1. Call to Order  
Vice President Caen called the meeting to order at 1:41PM.

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

3. Approval of the Minutes  
a) May 27, 2014 Special SFPUC Regular Meeting  
b) May 27, 2014 Special Joint Meeting with the Commission on the Environment  

On Motion:  
Ayes: Caen, Vietor, and Moran

4. Public Comments  
- Dr. Espanola Jackson commented on the joint meeting. She provided documents to the Commission Secretary for distribution regarding item 12.  
- Mr. Francisco DaCosta thanked the Commission for the joint meeting. He stated the outreach related to the SSIP needs to be evaluated and linked to WSIP.  
- Ms. Ann Clark, Friends of Camp Mather, stated that Camp Mather is open and provides educational opportunities. She noted the Tuolumne River Trust’s “Paddle to the Sea”. She discussed an Orange County Register story about Water, including Hetch Hetchy.  
- Mr. Erik Rice, SFUSD, discussed the experience of 10th grade John O’Connell students who were taken to Camp Mather for educational opportunities.  
- Mr. Josue Alcocar, John O’Connell student, stated that the trip to Camp Mather was an amazing experience and that he hated to leave.

5. Communications  
a) Advance Calendar  
b) Letter Summary  
c) Controller’s Office Ratepayer Assurance Certification, FY 2014-15 and 2015-16 Proposed Budget  
d) Real Estate Services Report  
e) Water System Improvement Program Risk Management Program  
f) Response to Commissioner Question of Adopted Policies  
g) Annual Electric Resource Plan Update  
h) GoSolarSF and CleanPowerSF Programs  

Commissioner Moran indicated that the Ratepayer Assurance Certification is useful. He stated item 5f fell short and didn’t address all of the policies. He will be working with Mr. Rydstrom on a revised report. He requested the report be provided before staff gets deep into the budget process. He noted that many items listed on the Advance Calendar have been outstanding for over a year and that they need to be addressed.
Commissioner Vietor thanked staff for the CCA/GoSolar memo. At her request, General Manager (GM) Kelly provided a brief update on the budget process, as it relates to CCA. He stated conversations with the Board of Supervisors and Mayor’s office continue. Brief discussion ensued on the budget and other CCA programs. It was noted a CCA Workshop would be held June 24, 2014.

Vice President Caen concurred with Commissioner Moran on the need to update the Advance Calendar, specifically mentioning the need for a Sewer Inspection Update.

Vice President Caen stated that no action has been taken regarding real estate. She asked Deputy General Manager (DGM) Michael Carlin for next steps, which he offered.

Commissioner Torres arrived at 2:00 PM.

Public Comment
- Mr. Francisco DaCosta requested that a CCA chronological timeline be placed on the SFPUC website. He stated there needs to be transparency and accountability.
- Dr. Espanola Jackson spoke on 1800 Oakdale and City College of San Francisco, and stated that citywide sewage is diverted to the Southeast Plant.

6. Other Commission Business
None.

7. Report of the General Manager
   a) Water Supply Outlook
      Mr. Steve Ritchie, Assistant General Manager (AGM), Water provided a brief update on the water supply. He stated that current reservoir storage is at 65 percent of maximum and that the water bank is working. He indicated the 10 percent reduction in demand needs to be met, and that demand response has been variable since January 31st, and is improving.

      AGM Ritchie continued, discussing reservoir storage levels; cumulative precipitation expected to stay flat; snowpack has melted; and Hetch Hetchy Reservoir is close to full while the Don Pedro water bank is severely depleted. Discussion ensued on the Water Board curtailment notice. Commissioner Vietor requested that the Commission be kept informed on matters related to water rights. Brief discussion continued on water rights.

   b) Earthquake Safety and Emergency Response Bond
      DGM Carlin presented on the Earthquake Safety Bond, which was passed in June. He distributed a Bond Fact Sheet and discussed the breakdown of the bond’s function and budget, noting the AWSS and associated funding, which will be included in the 10-Year Capital Program. Brief discussion ensued on
addressing climate issues. DGM Carlin noted that the bond is an emergency response bond, not just an earthquake safety bond.

Public Comment
- Mr. Francisco DaCosta discussed the Raker Act and the use of water. He stated that the recycling of gray water should be mandated.
- Ms. Nicole Sandkulla, BAWSCA, spoke on the water supply presentation and expressed support for the 10 percent voluntary reduction in use, noting the reduction levels achieved by her agencies.

