SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, July 23, 2013
(Approved August 13, 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
1. Call to Order
   President Torres called the meeting to order at 1:36 PM

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

3. Approval of Minutes of the July 9, 2013 Regular and Special Joint SFPUC/LAFCo meetings

   On Motion to approve the minutes of the July 9, 2013 Regular and Special Joint SFPUC/LAFCo meetings:
   AYES: Torres, Courtney, Caen, Vietor and Moran

4. Public Comments
   • Ms. Ann Clark, Friends of Camp Mather, encouraged visitors to the Camp. She noted that the Camp was profiled in USA today and distributed the article.

5. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Sewer Inspection and Replacement Update
   d) Water Supply Agreement Update
   e) Water System Improvement Program Q1-Q4 FY12-13 Construction Bid Summary
   f) Peninsula Watershed Trails Update

   Commissioner Caen noted on item 5c, that 130 miles was indicated as inspected, and asked what the proposed number of miles to be inspected was in the budget. General Manager Kelly, Jr., stated that the proposed number of miles to be inspected was 150. Mr. Tommy Moala, Assistant General Manager (AGM), Wastewater Enterprise, offered additional details on the inspection program.

   Public Comments
   • None.

6. Other Commission Business
   a) Approval of resolution in support of the nomination of John Coleman for the office of ACWA President (Resolution 13-0016).

   Commissioner Moran introduced the resolution and described the qualifications of Mr. Coleman and a description of the office.

   On Motion to approve Item 6:
   AYES: Torres, Courtney, Caen, Vietor and Moran
7. Report of the General Manager
   a) Summer Youth Employment Investment Update
      General Manager Kelly, Jr., introduced Ms. Kay Fernandez Smith, SFPUC Director of Community Benefits and Social Responsibility, who provided an update on the Summer Youth Employment Investment Program. She briefly discussed funding, strategy, and expansion plans for the Program. She described new partnerships with local non-profits that expand youth access to opportunities and provide project-based learning opportunities. Ms. Fernandez Smith discussed project-based learning grants, noting that a total of approximately $150,000 in one-time grants were awarded to 10 local non-profit organizations, enabling the hiring of 277 additional youth.

      The following participants provided testimonials on their experience:

      • Denny David, Deputy Director LYRIC, discussed their program and introduced Tracy Zhu, project leader, who offered a project overview and described her experience as a past participant.
      • Dion-Jay Bookter, Deputy Director, Young Community Directors (YCD), described the experiences YCD participants have working on the SSIP. Lillie Sunday, AECOM Parsons, provided thoughts on working with students in the Program and discussed the roles they played.
      • Analis Ibarra, Project Pull Team Leader, noted over 100 San Francisco youth were hired as Project Pull interns. Ms. Natalie Kaliss and Ms. Chinomnso Okorie briefly discussed their intern experiences.

      Ms. Fernandez Smith introduced the organizations who participated in the Program and asked that those who wanted to express their thoughts about the Program to do so in writing.

   b) WSIP Update
      Ms. Julie Labonte, WSIP Director, stated the Fourth Quarter Progress Report will be provided on August 13, 2013. She gave a highlight report, noting that at the end of June the program was 75 percent complete; that 62 of 82 WSIP projects have completed construction; that sixteen are in construction; and that four are in pre-construction. She provided brief detailed on additional projects.

   CleanPowerSF Update
      Ms. Barbara Hale, AGM, Power Enterprise, stated that constructive conversations regarding the build-out and the procurement of power for CleanPowerSF have occurred with the Labor Council.
Public Comments

- *Mr. Michael Theriot, San Francisco Building and Construction Trades Council,* indicated he had a productive meeting with Ms. Kim Malcolm. He summarized a resolution previously submitted to the Commission and on how principles and project labor agreements will be implemented. He noted that the Council is not agnostic to Shell Energy or PG&E, but hopes that they honor labor standards.
- *Eric Brooks, San Francisco Green Party and Local Grass Roots Organization, Our City,* referenced Sierra Club’s letter regarding labor and discussed his thoughts on CleanPowerSF.
- *Jason Fried, LAFCo staff,* asked that outstanding questions be presented so action can be taken at the August 13th meeting. He stated that once the not-to-exceed rates are determined additional discussions will take place with labor.
- Sharon expressed her support for the CleanPowerSF Program.
- Jess Derwin Ackerman, Sierra Club, expressed her support for the Program and for jobs, and encouraged an August 13th vote on the not-to-exceed rates.

8. BAWSCA Update

Mr. Art Jensen, BAWSCA, noted that the BAWSCA Board of Directors named Nicole Sandkulla as his successor.

*Public Comments:*

- None.

9. Consent Calendar

a) Accept work performed by PAR Electrical Contractors, Inc., for Contract No. HH-961E Transmission Lines 5/6 Repair to Optical Ground Wire, for a total contract amount of Not-to-Exceed $30,000; Approve Modification No. 1 (Final), for a time extension of 287 consecutive calendar days for a total contract duration of 407 consecutive calendar days; and authorize final payment to the contractor. *(Resolution13-0017)*

*Public Comments:*

- None.

