SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
SPECIAL MEETING
Wednesday, November 12, 2014
(As approved on December 9, 2014)

1:00 P.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

Commissioners
Ann Moller Caen, President
Francesca Vietor, Vice President
Vince Courtney
Anson Moran

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 Caen called the meeting to order at 1:09 PM.

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

3. Approval of the Minutes of October 28, 2014
   On Motion:
   Ayes: Caen, Vietor, Courtney, and Moran

   Public Comments
   None.

4. Public Comments
   President Caen expressed appreciation for those who take the time to attend and
   provide public comment. She requested that those who speak during general public
   comment address ideas, items, and concerns which are not on the agenda.
   Additionally, she requested that when speaking on a specific agenda item, only that
   item be addressed.

   • Ms. Yolanda Lewis expressed concerns on issues related to SFPUC staff,
     contracting processes, and the Bayview community. Written comments were
     submitted.
   • Mr. Francisco DaCosta expressed concerns on contracting processes and on
     community input.
   • Mr. Ted Loewenberg, CAC District Five representative, requested that the
     SFPUC develop a phone App to allow customers to view water consumption and
     he provided a draft resolution. He discussed the draft SFPUC report “A Summary
     of San Francisco’s Water, Sewer and Stormwater Requirements”.
   • Mr. Walter Paulson sang a song.
   • Mr. Emilio Cruz, speaking as a private citizen, made a statement in response to
     Ms. Lewis’ comments.

   General Manager (GM) Kelly stated that public comment should be utilized to
   discuss SFPUC issues and that personal attacks on individual staff members are
   counterproductive.

   President Caen requested that concerns regarding staff be addressed to the GM.

   Commissioner Courtney asked the City Attorney to prepare a memorandum on what
   the Commission can and cannot do, as related to public comment and engagement.

5. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Annual Power Risk Management Plan
d) Quarterly Audit and Performance Review Reports
   i. SFPUC: Follow-up of 2011 Audit of Water Enterprise Warehouse Inventory Management
   ii. City Services Benchmarking: Water and Wastewater Rates
   iii. NGR Energy Center San Francisco LLC Properly Paid Its Franchise Fees for 2011 and 2012
   v. FY 2013-14 Annual Physical Inventory Count for all Enterprises

e) Quarterly Budget Status Review Report

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

k) Water Supply Agreement Update

   President Caen stated she had a question on “red flags” in the WSIP report and asked that they be addressed during the WSIP update.

Public Comments
None.

6. Other Commission Business

Commissioner Moran requested that staff explore the possibility of billing for water consumption on a cubic foot basis, rather than a hundred cubic foot basis, and discussed the reason for his request.

GM Kelly stated that staff will look into the possibility and indicated that staff is looking into billing on a consumption on gallons basis.

Vice President Vietor gave Mr. Cruz a vote of confidence, and thanked him for his work and his comments. Commissioners Cortney and Moran concurred.

President Caen stated that the November 25, 2014 meeting has been cancelled, noting the only meeting in December will be on the 9th. She asked that the Commissioners clear their calendars to attend. She requested that Mr. Rydstrom attend that meeting to enable the Commission to recognize him for his service.

Public Comments
   • Mr. Francisco DaCosta provided further comments on Ms. Lewis’ comments and Mr. Cruz’s response.

   President Caen noted that Ms. Lewis had departed the meeting.

   • Mr. James Bryant expressed support for Mr. Cruz and his work.
7. **Report of the General Manager**  
   a) **Drought Update**  
   Ms. Ellen Levin, Deputy Director, Water Enterprise, provided an update on the Drought. She stated that San Francisco residential water use per capita is the lowest in California. She noted current total system storage levels are currently at 57 percent and discussed cumulative precipitation; total deliveries; and total system water savings. Ms. Levin stated that the new water year had started and discussed conservation for the new water year. Ms. Levin responded to a question from Commissioner Vietor regarding conservation.

   b) **Water System Improvement Program (WSIP) Quarterly Update**  
   Mr. Emilio Cruz, AGM Infrastructure, provided an update on the New Irvington Tunnel Project. He recapped the construction timeline, the lining, and subsequent lining failure. He discussed the reasons for the failure and the steps being taken to replace the portion of the affected tunnel.

