SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, June 23, 2015
(As Approved on July 14, 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**  
Vice President (VP) Vietor called the meeting to order at 1:31 PM.

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

3. **Approval of the Minutes of June 9, 2015**  
On Motion to approve the Minutes of June 9, 2015:  
Ayes: Vietor, Courtney, Moran, and Kwon

**Public Comments**  
None.

4. **General Public Comments**  
- **Mr. Ross Asselstine** discussed a concept for reduction of fresh water consumption in San Francisco and provided written comments.

5. **Communications**  
   a) **Advance Calendar**  
   b) **Letter Summary**

**Other Commission Business**  
None.

   a) **Mountain Tunnel Update**  
   Assistant General Manager (AGM) Steve Ritchie provided an update on the Mountain Tunnel Project. He discussed the Tunnel Improvements schedule, noting three improvement areas: (1) Adits and access improvements; (2) Inspection and repair; and (3) Bypass.

   AGM Ritchie reviewed the Emergency Response Plan and responded to a question from Commissioner Kwon on the Plan and timeline. Mr. Ritchie concluded with a review of inspection, repairs, and long-term solutions.

   **Public Comments**  
   - **Ms. Nicole Sandkulla**, BAWSCA, expressed her appreciation for the presentation. She asked that the Commission adopt the schedule when it is settled. She provided thoughts on the shutdown schedule and emergency plans.

   VP Vietor asked that a Mountain Tunnel schedule be presented to the Commission for approval as soon as possible.
b) Wastewater Enterprise CIP Quarterly Update
AGM Kathy How indicated there are nine active projects in the Wastewater CIP, with two exceeding the baseline for completion.

Commissioner Moran asked about design choices that reflect the Triple Bottom Line (TBL) and requested a report on how the TBL is being used.

Drought Update
AGM Ritchie provided a drought update. He discussed current reservoir storage levels, noting levels have topped-out. He reviewed cumulative precipitation; snowpack; total deliveries; the new water conservation campaign; and water bank and storage. Brief discussion ensued on water consumption.

AGM Ritchie responded to a question from Commissioner Kwon regarding the perception of drought as related to high reservoir water levels. Brief discussion ensued.

AGM Ritchie summarized State Water Board actions and concluded with a brief summary.

Public Comment
- Mr. Eric Brooks, San Francisco Green Party/Our City San Francisco, offered thoughts on the desalination as related to the drought.

C) CCA Update
AGM Barbara Hale provided an update on the CCA Implementation schedule. She noted the Program is on schedule and that the not-to-exceed rates have been established. She stated stakeholder meetings are forthcoming. She indicated RFP responses for meter data and customer care are due June 25th.

Public Comments
- Mr. Eric Brooks, San Francisco Green Party/Our City San Francisco/Clean Energy Advocates, expressed pleasure with the approval of the Not-to-Exceed rates. He discussed the potential PG&E ballot measure and offered thoughts on the stakeholder engagement process.

Ms. Hale stated the revised CCA Implementation Plan will be provided to the Commission on July 14th. She discussed stakeholder engagement efforts.

- Mr. Jason Fried, LAFCo, discussed build-out and CEQA requirements. He applauded the work of staff.

7. Sewer System Improvement Program (SSIP) Quarterly Update
Ms. Karen Kubick, SSIP Director, provided an SSIP update. She noted 66 projects are underway (in planning, pre-planning or design), and discussed the program-wide status. Ms. Kubick provided a pre-construction update on the SEP New Headworks
Director Kubick continued with a construction update, discussing current and upcoming projects. She reviewed how they measure the success of Green Infrastructure Projects (EIP design criteria; EIP monitoring tools; EIP monitoring locations; on-going lessons learned; and Cesar Chavez streetscape). Brief discussion ensued on Cesar Chavez streetscape. Ms. Kubick concluded by discussing stakeholder engagements efforts.

Ms. Kubick introduced the new 2015 interns and discussed their summer project.