**On Motion to approve item 9a:**

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

10. Approve the reallocation of existing appropriation, in the amount of $40,000,000, consistent with the planned FY 2013-14 capital project investment, from Wastewater Enterprise FY 2013-14 Capital Improvement Program SSIP Project CWWSIPDP, Biosolids Digester Project to Wastewater Enterprise FY 2013-14 SSIP Project CWWSIPPR, Program Wide Efforts; and authorize the General Manager to
coordinate a request for a Supplemental Reallocation Appropriation to adjust existing appropriations accordingly. (Resolution 13-0018)

Mr. Tommy Moala introduced the item.

Public Comments:
- None.

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

11. Adopt the Final Mitigated Negative Declaration, the Mitigation Monitoring and Reporting Program and the Findings as required by the California Environmental Quality Act for the San Joaquin Valley Communication System Upgrade Project; and approve Hetchy System Improvement Program-funded Project No. CUH10201, San Joaquin Valley Communication System Upgrade Project; and approve the solicitation of design build proposals pursuant to Administrative Code Section 6.61. (Resolution 13-0019)

Public Comments:
- None.

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

12. Recommend to Board of Supervisors to adopt the Construction Site Runoff Control Ordinance. The ordinance will ensure the City is in compliance with State Water Board Orders No. 2003-0005-DWQ and No. 2013-0001-DWQ, the Small MS4 Permit (Phase II). (Resolution 13-0020)

Public Comments:
- None.

On Motion to approve item 12:
AYES: Torres, Courtney, Caen, Vietor and Moran

13. Authorize the General Manager to execute a Memorandum of Understanding by and between the SFPUC and San Francisco Recreation and Parks Commission regarding management of the Lake Merced Tract. (Resolution 13-0021)

Mr. Steve Ritchie, AGM, Water, introduced the item and provided a brief status update.

He noted that the revised MOU establishes the structure of the relationship between the SFPUC and the Recreation and Park Department (RPD), and clarifies that the SFPUC is the manager of the land.
Mr. Ritchie discussed proposed changes to the MOU, the first related to Item B, which states that the Commissions will approve extensions of the MOU rather than the General Managers; and second, the addition of a sentence noting the creation of a jointly developed annual work program, which is to be presented to each Commission by November 15th of each year. The work program will cover the work program completion, sources and uses of funds, lease and concession management, facilities conditions and capital repair.

Mr. Phil Ginsburg, General Manager, RPD, noted the collaborative work that has been done. In response to questions from Commissioner Vietor, he stated that RPD has begun work planning with regard to the $2M bond, with site assessments taking place and stakeholder meetings anticipated in the Fall. Mr. Ginsburg noted that RPD will keep the SFPUC in the loop with status updates. Mr. Ginsburg stated that in addition to the bond money, an additional $500,000 grant was received from the California Department of Boating and Waterways to enhance recreational access on the Lake. Mr. Ginsburg provided response to an additional question regarding the annual work plan, noting that specifics of the work plan are outlined in detail in the MOU.

Commissioner Caen asked if additional funding for new facilities has been sought via the private sector. Mr. Ginsburg noted that some groups have expressed interest in philanthropy opportunities and that RPD welcomes such opportunities.

Commissioner Moran echoed the thoughts of Commissioner Caen regarding private funding and support.

Commissioner Moran noted that the amendments suggested by Mr. Ritchie will provide for transparency and accountability. He asked that public comments address the MOU and the amendments, and questioned procedural requirements.

President Torres noted that Commissioner Courtney had additional amendments to the MOU.

Commissioner Courtney expressed his support for the work that staff has done. He read a proposed amendment for Joint Responsibilities, item number six.

Deputy City Attorney Noreen Ambrose read the amendments proposed by Mr. Ritchie and Commissioner Courtney. Mr. Ginsburg stated that RPD is comfortable with the amendments and thanked Commissioner Courtney for his comments.

Commissioner Caen questioned the water level of the Lake and asked if a minimum level should be incorporated into the MOU. Mr. Ritchie discussed the Lake level datums, or points of reference, for elevation. He noted that the Lake is currently relatively stable at the 5’ to 6’ range. He stated that a new target water level for the Lake will be presented with the Vista Grande Project, and that he doesn’t
recommend any change at this time. In response to a follow-up question from Commissioner Caen, he indicated that when that project is approved, the MOU can be amended.

Public Comments:
- Mr. Dick Allen offered his comments and provided them in writing.
- Mary Allen, San Francisco Rowing Club, described the facility and storage of the boats and described a 2011 accident at the facility.

Commissioner Vietor asked for clarification on maintenance requirements in the MOU. Mr. Ginsburg stated it is RPD’s responsibility for on-going maintenance and a thorough process is in place for evaluating structural maintenance requests.