   Mr. Cruz responded to questions from President Caen on the timeline and process to repair the tunnel.

   Mr. Dan Wade, WSIP Director, provided a WSIP quarterly update. He discussed the program status, noting the overall WSIP is 84.9 percent complete. He stated construction is the main focus, with 16 active construction projects and two in pre-construction.

   Mr. Wade noted WSIP accomplishments and discussed program cost trends, stating the Program is on-budget and on-schedule. He indicated change orders costs are covered by cost contingencies.

   Commissioner Moran requested that in future reports the program cost axis be run to zero.

   Mr. Wade briefly discussed the “red flag” as requested by President Caen, stating the Tesla Portal Protection Project will be completed in January 2015. He noted the construction close-out for the Tesla Portal Protection Project is on the Consent Calendar. Mr. Wade briefly discussed transmission projects and provided a pre-construction update on the Alameda Creek Recapture and Regional Groundwater Storage and Recovery Projects.

   Mr. Wade concluded by highlighting the major active construction projects including the Calaveras Dam Replacement Project; Bay Tunnel; Seismic Upgrade BDPL Nos. 3 and 4; HTWTP Long-Term Improvements; and Peninsula Pipeline Seismic Upgrade.

   **Public Comments**  
   None.
8. Consent Calendar:
   a) Approve Amendment No. 1, to Agreement Nos. CS-306(I), As-Needed Contracting and Employment Technical Support Services with Alfred Williams Consultancy, LLC (CS-306A), Butler Enterprise Group, LLC (CS-306B), Consulting Link 2000 (CS-306C), JBR Partners, Inc., (CS-306D), JLM Management Group (CS-306E), Merriwether and Williams Insurance Services, Inc. (CS-306F), Scope 1 Consultants (CS-306G), and The Thier Group (CS-306H), to continue providing contracting and employment technical support services for all SFPUC projects; and authorize the General Manager to negotiate and execute two amendments (CS-306(I)A) and (CS-306(I)C) increasing the not-to-exceed amount up to $25,000 each; and negotiate and execute six amendments (CS-306(I).B, CS-306(I).D, CS-306(I).E, CS-306(I).F, CS-306(I).G and CS-306(I).H) increasing the not-to-exceed amount up to $49,500 each, and with a time extension of one year per agreement, for a total agreement duration of three years per agreement. (Resolution 14-0175)

   b) Approve Amendment No. 1 to Agreement No. CS-398B, Mountain Tunnel Technical Panel Services, with Doctor Mole Incorporated for continued technical advisory services; and authorize the General Manager to execute this amendment, increasing the agreement by $50,000, for a total not-to-exceed agreement amount of $100,000, with no change to the contract duration. (Resolution 14-0176)

   c) Accept work performed by Azul Works, Inc., for Contract No. HH-953, Tesla Portal Protection; Approve Modification No. 14 (Final), to resolve contract closeout submittals and correction of deficient work, extending the contract duration by 349 consecutive calendar days (approximately 11 months), for a total contract duration of 715 consecutive calendar days (approximately two years); and authorize final payment to the contractor. (Resolution 14-0177)

   d) Approve and award Contract No. JOC-48R, Job Order Contract, General Engineering (A-License) for San Francisco, Peninsula, East Bay to West San Joaquin County and West Stanislaus County, for a not-to-exceed amount of $5,000,000 to the lowest, qualified, responsible, and responsive bidder, Trinet Construction, Inc., to perform general engineering construction tasks for all SFPUC Enterprise Operations and Bureaus. (Resolution 14-0178)

