SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, July 22, 2014
As Approved on 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
1. **Call to Order**
   President Courtney called the meeting to order at 1:38 PM.

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

3. **Approval of the Minutes of July 8, 2014**
   On Motion
   Ayes: Courtney, Vietor, Moran and Torres

   Public Comment
   None.

   President Courtney called Item 8a out of order. General Manager (GM) Kelly, Jr., provided a brief background on legislation introduced by Supervisor Scott Weiner.

4. **Report of the General Manager**
   a) **Discussion Item: Proposed Legislation Sponsored by Supervisor Weiner:**
      Administrative Code – Providing Electric Power to City Departments and New Developments

      Supervisor Weiner thanked the GM and staff for their assistance. He briefly discussed the legislation that he and Supervisor Breed are sponsoring, which will help the SFPUC address the lack of retail customers. He noted the ordinance will provide the SFPUC with the first right of refusal to be the power provider for new developments in San Francisco. He stated that discussions continue with staff regarding language for the legislation.

      Commissioner Torres thanked Supervisor Weiner for his assistance. Brief discussion ensued regarding the type and scale of developments that will be included in the legislation. GM Kelly stated that work continues with the Supervisor on details.

      Commissioner Vietor asked how the legislation fits into CCA. Supervisor Weiner stated that it is not mutually exclusive and the legislation does not impact CCA.

      Public Comment
      Mr. Francisco DaCosta stated that a needs assessment should be done before the legislation is passed.

      President Courtney suspended Item 8.

4. **Public Comments**
   - Mr. Francisco DaCosta spoke on the water break at Union Square and stated that city agencies need to work closely with contractors who are working near water pipes. He expressed comments on the drought and water consumption.
5. **Communications**  
   a) [Advance Calendar](#)  
   b) [Letter Summary](#)  
   c) [Sewer Inspection and Replacement Update](#)  
   d) [Water Supply Agreement Update](#)  

*Public Comment*  
None.

6. **Other Commission Business**  
None.

7. **Staff Presentation and Discussion: Sewer System Improvement Program**  
*Communications 2013 Annual Report*  
Ms. Juliet Ellis, Assistant General Manager (AGM), External Affairs, introduced the item. She then introduced Ms. Maureen Barry, Coordinator of Citizen Involvement.

Ms. Barry discussed communications efforts, describing: 2013 Main Outreach Efforts; Principles of Engagement; Traditional and Innovative Engagement; 2013 Outreach map; Building a following; and the “Learn About Me” Campaign. Ms. Barry concluded by providing a review of partnerships and various projects, noting the importance of education. She stated that the goal is to build relationships and support for the project, and that outreach efforts will continue.

President Courtney asked that staff explain the difference between the types of partnerships – public entities versus private entities – and the work, opportunities, and responsibilities of each, which AGM Ellis provided. Brief discussion ensued.

Mr. Tyrone Jue, Communications Director, continued, discussing communications and outreach efforts. He thanked staff for their work and the Commission and management for their support.

GM Kelly provided closing comments, noting the SFPUC’s efforts are highly visible and provide the opportunity to educate and engage the public.

*Commissioner Vietor departed the meeting at 2:30 PM.*

*Public Comment*  
- Mr. Francisco DaCosta spoke on the SSIP Task Force and media techniques.

8. **Report of the General Manager**  
   b) [Water Supply Outlook](#)  
   GM Kelly introduced the item noting recent actions taken by the State Water Resources Control Board in adopting new emergency water regulations.
Steve Ritchie, AGM Water, provided an update on the Water Supply. He noted total reservoir storage is at 63 percent of maximum and that the water bank is working. He discussed reservoir storage levels, cumulative precipitation, and snowpack levels. He reviewed total deliveries, total system water savings, water conservation efforts report, and management actions.

AGM Ritchie stated that on July 15th the Water Resources Control Board adopted emergency water regulations that include four water waste prohibitions, which he briefly discussed. He noted possible SFPUC actions in response to the regulations, stating a recommendation will be presented to the Commission for consideration at the August 12, 2014 meeting. He concluded by noting other actions being taken in response to the regulations.