8. CONSENT CALENDAR
a) Approve the selection of and award Agreement Nos. CS-390[G]A and CS-390[G]B to Climate Action Now (CS-390[G]A for $115,000); and Friends of the Urban Forest; (CS-390[G]B for $110,000) to implement the Sidewalk Garden Project to remove impervious concrete and plant storm water friendly sidewalk gardens; and authorize the General Manager to negotiate and execute the two grant agreements for amounts not-to-exceed a combined total of $225,000, and with a duration of one year, six months per agreement. (Resolution 14-0091)

b) Accept work performed by Shaw Pipeline, Inc. for Contract No. WW-508, Bayview/Hunters Point Districts Sewer Replacement/Rehabilitation and Pavement Renovation; Approve Modification No. 1 (Final), decreasing the contract by $18,991, for a total contract amount of $2,516,035 (of which $1,711,869 is funded by WWE and $804,166 is funded by DPW), and with a time extension of 38 consecutive calendar days for a total contract duration of 278 consecutive calendar days; and authorize final payment to the contractor. (Resolution 14-0092)

c) Approve the terms and conditions and authorize the General Manager to execute a 12-month revocable license to Union Sanitary District, an independent special district, to use approximately 1,600 square feet of property adjacent to Farwell Drive and Flamingo Lane in Fremont, California, on a portion of SFPUC Parcel No. 1216-1 for a temporary above-ground bypass sewer and construction staging for a one-time use fee of $1,557. (Resolution 14-0093)

Public Comments
None.

On Motion:
Ayes: Caen, Vietor, Torres and Moran

9. Approve the selection of Communication Services, Inc., and award Agreement No. DB-124, San Joaquin Valley Communication System Upgrade, a Design-Build Agreement (DBA) for design, construction, and commissioning of a 20-site microwave communications backbone system from Calaveras Substation to Moccasin Peak; and authorize the General Manager to execute a DBA consistent
with the requirements of Section 6.61(G) of the San Francisco Administrative Code, for an amount up to $6,990,959. (Resolution 14-0094)

Mr. Jeet Bajwa, Project Management Bureau, introduced the item stating just one bid was received.

Public Comments
None.

On Motion:  
Ayes: Caen, Vietor, Torres and Moran

10. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, an Amendment to the 2010 Programmatic Memorandum of Agreement (MOA) with Alameda County relating to the Town of Sunol Fire Suppression System Project. There is no cost associated with this proposed amendment. (Resolution 14-0095)

AGM Ritchie provided a brief introduction of the item noting it is a minor amendment to the programmatic MOA.

Public Comments
None.

On Motion:  
Ayes: Caen, Vietor, Torres and Moran

11. Approve the terms and conditions and authorize the General Manager to execute a five-year revocable license to The Irvine Company, LLC to use approximately 34,960 square feet of SFPUC Parcel 173, located at Almanor and North Mary Avenues in Sunnyvale, California for parking and landscaping, for a use fee of $1,781.53 per month. (Resolution 14-0096).

Mr. Tony Bardo, SFPUC Real Estate Services, provided a brief introduction of the item.

Public Comments
None.

On Motion:  
Ayes: Caen, Vietor, Torres and Moran

12. Discussion and possible action to authorize the General Manager to consent, on behalf of the SFPUC, to the Development Agreement between the City and County of San Francisco and Visitacion Development, LLC, and adopt findings,
pursuant to the California Environmental Quality Act and a Mitigation and Monitoring and Reporting Program.

DGM Carlin introduced the item, indicating the development agreement has been in the works for a number of years, noting the 20 acre site that has been abandoned since 1999. He stated the development will have approximately 1,600 dwellings and mixed use retail. He briefly described the development process.

In response to a question from Commissioner Vietor regarding SFPUC being the electrical provider, DGM Carlin stated that the power price charged could be retail or commercial, since it is a mixed-use site.

Public Comments

- Dr. Espanola Jackson stated that there are no agreements in place. She requested that the Commission hold off on voting until the next meeting. She stated that it is a Super Fund toxic site. She distributed documents for the Commission.
- Mr. Francisco DaCosta stated that the Commission needs to carefully evaluate projects that are brought before them and provided his thoughts on the development project. Mr. DaCosta stated that the Precautionary Principle needs to be applied.

Mr. Ken Rich, Mayor’s Office of Workforce and Economic Development, stated this is one of the last areas considered for redevelopment, and that the project was well advanced when the redevelopment agencies were eliminated by the Governor. He noted the project is a high priority for the Mayor. He continued, discussing the background of the project and the financial needs for completion. He noted that 1,600 additional housing units will become available for middle income residents. He discussed the developers work with the State on remediation.

