



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed

Mayor

Minutes

Tuesday, August 13, 2019

1:30 P.M.

(Approved August 27, 2019)

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

Commissioners

Ann Moller Caen, President
Francesca Vietor, Vice President
Anson Moran
Sophie Maxwell
Tim Paulson

Harlan L. Kelly, Jr.

General Manager

Donna Hood

Secretary



For information, contact the Commission Secretary at 415-554-3165
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 1:35 PM.
2. Roll Call
Present: Vietor, Moran, Maxwell and Paulson
Excused: Caen
3. Approval of the Minutes of July 23, 2019
On motion to approve the Minutes of July 23, 2019
Ayes: Vietor, Moran, Maxwell and Paulson

No public comment.
4. General Public Comment
 - *Francisco DaCosta questioned the increase cost of the Sewer System Improvement Program. He wants workforce left to the unions.*
 - *Ann Clark, Commonwealth Club, provided the Commission with information on a November 10, 2019 panel discussion: Engineering, Architecture, Technology and the Environment.*
 - *Peter Drekmeier, Tuolumne River Trust, expressed concern with water supply assessments. He distributed a letter sent to the San Francisco Planning Commission regarding the 610-698 Brannan Street (Flower Mart) Project. He expressed hope for continued dialogue.*
5. Communications
 - a) Advance Calendar
 - b) Correspondence Log
 - c) Contract Advertisement Report
 - d) Sewer Inspection and Replacement Program Update
 - e) Water Supply Conditions Update
 - f) Water System Improvement Program Status of Construction Change Orders
No public comment.
6. Report of the General Manager
 - a) Bay Delta Water Quality Control Plan Update
Michael Carlin, Deputy General Manager (DGM) discussed a meeting held with the Mayor, Mayoral staff, and stakeholders that allowed stakeholders to present their beliefs as to what needs to be addressed.

He began his presentation with a review of the Voluntary Agreement process: (1) Map of the Sacramento and San Joaquin Rivers and the San Joaquin Tributaries; (2) The State Team (California Natural Resources Agency, California Environmental Protection Agency, State Water Board, Department of Water Resources, and Department of Fish and Wildlife); (3) Work Groups (Assets to Outcomes, Governance,

Science and Adaptive Management, and Policy); (4) Policy Issues; (5) SFPUC Issues; and (6) Schedule.

DGM Carlin responded to a question from Commission Maxwell regarding the Tributaries involvement in the process. She asked that he provide clarification regarding the participant from Platinum Advisors in the meeting with the Mayor.

DGM Carlin noted that a Water Supply Assessment presentation to the Planning Commission is being planned.

He responded to questions from VP Vietor regarding the schedule for the setting of Biological Goals, and as to the points of contention regarding negotiations.

Commissioner Moran requested that a Commission policy regarding extreme shortages and limits of rationing be adopted prior to the presentation to the Planning Commission.

Public Comment

- Francisco DaCosta discussed abuse of the Tuolumne River. He stated there is no need to flush toilets with fresh water; that Native Americans need to be invited to discussions; and that high-rise development needs to pay more for water.

b) CleanPowerSF (CPSF) Update

Barbara Hale, AGM Power began the update noting the last of the auto enrollments occurred in April. The overall program opt-out rate is 3.4% and the SuperGreen upgrade rate is 1.7%.

AGM Hale provided information as to why customers opt-out of the CPSF Program. She indicated the primary answers given are (1) rate/cost concerns (trust issue); (2) dislike auto enrollment; and (3) decline to answer. AGM Hale noted that auto enrollment is required by state law. She indicated that of the responses, 36% opted-out due to rate/cost concerns, although CPSF customers pay less than PG&E customers. She indicated that the CPSF team is working with the communications staff on customer outreach customers, especially regarding trust issues.

AGM Hale continued with a review of efforts to secure long-term power supply commitments. She noted a Renewable Energy Solicitation Request for Proposal (RFP) was released. She outlined the bid requirements and indicated bid submittals are due August 28, 2019.

AGM Hale noted three long-term power purchase agreements have been entered since program launch. She discussed how they induce

construction and create jobs. She concluded with a slide show of photos of the San Pablo Raceway Solar Project.

AGM Hale responded to questions from VP Vietor regarding the trust issue being a reason for customer opt-out, about the RFP and power purchase agreement, and about the duration of the construction jobs. Commissioner Paulson provided clarification regarding the conditions of construction jobs and discussed the nature of the industry.

