MINUTES
Tuesday, February 24, 2015
(As Approved on March 10, 2015)

1:30 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 1:35 PM.

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

3. **Approval of the Minutes of February 10, 2015**  
   On Motion to Approve:  
   Ayes: Caen, Vietor, Courtney and Moran

4. **General Public Comment**  
   None.

   Due to a time constraint with the start of the meeting of the Board of Supervisors,  
   President Caen called Item 6 out of order to allow Supervisor John Avalos to speak  
   on item 6b.

   b) **CleanPowerSF Timeline**  
      Supervisor Avalos thanked staff for their work on updating the CleanPowerSF  
      timeline. He suggested shortening the timeline by not waiting for legislative  
      processes in the Procurement Program Planning phase, and discussing ways it  
      could happen. He suggested that youth involved in summer employment  
      programs could be involved in Program outreach efforts.

      Supervisor Avalos also spoke on Item 7. He thanked staff for their work with the  
      McLaren Park Project.

      Ms. Barbara Hale, AGM Power, reviewed the CleanPowerSF timeline. She  
      discussed key milestones and critical areas, indicating that under the proposed  
      timeline service to customers is targeted to start in early 2016.

      Vice President (VP) Vietor thanked staff for their work and asked that the timeline  
      be further accelerated, if possible.

      In response to a question from VP Vietor, General Manager (GM) Kelly stated  
      that the search for a CleanPowerSF program director is in process, and the  
      project team continues their work. He stated the timeline is realistic and that  
      whenever possible, it will be accelerated.

      AGM Hale responded to a question from Commissioner Moran on staffing,  
      including vacancies, responsibilities, and funding.

      In response to a follow-up question, Ms. Hale stated that a detailed program  
      design will be brought back to the Commission in mid-April, with the final
program and rates approval in late October. Brief discussion ensued. Commissioner Moran noted the need for transparency on the risk analysis and on the timeline. He requested that the timeline emphasize when the Commission action on items will be need. Ms. Hale stated she would add that, and also include when outside entities need to make Program decisions.

President Caen thanked Ms. Hale and staff for the work on the revised timeline.

Public Comment
- Mr. Jason Fried, LAFCo, agreed with the new timeline. He requested that the RFO draft be done as soon as possible. He asked that regular updates be scheduled and that labor is engaged early on.
- Mr. Eric Brooks, San Francisco Green Party/Our City San Francisco/Clean Energy Advocates, expressed pleasure with the revised timeline. He requested that Kim Malcolm be hired. He indicated that advocates want final rates and asked that the not-to-exceed rates be set immediately.

GM Kelly briefly discussed the challenge of setting the “dark green” rate. Ms. Hale noted the not-to-exceed rates must go before the Rate Fairness Board, and the schedule reflects the need to complete the Rate Fairness Board process.

- Mr. Zachary Rowe, SFSU student, expressed his desire to set rates and launch the Program.
- Mr. Jed Holtzman, 350 San Francisco, thanked staff for the timeline. He noted potential areas where time can be shaved off the process and discussed the timeline through May 10th, when PG&E will make public its rates for a green tariff offering. He suggested communications with potential customers should occur at that time.
- Ms. Jess Dervin-Ackerman, Sierra Club Bay Chapter Club, thanked everyone for their work on the timeline. She requested the CleanPowerSF page on the SFPUC website be reinstated, including the ability to sign-up. She asked that stakeholders be involved in the process.

VP Vietor requested that the CleanPowerSF page be updated.

a) Drought Update
Ms. Ellen Levin, Deputy Director, Water Enterprise, provided a drought update. She noted system reservoir storage levels and indicated that the water bank has dropped slightly. She reviewed cumulative precipitation; Snowpack; Tuolumne River water available to the City; Total deliveries; Total system water savings; Upcountry six-station precipitation index; and Bay Area seven-station precipitation index. She updated the Commission on the customer leak notification process. She reviewed an ad campaign, which was released to BAWSCA and wholesale customers, and provided a brief conclusion.

c) Fund Balance Policy Report
Mr. Charles Perl, Deputy CFO, introduced the item. He discussed the history of the Fund Balance Reserve Policy and noted the requirements of Fund Balance reserves. He reviewed Policy objectives and progress. He discussed future considerations, including increasing reserves for uncertainties, noting that no immediate Commission action was being requested.

Mr. Perl responded to a question from Commissioner Moran on the reserve ratio and timing of potential changes. Brief discussion ensued. Mr. Perl stated that at some point, he may request that the current ratio be added to the Policy.

Public Comment
None.

5. Communications
   a) Advance Calendar
   b) Letter Summary
   c) Water Pipeline Assessment

Public Comment
None.

7. Urban Agriculture Pilot Program Update
Ms. Juliet Ellis, AGM, External Affairs, introduced the item. She briefly discussed the Program’s history and goals. She introduced Ms. Yolanda Manzone who provided a Program update.

Vice President Vietor thanked Ms. Ellis for her work.

