SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA
Tuesday, August 12, 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: soff@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 July 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) Quarterly Audit and Performance Review Report
      i. Citywide Construction Audit: Adopting Leading Practices Could Improve the City’s Construction Contractor Bid Pool
      ii. SFPUC: Results of CY 2013 Controller’s Office Post Audit & Continuous Monitoring Program
   d) Quarterly Budget Status Report
   e) Street Light Program Update
   f) Water Enterprise Capital Improvement Program Quarterly Report – Regional
   g) Water Enterprise Capital Improvement Program Quarterly Report – Local
   h) Water System Improvement Program Quarterly Report – Regional
   i) Water System Improvement Program Quarterly Report – Local
   j) Water System Improvement Program Status of Construction Change Orders

6. Other Commission Business

7. Report of the General Manager
   a) Rim Fire Recovery Update (Carlin/Rydstrom)
   b) Water System Improvement Program Quarterly Update (Wade)
   c) Water Supply Outlook (Ritchie)

8. Southeast Plant Biosolids Digesters Facilities Project Update (Cruz)

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.
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** Amendment No. 1 to [Contract No. CS-245](#), Technical Support Services, HHWP, North American Electrical Reliability Corporation Regulatory (NERC) Standards – Critical Infrastructure Protection, with Grid Subject Matter Experts, LLC, to provide the HHWP Division with NERC audit and compliance consulting as it relates to Federal Energy Regulatory Commission Order No.’s 693 and 706; and **authorize** the General Manager to execute this amendment, **increasing the agreement by $2,000,000**, for a total not-to-exceed agreement amount of $3,500,000, with no time extension. (Ritchie)

b) **Approve** Amendment No. 2 to [Agreement No. CS-941](#), Job Order Contract Implementation Services, to provide a SFPUC customized job order contracting system with The Gordian Group; and **authorize** the General Manager to negotiate and execute an amendment for a **time extension up to one year**, for a total agreement duration of seven years, with no change to the contract amount. (Cruz)

c) **Adopt required California Environmental Quality Act Findings; Approve** the plans and specifications, and **award** [Contract No. WD-2686](#), Auxiliary Water Supply System (AWSS) Pumping Station No. 1 Improvements (2014), **in the amount of $7,847,000**, to the lowest, qualified, responsible and responsive bidder, NTK Construction, Inc., to construct various structural, architectural, mechanical, electrical, and instrumentation & control system improvements at the AWSS Pumping Station No. 1 facility. This would be the Approval Action for purposes of Administrative Code Chapter 31. (Cruz)

d) **Accept** work performed by Harty Pipelines for [Contract No. WW-551](#), 18th/19th/Carolina/Connecticut/Indiana/Minnesota/Texas and Wisconsin Streets Sewer Replacement, **for a total contract amount of $2,322,313** and with a total contract duration of 222 consecutive calendar days; and **authorize** final payment to the contractor. (Moala)

e) **Accept** work performed by Shaw Pipeline Inc. for [Contract No. WW-442](#), Mason & Powell Streets Sewer System Improvement and Pavement Renovation; **approve** Modification No. 2 (Final), **decreasing the contract by $152,395**, for a total contract amount of $4,913,412, and with a **time extension of 31 consecutive calendar days**, for a total contract duration of 361 consecutive calendar days; and **authorize** final payment to the contractor. (Moala)
10. **Authorize** the General Manager to impose **mandatory restrictions**, as required pursuant to the State Water Resources Control Board’s Emergency Regulations, **on outdoor irrigation** by **reducing all outdoor irrigation of ornamental landscapes or turf with potable water** by retail customers by at least 10%; and **presentation and discussion of proposed excessive use charges** applicable to the approximately 1600 retail potable water irrigation accounts, **for Commission action at the August 26, 2014 meeting.** (Ritchie)