In response to a question from Commissioner Courtney, Ms. Ambrose stated that, as per the Charter, RPD had jurisdiction over recreational activities at Lake Merced.

General Manager Kelly, Jr., stated that the annual report will provide detail on capital assessment, needs and repair.

Mr. Ginsburg provided thoughts on repair and responsibilities and noted work that is being done at the Lake and at the boathouse, given current financial and structural resources.

Commissioner Moran stated that one issue that has obscured other issues is whether or not the SFPUC should take over recreational activities. He stated that the MOU is clear that RPD is responsible for recreational decisions. He noted the MOU’s requirements as related to the Watershed Report.

Commissioner Moran moved to approve item 13; seconded by Commissioner Vietor.

Commissioner Moran presented an amendment to Resolution and moved to accept all of the proposed amendments to both the Resolution and the MOU; Seconded by Commissioner Caen.

- Eric Brooks, San Francisco Green Party and Local Grass Roots Organization, Our City, stated that pathways to labor are needed and that a minimum Lake level is needed. He expressed his thoughts on maintenance issues and who should be responsible for recreational management issues.

President Torres recessed the meeting at 3:19 PM.
President Torres reconvened the meeting at 3:25 PM.

On Motion to approve item 13 as amended:
Roll Call: AYES: Torres, Courtney, Caen, Vietor and Moran
14. Authorize the General Manager to implement changes to GoSolarSF, the City’s solar incentive program. The GoSolarSF program adjustments are prompted by changes in the solar market and the need for the solar incentive rate structure to be more effective and reach more customers. (Resolution 13-0122)

Ms. Barbara Hale, provided a review of the GoSolarSF Program, described the proposed changes, which had been presented to and discussed with stakeholders and the Citizens Advisory Committee.

Commissioner Moran proposed two amendments to the resolution, noting that the amendments would start a process of discussing the potential changes that would focus the benefits of the GoSolar Program for customers of the Program.

Commissioner Vietor asked for and received clarification on who are customers.

Discussion ensued on the GoSolarSF Program. Ms. Hale provided clarification on the GoSolarSF statute, noting the first year was designated as a pilot program, which has concluded. She indicated that the statute mandates funding for 10 years, and that funding is included in the SFPUC Capital Plan.

General Manager Kelly, Jr., offered thoughts on the roll-out process which ensures all stakeholders are included.

Public Comments:
- Eddie Ahn, Brightline Defense Project, thanked the Commission and staff for working with the advocates on funding to continue the Program. He offered three points to ensure effective administration: Immediate funding; Rejection of amendment presented; and workforce development improvement.
- Mr. Stacy (inaudible), indicated that he has installed over 207 projects in conjunction with GoSolarSF. He expressed support for the Program, encouraged funding, and offered support for the amendment.
- John Rizzo, Sierra Club, expressed support and requested the immediate release funds.

Commissioner Courtney asked Mr. Rizzo his thoughts on the workforce component, which he provided.

- Mr. Doug Parrish, Red Dipper, expressed his support for the Program and encouraged Commission approval of the amended item.

Commissioner Courtney departed the meeting at 3:45 PM.

- Unknown female speaker representing Luminalt, expressed her support for the Program, for the workforce development component, and for the immediate release of funds.
Eric Brooks, San Francisco Green Party and Local Grass Roots Organization, Our City, expressed his desire for the Program, for the workforce development component and for the immediate release of funds.

General Manager Kelly, Jr., noted that $820,000 in funds have been released and provided explanation for the timing of the release of the remaining funds.

Joshua Arce, Commission on the Environment, thank staff for their work. He suggested a joint meeting with his Commission. He asked that funds be released earlier and expressed support for the workforce development component. He did not support the amendment.

Commissioner Vietor provided her thoughts on the amendment and expressed support. She recommended that alternate fee structures be investigated to ensure on-going funding of the Program.

On Motion to approve item 14 as amended:
AYES: Torres, Caen, Vietor and Moran

15. Public Comments on matters to be discussed in Closed Session.
None.

16. 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, Caen, Vietor and Moran

Commissioner Vietor departed the meeting at 4:01 PM.

17. 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 Claim:
Proposed Settlement Agreement and Stipulation for Entry Central Valley Regional Water Quality Control Board Administrative Civil Liability Order R-5-2013-0545 Filed: July 2, 2012 (Resolution 13-0123)

18. 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-13-529309 City Attorney File No. 0000657/Date Filed March 6, 2013: Served June 6, 2013
19. 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

20. 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

21. 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.

22. Announcement following Closed Session.
   President Torres stated that a settlement was reached on Item 17; and that no other action was taken.

23. Motion regarding whether to disclose the discussions during Closed Session.
   On Motion NOT TO DISCLOSE:
   AYES: Torres, Caen, and Moran

24. Other new business
   None.

   President Torres adjourned the meeting at 4:08 PM.