SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA
Tuesday, January 28, 2014
NOTE EARLIER START TIME

11:00 A.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

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

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
**Disability Access:** The Public Utilities Commission meeting will be held in Room 400, at One 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.

The meeting room is wheelchair accessible. Accessible curbside parking spaces have been designated on the Van Ness Avenue and McAllister Street perimeters of City Hall for mobility-impaired persons. There is accessible parking available within the Civic Center Underground Parking Garage at the corner of McAllister and Polk Streets, and within the Performing Arts Parking Garage at Grove and Franklin Streets. To obtain a disability-related accommodation, including auxiliary aids or services, or to obtain meeting materials in alternative format, please contact Donna Hood at (415) 554-3165, or by emailing dhood@sfwater.org. Providing at least 72 hours notice will help to ensure availability. To assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

**Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code):** 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. Members of the public are not required to provide personal identifying information when they communicate with the Commission or the Department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the Department’s website or in other public documents.

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.

**CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code:** If the Commission’s action on a project constitutes the Approval Action for that project (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA determination prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action for a project that has received an exemption or negative declaration pursuant to CEQA. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Planning Department’s Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at http://www.sf-planning.org/index.aspx?page=3447. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or San Francisco Public Utilities Commission at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.
ORDER OF BUSINESS

1. Call to Order

2. Roll Call

3. Approval of the Minutes of January 14, 2014

4. Public Comments
   Members of the public may address the Commission on matters that are within the Commission’s jurisdiction and are not on today’s agenda.

5. FY 2014-15 and FY 2015-16 Budget Hearings
   a) Water Enterprise
      i. Water Presentation
      ii. Water Budget Summary
      iii. Water Operating Budget
      iv. Water 10-Year Capital and Programmatic Plans
      v. Water Financial Plan and Rates
   b) Wastewater Enterprise
      i. Wastewater Presentation
      ii. Wastewater Budget Summary
      iii. Wastewater Operating Budget
      iv. Wastewater 10-Year Capital and Programmatic Plans
      v. Wastewater Financial Plan and Rates
   c) Infrastructure
      i. Infrastructure Presentation
      ii. Infrastructure Budget Summary
   d) External Affairs/Business Services/General Manager
      i. Presentations
      ii. Budget Summaries

6. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Budget Hearing Follow-Up Questions and Responses to Date
   d) Quarterly Audit and Performance Review Report
      i. Crystal Springs Partners Follow-up Audit
      ii. FY 2012-13 SFPUC Comprehensive Annual Financial Report
      iii. FY 2012-13 SFPUC Popular Annual Financial Report
      iv. SFPUC Ratepayer Assurance Scorecard
      v. Bay Division Pipelines Nos. 3 & 4 Crossover Facilities Project
      vi. Hanson Aggregates Mid-Pacific, Inc., Follow-up Audit
   e) Quarterly Budget Report
   f) Water Supply Agreement Update

7. Other Commission Business
a) Water Supply Outlook

9. BAWSCA Update

The following matters before the San Francisco Public Utilities Commission are recommended for action as stated by the General Manager 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, 525 Golden Gate Avenue, 13th Floor, San Francisco, CA 94102, Telephone: (415) 554-3165, Fax: (415) 554-3424.

CONSENT CALENDAR

10. 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 Calendar and considered as a separate item.

a) Approve and award Agreement Nos. CS-258A-C, As-needed Sewer System Improvement Program and Hetchy System Improvement Program Environmental Services, to Environmental Science Associates/Orion Environmental Joint Venture (CS-258A), ICF Jones & Stokes, Inc./Panorama Environmental, Inc., Joint Venture (CS-258B), and URS Corporation (CS-258C), to provide environmental analyses, studies and reports; prepare resource agency documents and permit applications; and provide specialized natural resource and other environmental analysis and permitting support expertise and services; and authorize the General Manager to negotiate and execute three professional services agreements, for an amount not-to-exceed $4,850,000 each, for an aggregate amount not to exceed $14,550,000 and with a duration of five years per agreement. (Torrey)

b) Reject bid for Contract No. HH-963, Moccasin Control and Server Building, and authorize the General Manager to re-advertise the contract as Contract No. HH-963R to receive and evaluate bids and to return to the Commission with a recommendation for award. (Cruz)

c) Approve Modification No. 1 to Contract No. WD-2651R, Bioregional Habitat Restoration, SASS, and Upper San Mateo Creek, with Shimmick Construction Company, Inc., to delete the Sherwood Point and Upper San Mateo Creek sites, decreasing the contract by $1,240,818, for a total contract amount of $4,350,932. (Cruz)
d) Approve the plans and specifications, and award Contract No. WD-2670A, Cathodic Protection for 30-Inch, 36-Inch, 42-Inch, and 48-Inch Steel Pipe Transmission Main of University Mound System, in the amount of $640,300 to the lowest cost, qualified, responsible and responsive bidder, Azul Works Inc., to install 16 sacrificial anode systems to protect the existing steel mains. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Ritchie)