11. **Approve** Project No. CUW30103 **Regional Groundwater Storage and Recovery Project**: **Adopt** the required California Environmental Quality Act Findings, including a Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program; and **authorize** the **General Manager to implement the Project**, and subject to Board of Supervisors approval where required, including the following:

   a. In compliance with Government Code Section 7260 et seq., undertake the process for possible acquisition and condemnation if necessary, for an estimated combined purchase price not to exceed $1,500,000, of interests (temporary or permanent) in real property located in San Mateo County, as follows: (1) Assessor's Parcel # 002-410-050 in Daly City, owned by Lake Merced Golf and Country Club, (2) Assessor's Parcels # 002-072-240, -250 and 002-201-650 in Daly City, owned by West Lake Associates/John Daly Blvd Assoc., (3) Assessor's Parcels #006-111-540 and 006-111-460 in Daly City, owned by Jefferson Elementary School District, (4) Assessor's Parcel # 008-421-120 in Colma, owned by TSE Serramonte L.P., and leased by Kohl's Department Stores, (5) Assessor's Parcels (unknown) for property owned by BART/SAMTRANS in South San Francisco, (6) Assessor's Parcel # 010-212-100 in South San Francisco, owned by Costco Wholesale Corporation, (7) Assessor's Parcel # 093-331-080 in South San Francisco, owned by the City of South San Francisco, (8) Assessor's Parcel # 010-292-210 in South San Francisco, owned by Kaiser Foundation Hospitals, (9) Assessor's Parcel # 093-220-010 in Millbrae, owned by the San Francisco Public Utilities Commission (SFPUC) and leased by OSH/Lowes Corporation, and (10) Assessor's Parcel # 014-320-010 in San Bruno, owned by the U.S.A.

   b. Negotiate and execute Memoranda of Agreement with the City of South San Francisco, Town of Colma, Lake Merced Golf Club, and Jefferson Elementary School District regarding construction and operation of Project well facilities on their respective properties.

   c. Negotiate and execute an Operating Agreement with the City of Daly City, the City of San Bruno, and California Water Service Company.

   d. Negotiate and execute Mitigation Agreements with Cypress Lawn Memorial Park Cemetery; Eternal Home Cemetery; Hills of Eternity/Home of Peace/
Salem Cemeteries; Holy Cross Catholic Cemetery; Italian Cemetery; Olivet Cemetery; and Woodlawn Cemetery in Colma, and the California Golf Club in South San Francisco, and to seek Board of Supervisors approval of the Mitigation Agreements under Charter section 9.118.

e. Negotiate and execute an amendment to the 2009 Water Supply Agreement with the SFPUC's wholesale water customers regarding the delivery of replacement water from the Regional Water System as an interim mitigation action to irrigators overlying the South Westside Basin.

f. Negotiate and execute a wheeling agreement with California Water Service Company for the delivery of replacement water to irrigators overlying the South Westside Basin as an interim mitigation action.

g. Obtain permits or approvals from State regulatory agencies, including but not limited to: California Department of Public Health, Regional Water Quality Control Board, State Water Resources Control Board, Bay Area Air Quality Management District, State Historic Preservation Officer, and California Department of Fish and Wildlife.

h. Obtain additional permits or approvals as needed, including without limitation, from the California Department of Transportation; County of San Mateo; Town of Colma; and cities of Daly City, Millbrae, San Bruno, and South San Francisco.

Implementation actions will include advertising for construction bids for the Project. However, the Commission will consider award of the construction contracts at a future public meeting. (Wade)

12. Public Comments on Matters to be discussed in Closed Session.

13. 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:

14. 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
15. 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

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) (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

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) (Milstein)

Existing Litigation:
Justin Neisuler v. City and County of San Francisco, et al
San Francisco Superior Court Case No.: CGC-12-526598
City Attorney File No.: 130668 / Date Filed: December 4, 2012

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) (Milstein)

Existing Litigation:
City and County of San Francisco v. Sunol Valley Golf and Recreation Company
Alameda Superior Court Case No.: RG14729649
City Attorney File No.: 131321 / Date Filed: June 18, 2014

19. 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

20. Announcement following Closed Session.

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

22. Other new business.

ADJOURNMENT
NOTICE OF PUBLIC HEARING Tuesday, August 26, 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, the governing board of the publicly owned utility operations of the City and County of San Francisco: Public hearing, discussion, and possible action to adopt a schedule of rates, fees and charges for excessive use of water on ornamental landscaping and turf, applicable only to approximately 1600 potable water irrigation account holders. 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.