Public Comment

- *Francisco DaCosta said that clarification should be provided as to which agency receives payment for CPSF service, and who customers should contact with questions.*

c) Quarterly Audit and Performance Review Report

- i. City and County of San Francisco Basic Financial Statements and Single Audit Report: FY 2017-18
- ii. CleanPowerSF Triennial Data Privacy Audit Report
- iii. Community Benefits, Phase III: Agency-wide Community Benefits Evaluation Framework
- iv. Health and Safety Program Performance Assessment, Phase III
- v. Royalties Lease Administration Audit: Oliver De Silva, Inc.
- vi. *Charles Perl, Deputy Chief Financial Officer, presented a summary of 42 audits and assessments conducted year-to-date. He stated 52% are completed, 36% are in-progress, and 12% are scheduled. He reviewed: (1) audits completed and reports issued; (2) audit highlights for the Royalties Lease Administration Audit: Oliver De Silva, Inc.; (3) City Services Auditor (CSA) Annual Work Plan for FY 19-20, (4) FY 2019-2020 current Q1 outlook; and (5) open CSA audits/recommendations.*

Deputy CFO Perl responded to a question from Commissioner Paulson regarding the CSA's Annual Work Plan Continued Projects, Lean Hiring Process Improvement Phase II and Agency-wide Community Impact Dashboard – Infrastructure.

No public comment.

- d) Water Enterprise Capital Improvement Program Quarterly Report
Dan Wade, Director, Water Capital Programs, presented highlights of the reporting period and provided updates to the following: (1) San Andreas Pipeline No. 2 replacement; (2) Inner Sunset Streetscape Improvements and Muni Forward (Irving Street Project).

GM Kelly provided information on efforts for project coordination of work with other city agencies. Brief discussion ensued.

Mr. Wade continued his presentation: (3) Sunol Long Term improvements; (4) Dam and reservoir improvements; and (4) Westside enhanced water recycling project.

No public comment.

e) Water System Improvement Program (WSIP) Local and Regional Quarterly Reports

Director Wade reviewed the WSIP status and indicated that the project is 98% complete with \$4,487M expended. He provided the following updates: (1) Calaveras Dam Replacement Project; (2) Fish Passage Facility (Alameda Creek Diversion); (3) Regional Groundwater Storage and Recovery; (4) Alameda Creek Recapture Project; and (5) Reallocations of regional budgets approved by the Board of Supervisors.

No public comment.

f) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements

None.

7. Other Commission Business

None.

8. Consent Calendar

- a) Approve Amendment No. 2 to Agreement No. PRO.0029, Project Pull Internship Services, with the Japanese Community Youth Council, to continue providing administrative services and technical assistance for the Project Pull Internship Program; and authorize the General Manager to execute this amendment, increasing the agreement by \$800,000 for a total contract amount not-to-exceed \$3,300,000, with no change to the contract duration. ([Resolution 19-0151](#))
- b) Approve the selection of Carollo Engineers, Inc./Water Resources Engineering, Inc. Joint Venture (Carollo/WRE JV); award Agreement No. PRO.0118, Water Resources Professional Services, to provide specialized and technical services for water resources management, conservation planning and program support for the Water Resources Division of the Water Enterprise; and authorize the General Manager to negotiate and execute a professional services agreement with Carollo/WRE JV for an amount not-to-exceed \$4,000,000, and with a duration of five years. ([Resolution 19-0152](#))
- c) Approve the selection of Dr. Gary Brierly (DBA Doctor Mole Incorporated), Dr. Youssef Hashash, and Mr. Frank Rollo (DBA Frank L. Rollo, Consulting Geotechnical Engineer); award Agreement Nos. PRO.0137.A-C, Tunnel Technical Advisory Panel Services, to Dr. Gary Brierly (PRO.0137.A), Dr. Youssef Hashash (PRO.0137.B), and Mr. Frank L. Rollo (PRO.0137.C), to provide technical advisory services for San Francisco Public Utilities

Commission tunnel projects on an as-needed basis; and authorize the General Manager to negotiate and execute three professional services agreements, each with a duration of four years, in amounts not-to-exceed \$200,000 for PRO.137.A, \$250,000 for PRO.137.B, and \$200,000 for PRO.0137.C. ([Resolution 19-0153](#))

