SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, June 25, 2013
(Approved July 9, 2013)

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
Francesca Vietor
Anson Moran

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 1:35 PM.

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

3. **Approval of Minutes of June 11, 2013**
   
   Commissioner Caen noted that Commissioner Vietor was not listed as being present at the June 11th meeting, but was shown as participating and voting. Secretary Hood stated that Commissioner Vietor arrived late, which was inadvertently omitted from the minutes, and that her arrival time will be noted.

   Public Comments
   
   None.

   **On motion to approve the Minutes of June 11, 2013 as amended:**
   
   AYES: Torres, Courtney, Caen and Moran

4. **Public Comments**
   
   • Ms. Ann Clark, Vice President, Friends of Camp Mather, indicated the Camp Mather is open and encouraged everyone to visit. She provided a Camp Mather fact sheet.
   
   • Mr. Francisco DaCosta discussed collection of rainfall, flooding, conservation and the need for a holistic approach.

5. **Communications**
   
   a) Advance Calendar
   
   b) Letter Summary

   Public Comments
   
   None.

6. **Other Commission Business**
   
   a) Adoption of a Resolution in support of the nomination of Anson B. Moran as a Board Member for the Association of California Water Agencies, Region 5. (Resolution 13-0099)

   **On Motion to Approve item 6a:**
   
   AYES: Torres, Courtney, Caen and Moran
7. Report of the General Manager

General Manager Harlan L. Kelly, Jr., stated that Ms. Julie Labonte, WSIP Director, was named 2013 Government Civil Engineer of the Year by the American Society of Civil Engineers, and offered his congratulations.

a) Water System Improvement Program Update

Ms. Labonte reviewed key milestones of the Water System Improvement Program (WSIP): Closeout of Crystal Springs Pipeline No. 2, and BDPL No. 3 and 4 Crossover; Substantial completion on the Sunol Valley Water Treatment Plant, and the San Joaquin Pipeline System Western Segment.

She provided a brief update on six mega projects: Calaveras Dam; New Irvington Tunnel; Bay Tunnel; Seismic upgrade of BDPL 3 and 4 at the Hayward Crossing; Harry Tracy long term improvements; and Crystal Springs San Andreas.

Commissioners Caen and Moran congratulated Ms. Labonte on her award.

Public Comments

- Mr. Art Jensen, BAWSCA, congratulated Ms. Labonte on her award.

8. Joint SFPUC/BAWSCA Water Supply Presentation

Mr. Steve Ritchie, Assistant General Manager, Water Enterprise, began his presentation by reviewing the Water Supply Level of Service Goals and Objectives. He provided a summary of phased WSIP approval implementation elements, and then briefly reviewed obligations and guarantees contained in the 2009 Water Supply Agreement. Mr. Ritchie addressed regulatory and policy supply shortfalls, and the implications of potential shortfalls, which could total up to 26.1 mgd. Mr. Ritchie discussed future risk and demand uncertainty; WSIP water supply projects (Regional Water System Supply, Regional Water System Dry Year Supply); and Retail Supply. He described additional water supply options that are available and provided a chart detailing retail water availability in multiple dry years with increased demand, and reviewed a timeline of water supply projects, noting that regional desalination project is a big decision that needs to be made. Mr. Ritchie closed his presentation by offering summary conclusions.

Commissioner Moran offered his thought and concerns on water supply, projections, planning, and the Water Supply Agreement (WSA).

President Torres questioned how the SFPUC would meet contractual requirements of the WSA and asked what strategies are in place to do so. Mr. Ritchie replied that the desalination project or transfers are the major options. President Torres asked for additional information on desalination, which staff will provide.
Commissioner Caen asked about the lack of reference to storage, to which Mr. Ritchie provided response. She also asked about the Don Pedro project, that City Attorney Donn Furman provided.

Mr. Art Jensen, BAWSCA, began his presentation by describing BAWSCA’s objectives for long-term water supply decisions and assumptions, and noted that BAWSCA Board wants to make their business and policy decisions with certainty. He stated that through action or inaction, the City and County of San Francisco has created uncertainty for BAWSCA member agencies, and he touched on those. Mr. Jensen described BAWSCA’s planning assumptions which account for the uncertainties, and stated that the BAWSCA Board will consider whether to adopt a Level of Service Goal for drought reliability. He discussed future challenges that BAWSCA’s planning will address; Provided detail as to why they are doing what they are doing; and discussed why San Francisco should willingly support its Wholesale customers.

Commissioner Moran thanked Mr. Jensen for his presentation and in response to a question, Mr. Jensen briefly discussed wholesale water supply considerations.

Public Comments

• Mr. Peter Drekmeier, Tuolumne River Trust, commended staff on their effort. He expressed concern with the water transfer and the regional groundwater storage and recovery projects, feeling they would take too much water out of the middle Tuolumne River below O’Shaughnessy Dam. He expressed concern that the Adaptive Management Plan has not been finalized, and felt that population growth needs to be included in demand-side discussions.

Commissioner Moran Request that staff return to the Commission in 60 days with a first draft of the Water Supply Agreement, talking strategy that addresses the three questions in the Agreement.

