



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, July 23, 2019

1:30 P.M.

(Approved August 13, 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
President Caen called the meeting to order at 1:35 PM.

2. Roll Call
Present: Caen, Moran, Maxwell and Paulson
Excused: Vietor

3. Approval of the Minutes of June 25, 2019
On motion to approve the minutes of June 25, 2019
Ayes: Caen, Moran, Maxwell and Paulson

No public comment.

4. General Public Comment
- Francisco DaCosta discussed the Board of Supervisors Budget Committee hearing discussions surrounding electric transmission and electric requirements for digesters.

President Caen welcomed Project Management Bureau interns in attendance.

5. Communications
 - a) Advance Calendar
 - b) Correspondence Log
 - c) Contract Advertisement Report
 - d) O'Shaughnessy Dam Reservations Quarterly Report
 - e) Water Supply Conditions Update
 - f) Water Supply Agreement Update
No public comment.

6. Report of the General Manager (GM)
 - a) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
GM Kelly, Jr. updated the Commission on his plans to present to the Planning Commission on water supply assessments. He discussed community partnerships regarding best use for water supply.

No public comment.

7. Bay Area Water Supply & Conservation Agency (BAWSCA) Update
Nicole Sandkulla, BAWSCA CEO, indicated bold leadership is needed to oversee the new water supply program. She stated that by December a plan should be developed that documents how the program will be implemented, and should include budget, structure, focus, responsibilities, schedule, and that it should be included in the 2020 Capital Improvement Program.

GM Kelly stated a program manager will be hired and he will come back to the Commission with a structure and schedule.

Public Comment

- *Francisco DaCosta discussed the Raker Act and creation of the Hetch Hetchy Dam and reservoir.*

8. Other Commission Business

None.

9. Consent Calendar

- a) Approve Amendment No. 2 to Agreement No. CS-224.B, System Integration and Support Services – Related to Project Controls to continue to provide specialized system integration and support services for delivery of capital improvement programs and capital projects for all San Francisco Public Utilities Commission Enterprises; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$500,000 for a total not-to-exceed agreement amount of \$9,500,000, with no change to the agreement duration. ([Resolution 19-0132](#))
- b) Approve Amendment No. 1 to Agreement No. CS-387RR, Residential Graywater and Rainwater Harvesting Program, with The Urban Farmer Store, to continue to provide information, training, on-site technical assistance, and the components necessary to install residential laundry-to-landscape graywater systems and rainwater harvesting systems for outdoor irrigation at single and two-unit residential homes in San Francisco; and authorize the General Manager to execute this amendment, increasing the contract by amount by \$100,000 and increasing the contract duration by two years, for a total not-to-exceed agreement amount of \$400,000 and a total agreement duration of six years; and changing the contractor's name from The Urban Farmer Store to The Urban Farmer Store, LP. ([Resolution 19-0133](#))
- c) Approve an increase of \$1,000,000 to the contract cost contingency, and an increase of 56 consecutive calendar days to the contract duration contingency for Contract No. DB-127R, Warnerville Substation Rehabilitation; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to \$24,803,990 and a total revised contract duration of up to 841 consecutive calendar days. ([Resolution 19-0134](#))
- d) Approve an increase of 123 consecutive calendar days to the contract duration contingency for Contract HH-980, Lower Cherry Aqueduct Rehabilitation – Phase 1; and authorize the General Manager to approve future modifications to the contract for a total contract duration limit of up to 420 consecutive calendar days, with no change in contract amount. ([Resolution 19-0135](#))
- e) Approve the plans and specifications, and award Contract No. HH-993, Early Intake Switchyard Slope Hazard Mitigation, in the amount of

\$1,091,240 and with a duration of 150 consecutive calendar days, to the lowest responsible bidder, Sierra Mountain Construction, Inc. This action constitutes the Approval Action for the project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 19-0136](#))