Vice President Vietor was excused from the meeting and departed at 2:45 PM.

Ms. Manzone discussed the Program’s implementation approach and identified three urban agriculture sites: College Hill Reservoir, Crocker Amazon, and Southeast Treatment Plant. She discussed the curriculum that was designed the Project, noting the community involvement in the site and curriculum design. She discussed the Southeast Treatment Plant site, discussing the Bayview Garden Supply Pop-ups which involve local youth. She discussed the Crocker Amazon tract and partnership with PODER on the Project. Ms. Manzone concluded by discussing next steps.

Ms. Manzone responded to a question from Commissioner regarding the Bayview site’s distribution of mulch.

Public Comment
   • Mr. Keith Tanner, San Francisco Urban Agriculture Alliance, expressed support for the Urban Agriculture Program.
   • Ms. Hannah Schulman, Urban Program Ag Manager, Recreation and Park Department, expressed support for the Program.
• Teresa Almaguer, Youth Program Director, PODER, expressed her thanks for the ability for PODER to partner with the SFPUC on the Program.
• Peter Brastow, Biodiversity Manager, Department of the Environment, expressed his support for the Program.

8. **CONSENT CALENDAR**
   a) **Award Agreement Nos. CS-297A-D, As-Needed Construction Management Services, to Avila Associates (CS-297A), CPM-Alta JV (CS-297B), ECS Inc. (CS-297C), and MCK Associates (CS-297D), to provide construction management services on an as-needed basis; and authorize the General Manager to negotiate and execute four professional services agreements, each with an amount not-to-exceed $4,000,000 and with a duration of five years. (Resolution 15-0042)**

   b) **Approve Amendment No. 2 to Agreement No. CS-894, Pipeline Condition Assessment Services, with CH2MHill to provide additional evaluation of Hetch Hetchy Water & Power pipeline facilities, including but not limited to evaluation through direct examination, fitness for life investigations and pipeline system rehabilitation plans, and authorize the General Manager to execute this amendment with a time extension up to one year and three months, for a total agreement duration of eight years and three months, with no change to the agreement amount. (Resolution 15-0043)**

   c) **Authorize the General Manager to advertise and to request qualifications and subsequent request for proposals for Agreement No. DB-126, Wastewater Enterprise Distributed Control System Upgrades, to design and construct a robust, reliable, and secure wastewater process control system for the Wastewater Enterprise facilities, for an amount not-to-exceed $51,000,000 and with a duration of 15 years; Receive proposals for design build agreement; Conduct a selection process to identify the best qualified firm to provide design build services; and negotiate a design build agreement. (Resolution 15-0051)**

   d) **Approve an increase in the construction cost contingency for Contract HH-976, Coast Range Tunnel Inspection Access Work with Trinet Construction Inc., in the amount of $80,760; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount up to $922,976. (Resolution 15-0044)**

   e) **Award Contract No. JOC-55, Electrical (C-10 License), Governor and Exciter Systems for Hetch Hetchy Hydroelectric Powerhouses, for a not-to-exceed amount of $5,000,000 to the lowest, qualified, responsible and responsive bidder, System 3, Inc., to perform specialty high-voltage electrical work for Hetch Hetchy Operations. (Resolution 15-0045)**

   f) **Accept work performed by Trinet Construction, Inc., for Contract No. WD-2695, Auxiliary Water Supply System – New Cisterns A; Approve Modification No. 3 (Final), decreasing the contract by $97,963, to reconcile final payment items to**
reflect actual quantities used under unit price and allowance bid items, for a total contract amount of $3,913,761, and with a total contract duration of 501 consecutive calendar days (approximately 16 months); and authorize final payment to the contractor. (Resolution 15-0046)

g) Approve an increase in the construction contract cost contingency for Contract No. WW-490, Oceanside Water Pollution Control Plant Digesters Class A Conversion and Facility Improvements, with Shimmick Construction Company Inc., in the amount of $680,000; and authorize the General Manager, or his designee, to approve future modifications to the contract for a total revised contract amount not-to-exceed $18,427,366. (Resolution 15-0047)

h) Approve the plans and specifications and award Contract No. WW-510R, Schwerin Street Sewer System Improvements, in the amount of $3,844,353, to the lowest, qualified, responsible and responsive bidder, JMB Construction, to install a new wet weather sewer and to replace existing sewers on the subject street in San Francisco. (Resolution 15-0048)

i) Accept work performed by Shaw Pipeline for Contract No. WW-560, As-Needed Main Sewer Replacement; Approve Modification No. 2 (Final), increasing the contract by $151,605, for a total contract amount of $2,959,880, and with a time extension of 130 consecutive calendar days (approximately four months), for a total contract duration of 530 consecutive calendar days (approximately one year, five months); and authorize final payment to the contractor. (Resolution 15-0049)

j) Approve the terms and conditions and authorize the General Manager to execute a five-year revocable license with the Tuolumne County Sheriff’s Office to use approximately 247 square feet of SFPUC Parcel 187-1 located in unincorporated Tuolumne County, California for its personal communications services facility, with no use fee. (Resolution 15-0050)

Commissioner Moran asked that item 8c be removed.