9. CONSENT CALENDAR

a) Approve Amendment No.1 to Agreement No. CS-257(I), Regional Construction Contractors Outreach Services, with the JLM Management Group, to continue conducting site visits and other related small business outreach services for the San Francisco Public Utilities Commission-Local Business Enterprise; and authorize the General Manager to negotiate and execute an amendment increasing the duration of the agreement up to six months, for a total agreement duration up to one year and six months, with no change to the contract amount. (Resolution 13-0100)

b) Accept work performed by California Drilling & Blasting Co., Inc., for Contract No. HH-962E, South Fork Adit Access Rockfall Stability Project, for a total contract amount of $66,866; and with a total contract duration of 367 consecutive calendar days; and authorize final payment. (Resolution 13-0101)
c) Accept work performed by Delta Star, Inc., for Contract No. HH-964E, Holm Transformer Repair Project, for a total contract amount of $521,465, and with a total contract duration of 120 consecutive calendar days; and authorize final payment. (Resolution 13-0102)

d) Accept work performed by Ranger Pipelines, Inc., for Contract No. WD-2555, Crystal Springs Pipeline No. 2 Replacement Project, for a total contract amount of $34,146,821, and with a total contract duration of 740 consecutive calendar days; and authorize final payment. (Resolution 13-0103)

e) Accept work performed by Shimmick Construction for Contract No. WD-2568 Bay Division Pipeline 3 & 4 Crossovers; Approve Modification No. 39 (Final), decreasing the contract by $338,722.31, for a total contract amount of $13,247,723.51, and with a time extension of 34 consecutive calendar days, for a total contract duration of 1193 consecutive calendar days; and authorize final payment. (Resolution 13-0104)

f) Approve the plans and specifications, and award Contract No. WD-2683R, 16-inch & 8-inch Ductile Iron Water Main Installation on Indiana, Tennessee, Mariposa and 3rd Streets, to install approximately 7,000 feet of ductile iron pipe and ancillary service pipe, in the amount of $2,445,650, to the lowest, qualified, responsible and responsive bidder, M Squared Construction, Inc. (Resolution 13-0105)

g) Accept work performed by Super Excavators, Inc., for Contract No. WW-487, Sunnydale Auxiliary Sewer; Approve Modification No. 9 (Final) for adjustments to final bid item quantities, increasing the contract by $14,392, for a total contract amount of $44,764,830, and with a time extension of 68 consecutive calendar days, for a total contract duration of 703 consecutive calendar days; and authorize final payment. (Resolution 13-0106)

Public Comments

- None.

On Motion to Approve items 9a through 9g:
AYES: Torres, Courtney, Caen and Moran

10. Recommend that the Board of Supervisors approve the sale of an easement over an approximately 23,185 square-foot portion of SFPUC real property in the Crystal Springs Watershed in unincorporated San Mateo County to PG&E; and Authorize the General Manager or the City and County of San Francisco’s Director of Property to execute an easement agreement conveying the Easement to PG&E for its fair market value of $15,400, following approval by the Board of Supervisors. (Resolution 13-0107)
Vice President Courtney expressed concerns over having PG&E employees maintain SFPUC land with their workforce and wants to ensure that their employees are in correct work classifications and are properly trained. Ms. Kristina Zaccardelli and Mr. Mike Riordan, PGE staff, stated that the property will be maintained the same as the current easement. Ms. Rosanna Russell, Real Estate Director, stated that the project mandates that PG&E conform to applicable city practices and ordinances, including those related to jobs.

General Manager Kelly stated that the project is a high priority for PG&E and has been in discussion with the SFPUC and the Mayor regarding the project.

Vice President Courtney expressed his understanding of the urgency, but stated that the workforce needs to be classified and trained properly to ensure safety of all involved.

Mr. Michael Carlin, Deputy General Manager, stated that staff will communicate with PG&E and will provide a response to Vice President Courtney regarding the classifications, training, and safety plans for PG&E employees who work on SFPUC property.

Public Comments
• None.

On Motion to Approve item 10, on the condition that staff return with information as requested:
AYES: Torres, Courtney, Caen and Moran

11. Public Comments on matters to be discussed in Closed Session

Public Comments
• None.

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

On Motion to ASSERT:
AYES: Torres, Courtney, Caen and Moran

President Torres left the meeting at 2:53 PM.

CLOSED SESSION

13. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9(d)(1) and San Francisco Administrative Code Section 67.10 (d)(1). (Resolution 13-0108)
Existing Litigation
Bank of America N.A. v. the City and County of San Francisco
San Francisco Superior Court Case No.: CGC-10-503389
City Attorney No.: 110331/Date Filed: September 9, 2010

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 Company
San Francisco Superior Court Case No.: CGC-13-529309
City Attorney File No. 0000657/Date Filed March 6, 2013: Served June 6, 2013

15. 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 Company
San Francisco Superior Court Case No. CGC-13-529310
City Attorney File No. 0000657/Date Filed June 6, 2013

16. 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 Company, v. City and County of San Francisco
Court of Appeal of the State of California, First Appellate District, Division Five
Case No.: A127554/Date Filed: January 29, 2010

17. Conference with Legal Counsel – Pursuant to California Government Code
Sections 54956.9(d)(2), (4) and San Francisco Administrative Code Section 67.10
(d)(2).

Existing Litigation:
300 Spear Realty Venture LLC vs. the City and County of San Francisco; The City
and County of San Francisco vs. 300 Spear Realty Venture LLC

18. Conference with Legal Counsel - Pursuant to California Government Code
Section 54956.9(d)(4) and San Francisco Administrative Code Section 67.10
(d)(2).

Anticipated Litigation - As Plaintiff
19. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code 67.10(a)

Consultation with Agency Chief of Security concerning security of SFPUC Water and Power Systems.

20. Announcement following Closed Session

Vice President Courtney announced that a settlement was recommended on Item 13, with no other action taken.

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

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

22. Other new business
None.

Vice President Courtney adjourned the meeting at 3:16 PM