- f) Accept work performed by Sierra Mountain Construction, Inc. for Contract No. HH-996(E), Emergency Response Activities Necessary to Restore Service in the Aftermath of the March 2018 Storm Event in Moccasin, CA; approve Modification Nos. 1 and 2 (Final), increasing the contract amount by \$83,907 and increasing the contract duration by one calendar day, for a total contract amount of \$1,083,907 and a total contract duration of 241 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0137](#))
- g) Accept work performed by Fontenoy Engineering for Contract No. WD-2706, 12-inch Ductile Iron Water Main Installation on Pacheco Street from 10th Avenue to Alton Avenue and on various side streets; approve Modification No. 2 (Final), decreasing the contract by \$110,761, for a total contract amount of \$3,058,310; and authorize final payment to the contractor. ([Resolution 19-0138](#))
- h) Accept the work performed by JMB Construction, Inc. for Contract No. WD-2798, San Francisco Westside Recycled Water Project Pipeline; Approve Modification No. 4 (Final), decreasing the contract amount by \$1,388,159 for a total contract amount of \$21,773,085, and with a total contract duration of 545 calendar days; and authorize final payment to the contractor. ([Resolution 19-0139](#))
- i) Approve an increase of \$79,273 to the construction contract cost contingency for Contract No. WW-631, Crocker Amazon/Excelsior/ Ingleside Districts Sewer Replacement and Pavement Renovation; and authorize the General Manager to approve future modifications to the contract for up to a total contract amount of \$10,761,635, with no change in contract duration. ([Resolution 19-0140](#))
- j) Approve an increase of 42 consecutive calendar days to the existing 295 days construction contract duration contingency for Contract No. WW-633, Various Locations Sewer Replacement No. 2; and authorize the General Manager to approve future modifications for a total revised contract duration of up to 843 consecutive calendar days, with no change to contract amount. ([Resolution 19-0141](#))
- k) Approve the plans and specifications and award Contract No. WW-691, Sunset Boulevard Greenway – Phase II Irving Street to Ulloa Street in the amount of \$2,572,351, with a duration of 395 consecutive calendar days to the lowest responsive bidder, Minerva Construction, Inc. to construct green infrastructure in the median west of Sunset Boulevard. This action constitutes the Approval Action for the project for the purposes of California

Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 19-0142](#))

- I) Approve the specifications, and award Contract No. WW-695, As-Needed Sewer Cleaning and Inspection (FY20), in the amount not-to-exceed \$1,747,550, with a duration of 570 consecutive calendar days, to the lowest 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. ([Resolution 19-0143](#))

*On motion to approve Consent Calendar items 9a through 9l.
Ayes: Caen, Moran, Maxwell and Paulson*

No public comment.

10. Workshop: Overview of the Sewer System Improvement Program including update on New Headworks Facility and Biosolids Digester Facilities Projects. *Howard Fung, Acting Wastewater Enterprise Capital Manager, began the presentation with a review of two project delivery models Design-Bid-Build (DBB) and Construction Manager/General Contractor (CM/CG). He indicated the CM/CG model was selected for the Headworks and Biosolids project. Mr. Fung outlined CM/CG advantages vs DBB and CM/CG considerations. He reviewed cost estimating and then discussed CMCG Risk mitigation, including the types of risk, noting risk mitigation under CM/CG provides greater flexibility than DBB.*

Jignesh Desai, Senior Project Manager, continued with an update for the Southeast Plant New Headworks Facility Project update and a review of the project's objectives, and scope. He discussed the program schedule and explained the DBB vs CM/CG schedule, noting the DBB is a linear progression and the CM/CG has concurrent design and construction. Mr. Desai continued with a review of risk mitigation, cost increases, and construction progression. He reviewed the bid packages and indicated that 24 packages (Scope I and II.A) were awarded, 15 bid and award (Scope III first wave), and 78 packages are to be advertised (48 for remaining Scope III and 30 for Scope II.B and II.C). He displayed a conceptual rendering of the facility and stated the project received the Envision Gold Award from the Institute for Sustainable Infrastructure.

GM Kelly, Jr. responded to questions from Commissioner Moran regarding what was included in the 10-Year Capital Budget, budgeting for program contingency, Sewer System Improvement Program (SSIP) reserves, risk management, and re-baselining. Brief discussion ensued.

Mr. Desai responded a question from President Caen as to where the 54" wet weather pipe will go.

Carolyn Chiu, Senior Project Manager, continued with a review of the projects location and purpose, objectives, and key features. She presented renderings of the current site layout, eastern aerial view, and building information modeling

site layout. She reviewed the current project status, CM/CG risk mitigation, construction cost progression.

GM Kelly, Jr. responded to a request from Commissioner Paulson that staff be diligent about ensuring there are no problems with infrastructure to avoid issues that are faced at some San Francisco construction sites.

GM Kelly, Jr. responded to a question from Commissioner Moran as to the status of the budgeting process. Brief discussion ensued.

Commissioner Moran asked that staff respond to Mr. DaCosta's comments under item #4, General Public Comment, regarding electric transmission and electric requirements for the digesters. GM Kelly and Mr. Fung provided response.

Public Comment

- Francisco DaCosta discussed adverse impacts on the Bayview community, task force work and findings, and concerns with the project.
- Steve Lawrence expressed concern with the digester project and possible cost over-runs. He requested that close attention be paid to the project and thanked the Commission for their concerns.

11. Approve the terms and conditions of and authorize the General Manager to execute a Purchase and Sale Agreement in the amount of \$9,650,000 for the purchase of approximately 787 acres of agricultural land commonly known as the Wool Ranch, in the unincorporated Town of Sunol in Alameda County, California, from Barton E. Wool, Brian O. Wool, as Trustee of the Jeffrey B. Wool Living Trust, Scott A. Wool, and Sharon J. Wright, as tenants in common. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04 (h) of the San Francisco Administrative Code. ([Resolution 19-0144](#))
Michael Carlin, Deputy General Manager (DGM), introduced the item and requested approval.

