SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, June 9, 2015
(As Approved on June 23, 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
Ike Kwon

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 1:36 PM.*

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

3. **Approval of the Minutes of May 26, 2015**  
   *On Motion to approve the minutes of May 26, 2015:*
   *Ayes: Caen, Vietor, Moran and Kwon*

   **Public Comments**  
   *None.*

4. **General Public Comments**  
   *Mr. David Pilpel asked about the status of the second Power Enterprise Business Workshop. General Manager Kelly, Jr. provided response.*  
   *Mr. Janieree Puritt Hill, Young Community Developers, introduced Ms. Elisha Andoniah who spoke about her experience as a City Works intern.*  

   *Due to time constraints, Supervisor Malia Cohen requested permission to provide comments related to item 7a out-of-order. President Caen granted the request.*

   *Supervisor Cohen spoke about her experiences during the Thermal Hydrolysis Process Due Diligence site visit. She described the benefits of the technology to the Bayview community and to the City, and expressed her excitement for the new plant.*

   *Vice President (VP) Vietor asked for Supervisor Cohen’s thoughts on the food waste component of the technology. Supervisor Cohen provided brief thoughts.*

5. **Communications**
   a) **Advance Calendar**  
      *Commissioner Moran asked if the Risk Analysis for CCA would be provided during the Power Business Plan Workshop or if it should be added to the Advance Calendar.*
   b) **Letter Summary**  
      *President Caen asked about the IBEW letter. City Attorney Ambrose provided response.*
   c) **Status of Large Development Projects in the Water Service Area**
   d) **Water Supply Agreement Update**

   **Public Comments**  
   *None*

   **Other Commission Business**
President Caen presented Commissioner Moran with a five-year service pin and thanked him for his service.

   a) Thermal Hydrolysis Process Site Visit Report
      Ms. Kathy How, Assistant General Manager (AGM), Infrastructure, provided a review of the Thermal Hydrolysis Process (THP) Due Diligence site visit. She reviewed the Biosolids Digester Facilities project site visit objectives; and discussed site visit and information sharing at each site (Dublin, London, Oxford, Cambi, Manchester, and Oslo). Ms. How reviewed site visits lessons learned; provided closing remarks; and discussed next steps.

      AGM How and GM Kelly responded to a question from Commissioner Kwon on odor control.

      GM Kelly offered a summary of the trip, noting the time commitment and weekend travel required.

      VP Vietor asked additional questions on food waste and the viability for food waste as energy. GM Kelly and Mr. Tommy Moala, AGM, Wastewater Enterprise, provided response.

      Commissioner Moran asked a question regarding the different technologies that were observed. AGM Moala provided response.

   b) Public Works Contracting Policies and Procedures Chapters 6 and 14B Local Business Enterprise Program Updates
      Ms. Ivy Fine, Director of Contracts, provided an overview of Public Works Contracting (San Francisco Administrative Code Chapter 6); and Local Business Enterprise Program (San Francisco Administrative Code Chapter 14B).

      Ms. Fine reviewed the type of contracting methods: (1) Professional consulting services; and (2) construction contract services. She noted key contract requirements; and discussed Outreach, inclusion, and opportunities. Director Fine explained the reasons for changes to Chapters 6 and 14B; offered a summary of the proposed changes; and noted the reasons for the changes. Brief discussion ensued on the proposed changes.

      GM Kelly responded to a question from Commissioner Moran regarding the changes the Commission will see with regard to items that are presented for consideration.

   c) Drought Update
      Mr. Steve Ritchie, AGM Water, provided a drought update. He reviewed the nine-County Bay Area lowest per capita consumption; discussed current reservoir storage levels; cumulative precipitation; snowpack; upcountry six-station...
precipitation index; Bay Area seven-station precipitation index; total deliveries; and total system water savings. AGM Ritchie discussed the condition of the Water Bank and storage expectations, depending on future precipitation. Mr. Ritchie concluded with a brief summary.

AGM Ritchie responded to a question from Commissioner Kwon regarding El Niño.

d) CCA Update
Mr. Michael Hyams, Interim CCA Director, began by discussing the IBEW letter and stated that the letter was incorrect in stating that the Commission adopted the EnerNexx Report at the joint LAFCo meeting, and that no such action was taken. He noted IBEW will begin collecting signatures for their proposed ballot measure.