VP Vietor welcomed the interns. Ms. Kubick responded to a question from VP Vietor regarding the low-interest loans. She requested that the rate savings be communicated to ratepayers. VP Vietor asked that the range of alternatives for CBSIP be explored and GM Kelly provided response. VP Vietor asked about shoreline green infrastructure and sea level rise. GM Kelly responded and stated that a presentation regarding sea level rise could be provided to the Commission at a future date.

Public Comments

- D.J. Bookter Young Community Developers discussed their partnership with the SSIP internship program. He introduced Ms. Elisha (inaudible) who informed the Commission of the Beautifying the Bay-View event on July 24th.

8. BAWSCA Update

Ms. Nicole Sandkulla, BAWSCA, discussed a meeting she attended with Governor Brown, San Jose Mayor Sam Liccardo, Steve Ritchie, Bay Area public officials, and water leaders regarding the drought and conservation. She discussed the SFPUC 10-Year CIP and the State of the Regional Water System Report.

Public Comments

None.

The Commission Secretary read the Consent Calendar items.

9. CONSENT CALENDAR

a) Approve the selection of ECS Inc. (ECS) and PMA Consultants LLC-Dabri Joint Venture (PMA/Dabri JV); Award Agreement Nos. CS-369.A and CS-369.B, Program Scheduling and Cost Control Staff Augmentation Services, to ECS (CS-369.A) and PMA/Dabri JV (CS-369.B), in order to provide program scheduling and cost control services; and authorize the General Manager to negotiate and execute two professional services agreements, each with an amount not to exceed $4,750,000 and a duration of five years. (Resolution 15-0135)
b) **Approve the selection of Amec Foster Wheeler/Sonika JV (Amec/Sonika), Black & Veatch Corporation (BV), and MWH Americas, Inc. (MWH); Award Agreement Nos. CS-391 A-C, As-Needed Operations and Maintenance Support Services for Hetch Hetchy Water and Power Division, to Amec/Sonika (CS-391A), BV (CS-391B), and MWH (CS-391C), to provide technical support services on an as-needed basis; and authorize the General Manager to negotiate and execute three professional services agreements, each with an amount not to exceed $4,000,000 and a duration of five years. (Resolution 15-0136)**

c) **Approve the selection of MWH-AGS Joint Venture (MWH-AGS); Award Agreement No. CS-1000, As-Needed Green Infrastructure Design and Engineering Services to MWH-AGS, to provide specialized green infrastructure planning, design, and engineering services on an as-needed basis; and authorize the General Manager to negotiate and execute a professional services agreement with MWH-AGS for an amount not to exceed $2,000,000, and with a duration of four years. (Resolution 15-0137)**

d) **Approve the plans and specifications, and award Contract No. WD-2779, College Hill Learning Garden, in the amount of $523,400, to the lowest, qualified, responsible and responsive bidder, JDB & Sons Construction, to construct a landscaped learning garden near the College Hill Reservoir in San Francisco. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 15-0138)**

e) **Accept work performed by ProVen Management, Inc. for Contract No. WW-558R, As-Needed Sewer Cleaning, for a total contract amount of $1,752,699, and with a total contract duration of 237 consecutive calendar days; and authorize final payment to the contractor. (Resolution 15-0139)**

f) **Accept work performed by Shaw Pipeline for Contract No. WW-585, 15th/17th/23rd/44th/47th/Granada/Meda and Oakdale Avenues Sewer Replacement; Approve Modification No. 2 (Final), increasing the contract by $21,839, for a total contract amount of $2,832,992, and with a time extension of 128 consecutive calendar days, for a total contract duration of 361 consecutive calendar days); and authorize final payment to the contractor. (Resolution 15-0140)**

g) **Approve the plans and specifications, and award Contract No. WW-590, Bryant Street Sewer Replacement and Pavement Renovation, in the amount of $1,851,278, to the lowest, qualified, responsible and responsive bidder, Shaw Pipelines, to replace the existing sewers on the subject streets in San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0141)**

