SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA
Tuesday, May 13, 2014

1:30 P.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
**Disability Access:** The Public Utilities Commission meeting will be held in Room 400, at One 1 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 April 22, 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. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Formal Protest Letters Received – Prop 218
   d) Status of Large Development Projects in the Water Service Area
   e) Quarterly Budget Status Report
   f) Quarterly Audit and Performance Review Report
      i. San Francisco Water Enterprise and Hetch Hetchy Water and Power, Statement of Changes in the Wholesale Revenue Balancing Account for the year ended June 30, 2013
      ii. State Board of Equalization, Sales & Use Audit Tax
      iii. NERC Compliance Self-Certification, March 2014
      iv. WECC/NERC Compliance Preparatory Audit, March 2014
   v. City and County of San Francisco, Federal Grants Audit for the year ended June 30, 2014
   g) WSIP Construction Change Order Summary
   h) Water Enterprise Capital Improvement Program Quarterly Report – Regional
   i) Water Enterprise Capital Improvement Program Quarterly Report – Local
   j) Water System Improvement Program Quarterly Report – Regional
   k) Water System Improvement Program Quarterly Report – Local

6. Other Commission Business

7. Report of the General Manager
   a) Water Supply Outlook (Ritchie)
   b) Water System Improvement Program Quarterly Update (Wade)
   c) Southeast Working Group Update (Ellis)
   d) Update on Mayor’s Proposed May 1st Budget (Rydstrom)

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.
CONSENT CALENDAR

8. 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 Agreement Nos. CS-324A-B**, Security Consulting and Design Services to CH2MHill Engineers, Inc., (CS-324A) and The Consulting Group, (CS-324B), to provide technical expertise in program/project management, construction management, project controls management, contract administration, and project engineering; and **authorize** the General Manager to negotiate and execute two professional services agreements for not-to-exceed amounts of $2,000,000 each, and with a duration of three years per agreement. (Cruz)

b) **Approve** an increase in the construction contract cost contingency for **Contract No. WD-2661**, As-Needed Integration Services, in the amount of $600,000, and an increase in the contract duration of up to 297 consecutive calendar days. **Authorize** the General Manager to approve future modifications to the contract for a total revised contract amount up to $1,938,416, for a total revised contract duration up to 1,501 consecutive calendar days. The increase is due to the additional WSIP sites requiring security installation and purchase of equipment, and additional on-site work to be performed. (Cruz)

c) **Approve** submission of an **attestation of veracity for the San Francisco Public Utilities Commission 2013 Power Source Disclosure Report** to the California Energy Commission, a report required by State law to disclose the electricity sources used to serve the SFPUC’s end-use electric customers. (Hale)

d) **Approve** Amendment No.3 to **Agreement No. CS-915R**, Sunol Valley Regional Construction Management Services, with CH2M HILL for ongoing construction management services associated with the San Antonio Backup Pipeline and two Bioregional Habitat Restoration projects; and **authorize** the General Manager to negotiate and execute an amendment increasing the Agreement by a not-to-exceed amount of $500,000 to a total not-to-exceed agreement amount of $19,500,000, with no change to the duration. (Cruz)

REGULAR CALENDAR

9. **Public Hearing to consider and adopt schedules of rates, fees and charges of the** San Francisco Public Utilities Commission **Retail Water Enterprise for retail water service in San Francisco and suburban areas** to be effective with meter
readings beginning July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Rydstrom)

10. **Public Hearing to consider and adopt schedules of rates, fees and charges of the** San Francisco Public Utilities Commission Wastewater Enterprise for retail wastewater service in San Francisco and suburban areas **to be effective with meter readings beginning July 1, 2014, July 1, 2015, July 1, 2016 and July 1, 2017. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31.** (Rydstrom)

11. **Public Hearing to consider and adopt water and wastewater capacity charges for new service, increased service or a change in service provided by the Water and Wastewater Enterprises of the San Francisco Public Utilities Commission, effective on or after July 1, 2014. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31.** (Rydstrom)

12. **Public Hearing to consider and adopt the connection fees and miscellaneous fees and charges related to the provision of water service within and outside the City and County of San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31.** (Rydstrom)