Mr. Hyams reviewed action taken during May on the CCA timeline. He discussed actions to be completed in June, and in the upcoming months.

Public Comments
• Mr. Jason Fried, LAFCo, thanked Mr. Hyams for the update. He addressed the possible IBEW ballot measure and the IBEW letter.
• Mr. David Pilpel provided thoughts on the THP site visit, and the updates to Chapters 6 and 14B.

7. Policy and Legislative Update
Ms. Juliet Ellis, AGM External Affairs, introduced the item and provided background on legislative and policy work being done; reviewed agency work at the local (City level); and work with the SFPUC’s federal and state lobbyists. She noted collaborative efforts between the SFPUC and utilities across the United States.

Ms. Ellis introduced two new members of her legislative team: Ms. Vicki Johnson and Mr. Patrick Caceres. She thanked those who served in those roles in the interim.

Mr. Don Gilbert, SFPUC state lobbyist, discussed the services his agency provides to the SFPUC. He reviewed the work conducted in Sacramento and with interested stakeholders. He discussed the political climate in Sacramento and noted the drought is a big issue. Mr. Gilbert gave examples of their work provided to the SFPUC in 2014: Kirkwood Hydroelectric; CCA; and Emergency Drought Relief. He indicated that in 2015 they are working on: Current Portfolio Standard; Biosolids to Energy Project; and Water Policy Changes.

VP Vietor asked a question on implications of the Governor’s Executive Order regarding adaption. Mr. Gilbert provided response and noted he would look into any implications for the SFPUC. GM Kelly stated that staff is working with other City agencies and the Mayor’s office on the issue.
Mr. Daryl Owens, SFPUC federal lobbyist, provided a brief summary of his background. He discussed the political climate in Washington D.C. He noted the drought is receiving a great deal of recognition, and reviewed actions being considered and possible legislation which is intended to address the drought. He discussed work with the Irrigation Districts on New Don Pedro re-licensing; noted pending lawsuits; discussed power issues; Ocean Beach treatment facility; and adaptation.

Mr. Owens responded to a question from VP Vietor about Ocean Beach funding. VP Vietor asked that staff return with an update regarding Ocean Beach.

The Commission Secretary read the Consent Calendar items.

Mr. Pilpel asked that item 9c be removed from the Consent Calendar.

8. Consent Calendar
a) Approve Amendment No. 2 to Agreement No. CS-781, Tunnel Engineering Services, Bay Division Pipelines Reliability Upgrade (Bay Tunnel), with Jacobs Associates, Inc., to continue providing design support during final construction completion and closeout of the Bay Tunnel project; and authorize the General Manager to negotiate and execute this amendment, with a time extension of 85 days (approximately three months), for a total agreement duration of nine years, 11 months, and 26 days, with no change to the agreement amount. (Resolution 15-0127)

b) Approve the plans and specifications, and Award Contract No. WW-604, As-Needed Spot Sewer Replacement, for a total contract amount not-to-exceed $7,192,640, to the lowest, qualified, responsible and responsive bidder, J. Flores Construction, Inc., to replace sections of existing sewer piping, on an as-needed basis, at locations to be determined within the City of San Francisco. (Resolution 15-0128)

d) Authorize the General Manager execute Amendment No. 1 to the Memorandum of Agreement with the County of Tuolumne for an amount not-to-exceed $310,000, and to extend the duration of the MOA from January 1, 2015 to July 1, 2016, for a total not-to-exceed amount of $1,910,000, and a total duration of six years and six months, to allow the MOA to coincide with the City and County of San Francisco’s two year budget cycle; and continue providing essential services for San Francisco City and County’s Hetch Hetchy Project facilities. (Resolution 15-0129)

On Motion to approve consent items 9a, 9b, and 9d:
Ayes: Caen, Vietor, Moran and Kwon

Public Comments
None.
c) **Approve the terms and conditions and authorize the General Manager to execute a five-year revocable license to San Mateo County to use approximately 138,000 square feet of SFPUC Parcel 2010(1) in Menlo Park, California for maintaining an existing recreational sports field, a pétanque court, and a parking lot and installing new artificial turf, for no use fee.** (Resolution 15-0130)

**Public Comments**
- Mr. Pilpel expressed concern with artificial turf and potential liability.

Ms. Rosanna Russell, Real Estate Director, provided response, noting all lease agreements include standard provisions. City Attorney Ambrose concurred.