h) **Approve the plans and specifications, and award Contract No. WW-602, 17th/33rd/37th/Julian/Revere Avenues & Anderson/Ellsworth/Ingalls/Maple/...**
Moultrie Streets Sewer Replacement, in the amount of $3,162,725, to the lowest, qualified, responsible and responsive bidder, Shaw Pipeline, to replace the existing sewers on the subject streets in San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0142)

i) Approve the plans and specifications, and award Contract No. WW-603, As-Needed Main Sewer Replacement, for a total contract amount not-to-exceed $7,726,050, to the lowest, qualified, responsible and responsive bidder, D’Arcy & Harty Construction, to perform as-needed main sewer replacement (manhole to manhole segments) on short notice at locations to be determined in San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0143)

j) Approve the plans and specifications, and award Contract No. WW-612, Various Locations Sewer Replacement and Pavement Renovation, in the amount of $4,832,001, to the lowest, qualified, responsible and responsive bidder, Precision Engineering, to replace the existing sewers and street pavement on the subject streets in San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0144)

k) Approve the plans and specifications, and award Contract No. WW-617, As-Needed Sewer Cleaning and Inspection (FY16), for a total contract amount not to exceed $1,839,350, to the lowest, qualified, responsible and responsive bidder, Pipe and Plant Solutions, Inc., to clean and inspect existing sewers, on an as-needed basis, at locations to be determined throughout San Francisco. The proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0145)

l) Approve the terms and conditions and authorize the General Manager to execute a five-year revocable license to Sunnyvale Unified School District to use approximately 24,500 square feet of SFPUC Parcel 152 in Sunnyvale, California, for removing existing play equipment and installing and maintaining a storm drain, repaving, and restriping, for no use fee. (Resolution 15-0146)

On Motion to approve Consent Items 10a through 10l:
Ayes: Vietor, Courtney, Moran, and Kwon

Public Comments
None.

Vice President Vietor stated that item 11 was continued to July 14th.

11. Approve the Consent to Assignment Agreement for existing contract No. CS-169, Planning and Engineering Services, Central Bayside System Improvement Project and approve Modification No. 1 to the Agreement; and authorize the General
Manager to negotiate and execute a Consent to Assignment of the existing Agreement from MWH/URS Joint Venture to MWH Americas, Inc., subject to the Board of Supervisors approval pursuant to Charter Section 9.118; and if approved, authorize the General Manager to negotiate and execute Modification No. 1 of the existing Agreement once assigned to MWH Americas, Inc. to adjust terms to reflect changes necessary due to the Assignment.

12. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with several of the Bay Area’s largest public water agencies for an amount not to exceed $50,000 to develop the Bay Area Regional Reliability Plan which will address water supply reliability and drought preparedness on a mutually beneficial and regionally-focused basis. (Resolution 15-0147)

Commissioner Moran requested a map showing the regional projects. In response to a question from VP Vietor, AGM Ritchie stated the plan would be completed in approximately one year. She requested regular updates.

On Motion to approve Item 12:
Ayes: Vietor, Courtney, Moran, and Kwon

Public Comments
None.

Vice President Vietor stated that item 13 was continued to July 14th.

13. Approve and recommend that the Board of Supervisors approve the conveyance of an easement over an approximately 3,627 square-foot portion of property owned by the City and County of San Francisco, through its Public Utilities Commission, on SFPUC Parcel 656 to the City of Modesto; and authorize the City Director of Property to execute an agreement conveying the Easement to Modesto for the fair market value of $35,000 to be paid by JWG McHenry LLC. The Easement Area is located in SFPUC Parcel 656 near its intersection with State Highway 108 between Claratina and Grecian Avenues in Modesto (Stanislaus County Assessor’s Parcel No. 082-100-003).