   e) Approve the plans and specifications, and award Contract No. WD-2745, Auxiliary Water Supply System (AWSS) – New Cisterns D, in the amount of $4,247,350, to the lowest, qualified, responsible and responsive bidder, Azul Works, Inc., to construct five new AWSS buried concrete cisterns at the following locations: Amber Drive and Duncan Street; Diamond Heights Boulevard and Duncan Street; Dorchester Way and Ulloa Street; Folsom Street and Ripley Street; and Lansdale Avenue and Casitas Avenue. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 14-0179)
f) Accept work performed by Precision Engineering for Contract No. WW-500, SOMA/Mission Districts Sewer Replacement and Pavement Renovation; Approve Modification No. 1 (Final), increasing the contract by $419,906, for a total contract amount of $3,311,810 (of which $2,462,822 is funded by WWE and $848,988 is funded by DPW), and with a time extension of 331 consecutive calendar days (approximately 11 months), for a total contract duration of 596 consecutive calendar days (approximately one year, seven months); and authorize final payment to the contractor. (Resolution 14-0180)

g) Accept work performed by Synergy Project Management for Contract No. WW-505, Noe/Glen Park Districts Sewer Replacement and Pavement Renovation, for a total contract amount of $2,597,244 (of which $1,463,959 is funded by WWE and $1,133,285 is funded by DPW); Approve Modification No. 2 (Final), for a time extension of 70 consecutive calendar days (approximately two months), and a total contract duration of 324 consecutive calendar days (approximately 10 months); and authorize final payment to the contractor. (Resolution 14-0181)

h) Approve an increase in the construction contract cost contingency for Contract No. WW-568, 18th/25th/35th/47th Avenues and Delancey/Felton/Fern/Hawes/Madrid/Steiner Streets Sewer Replacement, in the amount of $400,000, and an increase in the contract duration of 27 days; and Authorize the General Manager or his designee to approve future modifications to the contract to increase the contract amount up to a maximum amount of $2,989,719, and for a total revised contract duration of 297 days (approximately 10 months). The increase in cost contingency and time duration is needed due to substantially higher amounts of side sewer lateral and street pavement replacement quantities than were estimated in the contract documents. (Resolution 14-0182)

i) Approve the plans and specifications and award Contract No. WW-589, Oceanside Plant (OSP) Total Solid Control and Waste Activated Sludge System Upgrade, in the amount of $1,580,500, to the lowest, qualified, responsible and responsive bidder, Anvil Builders, to replace and upgrade the existing deficient and deteriorated waste activated sludge pump-motor sets and associated plumbing, electrical, and instrumentation and control equipment at OSP. (Resolution 14-0183)

j) Authorize the General Manager to execute an Agreement with the Association of Bay Area Governments for administration and distribution of State grant funds up to $1,400,000 to be used for the Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Basin, Northern San Mateo County. (Resolution 14-0184)

k) Authorize the General Manager to execute a Memorandum of Understanding with Solano County Water Agency for the administration and disbursement of State Grant funds of up to $234,300 to be used by the SFPUC for implementation of its Large Landscape Water Conservation Program. (Resolution 14-0185)
On Motion:
Ayes: Caen, Vietor, Courtney, and Moran

Public Comments
None.

The Commission Secretary read the Closed Session items, stating item 16 was removed from the calendar.

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

10. 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, Courtney, and Moran

The Commission entered Closed Session at 2:12 PM.

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

Property:
639 Bryant Street, San Francisco

Persons Negotiating:
SFPUC: Michael Carlin, Rosanna Russell, and John Updike
Tishman Speyer: Carl Shannon

Under Negotiation:
Price ___ Terms of Payment ___ Both XXX

12. 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 Unlitigated Claim
City and County of San Francisco v. Pacific Gas and Electric Company
Date of Incident: February 2013
Re: Contract No. WW-500
(Resolution 14-0186)

13. 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
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 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

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:
   *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

16. 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 2:38 PM.

17. Announcement following Closed Session.
   President Caen announced that item 12 was settled and no other action was taken.

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

19. Other new business.
   President Caen announced that the meeting of Tuesday, November 25, 2014 is cancelled.

   President Caen adjourned the meeting at 2:41 PM.