On Motion to approve consent item 9c:
Ayes: Caen, Vietor, Moran and Kwon

**Vice President Vietor left the room at 4:10 PM.**

10. **Approve Amendment No. 1 to CS-289, Grant Agreement with The Laborers’ Training and Retraining Trust Fund for Northern California, to develop and implement the Gleneagles Training Academy, and to implement the Pilot Bioregional Habitat Restoration Training Program; and authorize the General Manager to execute this amendment, increasing the agreement by $300,000, for a total not-to-exceed agreement amount of $900,000, and with a time extension of two years, for a total agreement duration of five years and 10 months.** (Resolution 15-0131)

AGM How introduced the item. City Attorney Ambrose noted a revision to the Resolution’s Resolved Clause. She stated the word “negotiate” should be added before “execute” to read, “….authorizes the General Manager to negotiate and execute…”.

On Motion to approve amendment to item10:
Ayes: Caen, Moran and Kwon

On Motion to approve item10 as amended:
Ayes: Caen, Moran and Kwon

**Public Comments**
None.

11. **Approve the Assignment and Assumption Agreement for Contract No. CS-296E, HSIP Professional and Engineering Support Services; and authorize the General Manager to execute an Assignment and Assumption Agreement for the existing Contract No. CS-296E, from CB&I Government Solutions, Inc., to PMA Consultants LLC.** (Resolution 15-0132)

On Motion to approve item 11:
Ayes: Caen, Moran and Kwon
President Caen stated that item 12 was removed from the agenda.

12. Approve the terms and conditions and authorize the General Manager to negotiate and execute a 25-year lease to Mission Valley Rock Co., of approximately 199 acres of SFPUC Parcels No. 62 and 65 in Sunol, California for water use and management, aggregate conveyance, overburden and fines placement, and reclamation, for a rental rate of $60,000 per year, plus four percent annual rent increases.

The Commission Secretary read the Closed Session items, stating items 17 through 24 were removed from the agenda.

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, Moran and Kwon

Vice President Vietor returned at 4:16 PM.

The Commission entered Closed Session at 4:16 PM.

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)
Unlitigated Claim
Lisa Gemmiti/Gemmiti Model Art vs. City and County of San Francisco
City Attorney Claim No.: 15-01503/Date Filed December 31, 2014
(Resolution 15-0133)

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
Pacific Gas & Electric Company v. City and County of San Francisco
City Attorney Claim No.: 15-01891/Date Filed January 30, 2015
(Resolution 15-0134)

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
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:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Case No.: EL15-3-000/Date Filed: October 10, 2014

19. 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
Federal Energy Regulatory Commission
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective June 30, 2015.
Case No.: ER15-702-000/Date Filed: December 23, 2014

20. 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
Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective June 30, 2015.
Case No.: ER15-703-000/Date Filed December 23, 2014

21. 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
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Transmission Owner Tariff Replacement Agreements to be effective July 1, 2015
Case No.: ER15-705-000/Date Filed: December 23, 2014

22. 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
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Wholesale Distribution Tariff Replacement Agreements to be effective July 1, 2015
Case No.: ER15-704-000/Date Filed: December 23, 2014
23. 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
Federal Energy Regulatory Commission
Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco
Case No.: ER15-735-000/Date Filed: December 23, 2014

24. 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 Session at 4:19 PM.

25. Announcement following Closed Session.
President Caen announced that settlements were reached on items 15 and 16.

26. Motion regarding whether to disclose the discussions during Closed Session.
On Motion not to disclose:
Ayes: Caen, Vietor, Moran and Kwon

27. Other new business.
None.

28. Adjournment
President Caen adjourned the meeting at 4:20 PM.