13. **Consider and adopt the proposed Wholesale Revenue Requirement and rate schedule for FY 2014-15,** as applied to meter readings on or after July 1, 2014. This rate schedule reflects the terms of the 2009 Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers, which was approved on April 28, 2009 by Commission Resolution No. 09-0069. (Rydstrom)

14. **Public Hearing to consider and possible action to adopt the Hetch Hetchy 10-Year Financial Plan for FY 2014-15 through FY 2023-24.** (Rydstrom)

15. **Public Hearing to consider and possible action to adopt the Hetch Hetchy 10-Year Capital Plan for FY 2014-15 to FY 2023-24.** (Rydstrom)

16. **Public Hearing to consider the adoption of the two-year Capital Budget, and Supplemental Appropriation for the Hetch Hetchy Water and Power, including the Power Enterprise of the San Francisco Public Utilities Commission for FY 2014-15 and FY 2015-16; and Authorize and direct the General Manager to submit to the Board proposed Ordinance authorizing: (1) the issuance of not to exceed $268,624,656 aggregate principal amount of Water Revenue Bonds provided, however, the issuance of such Bonds shall be subject to the terms of Proposition E; and (2) the issuance of not to exceed $136,687,928 aggregate principal amount of Power Revenue Bonds, subject to the terms of Charter Section 9.107(8).** (Rydstrom)
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) (3) and San Francisco Administrative Code Section 67.10 (d) (2)  
   (Ambrose)
   Anticipated Litigation as Plaintiff

20. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8 (a) (2)  (Ambrose)
   
   Property:
   San Francisco Reservoir Tract, bounded by Hyde, Larkin and Bay Streets, in San Francisco
   
   Persons Negotiating:
   Harlan Kelly, Jr., San Francisco Public Utilities Commission
   Phil Ginsburg, San Francisco Recreation and Park Department
   Under Discussion: Proposed Terms of Payment and Price

21. Conference with Legal Counsel - Pursuant to California Government Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  (Ambrose)
   
   Existing Litigation
   Raymond A. Moreno and Audrey Schambach-Moreno
   City Attorney Litigated Case No.: CGC-14-538471 / Date Filed: April 7, 2014

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)  (Ambrose)
   
   Existing Litigation:
   Joseph Luebberke v. City and County of San Francisco  
   San Francisco Superior Court Case No.: CGC-11-507528  
   City Attorney File: 111418 / Date Filed: January 21, 2011

23. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)  (Ambrose)
   
   Existing Claim:
   Pacific Gas & Electric Company, v. City and County of San Francisco  
   San Francisco Superior Court Case No.: CGC-11-507528  
   City Attorney Claim No: 13-02775 / Date Filed: May 28, 2013
24. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) (Mueller)

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

25. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) (Mueller)

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

26. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) (Mueller)

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

27. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code 67.10 (a) (Barrett)

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

Following Closed Session, the Commission will reconvene in Open Session

28. Announcement following Closed Session.

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

30. Other new business.

ADJOURNMENT
NOTICE OF PUBLIC HEARINGS

NOTICE OF PUBLIC HEARINGS Tuesday, April 22, 2014 – 1:30 PM City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, at a Regular Meeting of the SAN FRANCISCO PUBLIC UTILITIES COMMISSION; and, Tuesday, May 13, 2014 – 1:30 PM City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, at a Regular Meeting of the SAN FRANCISCO PUBLIC UTILITIES COMMISSION: Public Hearing, discussion and possible action to adopt the proposed water and wastewater rates and charges for customers of the San Francisco Public Utilities Commission. The detailed agenda and related files will be available at least 72 hours before the scheduled meetings at the SFPUC website www.sfwater.org, or by calling (415) 554-3165.
NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING Tuesday, May 27, 2014 – 1:30 PM City Hall, Room 250, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, at a Special Meeting of the San Francisco Public Utilities Commission, the governing board of the publicly owned electric utility operations of the City and County of San Francisco: Public hearing, discussion, and possible action to adopt the schedules of rates, fees and charges for furnishing power to municipal departments of the City and County of San Francisco and other public or governmental agencies, as applied to meter readings on or after July 1, 2014. The detailed agenda and related files will be available at least 72 hours before the scheduled meetings at the SFPUC website www.sfwater.org, or by calling (415) 554-3165.