e) Approve the plans and specifications, and award Contract No. WD-2727, Peninsula Pipelines Seismic Upgrade, in the amount of $20,736,380, to the lowest cost, qualified, responsible and responsive bidder, Ranger Pipelines Inc., to provide seismic upgrades to the SFPUC’s potable water transmission pipelines that deliver water from the Harry Tracy Water Treatment Plant to the SFPUC’s regional water system through the San Andreas Pipeline No. 2, San Andreas Pipeline No. 3, and Sunset Supply Branch Pipeline. (Cruz)

f) Accept work performed by A. Ruiz Construction for Contract No. WW-488, As-Needed Main Sewer Replacement No. 1, for a total contract amount of $3,395,217 (consisting of $2,915,114 in sewer work funded by WWE and $480,103 in paving work funded by DPW Paving Program), and authorize final payment to the contractor. (Moala)

g) Accept work performed by J. Flores Construction, Inc., for Contract No. WW-555, Spot Sewer Repair Contract, for a total contract amount of $5,668,267, and authorize final payment to the contractor. (Moala)

REGULAR BUSINESS

11. Authorize the General Manager to enter into separate agreements to provide a Credit Facility authorized under 2002 Proposition E for the Wastewater Enterprise Commercial Paper Program with US Bank, NA, and Wells Fargo, NA, the lowest cost, responsive and responsible bidders to the SFPUC’s competitive Request for Proposals process. The agreements replace expiring agreements and provide $150,000,000 in available credit with total annual costs not-to-exceed $600,000 for a duration of up to three years. The General Manager is further authorized to select the next lowest cost, responsive and responsible bidder should either of the selected banks be unable to meet City contracting requirements or if negotiations are otherwise not successful. (Rydstrom)

12. Approve and award Agreement CS-365, Front Yard Ambassadors Program Grant, in the amount of $85,000, from the San Francisco Public Utilities Commission to Friends of the Urban Forest, for a term of one year, to manage the Front Yard Ambassadors Program. (Ellis)

13. Approve Agreement No. CS-371, and authorize the General Manager to solicit applications, negotiate and execute approximately 15-20 Youth Project Learning Grant agreements with selected local community based nonprofit organizations to
support disadvantaged San Francisco high school youth who will engage in SFPUC project-based service learning opportunities during the summer of 2014; the grants will have cumulative not-to-exceed amount of $350,000, with a duration of six months per agreement. (Ellis)

14. **Approve Amendment No. 1 to Agreement Nos. CS-925B-J**, Assembly Of Individual Eminent Industry Experts with Jack Moehle (CS-925B), Norman Abrahamson (CS-925C), IM Idriss (CS-925D), Thomas O’Rourke (CS-925E), Demetrious Koutsoftas (CS-925F), Greg Korbin (CS-925G), Michael O’Rourke (CS-925H), Douglas Nyman (CS-925I), Frank Rollo (CS-925J), for continued participation in Technical Advisor Roles and Task Force participation on an as-needed basis; **authorize** the General Manager to execute this amendment extending the contract duration for two years for a total agreement duration of seven years, and increasing the Agreement amounts of CS-925E (Thomas O’Rourke) and CS-925H (Michael O’Rourke) by $150,000 and $80,000, respectively, for total not-to-exceed agreement amounts of $510,000 and $240,000. (Cruz)

15. **Approve** the plans and specifications, and **award Contract No. WW-556**, Southeast Water Pollution Control Plant (SEP) Chemical System Relocation and Facility Upgrades, in the amount of $14,025,000, to the lowest cost, qualified, responsible and responsive bidder, NTK Construction Inc., to replace and relocate the secondary and primary effluent disinfection system, enhance odor control, and upgrade various aging mechanical and electrical systems at SEP. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Cruz)

16. **Hold a public hearing under California Water Code Section 10753.2 and possible action to adopt a resolution of intent to draft a Groundwater Management Plan** for the North Westside Groundwater Basin, located within the City and County of San Francisco. (Ritchie)

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

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

**CLOSED SESSION**

The Commission will go into Closed Session to discuss the following items:

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) (Cauley)

Existing Claim
State Farm Insurance Company
City Attorney Unlitigated Claim No:14-00387
Material terms of the proposed settlement of the unlitigated claim arising from a water main break in the vicinity of 15th Ave and Wawona are as follows: Payment of $80,759.31 in exchange for a full and final release of all liability.

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:
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

21. 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

22. 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

23. 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

24. 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

25. 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.

Following Closed Session, the Commission will reconvene in Open Session.
26. Announcement following Closed Session

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

28. Other new business

ADJOURNMENT