d) Annual Popular Report  
   e) Annual Comprehensive Annual Financial Report

6. Other Commission Business  
   None.

7. Report of the General Manager  
   General Manager, Kelly, Jr., stated that staff has been in discussions with BAWSCA regarding the Water Supply Agreement and are addressing concerns of the Wholesale Customers.
General Manager Kelly, Jr., noted that the U.S. EPA Administrator, Lisa Jackson, toured the SFPUC Administration building earlier in the day and was impressed with the amenities and sustainability features of the building.

a) CleanPowerSF Update
Ms. Barbara Hale, Assistant General Manager, Power Enterprise, gave an update on P&GE electric rate changes, the updated GoSolarSF Timeline, and a review of materials presented.

Ms. Hale stated that PG&E electric rates changed January 1, 2013. The previous rate was 7.1 cents per kWh and was raised to 7.9 cents per kWh. As a result, the projected electric bill premium for GoSolarSF will be smaller than expected. She indicated that PG&E expects an additional rate increase in May, which will again impact rate comparisons of PG&E rates to CleanPowerSF. She stated that the anticipated CleanPowerSF rates will be presented to the Commission soon.

Ms. Hale touched on the updated Timeline and noted that Program is on-track for overall program delivery, through some intermediate steps’ timing have been adjusted.

Ms. Hale noted that the additional materials provided were for informational purposes in preparation for the January 22, 2013 not-to-exceed rate discussion.

Discussion ensued on a question from Commissioner Vietor regarding the Program. Todd Rydstrom, Assistant General Manager and CFO, stated that the Local Power, Incorporated (LPI) proposed business case envisions a much larger rollout than Phase 1 of CleanPowerSF, including both residential and commercial customers using up to 600 MW of power (vs. 20-30 MW for CleanPowerSF Phase 1). He noted some key assumptions, including that the City would need to borrow up to $1.5 billion to fund generation and up to 90,000 energy efficiency projects for CCA participants, including 300 in-City combined heat and power internal combustion engines, and that new natural gas and biogas costs and risks would also be present. These key assumptions will all need further City policymaker consideration. A key outstanding SFPUC staff question to LPI also includes their assumption of private property owners’ long-term commitment with the City, given the City is assumed to be on the hook for borrowed funds though the improvements at most of the assumed sites are on privately-owned properties.

Commissioner Moran asked if the Commission will be required to choose one proposal over the other, or if they were different phases. He had questions about the opt-in/opt-out requirement. Mr. Rydstrom stated that implementation will be in phases and that good ideas and strategies could be layered onto Phase 1 of CleanPowerSF at a future time after related policy decisions are considered. City Attorney Ambrose stated that additional information on the opt-in/opt-out requirement will be provided.
Limited discussion ensued on the Program. Commissioner Courtney requested that the Commission be regularly informed as to participation in the Program. He also requested regular updates as to which contractors are hired to work on the Program.

Commissioner Vietor requested that information be provided on the level of interest by commercial customers and that those customers are included in the Program survey.

Commissioners Moran and Vietor requested that revisions between the phases be more clearly defined and presented to the Commission with an associated timeline.

Public Comment
- Mr. Francisco DaCosta expressed his thoughts on energy consumption and transmission, and on the survey.
- Mr. Eric Brooks, Green Party of San Francisco and grassroots organization, “Our City”, expressed his thoughts on the materials provided and encouraged the Commission to read the concerns posed by Local Power, and shared his thoughts on opt-in/opt-out and on the survey.

8. Citizens’ Advisory Committee Update

   Mr. Terrence Jones, Citizens’ Advisory Committee (CAC) Chair provided a brief update on the activities of the CAC. He stated that, at the request of the Commission, outreach to non-English speakers was completed in November. The CAC continues to research ways to effectively outreach on-English speakers. Mr. Jones indicated the CAC has 15 of 17 seats filled. He noted their Annual Report would be completed and distributed in the next month.

9. Consent Calendar
   a) Approve Amendment No.2, Agreement CS-142A, As-Needed Community and Contractors Outreach Services, with The Thier Group to continue conducting outreach to local and regional contractors; and authorize the General Manager to execute this amendment increasing the agreement by $49,000, for a total not-to-exceed agreement amount of $99,000, and with a time extension of one year for a total agreement duration of three years and six months. (Resolution 13-0009)
   b) Approve Amendment No. 6 to Agreement CS-804, Alameda Siphon No. 4, with Black Veatch/AGS Inc., for Engineering Services during Construction; and authorize the General Manager to execute this retroactive amendment extending the agreement to March 9, 2013, for a total agreement duration not-to-exceed six years, 10 months, with no change to the contract amount. (Resolution 13-0001)
   c) Approve Amendment No. 1 to Agreement CS-896, As-Needed Laboratory Analytical Services, with Eurofins Eaton Analytical, Inc., to provide the ongoing analytical expertise to ensure compliance with Water and Wastewater regulatory requirements; and authorize the General Manager to execute this amendment,
increasing the agreement duration by two years for a total agreement duration of six years. (Resolution 13-0002)

d) Accept work performed by MSquared Construction, Inc. for Contract WD-2439, 8-inch Ductile Iron Main Installation on Laguna Street from Market to Post Streets; Approve Modification No. 2 (Final), to reconcile the final contract amount to reflect the actual quantity of work performed, increasing the contract amount by $23,496, for a total contract amount of $1,508,022; and authorize final payment to the contractor. (Resolution 13-0003)