Mr. Johnathan Scharfman, GM, Universal Paragon Corporation, stated they have worked closely with the City and the community on the project. He noted the $20M investment in remediation efforts, which were under the supervision of the State’s Department of Toxic Substance and Control (DTSC), and in consultation with various City agencies and the community. He discussed the development of the remedial action plan, stating it was acted on in 2009 with the demolition of the buildings on the site and with soil and groundwater remediation. He discussed EIR documentation of the remediation activities. He discussed contamination issues at the site, stating that it is not a Superfund Site. He further noted remediation reviews and actions that have taken place under the supervision of DTSC.

In response to a question from Commissioner Vietor regarding groundwater testing, Mr. Scharfman stated that the groundwater remediation program testing occurred as required by DTSC.
In response to a follow-up question from Commissioner Moran, Mr. Scharfman detailed the injection process (biological) and discussed site-specific mitigation in the development agreement. Deputy City Attorney Ambrose noted that the mitigation measures included for approval require that the developer comply with measures specifically required for groundwater and soil contamination, and that those measures are approved by the DTSC, Regional Water Quality Control Board, and the San Francisco Department of Public Health.

In response to a question from Commissioner Moran, Mr. Scharfman stated that restrictions under DTSC regulations prohibit the use of groundwater for potable use. Discussion continued on the groundwater testing. AGM Ritchie noted there was no connecting between the Westside aquifer and the proposed project. Discussion continued on contamination, groundwater and soil conditions, mitigation, and DTSC capping requirements.

- Mr. Francisco DaCosta offered additional comments on contamination and groundwater. He asked that quality of life issues be addressed and said that the watershed is polluted.

Commissioner Moran stated that there is concurrence on the basic issues, but his outstanding question is the adequacy of the work of DTSC and their oversight role as per the development agreement.

GM Kelly stated he wants workers digging in the area and future occupants to be safe and discussed the Commission’s role in the project approval process.

Deputy City Attorney Noreen Ambrose stated that the question of pre-existing hazardous materials have been addressed in EIR, which has specific mitigation measures that were identified by the Planning Department. She stated those findings are before the Commission for consideration. She stated that the SFPUC is being asked to approve the specifications to build, operate, and maintain the infrastructure. She further explained the process and clarified the Commission’s role.

Mr. Scharfman offered clarifying points for DTSC regulations and stated that soil and groundwater management plans are necessary. He referred to the Sunnydale Sewer extension project by the SFPUC which is located under the site, and cooperation with SFPUC on managing site conditions during construction.

Vice President Caen asked the GM if the item should be continued to the next meeting. DGM Carlin responded, stating that the request being made of the Commission is for the approval of the development agreement, which allows the developer to continue working and allows the project to proceed and secure necessary permits and approvals.
GM Kelly indicated that the Mayor would like the project expedited. He asked what additional information the Commission would like. Commissioner Vietor indicated she would like to see more information from an environmental perspective.

Brief discussion ensued on the Commission’s jurisdiction regarding. Mr. Rich stated that the DTSC has been involved in the project for 14 years and that every public process has been followed. DGM Carlin indicated that an EIR has been conducted and the issues raised have been addressed in the EIR.

- Dr. Espanola Jackson provided additional comments on this subject.

Vice President Caen moved to continue item to June 24, 2014. Commissioner Vietor seconded.

On Motion to continue item until June 24, 2014:
Ayes: Caen, Vietor and Moran
No: Torres

Commissioner Vietor requested that Mr. Rich provide additional details on issues that were raised regarding possible contamination of the groundwater, the soil, and for the protection of workers and residents. Mr. Rich noted he would have representatives from the Department of Public Health and/or DTSC come to the next meeting. Brief discussion ensued on the request. Mr. Rich will work with SFPUC staff to ensure questions are addressed prior to the next meeting.

Commissioner Torres changed his vote to “Aye”.

The Commission Secretary read the Closed Session items, noting that item 19 was removed from the calendar.

13. Public Comments on Matters to be discussed in Closed Session.
None.

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

On Motion TO assert:
Ayes: Caen, Vietor, Torres and Moran

The Commission entered Closed Session at 3:35 PM.

CLOSED SESSION

15. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (3) and San Francisco Administrative Code Section 67.10 (d) (2) Anticipated Litigation as Plaintiff
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:   
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

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 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

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:   
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

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.   

The Commission exited Closed Session at 4:06 PM.

20. Announcement following Closed Session.   
Vice President Caen announced that no action was taken on Closed Session items.

21. Motion regarding whether to disclose the discussions during Closed Session.   
On Motion NOT to disclose:   
Ayes: Caen, Vietor, Torres and Moran

22. Other new business.   
None.

Vice President Caen adjourned the meeting at 4:07 PM.