SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

MINUTES
Tuesday, October 13, 2015
(As Approved on October 27, 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
Ike Kwon
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 1:34 PM.*

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

3. **Approval of the Minutes:**  
   a) **September 22, 2015 Regular Meeting**  
   b) **September 25, 2015 Special Joint SFPUC/LAFCo Meeting**  

   *On Motion to approve the minutes of September 22 and September 25, 2015:  
   AYES: Caen, Vietor, Courtney, Moran and Kwon*

4. **General Public Comments**  
   • Ms. Ann Clark, Friends of Camp Mather, thanked the Commission for supporting  
     Camp Mather’s Family and Friends Day. She reported it was a success.

5. **Communications**  
   a) **Advance Calendar**  
   b) **Letter Summary**  
   c) **525 Golden Gate Building LEED Status**  
   d) **Central Bayside Improvement Project**  
   e) **Construction Contract Award Summary**  
   f) **Emergency Firefighting Water System Summary and Status**  
   g) **Non-potable Water Program Update**  
   h) **Wastewater Enterprise Capital Project Delays**  
   
   Commissioner Moran provided comments on item 5c. He requested that staff  
   probe deeper into issues presented in the memo and provide a report on  
   “lessons learned”, with regard to the living machine, solar panels, and wind  
   turbines.

   Vice President (VP) Vietor commented on item 5c. She asked for a comparison  
   between 525 Golden Gate and the Bullittt Center in Seattle, to see if the systems  
   are performing similarly.

   VP Vietor asked about the emergency cisterns and the use of potable water.  
   General Manger Kelly provided response. Brief discussion ensued.

5. **Public Comments**  
   • Mr. Eric Brooks, Green Party San Francisco; Sierra Club, provided comments  
     on the use of cisterns; and discussed the use of composting toilets.
VP Vietor provided additional comments on non-potable issues. GM Kelly provided limited response and indicated the item would be placed on a future agenda for discussion.

6. Other Commission Business
   a. Discussion and possible action, in accordance with Rule 6 of the Rules of Order, to nominate and elect officers

   President Caen reflected on her Presidency. She thanked the Commission and staff for their work and dedication.

   Commissioner Courtney nominated Commissioner Moran for Vice President. Commissioner Moran accepted the nomination.

   On Motion:
   AYES: Caen, Vietor, Courtney, Moran and Kwon

   Commissioner Kwon nominated VP Vietor for President. VP Vietor accepted the nomination.

   On Motion:
   AYES: Caen, Vietor, Courtney, Moran and Kwon

   GM Kelly thanked Commissioner Caen for her service. He presented her with a photo and a ceremonial gavel.

   President Vietor thanked Commissioner Caen for her service.

Public Comments
   • Mr. Eric Brooks, San Francisco Green Party; Sierra Club, thanked President Caen for her service.

7. Report of the General Manager
   a) Drought Update

   Mr. Steve Ritchie, AGM Water, provided a drought update. He discussed reservoir storage levels, noting Hetch Hetchy is at 73 percent capacity and that water bank is at 32 percent capacity. He provided a comparison of reservoir levels around the state. He reviewed precipitation levels; Total deliveries; Nine-county Bay Area lowest per capita consumption; and total system water savings. AGM Ritchie provided an update on SB 555, which mandates water loss audits. He discussed Lower Cherry Aqueduct Full Scale Delivery Test; and concluded with review of the Lower Cherry Aqueduct Flow.

   b) Community Benefits and Environmental Justice (EJ) Policy Update

   Ms. Juliet Ellis, AGM External Affairs, introduced the item. She discussed the “Good Neighbor Policy” and discussed community benefits implementation in professional service contracts over $5M.
AGM Ellis introduced Ms. Yolanda Manzone, Environmental Justice and Land Use Program Manager. Ms. Manzone reviewed the three goals for the EJ Policy implementation: (1) Tangible, efficient and effective integration of EJ principles into all business decisions; (2) Education of all SFPUC staff; (3) Meaningful and diverse stakeholder engagement. She reviewed the agency-wide Implementation Framework; EJ Implementation Pilots; Equitable Engagement Guidelines; Triple Bottom Line and EJ integration; and Bayview EJ analysis.

President Vietor thanked Ms. Manzone and staff for their work.

Commissioner Courtney thanked staff and noted the impact of the work that has been done.

VP Moran thanked Ms. Manzone for her presentation. He expressed disappointment with the current review of SFPUC policies. He requested that there be a comprehensive review of policies as they exist, and that there be a link between the intent of the Commission and the work of staff.

GM Kelly thanked Ms. Manzone for her work and provided additional thoughts on policies and available resources. Commissioner Moran provided response.

c) Education and Youth Employment Update
Ms. Laura Page, Arts and Education Manager, provided an update on the Education and Youth Employment Program. She discussed the purpose of the program and provided an overview of partnerships: (1) Sustainability; (2) Ecoliteracy; (3) STEM Education; and (4) Career preparedness. Ms. Page concluded by discussing next steps.