President Caen departed the hearing room at 3:08 PM.

DGM Carlin responded to a question from Commissioner Maxwell as to what is being done with any buildings on the property, if there are passive uses, who maintains the property, and fire safety management.

President Caen returned to the hearing room at 3:13 PM.

*On motion to approve Item 11
Ayes: Caen, Moran, Maxwell and Paulson
No public comment.*

12. Approve Revised Project No. CWWSIPCSSR03, Kansas and Marin Streets Sewer System Improvement, with a new tunnel alignment that supersedes the

project configuration previously approved by Commission Resolution No. 15-0111. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 19-0145](#))

Kathy How, AGM Infrastructure, introduced the item and requested approval.

AGM How responded to a question from President Caen regarding the termination of existing leasing and licenses.

Commissioner Paulson departed the hearing room at 3:15 PM.

*On motion to approve Item 12
Ayes: Caen, Moran, and Maxwell*

No public comment.

13. Approve Project No. CWWSIPCSSR11, Cargo Way Sewer Box Odor Reduction. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 19-0146](#))

AGM How introduced the item and requested approval.

*On motion to approve Item 13
Ayes: Caen, Moran, and Maxwell*

No public comment.

14. Authorize the General Manager to request approval from the Board of Supervisors to accept and expend Hazard Mitigation Grant funds in the amount of \$488,259 from the Federal Emergency Management Agency in for Phase Two of the Early Intake Switchyard Slope Stabilization Project. ([Resolution 19-0147](#))

Steve Ritchie, AGM Water, introduced the item and requested approval.

Commissioner Paulson returned to the hearing room at 3:18 PM.

*On motion to approve Item 14
Ayes: Caen, Moran, and Maxwell and Paulson
No public comment.*

15. Award Job Order Contract No. JOC-78R, Micro-LBE Set Aside, General Engineering (A-License) for San Joaquin, Stanislaus, and Tuolumne Counties for a not-to-exceed amount of \$2,000,000, with a minimum guaranteed amount of \$50,000, and a duration of two years, to the sole responsible bidder submitting a responsive bid, Peterson Excavation, Inc., to perform General Engineering construction tasks for all San Francisco Public Utilities Commission Enterprise Operations and Bureaus in San Joaquin, Stanislaus, and Tuolumne Counties. ([Resolution 19-0148](#))

AGM How introduced the item and requested approval.

On motion to approve Item 15

Ayes: Caen, Moran, Maxwell and Paulson

No public comment.

16. Authorize the General Manager to negotiate and execute a Cost-Sharing Agreement with the Alameda County Water District and Union Sanitary District in an amount not-to-exceed \$377,500 and with a duration of 30 months for consultant services to conduct a joint purified water feasibility evaluation study. (Resolution 19-0149)

AGM Ritchie introduced the item and requested approval.

On motion to approve Item 16

Ayes: Caen, Moran, Maxwell and Paulson

No public comment.

Commissioner Paulson recused himself from item 17 based on a conflict of interest because his employer is a signatory to the Project Labor Agreement and he departed the hearing room at 3:25 PM.

17. Approve the Second Addendum to the Water System Improvement Program (WSIP) Project Labor Agreement (PLA) (1) extending the PLA to seven additional significant SFPUC capital projects, (2) updating certain terms of the PLA to be consistent with terms in the 2016 Sewer System Improvement Program Extension Agreement, and (3) authorizing the General Manager, with the approval of the PLA Joint Administrative Committee, to add additional significant SFPUC capital projects to the PLA in the future; and retroactively approve and ratify the prior actions of the SFPUC General Manager, with the concurrence of the PLA Joint Administrative Committee, extending the PLA to the Harding Park Recycled Water Project, Bay Corridor Transmission and Distribution Project, Sunol Long Term Improvements Watershed Center Project, and Southeast Community Center Project at 1550 Evans. (Resolution 19-0150)

Masood Ordikhani, Infrastructure, introduced the item and reviewed the three terms of the PLA Second Addendum. He noted the third Whereas clause of the recitals to the Second Addendum incorrectly references "Auxiliary Water Supply System (AWSS) Pump Station 1" and it should read "AWSS Pump Station 2".

On motion to approve Item 17 with the correction to the Second Addendum to read "AWSS Pump Station 2".

Ayes: Caen, Moran, and Maxwell

No public comment.

Commissioner Paulson returned to the hearing room at 3:29 PM.

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

19. 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, Maxwell and Paulson

The Commission entered Closed Session at 3:30 PM.

20. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Anticipated Litigation as Plaintiff

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 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

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
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

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 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 4:43 PM.

24. Announcement Following Closed Session
All items were for discussion only and no action was taken.

25. 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: Caen, Moran, Maxwell and Paulson

Public Comment
None.

26. Other New Business
None.

27. Adjournment
President Caen adjourned the meeting at 4:44 PM.