e) Accept work performed by Roadrunner Drilling and Pump Company for Contract WD-2600, Regional Groundwater Storage and Recovery Project - Test Well Drilling. Approve Modification No. 4 (Final) to reconcile payment items to reflect actual quantities used under unit price and allowance bid items, decreasing the contract by $245,715, and authorize final payment to the contractor. (Resolution 13-0004)

f) Accept work performed by Trinet Construction, Inc., for Contract No. WD-2607, Pulgas Balancing Reservoir - Modifications of Existing Dechloramination Facility, for upgrading the treatment facilities located at Pulgas Balancing Reservoir; and authorize final payment to the contractor. (Resolution 13-0005)

g) Accept work performed by Cal State Constructors for Contract No. WW-462, Southeast Water Pollution Control Plant Digester Gas Circulation Compressor Replacement and authorize final payment to the contractor. (Resolution 13-0006)

h) Approve Modification No. 5 to Contract No. WW-513, North Shore and Mariposa Pump Station Improvements, with Cal State Constructors, Inc., to complete the improvements for pump station reliability contract work, increasing the contract amount by $270,480, for a total contract amount of $5,298,134, and with a time extension of 90 consecutive calendar days for total contract duration of 720 consecutive calendar days. (Resolution 13-0009)

i) Approve the terms and conditions and authorize the General Manager to execute a five-year revocable permit issued to the City of Milpitas, to use and maintain approximately 1.35 acres of SFPUC property, Parcel 101-A, located at the intersection of Coelho and Cortez Streets in the City of Milpitas, as a public park with no use fee. The Permit will replace an existing permit issued to the City of Milpitas on May 16, 1967. (Resolution 13-0007)

j) Approve the terms and conditions and authorize the General Manager to execute a five-year revocable permit to InnVision Shelter Network for the use of approximately 2,670 square feet of SFPUC property, located on Locust Street in Redwood City, as a green space play area for children’s outdoor recreation. The annual permit fee is $3,204 and is subject to annual increases at a rate of four percent. (Resolution 13-0008)
Commissioner Courtney requested that item 9h be removed from the calendar.

Dr. Espanola Jackson requested that item 9a be removed from the calendar.
- Dr. Jackson asked who the Their Group was. General Manager Kelly, Jr., provided brief background on the Their Group.
- Mr. Robert Woods expressed his desire that the Bayview Community be allowed to participate in the outreach services.

On Motion to Approve Items 9b through 9g; and 9i and 9j
AYES: Torres, Courtney, Caen, Vietor and Moran

On Motion to Approve Item 9a
AYES: Torres, Courtney, Caen, Vietor and Moran

Deputy City Attorney Ambrose stated that a substitute resolution reflecting staff recommended changes for Item 9h were submitted.

Commissioner Courtney read the proposed changes to the resolution into the record.

On Motion to Approve Item 9h
AYES: Torres, Courtney, Caen, Vietor and Moran

Public Comment
- None.

Commissioner Caen asked to return to Item 5a, Advance Calendar, and requested that the Real Estate Disposal Update be added back to the Calendar, to which Deputy General Manager Carlin stated it would be added.

Commissioner Vietor requested that a date be set for a meeting at Lake Merced. Deputy General Manager Steve Ritchie, Water Enterprise, stated that communication with the Recreation and Park Department will take place and a date will be set. Commissioner Vietor asked that proposed dates be presented to the Commission at the next meeting.

10. Approve Amendment No. 1 to Agreement CS-968, Environmental Analysis Services for the Upper Alameda Creek Filter Gallery Project, with Environmental Science Associates to provide environmental analysis services and permitting support; and authorize the General Manager to execute this amendment with a time extension of six years, for a total agreement duration of six years, three months. (Resolution 13-0011)

Ms. Irina Torrey, Bureau of Environmental Management, provided a brief introduced this item and requested a time extension of the program.
On Motion to Approve Item 10
AYES: Torres, Courtney, Caen, Vietor and Moran

Public Comment
• None.

11. Approve an increase in the construction contract cost contingency for Contract No. HH-953, Tesla Portal Protection, in the amount of $519,366, and an increase in the contract duration of up to 195 consecutive calendar days. Authorize the General Manager to approve future modifications to the contract, for a total revised contract amount up to $3,555,366 and for a total revised contract duration up to 459 consecutive calendar days. (Resolution 13-0012)

On Motion to Approve Item 11
AYES: Torres, Courtney, Caen, Vietor and Moran

Public Comment
• None.

12. Public comments on matters to be discussed in Closed Session.
None.

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

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

The Commission entered Closed Session at 3:20 PM

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

Existing Litigation:
Pacific Gas & Electric Company, v. City and County of San Francisco
Court of Appeal of the State of California, First Appellate District, Division Five Case No. A127554; Filed January 29, 2010.

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

The Commission exited Closed Session at 3:56 PM

16. Announcement following closed session.
President Torres announced that no action was taken on items 14 or 15.
17. Motion regarding whether to disclose the discussions during Closed Session.

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

18. Other new business.
   None.

President Torres adjourned the meeting at 3:58 PM