Commissioner Kwon thanked Ms. Page and staff for their work and for their support for STEM education.

President Vietor discussed the SFPUC retirement succession planning and the need to invest in education programs to have a pipeline for career jobs.

Public Comments
None.

The Commission Secretary read the Consent Calendar.

8. Consent Calendar
   a) Approve the assignment and assumption of Agreement No. CS-127B, As-Needed Building Commissioning; and authorize the General Manager to execute an Assignment and Assumption Agreement for the existing Agreement No. CS-127B, from McKinstry Essention LLC, to Able Engineering Services. (Resolution 15-0205)
b) **Approve Amendment No. 1 to Agreement No. CS-127C, As-Needed Building Commissioning, with Newcomb Anderson McCormick, Inc., to continue providing building commissioning, monitoring, and performance optimization oversight to City-owned new construction and major renovations; and authorize the General Manager to negotiate and execute this amendment, increasing the agreement up to $500,000, for a total not-to-exceed agreement amount of $3,500,000, and with a time extension of three years.** (Resolution 15-0199)

c) **Approve Amendment No. 1 to Agreement No. CS-291.B, Education and Economic Inclusion Services, with Lisa Spinali Consulting, which assists the External Affairs Community Benefits Division by developing strategies to partner with the public school district, private and charter schools, and non-profit partners; and authorize the General Manager to negotiate and execute this amendment, increasing the agreement up to $25,000, for a total not-to-exceed agreement amount of $55,000, and with a time extension of one year.** (Resolution 15-0200)

d) **Approve Amendment No. 1 to Agreement No. CS-303, College Hill Garden Design, with Pam Nagle, to extend and fund the contract through site development and implementation of the K-5 curriculum at the learning garden; and authorize the General Manager to negotiate and execute this amendment, increasing the agreement up to $100,000, for a total not-to-exceed agreement amount of $345,000, and with a time extension up to seven months, for a total agreement duration of two years and seven months.** (Resolution 15-0201)

e) **Approve Amendment No. 2 to Agreement No. CS-913, Bay Tunnel Construction Management Services, with Jacobs Engineering Group, to continue providing construction management services through project close-out; and authorize the General Manager to execute this amendment with a time extension up to six months, for a total agreement duration of seven years and eight months, with no change to the agreement amount.** (Resolution 15-0202)

f) **Approve the plans and specifications, and award Contract No. HH-979, San Joaquin Pipeline No. 1 Replacement at the San Joaquin Valve House, in the amount of $1,781,850, to the lowest, qualified, responsible and responsive bidder, Cratus, Inc., to upgrade pipeline connected to the San Joaquin Valve House and perform work to allow inspection along the San Joaquin Pipeline system.** (Resolution 15-0203)

g) **Accept work performed by Harty Pipelines, Inc., for Contract No. WW-592, As-Needed Main Sewer Replacement, for a total contract amount of $3,913,741 with a total contract duration of 358 consecutive calendar days; and authorize final payment to the contractor.** (Resolution 15-0204)

*Vice President Moran requested that item 5a be removed.*
On Motion to approve items 8b through 8g:
AYES: Vietor, Moran, Caen, Courtney, and Kwon

With regard to item 5a, VP Moran asked about the hiring of an interim Chief Building Engineer and about long-term plans for the position. Ms. Ivy Fine, Contract Administration Bureau and GM Kelly provided response. Brief discussion ensued.

On Motion to approve item 8a:
AYES: Vietor, Moran, Caen, Courtney, and Kwon

Public Comments
None.

9. Authorize the General Manager, or his designee, to execute Grant agreements with applicants for Grant Assistance for Large Alternate Water Source Projects. The grant program is being modified in coordination with amendments to the City’s Non-potable Water Ordinance to require onsite water reuse in all new developments greater than 250,000 square feet. Funds are available through the Water Enterprise (up to $1,000,000), and are dependent on annual budget appropriations. Grant assistance will be re-evaluated and separately approved and budgeted each fiscal year. (Resolution 15-0206)

On Motion to approve item 9:
AYES: Vietor, Moran, Caen, Courtney, and Kwon

Public Comments
None.

10. Approve Amendment No. 1 to Agreement No. CS-344, Power Scheduling Coordination and Related Support Services, with APX Inc., to allow for the processing of the California Independent System Operator (CAISO) power transmission service charges; and authorize the General Manager to execute this amendment, increasing the agreement by $100,000,000, for a total not-to-exceed agreement amount of $105,000,000, and with no change to the five year agreement duration; subject to the Board of Supervisors approval pursuant to Charter Section 9.118. (Resolution 15-0207)

VP Moran asked for clarification on the contract type and dollar increase. Ms. Barbara Hale, AGM Power, provided response. Deputy City Attorney Noreen Ambrose provided additional response and clarification. Brief discussion ensued.

