SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
City and County of San Francisco

Edwin M. Lee  
MAYOR

AGENDA  
Tuesday, April 22, 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  
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 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 March 25, 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) Departmental Climate Action Plan Annual Report
   d) SFPUC Response to BAWSCA’s Perspective on the Regional Water System Improvement Program Implementation at the 10-Year Point
   e) Formal Protest Letters Received – Prop 218
   f) Materials and Community Feedback for Proposed Rates Package
   g) Water Supply Agreement Update

6. Other Commission Business

7. Report of the General Manager
   a) Water Supply Outlook (Ritchie)

8. BAWSCA Update (Sandkulla)

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

9. 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** the plans and specifications, and **award** Contract No. WD-2667, 8-inch Ductile Iron Water Main Installation and Pavement Renovation of Mission Street, **in the amount of $2,991,880** to the lowest, qualified, responsible and responsive bidder, Hernandez Engineering. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. 

   (Bajwa)

b) **Accept** work performed by Steve P. Rados, Inc. for **Contract No. WD-2665**, Bay Division Reliability Upgrade Project – Bay Division Pipeline No. 5, Cordilleras Micro-tunnel, for a **total contract amount of $5,685,764**; **Approve Modification No. 8 (Final)**, for a time extension of 366 consecutive calendar days and a total contract duration of 719 consecutive calendar days; and **authorize** final payment to the contractor. 

   (Bajwa)

c) **Approve Modification No. 4 to** Contract No. WW-541, Southeast Water Pollution Control Plant Oxygen Generation Plant Replacement, with NTK Construction Inc., to account for noise compliance issues that are affecting the start-up of the new oxygen generation plant, **increasing the contract duration by 180 consecutive calendar days**, for a total contract duration of 569 consecutive calendar days, with no change to the contract amount. 

   (Henderson)

d) **Accept** work performed by Harty Pipelines for **Contract No. WW-553**, As-Needed Main Sewer Replacement, for a **total contract amount of $2,444,174**, and with a **total contract duration of 365 consecutive calendar days**; and **authorize** final payment to the contractor. 

   (Henderson)

e) **Approve** the plans and specifications, and **award** Contract No. WW-559R, Fixed Gas Monitoring System Upgrades, **in the amount of $2,484,000**, to the lowest, qualified, responsible and responsive bidder, U.S. Electric Technologies Inc., to selectively demolish the existing deficient fixed gas monitoring systems and furnish and install new fixed gas monitoring systems to the WWE Distributed Control System for remote monitoring at Southeast Plant, Bruce Flynn Pump Station, Oceanside Plant and Westside Pump Station facilities. 

   (Henderson)

f) **Adopt the 2013 San Francisco Bay Area Integrated Regional Water Management Plan**. The proposed action is the Approval Action as defined in the San Francisco Administrative Code Chapter 31. 

   (Ritchie)

g) **Authorize** the General Manager to submit on behalf of the City and County of San Francisco, **an application to the Metropolitan Transportation Commission** for $1,000,000 in funding for the Southern Skyline Boulevard Ridge Trail Extension Project on the Peninsula Watershed in San Mateo County through the Priority Conservation Area Grant Fund Program, and commit the required matching funds in the amount of $3,000,000, and state the SFPUC’s assurance to complete the project subject to necessary review under the California Environmental Act. 

   (Ritchie)
h) **Approve the Water Supply Assessment for the proposed University of California, San Francisco Long Range Development Plan**, pursuant to the State of California Water Code Section 10910 et seq. and California Environmental Quality Act Section 21151.9 and CEQA Guidelines Section 15155. (Ritchie)

i) **Approve** the terms and conditions and **authorize** the General Manager to execute a **five-year revocable license to the City of Milpitas** to use approximately 157,600 square feet for public street crossings and surface street improvements on the SFPUC property at Escuela Parkway in Milpitas, California for no annual use fee, and to revoke former permits. (Russell)

j) **Approve** the terms and conditions and **authorize** the General Manager to execute a **five-year revocable license to 42186 Palm Avenue Developers LLC** to use portions of SFPUC Parcels 10, 11 and 13 to install and maintain three paved roads for a $7,500 fee. (Russell)

**REGULAR CALENDAR**

10. **Approve** an **increase in the construction contract cost contingency for Contract HH-954R2**, Early Intake Switchyard Refurbishment Phase I with Communication Services Inc., **in the amount of $605,000**, and an **increase in the contract duration of up to 77 consecutive calendar days**. **Authorize** the General Manager to approve **future modifications** to the contract for a total revised contract amount up to $3,860,894, for a total revised contract duration up to 333 consecutive calendar days. The increase is due to design changes and differing site conditions that were required to meet performance of the switchyard. (Ritchie)

11. **Public Hearing: Discussion and possible action to approve** the project-level scope, schedule and budget of the **March 2014 Revised Water System Improvement Program** and direct staff to send a **Notice of Change Report** to the California Joint Legislative Audit Committee, the California Department of Public Health and the California Seismic Safety Commission in compliance with California Assembly Bills 1823 and 2437, and **authorize** the General Manager to seek Board of Supervisors’ **approval for the re-appropriation of existing funds** between the pre-designated funding categories as needed to match the project-level budget allocations specified in the proposed March 2014 Revised WSIP. (Bajwa)
   - 30 Day WSIP Notice of Change
   - Summary of WSIP Budget and Schedule Changes Since 2003
   - Staff Presentation

12. **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
13. 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)

14. 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)

15. 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)

16. Presentation by the Rate Fairness Board: Report on proposed rates, fees and charges for retail water service and retail wastewater service, water and wastewater capacity charges and miscellaneous fees and charges. (Cheng)

17. Presentation and discussion regarding proposed Wholesale Revenue Requirement and rate schedule for FYE 2015. (Rydstrom)

18. 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)

19. 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)

20. 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)
21. Public Comments on Matters to be discussed in Closed Session.

22. 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:

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) (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

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-13-529310
City Attorney File No. 0000657
Date Filed 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:
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

26. 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

27. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8 (a) (2)

Property:
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

28. 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

29. Announcement following Closed Session.

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

31. 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.