- d) Approve an increase in the amount of \$4,316,159 to the existing contract cost contingency, and an increase of 220 calendar days (approximately seven months) to the existing contract duration contingency, for Contract No. WD-2729, Fish Passage Facilities within the Alameda Creek Watershed, a sub-project of the Calaveras Dam Replacement Project; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$44,757,805 and a total contract duration of up to 1,289 consecutive calendar days. ([Resolution 19-0159](#))
- e) Approve an increase in the amount of \$600,000 to the existing contract cost contingency and an increase of 30 calendar days to the existing contract duration contingency for Contract No. WD-2794A, Sunol Long Term Improvements Sunol Yard; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$37,054,700 and a total contract duration of up to 986 consecutive calendar days. ([Resolution 19-0154](#))
- f) Approve an increase in the amount of \$400,000 to the existing construction contract cost contingency and an increase of 250 calendar days to the existing contract duration contingency for Contract No. WD-2809, San Francisco Groundwater Supply Phase 2; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$11,158,000 and a total contract duration of up to 1,075 consecutive calendar days. ([Resolution 19-0155](#))
- g) Ratify correction to the contract duration approved on April 9, 2019 in Resolution No. 19-0069 for Contract No. WD-2850(I), Crystal Springs/San Andreas Pipeline Erosion Repair at OW-13 and OW-18, to state that Modification No. 2 (Final) increased the contract duration by 22 days for a final total duration of 112 consecutive calendar days. ([Resolution 19-0156](#))
- h) Accept the work performed by Kone, Inc. for Contract No. WW-597, Wastewater Enterprise Elevator Maintenance; approve Modification No. 2 (Final), decreasing the contract amount by \$59,842, for a total contract amount of \$537,127 and with a total contract duration of 1,196 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 19-0157](#))
- i) Accept work performed by Pipe & Plant Solutions, Inc. for Contract No. WW-658, As-Needed Cleaning and Inspection of Large Sewers; approve Modification No. 4 (Final) decreasing the contract amount by \$21,405 and decreasing the contract duration by 326 consecutive calendar days, for a total contract amount of \$2,941,989 and a total contract duration of 604

consecutive calendar days; and authorize final payment to the contractor. (Resolution 19-0158)

VP Vietor requested that item 8d be removed.

On motion to approve Consent Calendar items 8a through 8c and 8e through 8i:

Ayes: Vietor, Moran, Maxwell and Paulson

No public comment 8a through 8c and 8e through 8i.

Item 8d: Alameda Creek Fish Recapture Project. Contract No. WD-2729, Fish Passage Facilities within the Alameda Creek

Director Wade responded to a question from VP Vietor as to the need for the increase in the contract amount and time extension. He indicated construction is completed and change order requests are being negotiated with the contractor, resulting in the need for the approval of increased funding and time to allow for project close-out in September.

On motion to approve Consent Calendar item 8d:

Ayes: Vietor, Moran, Maxwell and Paulson

No public comment.

9. Adopt the Final Mitigated Negative Declaration (FMND), the Mitigation Monitoring and Reporting Program (MMRP), and the Findings as required by the California Environmental Quality Act (CEQA) for the Montara Mountain Rainfall Prediction and Radio Replacement Project; approve Montara Mountain Rainfall Prediction and Radio Replacement Project to install a weather radar and communications tower on Montara Mountain; adopt the required CEQA Findings, FMND and MMRP; and authorize the General Manager to implement the Project. This action constitutes the Approval Action for the project for the purposes of the CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. (Resolution 19-0160)

Steve Ritchie, AGM Water, introduced the item noting CEQA approval is being requested. He discussed the need for the Montara Mountain Rainfall Prediction and Radio Replacement Project and displayed photos of the project site and surrounding area. AGM Ritchie indicated that while biological surveys for the project were being conducted, habitats for the endangered butterflies were discovered. He stated the watershed boundary security fence was in disarray and that no trespassing signs had been removed. He noted a new gate and fence have been installed to ensure access control to the restricted area. He stated citizens have expressed concern with access being cut-off. He emphasized access has always been restricted and that people were illegally entering the watershed. He displayed photos showing public access areas to SFPUC watersheds.

AGM Ritchie responded to a question from VP Vietor regarding a proposed connector trail.

Public Comment

- *Lee Watts expressed concern with the closure of the north peak of Montara Mountain. He indicated he had been hiking the area for years and that he had not crossed gates or trespassed. He stated the trail was a prominent destination for hikers and is shown as a destination in multiple hiking books. He discussed the negative impact of the newly installed fence.*
- *Sean Handel asked that the item not be approved and that an analysis of recreational use be conducted. He stated he has not seen no trespassing signs. He presented slides including Golden Gate National Recreation Area trail signs for peak access and screen shots from websites containing information for trail and peak access. He discussed the impact of the newly installed fence and stated there was no notice provided or public input. He requested that signs be put up, the fence be removed, and public access be made available.*
- *Matthew Blain concurred with comments from previous speakers. He noted the butterfly habit has been there for years. He displayed a map showing previous and current access. He requested the commission reject the project due the lack of recreational access.*
- *Ron Little, Coastside Running Club, read a letter from club president Paula Leuzzi addressing the impact the closure has on the running community and noted the importance of the trail to the Club.*

At Commissioner Maxwell's request additional response was provided in response to the comments made by the speakers. Debbie Craven Green, Permitting Manager, Bureau of Environmental Management, provided information on permitting requirements from the US Department of Fish and Wildlife necessary to avoid impacts for endangered butterflies.