GM Kelly asked Mr. Rydstrom, AGM Business Services and CFO, to provide a brief status update on the budget.

Public Comment
None.

9. BAWSCA Report
Ms. Nicole Sandkulla, BAWSCA, stated their pilot water transfer program with the City of Hayward and EBMUD will be brought before the BAWSCA Board for consideration in January 2015. She indicated that discussions on a similar transfer program are being held with Santa Clara Valley Water District.

Ms. Sandkulla discussed the Regional Demand and Conservation Project, noting it is complete, and discussing next steps. She briefly noted results of the study.

Ms. Sandkulla responded to a question from Commissioner Moran about total demand numbers.

Public Comment
None.

10. Consent Calendar
a) Approve Amendment No. 3 to Agreement No. CS-916, Peninsula Region Construction Management Services with HDR Engineering, Inc., for additional construction management services associated with the Crystal Springs/San Andreas Transmission Upgrade project; and authorize the General Manager to execute this amendment increasing the Agreement not-to-exceed amount by $500,000 to a total not-to-exceed agreement amount of $28,000,000, with no change to the agreement duration. (Resolution 14-0115)

b) Approve an increase in the construction contract cost contingency for Contract No. WW-503, Richmond District Sewer Replacement and Pavement Renovation in the amount of $497,271; and authorize the General Manager to approve future
modifications to the contract to increase the contract amount up to a maximum of $3,875,438, and to extend the contract duration up to a maximum of 411 consecutive calendar days. The increased cost contingency is needed for a negotiated contract claim settlement in the amount of $931,013 for additional cost to complete contract work due to differing site conditions. (Resolution 14-0116)

c) Accept work performed by Azul Works for Contract No. WW-535R, WWE Facility Security Improvement Contract 1, for a total contract amount of $7,013,126; Approve Modification No. 8 (Final), to remove and relocate conduit and to upgrade camera wide area network connections, with a time extension of 82 consecutive calendar days, for a total contract duration of 510 consecutive calendar days; and authorize final payment to the contractor. (Resolution 14-0117)

d) Accept work performed by J. Flores Construction, Inc. for Contract No. WW-567, As-Needed Spot Sewer Repair, for a total contract amount of $7,608,979; and authorize final payment to the contractor. (Resolution 14-0118)

On Motion
Ayes: Courtney, Moran and Torres

Public Comment
None.

11. Authorize the General Manager to execute on behalf of the City and County of San Francisco, a Memorandum of Agreement with San Francisco Unified School District for an amount not to exceed $140,000, and with a duration of two years, which will authorize the use of SFPUC funding to support Science, Technology, Engineering and Math educational programming. (Resolution 14-0119)

AGM Ellis introduced the item, noting that it offers professional development to teachers tied to SFPUC literacy goals, and replaces MOA that is expiring.

AGM Ellis responded to a question from President Courtney on the Drink Tap stations in schools. She indicated a written update will be provided to the Commission.

On Motion
Ayes: Courtney, Moran and Torres

Public Comment
Ms. Hydra Mendoza, SFUSD Board of Education, thanked the Commission for their support.

President Courtney thanked Ms. Mendoza for her work.

12. Public Comments on Matters to be discussed in Closed Session.
None.
13. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.
   **On Motion**
   **Ayes: Courtney, Moran and Torres**

CLOSED SESSION

*The Commission entered closed session at 3:11 PM.*

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)
   **Existing Claim**
   Joan and Peter Cuddihy
   City Attorney Unlitigated Claim Number 14-01848 / Date Filed: February 24, 2014
   ([Resolution 14-0120](#))

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)
   **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

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

18. 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.

*The Commission exited closed session at 3:24 PM.*
19. Announcement following Closed Session.  
   President Courtney announced that a settlement was reached on item 14 and that no other action was taken.

20. Motion regarding whether to disclose the discussions during Closed Session.  
   On Motion  
   Ayes: Courtney, Moran and Torres

21. Other new business.  
   None.

   President Courtney adjourned the meeting at 3:25 PM.