Public Comment
None.

On Motion to Approve Consent items 8a, 8b, and 8d through 8j:
Ayes: Caen, Courtney and Moran

With regard to item 8c, Commissioner Moran expressed support for the project but noted concerns with the contract amount. He requested that as contract proceeds, staff returns with a final project budget.

Public Comment
None.
9. Approve the selection of Friends of the Urban Forest and award Agreement No. CS-1010(G), Front Yard Ambassadors Grant Program, to provide program and project management services for the Front Yard Ambassadors Program; and authorize the General Manager to negotiate and execute the agreement for an amount not to exceed $80,000, with a duration of one year, subject to Commission approval. (Resolution 15-0052)

Public Comment
None.

On Motion to Approve Item 9:
Ayes: Caen, Courtney and Moran

10. Approve a revenue-generating program to license existing San Francisco Public Utilities Commission street light conduits for the installation of wiring to support outdoor distributed antenna systems by telecommunications carriers using licensed spectrum and third-party hosts certificated by the California Public Utilities Commission; Approve the terms and conditions and authorize the General Manager to execute Conduit Licenses for SFPUC Conduit at San Francisco Municipal Transportation Agency poles between the City and County of San Francisco and as yet-to-be determined telecommunications carriers and approve the form of the Conduit License; and approve an amendment to the 2015 SFPUC Real Estate Guidelines to address a delegation of authority for the Street Light Conduit License Program to the General Manager or his designee. (Resolution 15-0053)

Public Comment
None.

On Motion to Approve Item 10:
Ayes: Caen, Courtney and Moran

11. Approve Amendment No. 2 to Agreement No. CS-918, New Irvington Tunnel Project, Construction Management Services, with Hatch Mott MacDonald, to continue providing construction management services for the construction of the tunnel; 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 $19,500,000, and with a time extension of one year, for a total agreement duration of seven years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. (Resolution 15-0054)

Public Comment
None.

On Motion to Approve Item 11:
Ayes: Caen, Courtney and Moran
The Commission Secretary read items 12 and 13 together.

12. Approve Amendment No. 2 to Agreement No. CS-911R, Construction Management Service, Calaveras Dam Replacement Project, with Black and Veatch Corporation, to provide ongoing construction management support during construction and close-out of the project; and authorize the General Manager to negotiate and execute this amendment, increasing the agreement by $30,000,000, for a total not-to-exceed agreement amount of $68,000,000, and with a time extension up to two years, 10 months, for a total agreement duration of eight years, 10 months, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. (Resolution 15-0055)

13. Approve Amendment No. 2-A to Agreement No. CS-911R, Construction Management Service, Calaveras Dam Replacement Project, with Black and Veatch Corporation, to provide ongoing construction management (CM) support for a brief interim period (less than one month), to avoid disruption to CM services while Amendment 2 is under review by the Board of Supervisors; and authorize the General Manager to execute this amendment, increasing the agreement by $500,000, for a total not-to-exceed agreement amount of $38,500,000. (Resolution 15-0056)

Mr. Emilio Cruz, AGM Infrastructure, provided background on the items and discussed the request for the agreements’ time extensions and cost increases.

Commissioner Courtney expressed his desire to have Black and Veatch see the project through.

President Caen asked for clarification on the requested increase of the contract amount, along with information on the percentage of the project completion, which AGM Cruz provided.

Public Comment
None.

On Motion to Approve Items 12 and 13:
Ayes: Caen, Courtney and Moran

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

15. 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, Courtney and Moran
The Commission Secretary read items 16 and 17, and stated that items 18 through 27 would not be heard.

The Commission entered Closed Session at 3:21 PM.

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 Unlitigated Claim:
   Tim Barrett and Jennifer Barrett vs. City and County of San Francisco
   City Attorney Claim No.: 14-01475
   Date Filed: January 9, 2014
   (Resolution 15-0057)

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:
   Santosh Kahlo v. City and County of San Francisco
   San Francisco Superior Court Case No.: CGC-13-533906
   Date Filed: August 29, 2013
   (Resolution 15-0058)

   Announcement following Closed Session.
   President Caen announced that a settlement was reached on items 17 and 18, and that no other action was taken.

   The Commission exited Closed Session at 3:25 PM.

   President Caen stated that settlements were reached on items 16 and 17.

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

   On Motion Not to Disclose:
   Ayes: Caen, Courtney and Moran

29. Other new business.
   President Courtney requested that conversations regarding pre-apprentice programs continue and that the item be placed on a future agenda. He also requested that discussions related to Integrated Pest Management, which began with the 2014 joint SFPUC meeting with the Department on the Environment, also continue.

   President Caen adjourned the meeting at 3:41 PM.