In response to a question raised by VP Vietor regarding the impact of the construction project on the endangered butterflies, AGM Ritchie stated the assessment of potential biological impact on the project resulted in staff discovering that damage to vegetation from hikers was present. He emphasized the importance of a closed watershed due to negative human impacts. He stated the installation of the gate and fence is independent of the project under consideration. AGM Ritchie indicated willingness to meet with individuals and groups to discuss options for alternate access to the connecting trail.

AGM Ritchie responded to a question from Commissioner Paulson about how access might be granted. GM Kelly, Jr. summarized the actions that have taken place and what is needed to minimize impact to the habitat and still provide limited access.

VP Vietor stated community engagement should have happened prior to the installation of the gate and fence. She stated a sign should be placed on the fence informing the public of the situation.

Irina Torrey, Manager, Bureau of Environmental Management, discussed the importance of the project and that the environmental documents presented address environmental concerns. She indicated access and installation of the fence and gate is a separate issue and needs to be addressed through watershed management and planning. She noted the importance of the project and requested that the project be approved.

Commissioner Moran stated that access, fence, and gate issues are separate from the CEQA item presented for approval. He stated the watershed needs to be protected. He encouraged staff to talk to interested parties to discuss solutions for completion of existing trails and that they be open to a limited solution to access higher ground (not peak), if possible.

VP Vietor and Commissioner Paulson noted the need to decouple the two issues of project approval and trail access. GM Kelly Jr. noted that even if the Commission does not approve the project that trail access would still be denied as protection for the habitat and watershed.

Commissioner Maxwell stated the community who use the trail are “assets” and their input and ideas are valuable.

GM Kelly directed AGM Ritchie to meet with interested parties and report back to the Commission on possible access solutions.

VP Vietor requested that staff meet with interested parties, that signage and information be put on the fence, and that staff report back with progress.

*On motion to approve Item 9:
Ayes: Vietor, Moran, Maxwell and Paulson*

10. Approve the Revised Water Supply Assessment for the proposed Potrero Power Station Project, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act (CEQA) Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 19-0161](#))
AGM Ritchie introduced the item and requested approval.

*On motion to approve Item 10:
Ayes: Vietor, Moran, Maxwell and Paulson*

No public comment.

11. Public Comment on matters to be addressed during Closed Session
None.

12. 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, Moran, Maxwell and Paulson*

The Commission entered Closed Session at 3:52 PM.

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
Abuon Mayen v. City and County of San Francisco, et al.
San Francisco Superior Court No. CGC-18-566751 / Date Filed: March 3, 2018
Proposed settlement of lawsuit with plaintiff's release of lawsuit and the City to pay plaintiff \$225,000.
(Resolution 19-0162)
14. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Existing Unlitigated Claim
Federal Insurance Co. a/s/o/ CCT Enterprise v. City and County of San Francisco
Unlitigated File No. 19-01921
Proposed settlement of claim with claimant's release of all claims and the City to pay claimant \$47,766.59.
(Resolution 19-0163)
15. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Existing Unlitigated Claim
Property & Casualty Insurance Co. of Hartford v. City and County of San Francisco
Unlitigated File No. 19-00629
Proposed settlement of claim with claimant's release of all claims and the City to pay claimant \$72,273.
Resolution 19-0164)
16. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Existing Unlitigated Claim
The Mint Collection HOA v. City and County of San Francisco
Unlitigated File No. 19-00585
Proposed settlement of claim with claimant's release of all claims and the City to pay claimant \$35,147.30.
(Resolution 19-0165)
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

The Roman Catholic Archbishop of San Francisco, et al. v. City and County of San Francisco et al.

United States District Court Northern District 13-CV-2220 MEJ / Date Filed: April 11, 2013

Proposed settlement of lawsuit and the City's claim against co-defendant U.S. Pipe, with U.S. Pipe to pay the City \$913,970.
(Resolution 19-0166)

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

Pacific Gas & Electric Corporation

Case No. 19-30088/Date Filed: January 29, 2019

Case No. 19-30089/Date Filed: January 29, 2019

United States Bankruptcy Court, Northern District of California

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

City and County of San Francisco v. Pacific Gas & Electric Company, Docket No. EL19-38-000/Date Filed: January 28, 2019 Federal Energy Regulatory Commission

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

City and County of San Francisco v. Pacific Gas & Electric Federal Energy Regulatory Commission Complaint under Sections 206 and 306 of the Federal Power Act.

Case No. EL15-3-000/Date Filed: October 9, 2014

The Commission exited Closed Session at 5:36 PM.

21. Announcement Following Closed Session

VP Vietor announced items 13 through 17 were approved for submission to the Board of Supervisors.

22. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12 (a)

On motion not to disclose

Ayes: Vietor, Moran, Maxwell and Paulson

23. Other New Business

Commission Maxwell requested a policy be developed on community outreach and engagement.

24. Adjournment

VP Vietor adjourned the meeting at 5:38 PM.