On Motion to approve item 10:
AYES: Vietor, Moran, Caen, Courtney, and Kwon
Public Comments
- Mr. Jed Holtzman, 350 San Francisco, discussed the possibility of the contractor also scheduling CleanPowerSF. AGM Hale provided response.
- Mr. Eric Brooks, San Francisco Green Party; Our City SF, provided thoughts on the role of the scheduling coordinator for CleanPowerSF.

The Commission entered recessed at 3:20 PM; and returned at 3:30 PM.

11. Workshop to present an overview of the CleanPowerSF program risk analysis and business plan components, the power supply contracting approval strategy, and the overall schedule for implementation of the program in Spring 2016.

AGM Hale reviewed the goals and objectives of the CleanPowerSF Program: (1) Lead with affordable and reliable service; (2) Provide cleaner electricity alternatives; (3) Invest in local jobs; and (4) provide long-term rate and financial stability.

Ms. Hale discussed program risks that are treats to achieving each objective and associated impacts: (1) Lead with affordable and reliable service – Threat: PG&E rates too low; SFPUC costs too high; (2) Provide cleaner electricity alternatives – Threat: SFPUC renewable content too low; (3) Invest in local jobs – Threat: Local projects/jobs goals not met; and (4) provide long-term rate and financial stability – Threat: Insufficient reserves.

AGM Hale presented and reviewed a risk rating and mitigation example.

AGM Hale reviewed the contracting approval strategy process and timeline. She noted a pool of bidders will be brought forward for consideration. GM Kelly provided additional comments. Brief discussion ensued on the contracting process.

Ms. Hale reviewed the updated Implementation Schedule and key milestones, and discussed schedule and deadline changes.

VP Moran requested additional information on marketing plan, specifically to see a tabulation of the customer services and benefits that PG&E’s program offers. He requested that their status under CleanPowerSF be shown. Brief discussion ensued.

Public Comments
- Mr. Jason Fried, Executive Officer, LAFCo, discussed the timeline and the business model (full-enrollment).

Brief discussion ensued on the business model and timeline.

- Mr. Eric Brooks, San Francisco Green Party; SF Clean Energy Advocates, provided thoughts on the Business Plan.
VP Moran expressed disagreement with Mr. Brooks’ comments on the Business Plan. GM Kelly provided additional comments.

- **Mr. Jed Holtzman, 350 SF, discussed the advocates’ thoughts on the program and revised launch date. He discussed PG&E’s program.**
- **Ms. Anne Donjacour, 350 SF, expressed concerned with delays and discussed public perception. She encouraged fast movement.**
- **Ms. Karen Babbitt, Sierra Club, discussed frustration with the program delays. She asked that marketing be beefed-up.**

GM Kelly stated he will follow-up with the advocates on program deploy.

Commissioner Courtney discussed the advocates’ perception on delays. He stated that unison is needed.

President Vietor called item 30 out of order.

30. **Board of Supervisors approve a Supplemental Appropriation in the amount of $5,000,000 for the Wastewater Enterprise, for the purpose of paying claims, settlements, legal expenses, litigation costs, judgements and related expenses. (Resolution 15-0208)**

Deputy City Attorney Ambrose provided a summary of the item and requested approval.

On Motion to approve item 30:
AYES: Vietor, Moran, Caen, Courtney, and Kwon

The Commission Secretary read the Closed Session items, stating items 21 through 27 would not be heard.

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 to assert:
AYES: AYES: Vietor, Moran, Caen, Courtney, and Kwon

The Commission entered Closed Session at 4:29 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 Litigation**
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
City and County of San Francisco vs. Stantec Architects, Inc.
City Attorney File No.: 160153
(Resolution 15-0209)

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)
Unlitigated Claim
Scott Falcone and Ayala Mirande v. CCSF
City Attorney Claim No.: 15-02411/Date Filed March 17, 2015
(Resolution 15-0210)

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)
Unlitigated Claim
Gonzalina Morales v. CCSF
City Attorney Claim No.: 15-01980/Date Filed February 10, 2015
(Resolution 15-0211)

18. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8 and San Francisco Administrative Code Section 67.8 (a) (2)
Property
SFPUC Parcel 201A, located adjacent to 460 N. Shoreline Boulevard in Mountain View, CA
Persons Negotiations:
SFPUC: Michael Carlin, Rosanna Russell, and Tony Bardo
Mid-Pen Housing Corporation: Peter Villereal
Under Negotiation:
Price Terms of Payment Both X

19. 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

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
Restore Hetch Hetchy v. City and County of San Francisco
Tuolumne County Superior Court, Case No.: CV-59426
City Law Number 151139/Date Filed: April 21, 2015
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. Pacific Gas & Electric
Federal Energy Regulatory Commission
Case No.: EL15-3-000/Date Filed: October 10, 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
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

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
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

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:
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

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
§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
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
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

27. 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 5:25 PM.

28. Announcement following Closed Session
President Vietor announced that settlements were reached on items 15, 16, and 17, and no other action was taken.

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

Public Comments
None.

(Item 30 was taken out of order).

31. Other new business
None.

32. Adjournment
President Vietor adjourned the meeting at 5:26 PM.