14. Authorize the General Manager to enter into separate agreements to provide a Credit Facility authorized under 2002 Proposition E for the Wastewater Enterprise Commercial Paper Program with Bank of America and Bank of Tokyo-Mitsubishi UFJ, the lowest cost, responsive and responsible bidders; and Authorize the General Manager, in consultation with the City Attorney and the Controller’s Director of Public Finance, to extend the term of the Reimbursement or Liquidity Facility Agreement with Bank of America for an additional two years on substantially the same terms without further approval of this Commission. The agreements replace expiring agreements and provide $150,000,000 in available credit with total annual costs not-to-exceed $600,000 over the next two years, and provide savings of approximately $926,000 over that time period. The General Manager is further
authorized to select the next lowest cost, responsive and responsible bidder should either of the selected banks be unable to meet City contracting requirements or if negotiations are otherwise not successful. (Resolution 15-0148)

Mr. Charles Perl, Interim CFO, stated a revised version of the agenda item, which removed duplicate pages, was provided to the Commission. He stated the two new agreements will replace expiring agreements. He reviewed the key terms, stating $926k will be saved over the next two years and discussed the proposed Forms of Agreements. He stated the item includes providing the GM with the authority to extend the Bank of America agreement for up to an additional two years.

On Motion to approve Item 14:
Ayes: Vietor, Courtney, Moran, and Kwon

Public Comments
None

15. Public hearing, discussion and possible action to adopt amended rules and regulations for administering Interruptible Water Service during the effective period of the 2015-2016 Drought Program. These rules and regulations are applicable to existing and new retail irrigation customers who opt-in to the Interruptible Service program. (Resolution 15-0149)

AGM Ritchie introduced the item. He suggested bumping-up the excess use charge for non-performers. Commissioner Moran stated that he preferred that the levels remain as presented. GM Kelly provided additional thoughts.

On Motion to approve Item 15 (as presented):
Ayes: Vietor, Courtney, Moran, and Kwon

Public Comments
None.

16. Approve the terms and conditions and authorize the General Manager to negotiate and execute, on behalf of the City, 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 proposed action is the Approval Action as defined in the San Francisco Administrative Code, Chapter 31. (Resolution 15-0150)

AGM Ritchie introduced the item and reviewed a map of the lease area, and recommended approval. VP Vietor, and Commissioners Moran and Kwon stated their previous questions had been adequately answered.
On Motion to approve Item 16:
Ayes: Vietor, Courtney, Moran, and Kwon

17. Public Comments on matters to be discussed in Closed Session.
None.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

On Motion to Assert:
Ayes: Vietor, Courtney, Moran, and Kwon

The Commission Secretary read the Closed Session items.

VP Vietor requested a motion to recuse Commissioner Courtney from hearing and voting on Closed Session items 19 and 20 due to a conflict.

On Motion to Recuse Commissioner Courtney:
Ayes: Vietor, Moran, and Kwon

The Commission entered Closed Session at 3:11 PM.

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)
Unlitigated Claim
Lawrence LaBianca vs. City and County of San Francisco
Unlitigated Claim No.: 15-02969/Date Filed May 13, 2015
(Resolution 15-0151)

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)
Unlitigated Claim
James Neidel, Francisco Alfaro, Jose Alvarez v. CCSF-PUC
(Resolution 15-0152)

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
City and County of San Francisco v Sunol Valley Golf and Recreation Co.
Alameda County Superior Court, Case No.: RG 14729649
City Law No.: 131321/Date Filed: June 18, 2014

22. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (3) and San Francisco Administrative Code Section 67.10 (d) (2)
Anticipated Litigation as Plaintiff
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:
City and County of San Francisco v. Pacific Gas & Electric
San Francisco Superior Court Case No.: CGC-13-529310/Date Filed: June 6, 2013

24. 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

25. 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

26. 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

27. 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

28. 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
29. 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

30. 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 3:20 PM.

31. Announcement following Closed Session.
VP Vietor announced that settlements were reached on items 19 and 20, and no other action was taken.

32. Motion regarding whether to disclose the discussions during Closed Session.
On Motion Not to Disclose:
Ayes: Vietor, Courtney, Moran, and Kwon

33. Other new business.
None.

34. Adjournment.
VP Vietor adjourned the meeting at 3:21 PM.